

Public Finances 2020: government deficit at 8.9% of GDP, government debt at 83.9%

Vienna, 2021-04-01 – In 2020, Austria's government deficit amounted to 8.9% of gross domestic product (GDP) or €33.2 bn, the highest deficit since records began in 1954. At the end of 2019, a surplus of €2.4 bn or 0.6% of GDP was achieved. As Statistics Austria based on preliminary results further reports, government expenditure rose by 12.6% or €24.4 bn, while government revenue decreased by 5.8% or €11.3 bn. Government debt increased in relative terms from 70.5% of GDP in 2019 to 83.9% of GDP in 2020 and in absolute terms from €280.3 bn in 2019 to €315.2 bn.

"The Corona crisis has knocked Austria off the consolidation path. The collapse in economic output due to the pandemic and the containment measures have significantly reduced public revenues and massively increased government expenditure. In 2020, Austria had to record a deficit of historic proportions amounting to -8.9%. The government debt ratio - after a decline of 14.4 percentage points in the years 2015 to 2019 - rose by 13.4 points to 83.9% of economic output in the Corona year 2020. The increase was thus significantly stronger than in the year of the economic and financial crisis 2009, when the debt ratio increased by 11.2 points," says Statistics Austria Director General Tobias Thomas.

Government expenditure increased strongly

Total government expenditure increased by 12.6% (+€24.4 bn) in 2020 and stood at €217.4 bn. The strongest increase showed subsidies (+€14.1 bn or +240.7%). This is mainly due to Corona support packages (short-term work scheme, fixed cost subsidy, turnover-substitute etc.).

43.0% of government expenditure was related to social expenditure (+7.5%). Compensation of government employees, which constitutes around 20% of government expenditure, increased by 2.1% (+€0.9 bn). Intermediate consumption (around 12% of government expenditure) rose by 3.4%. Gross capital formation showed an increase to €12.9 bn in 2020. Interest expenditure declined sharply (-10.0% or -€0.6 bn).

Government revenue from taxes decreased sharply

Total government revenue decreased by 5.8% (-€11.3 bn) in 2020 and stood at €184.2 bn. The strongest decrease showed social contributions and taxes (-€9.8 bn). Revenue from taxes on production and imports (including value added tax) fell by 6.4% or €3.5 bn. Revenue from current taxes on income and wealth decreased sharply by 11.3% or €6.2 bn in 2020. This is mainly due to lower income from corporate tax (-€2.8 bn), income tax (-€1.8 bn) and wage tax (-€1.0 bn).

Deficit in all subsectors of government

All four subsectors of government showed a deficit in 2020: The deficit of central government amounted to €29.3 bn (2019: surplus of €1.8 bn). State government showed a deficit of €1.9 bn (2019: surplus of €543 million). Local government showed a deficit of €1.7 bn (2019: deficit of €93 million). A deficit of €228 million can be noticed in the social security sector in 2020 (2019: surplus of €197 million).

Government debt ratio rose to 83.9% of GDP

In 2020, government debt increased by 13.4 percentage points to 83.9% of GDP in relative terms and increased by €34.8 bn to €315.2 bn (2019: €280.3 bn) in absolute terms, of which €1.7 bn were currencies and deposits, €266.5 bn were recorded as debt securities and €46.9 bn as loans.

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

Information on methods, definitions: Basis for the 2020 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 2019/2020 – data of general government

	Year	
	2019	2020
Government revenue (in billion €)	195.5	184.2
of which		
Tax revenue	109.7	100.0
Social contributions	61.1	61.0
Sales	17.4	16.4
Other	7.3	6.8
Government expenditure (in billion €)	193.1	217.4
of which		
Social expenditure	87.0	93.6
Compensation of employees	41.9	42.7
Intermediate consumption	24.9	25.7
Subsidies	5.9	20.0
Gross capital formation and Acquisitions less disposals of non-produced non-financial assets	12.6	12.9
Property income	5.6	5.1
Other	15.3	17.4
Government deficit/surplus and government debt according to Maastricht regulation		
Government deficit/surplus as % of GDP	+0.6	-8.9
Government debt as % of GDP	70.5	83.9
GDP in billion €	397.6	375.6
S: STATISTICS AUSTRIA. – Rounding differences are not settled. – Compiled on 1 April 2021.		

Table 2: Government debt 2019/2020 by subsector

Sector	End of year			
	2019	2020	2019	2020
	in billion €		as % of GDP	
General government	280.3	315.2	70.5	83.9
Central government	241.9	272.8	60.8	72.6
State government	21.0	22.4	5.3	6.0
Local government	16.4	17.9	4.1	4.8
Social security funds	1.0	2.0	0.3	0.5
S: STATISTICS AUSTRIA. – Rounding differences are not settled. – Compiled on 1 April 2021.				

For further inquiries please contact Directorate Macroeconomic Statistics, Statistics Austria:
Agnes SINGER-PESAU, Tel. +43 1 71128-7169 resp. agnes.singer-pesau@statistik.gv.at and
Lukas DOERFLER, Tel. +43 1 71128-7816 resp. lukas.doerfler@statistik.gv.at

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STATISTICS AUSTRIA, Federal Institution under Public Law
1110 Vienna, Austria, Guglgasse 13, Tel.: +43 1 71128-7777
presse@statistik.gv.at
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