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### Public Finances 2018: government surplus at 0.1% of GDP, government debt at 73.8%

**Vienna**, 2019-03-28 – For the first time since 1974 public finances in Austria showed a **surplus** of 0.1% of GDP (€426 million) in 2018, compared to a deficit of 0.8% (€2.8 bn) in 2017. According to Statistics Austria, **government revenue** increased by 4.8% or €8.6 bn, while **government expenditure** rose by 2.9% or €5.3 bn. **Government debt** decreased in relative terms from 78.2% of GDP in 2017 to 73.8% of GDP in 2018 and in absolute terms from €289.3 bn in 2017 to €284.8 bn in 2018.

#### Government revenue from taxes increased sharply

Total government revenue increased by 4.8% (€8.6 bn) in 2018 and stood at €187.6 bn. Social contributions and taxes, which accounted for 87.7% of government revenue, amounted to €164.5 bn (+5.3%). Revenue from taxes on production and imports (including value added tax) grew by 2.6% or €1.3 bn. Revenue from current taxes on income and wealth increased sharply by 8.4% or €4.0 bn in 2018. This is mainly due to the growth of the wage tax by €1.9 bn and of the corporation tax by €1.2 bn. Revenue from wage tax in 2018 amounting to €28.3 bn (+7.1%) is only slightly below the level from before the tax reform (2015: €28.4 bn).

#### Government expenditure increased slightly

Total government expenditure increased by 2.9% (€5.3 bn) in 2018 and stood at €187.2 bn. 45.0% of government expenditure was related to social expenditure in 2018 (+2.9%). Compensation of government employees, which constitutes almost 21% of government expenditure, increased by 2.7%. Intermediate consumption (about 13% of government expenditure) rose by 1.9%. Support measures amount to about 11% of government expenditure. The sharp increase of expenditure for support measures by €1.8 bn (+10.1%) in 2018 was mainly caused by the development of the contribution to the EU-budget which showed an increase of almost €850 million in 2018 after a decrease of almost €300 million in 2017. Gross capital formation showed 2018 with €11.5 bn approximately the same level as 2017. This is mainly due to decreasing gross fixed capital formation of social security sector, federal government and states ("Länder"). Interest expenditure declined sharply in 2018 (-6.2%).

#### Surplus in three subsectors of government

Central government was marked by a sharp decrease in government deficit which stood at €736 million in 2018 (2017: €3.2 bn). State government showed a surplus of €619 million in 2018 (2017: surplus of €231 million). Local government showed a surplus of €26 million in 2018 (2017: deficit of €301 million). A surplus of €518 million can be noticed in the social security sector (2017: €472 million).

#### Government debt ratio fell to 73.8% of GDP

In 2018, government debt decreased by 4.4 percentage points to 73.8% of GDP in relative terms and decreased by €4.5bn to €284.8 bn (2017: €289.3 bn) in absolute terms, of which €1.7 bn were currencies and deposits, €239.5 bn were recorded as debt securities and €43.7 bn as loans.

For more detailed results and further information please refer to our [website](#).

**Information on methods, definitions:** Basis for the 2018 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. 222/2014). Data according to the mentioned European regulations refer to general government and to the four subsectors. Government revenue and government expenditure are classified according to the European System of Accounts (ESA 2010). Government deficit is equal to the difference between government revenue and government expenditure.

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**Table 1: Public finances 2017/2018 – data of general government**

	Year	
	2017	2018
<b>Government revenue (in billion €)</b>	<b>179.1</b>	<b>187.6</b>
of which		
Tax revenue	100.3	105.7
Social contributions	56.0	58.8
Sales	15.7	16.1
Other	7.1	7.1
<b>Government expenditure (in billion €)</b>	<b>181.9</b>	<b>187.2</b>
of which		
Social expenditure	81.9	84.3
Compensation of employees	39.1	40.1
Intermediate consumption and taxes on production and imports and current taxes on income, wealth	24.7	25.2
Support measures	17.9	19.7
Gross capital formation and Acquisitions less disposals of non-produced non- financial assets	11.4	11.5
Property income	6.8	6.4
<b>Government deficit/surplus and government debt according to Maastricht regulation</b>		
Government deficit/surplus as % of GDP	-0.8	+0.1
Government debt as % of GDP	78.2	73.8
GDP in billion €	369.9	386.1
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**Table 2: Government debt 2017/2018 by subsector**

Sector	End of year			
	2017	2018	2017	2018
	in billion €		as % of GDP	
<b>General government</b>	<b>289.3</b>	<b>284.8</b>	<b>78.2</b>	<b>73.8</b>
Central government	251.2	245.9	67.9	63.7
State government	21.4	21.2	5.8	5.5
Local government	15.7	16.3	4.2	4.2
Social security funds	0.9	1.3	0.2	0.3
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