

AUSTRIA

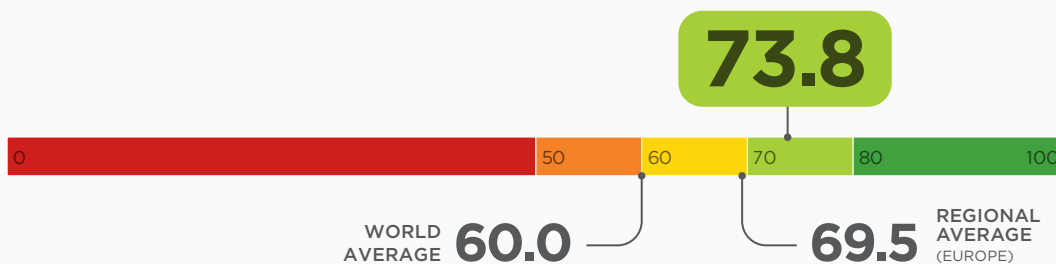


Austria's economic freedom score is 73.8, making its economy the 22nd freest in the 2022 *Index*. Austria is ranked 15th among 45 countries in the Europe region, and its overall score is above the regional and world averages.

Over the past five years, Austria's economic growth decelerated from 2017 through 2019, turned negative in 2020, and rebounded in 2021. Economic freedom in Austria has expanded over the past five years. Led by increases in its rule of law score, Austria has recorded a 1.5-point overall gain of economic freedom since 2017, although it remains in the lower half of the "Mostly Free" category. Property rights and **judicial effectiveness** are strong, but **government spending** and **tax burden** score poorly.

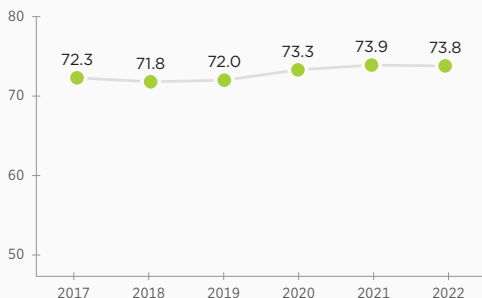
IMPACT OF COVID-19: As of December 1, 2021, 12,553 deaths had been attributed to the pandemic in Austria, and the government's response to the crisis ranked 12th among the countries included in this *Index* in terms of its stringency. The economy contracted by 6.6 percent in 2020.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +3.8

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
8.9 million

GDP (PPP):
\$491.5 billion
-6.6% growth in 2020
5-year compound annual growth 0.4%
\$55,218 per capita

UNEMPLOYMENT:
5.8%

INFLATION (CPI):
1.4%

FDI INFLOW:
-\$17,340.0 million

PUBLIC DEBT:
85.2% of GDP

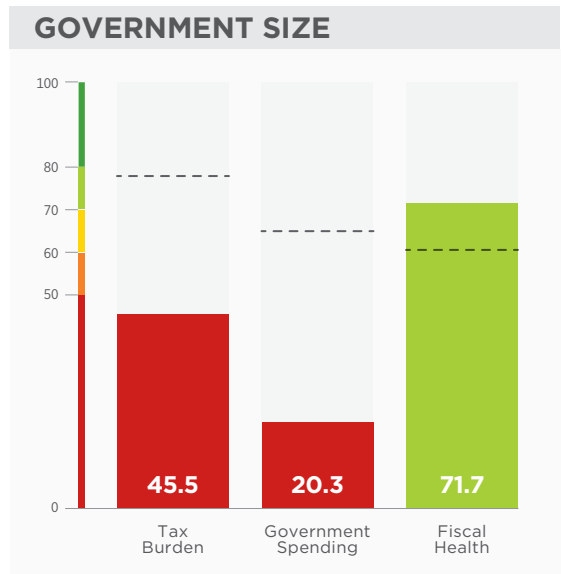
2020 data unless otherwise noted. Data compiled as of September 2021

BACKGROUND: Austria regained full sovereignty from the World War II victors in 1955. An ongoing corruption investigation led to the resignation of Chancellor Sebastian Kurz in October 2021, although Kurz remains head of the conservative People's Party (OVP). Alexander Schallenberg took over as chancellor heading an OVP coalition with the Austrian Green Party. Austria has large services and industrial sectors and a small, highly developed agricultural sector. The government is upgrading its telecommunications infrastructure to achieve nationwide 5G coverage by 2025. Ongoing challenges include assimilation of migrants and strains on labor markets and public finances caused by aging of the population.

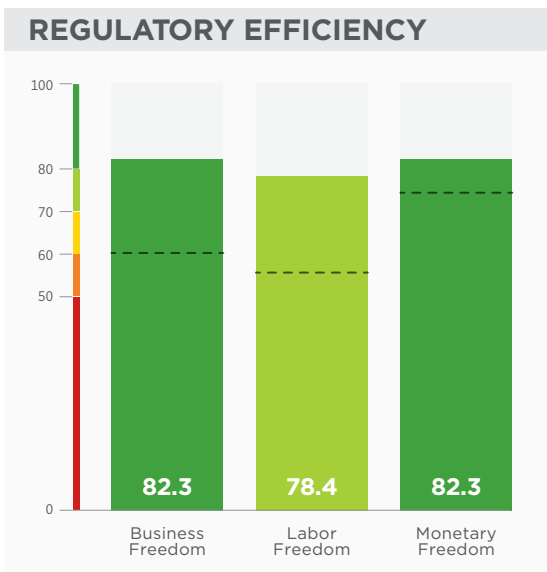
12 ECONOMIC FREEDOMS | AUSTRIA



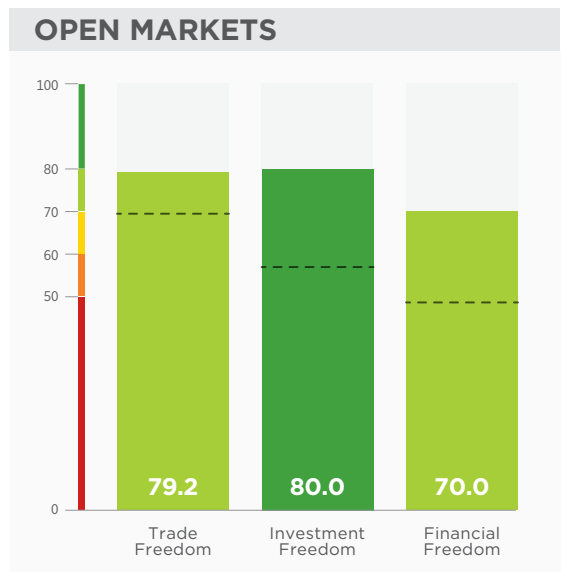
The legal system provides effective protection of the property and contractual rights of both nationals and foreigners. The land registry is reliable and accessible to the public. The investment climate benefits from stability and the strong rule of law. The judiciary is independent and operates without political influence or interference. Austria was ranked the 15th least corrupt nation among the 180 countries in Transparency International's 2020 *Corruption Perceptions Index*.



The top individual income tax rate is 55 percent, and the top corporate tax rate is 25 percent. The overall tax burden equals 42.4 percent of total domestic income. Government spending has amounted to 51.6 percent of total output (GDP) over the past three years, and budget deficits have averaged 2.9 percent of GDP. Public debt is equivalent to 85.2 percent of GDP.



Insolvency procedures were relaxed in 2020 as part of the government's response to COVID-19. There is a large public sector with entrenched bureaucracy and complex regulations regarding labor. To maintain high prices for farmers, the government subsidizes surplus agricultural exports. Subsidies for the purchase of some electric vehicles for personal or commercial use were increased in the second half of 2020.



As a member of the EU, Austria has 46 preferential trade agreements in force. The trade-weighted average tariff rate (common among EU members) is 2.9 percent, and 640 EU-mandated nontariff measures are in force. Openness to investment is relatively well institutionalized. The modern banking sector offers a wide range of financial services, and the five largest banking groups account for more than 50 percent of total assets.