

Public Finances 2021: government deficit at 5.9% of GDP, government debt at 82.8%

Vienna, 2022-04-01 – In 2021, Austria's **government deficit** amounted to 5.9% of gross domestic product (GDP) or €23.9 bn. At the end of 2020, a deficit of €30.5 bn or 8.0% of GDP was achieved. As Statistics Austria based on preliminary results further reports, **government expenditure** rose by 4.4% or €9.4 bn, while **government revenue** increased by 8.7% or €16.1 bn. **Government debt** decreased in relative terms from 83.3% of GDP in 2020 to 82.8% of GDP in 2021 but increased in absolute terms from €316.0 bn in 2020 to €334.1 bn in 2021.

"With the strong economic recovery in 2021, government revenues have increased by €16.1 billion in the second pandemic year compared to 2020. At the same time, however, the health crisis has further increased government spending, including on COVID-19 testing and vaccination. The budget deficit at 5.9% was still at crisis levels in 2021, albeit on the road to improvement. In the previous year, it was 8.0%," says Statistics Austria Director General Tobias Thomas.

Government expenditure increased

Total government expenditure increased by 4.4% (+€9.4 bn) in 2021 and stood at €225.7 bn. The strongest increase showed intermediate consumption (+€4.1 bn or +15.8%). This is mainly due to expenditure related to COVID-19-tests or COVID-19-vaccination.

43% of government expenditure was related to social expenditure in 2021 (+4.1%). Compensation of government employees, which constitutes around 20% of government expenditure, increased by 2.9% (+€1.3 bn). Intermediate consumption (around 13% of government expenditure) rose by 15.8%. Subsidies decreased (from a very high level in 2020) by 4.7%. Gross capital formation showed an increase to €14.0 bn in 2021. Interest expenditure declined in 2021 (-11.0% or -€0.6 bn).

Government revenue from taxes increased

Total government revenue increased by 8.7% (+€16.1 bn) in 2021 and stood at €201.8 bn. The strongest increase showed social contributions and taxes (+€14.8 bn). Revenue from current taxes on income and wealth increased significantly by 14.8% or €7.3 bn in 2021. This is mainly due to higher income from corporate tax (+2.7 bn) and wage tax (+€2.4 bn). Revenue from taxes on production and imports (including value added tax) rose by 8.5% or €4.4 bn.

Deficit in three of four subsectors of government

Three out of four subsectors of government showed a deficit in 2021: The deficit of central government amounted to €21.1 bn (2020: deficit of €27.4 bn). State government showed a deficit of €2.2 bn (2020: deficit of €2.0 bn). Local government showed a deficit of €763 million (2020: deficit of €1.1 bn). A surplus of €118 million can be noticed in the social security sector in 2021 (2020: deficit of €79 million).

Government debt increased in absolute terms by €18.1 bn

In 2021, government debt decreased by 0.5 percentage points to 82.8% of GDP in relative terms but increased by €18.1 bn to €334.1 bn (2020: €316.0 bn) in absolute terms, of which €1.8 bn were currencies and deposits, €287.5 bn were recorded as debt securities and €44.8 bn as loans.

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

Information on methods, definitions: Basis for the 2021 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/government surplus is equal to the difference between government revenue and government expenditure.

Table 1: Public finances 2020/2021 – data of general government

| | Year | |
|--|--------------|--------------|
| | 2020 | 2021 |
| Government revenue (in billion €) | 185,7 | 201,8 |
| of which | | |
| Tax revenue | 101.1 | 112.8 |
| Social contributions | 61.1 | 64.2 |
| Sales | 16.7 | 17.5 |
| Other | 6.8 | 7.3 |
| Government expenditure (in billion €) | 216.2 | 225.7 |
| of which | | |
| Social expenditure | 93.3 | 97.1 |
| Compensation of employees | 43.1 | 44.3 |
| Intermediate consumption | 25.9 | 30.0 |
| Subsidies | 19.0 | 18.1 |
| Gross capital formation and Acquisitions less disposals of non-produced non-financial assets | 12.9 | 14.0 |
| Property income | 5.0 | 4.5 |
| Other | 17.1 | 17.7 |
| Government deficit/surplus and government debt according to Maastricht regulation | | |
| Government deficit/surplus as % of GDP | -8,0 | -5,9 |
| Government debt as % of GDP | 83.3 | 82.8 |
| GDP in billion € | 379.3 | 403.4 |
| S: STATISTICS AUSTRIA. – Rounding differences are not settled. – Compiled on 1 April 2022. | | |

Table 2: Government debt 2020/2021 by subsector

| Sector | End of year | | | |
|--|--------------|--------------|-------------|-------------|
| | 2020 | 2021 | 2020 | 2021 |
| | in billion € | | as % of GDP | |
| General government | 316.0 | 334.1 | 83.3 | 82,8 |
| Central government | 273.2 | 288.9 | 72.0 | 71.6 |
| State government | 22.6 | 24.2 | 5.9 | 6.0 |
| Local government | 18.2 | 19.8 | 4.8 | 4.9 |
| Social security funds | 2.0 | 1.2 | 0.5 | 0.3 |
| S: STATISTICS AUSTRIA. – Rounding differences are not settled. – Compiled on 1 April 2022. | | | | |

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