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Government deficit remains high at 4.2% in 2025

Debt ratio has risen to 81.5%

Vienna, 2026-03-31 – In 2025, the Austrian government deficit amounted to 4.2% of gross domestic product (GDP) or €21.5 bn, according to preliminary results from Statistics Austria. Government debt increased by €23.0 bn to €418.1 bn at the end of 2025. The debt ratio, i.e. the ratio of government debt to nominal gross domestic product, rose from 80% of GDP to 81.5%.

“Austria’s budget deficit stood at €21.5 billion in 2025, representing 4.2% of GDP, and thus remained above the Maastricht limit of 3%. Compared with 2024, the deficit fell by €1.5 billion, mainly because government revenue rose more sharply than expenditure in 2025. The smaller increase in government expenditure compared to 2024 is primarily due to the fact that wage and salary adjustments in the public sector were lower as well as declines in crisis-related measures,” says Manuela Lenk, Director General Statistics of Statistics Austria.

Government revenue increased in 2025 by 4.5% or €11.3 bn to €261.5 bn compared to 2024. Government expenditure increased by 3.6% or €9.8 bn to €283.0 bn. This results in a government deficit of €21.5 bn, down from €23.0 bn in 2024. Relative to nominal GDP, the government deficit amounted to 4.2% (2024: 4.6%). Thus, net borrowing in 2025 changed by 0.46 percentage points due to a stronger increase in revenues than expenditures. This corresponds to a reduction of the government deficit of €1.5 bn compared to 2024.

The largest share of government deficit can be attributed to the central government sector with €15.2 bn. The deficit of the state government sector was at €2.3 bn, the deficit in the local government sector increased by €0.3 bn compared to the previous year to €3.3 bn, and the deficit in the social security sector is at €0.6 bn.

Government expenditure rose more moderately than in previous years

Government expenditure rose in 2025 by 3.6% or €9.8 bn. In nearly every expenditure category the increase in 2025 was below that of 2024. The lower wage and salary agreements are reflected in the increase of compensation of employees (+4.9% in 2025 compared to +10.7% in 2024). Social benefits other than in kind increased by 6.1%, mainly driven by payments for pensions and unemployment. The increase in social transfers in kind (+6.3%) is driven by the health care sector (doctors, pharmaceuticals etc.).

The level of subsidies decreased further in 2025 (-7.2%) due to the expiration of measures to mitigate the high energy prices (e.g. “Stromkostenbremse”). Other measures like the support measure for energy-intensive companies (“Stromkostenausgleich 2025”) or the increased expenditure for partial retirement (“Altersteilzeit”) partly counteracted this decrease.

Gross capital formation, already at a high level, increased slightly by 2.1%. This increase is due to investments in military goods and hospitals, whereas gross capital formation in the area of transport decreased.

Interest payments remain on a relatively low level but increased sharply in 2025 by €0.9 bn (+12.6%). The highest increase of interest payments in absolute terms can be seen in the central government sector, where most of the general government debt is recorded.

Government revenue grew less strongly compared to previous years

86.6% of government revenue in 2025 derived from taxes and social contributions, which totalled €226.4 bn. This is an increase of 4.9% or €10.6 bn compared to the previous year. Tax revenue was 4.8% higher than in 2024.

Revenues from production and import taxes increased significantly in 2025 by €4.4 bn (+6.6%). This is mainly due to an increase in energy taxes after their reduction in 2023 and 2024, but also attributable to the reinstatement of the renewables electricity flat rate (“Erneuerbaren-Förderpauschale”) and the renewable electricity contribution (“Erneuerbaren-Förderbetrag”) after their pause in the years 2022 to 2024. Value added tax increased moderately by 3.4%.

Income and wealth taxes increased by a total of €2.2 bn (+3.1%), with various factors at play. On the one hand, there were increases in revenue from the wage tax and from taxes on capital yields. On the other hand, there was again a decrease in revenues from corporation taxes. The increase in revenues from social contributions of 5% in 2025 made a substantial contribution to government revenue.

Government debt rose to €418.1 bn at the end of 2025

As of 31 December 2025, government debt was €418.1 bn, €23.0 bn more than at the end of 2024. Categorized by type of debt, government debt at the end of 2025 is split into €371.2 bn of debt securities, €44.9 bn of loans and €2.0 bn of currencies and deposits.

The central government sector accounted for the largest share of the increase in public debt with €16.9 bn. Other subsectors, primarily the state and local government subsectors, contributed to this increase with additional debt of €6.1 bn, with an increase in debt of €2.9 bn and €3.2 bn in the state and local government subsector respectively.

The core unit “Bund” caused the biggest part of the increase of central government debt, where the new debt was mainly used to cover the current deficit. Additionally, some extrabudgetary units in the central government sector caused a rise in debt due to credit financed investments in infrastructure projects.

Table 1: Government finance – key data of government

	2022	2023	2024	2025
Government revenue in bn Euro	222.7	237.7	250.2	261.5
of which				
Tax revenue	125.7	131.6	136.8	143.4
Social contributions	68.3	73.3	79.0	83.0
Sales	19.5	21.7	23.3	24.4
Other	9.1	11.2	11.2	10.7
Government expenditure in bn Euro	238.0	250.0	273.2	283.0
of which				
Social benefits	100.8	108.4	119.7	127.0
of which: monetary social benefits	81.6	87.7	96.8	102.8
Compensation of employees	46.6	50.6	56.0	58.8
Intermediate consumption	31.7	33.1	34.9	36.1
Subsidies	11.8	10.7	9.2	8.6
Investments	19.5	18.1	19.9	20.3
Interest payments	4.3	5.7	7.3	8.3
Other expenditure	23.4	23.4	26.1	24.0
Deficit/surplus in bn Euro	-15.3	-12.2	-23.0	-21.5
Deficit/surplus in % of GDP	-3.4	-2.6	-4.6	-4.2
GDP in bn Euro	449.4	477.8	494.1	512.8

S: STATISTICS AUSTRIA, Public Finance. – Compiled on 31 March 2026. Rounding differences not settled.

Table 2: Government debt, in absolute terms and in percentage of GDP, in comparison to the previous year by subsectors of the government

Subsectors of the government	In bn. Euro		In % of GDP	
	2024	2025	2024	2025
General government	395.1	418.1	80.0	81.5
Central government	341.6	358.5	69.1	69.9
State government	28.4	31.2	5.7	6.1
Local government	23.7	27.0	4.8	5.3
Social security funds	1.3	1.4	0.3	0.3

S: STATISTICS AUSTRIA, Public Finance. – Compiled on 31 March 2026. Rounding differences not settled.

For detailed results and further information about public finance, please refer to our [website](#).

Information on methods, definitions:

The government revenue and expenditure are categorised according to the European System of Accounts (ESA 2010, EU regulation No. 549/2013). Government deficit consists of the difference of government expenditure and revenue. The presented tax revenue and social contributions include those taxes and social contributions, which are unlikely to be collected.

Government debt is recorded as gross figure, i.e. financial assets are not subtracted. The difference between changes of government debt and of government deficit is recorded in the so-called “stock-flow-adjustment”. This may result e.g. from sales of financial assets or from accrual accounting of issue discounts.

Basis for the 2025 results are the provisional annual public accounts for federal government, quarterly data for state and local government units as well as provisional data for the social security funds. A first estimate of the numerous extra-budgetary units was made based on individually available information.

Statistics Austria compiles data for general government twice a year. These data are published end of March and end of September, in line with the obligations to notify these data as well as statistics on government deficit and government debt to the European Commission (EU regulations No. 549/2013 and No. 220/2014). Data according to the mentioned European regulations refer to general government and to the four subsectors central, state and local governments as well as social security funds.

Statistics Austria is the central organisation for official data and statistics on society, the economy, the state and the environment. As a national statistical institute, it is committed to the statutory principles of independence, impartiality and objectivity. Statistics Austria is headed by Manuela Lenk, Director General Statistics, and Franz Haslauer, Director General Finance.

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