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Public Finances at mid-year 2021: government deficit at 7.2% of GDP, government debt at 86.2%

Vienna, 2021-09-30 – In the first two quarters of 2021, public finances in Austria showed a **deficit** of €13.9 bn or 7.2% of the quarterly Gross Domestic Product (GDP), according to Statistics Austria. Compared to the first half of the previous year, this figure has risen by €1.4 bn (Jan-Jun 2020: €12.4 bn resp. 6.8% of GDP). Government **debt** increased to €334.7 bn resp. 86.2% of GDP at the end of the second quarter 2021.

Whereas General Government **revenue** increased by 6.4% resp. €5.7 bn compared to the first half of 2020, General Government **expenditure** rose by 7.0% resp. €7.1 bn.

"Austria's public debt is growing and growing. Although revenues were already back at pre-crisis levels in the first half of 2021, subsidies and social spending to contain the Corona fallout have pushed government spending to 15% above the level of the first half of 2019. Overall, the Corona crisis has pushed Austria off the consolidation path. After reducing the government debt ratio from 84.9% to 70.6% between 2015 and 2019, it has grown to 86.2% by the end of June 2021," said Statistics Austria Director General Tobias Thomas.

General Government revenue in the first half of 2021

88.2% of General Government revenue in the first half of 2021 result from taxes and social contributions, which added up to €83.4 bn. Compared to the first half of 2020, this value increased by 8.2% resp. €6.3 bn, after having decreased by 6.0% resp. €4.9 bn in the first half of 2020.

General Government recaptured more taxes and social contributions in the first half of 2021 as in the first half of 2019, before the pandemic. While taxes on income, wealth, etc. (Jan-Jun 2019: €24.5 bn, Jan-Jun 2021: €25.1 bn) have risen above the pandemic level, mainly driven by wage tax, the taxes on production and imports (Jan-Jun 2019: €27.4 bn, Jan-Jun 2021: €26.8 bn) are still found below this level, this is mainly due to value added tax and mineral oil tax.

General Government expenditure in the first half of 2021

The growth of General Government expenditure results from additional expenditure for social transfers (44.5% of total expenditure) as well as from an increase of subsidies (9.3% of total expenditure). To absorb the social consequences of the pandemic, the preliminary results show an increase of the social benefits other than in kind (+6.2%, resp. +€2.3 bn) especially for unemployment benefits and social benefits in hardship cases ("Härtefallfonds"). On the other hand, the subsidies have increased by 19.6%, resp. €1.6 bn, this includes payments for furlough schemes and other subsidies like "Fixkostenzuschuss", "Ausfallsbonus" and "Verlustersatz".

Quarterly government debt end of June 2021 €19.0 bn higher than end of 2020

Government debt amounted to €334.7 bn resp. 86.2% of GDP at the end of the second quarter 2021. Government debt thereby was €19.0 bn higher than at the end of the fourth quarter 2020; within this period, the debt ratio increased by 3.0 percentage points of GDP. Almost all of this high increase took place at the core unit "Bund" where new liabilities were recorded to finance COVID-19 measures.

For more detailed results 2020 and further information please refer to our [website](#).

Information on methods, definitions: Basis for the 2020 results are the final annual public accounts for federal government, state and local government as well as the final Finance Statistics of the Umbrella Association of Austrian Social Security Funds. Data on the numerous extra-budgetary units stem from individually available information.

Basis for the 2021 results are the preliminary accounting results of central, regional and local governments and the Umbrella Association of Austrian Social Security Funds. Other units of General Government have been estimated on the basis of 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/government surplus is equal to the difference between government revenue and government expenditure.

Table 1: Public finances – general government figures in the first half-year

	First Half-Year		
	First half of 2019	First half of 2020	First half of 2021
Government revenue (in billion €)	94.2	88.9	94.5
of which			
Tax revenue	51.9	47.2	52.0
Social contributions	30.1	29.8	31.4
Output	8.5	8.1	8.1
Other	3.7	3.7	3.1
Government expenditure (in billion €)	94.0	101.3	108.4
of which			
Social transfers	43.4	45.1	48.3
Of which other than in kind	35.4	37.4	39.7
Compensation of employees	20.7	21.2	21.7
Intermediate consumption	11.6	11.8	13.1
Subsidies	2.6	8.4	10.1
Gross capital formation and Acquisitions less disposals of non-produced non-financial assets	5.3	5.5	5.3
Property income	2.8	2.6	2.2
Other expenditure	7.6	6.7	7.7
Government deficit/surplus			
Government deficit/surplus as % of GDP	+0.1	-6.8	-7.2
GDP in billion €	194.8	182.7	191.4
S: STATISTICS AUSTRIA. – Rounding differences are not settled. – Compiled on 30 September 2021.			

Table 2: Quarterly government debt end of fourth quarter 2020 and end of second quarter 2021 by government subsector

Sector / Subsector	End of quarter			
	Q4/2020	Q2/2021	Q4/2020	Q2/2021
	in billion €		as % of GDP	
General government	315.6	334.7	83.2	86.2
Central government	273.0	292.1	72.0	75.3
State government	22.5	23.5	5.9	6.1
Local government	18.2	18.1	4.8	4.7
Social security funds	2.0	0.9	0.5	0.2
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