

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S INDIA-AUSTRIA BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The Republic of Austria lies in central Europe, bordered by Switzerland and Liechtenstein to the west, by Germany and the Czech Republic to the north, by Hungary and Slovakia to the east, and by Italy and Slovenia to the south. Austria is a member of the UN, WTO, BIS, NATO Partnership for Peace, OECD, EU, Council of Europe, OSCE, CERN, CEI, Danube Commission, Inter-American Development Bank, Asian Development Bank, IOM and the Antarctic Treaty. Austria is a signatory to the Schengen Accord abolishing border controls between Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain and Sweden. As per available data from DGCI&S database India and Austria have noticeable bilateral trade relations.

2. Austria consistently ranks high in terms of GDP per capita, due to its highly industrialised economy, and well-developed social market economy. Until the 1980s, many of Austria's largest industry firms were nationalised; in recent years, however, privatisation has reduced state holdings to a level comparable to other European economies. According to Executive Board Concludes 2024 Article IV Consultation with Austria May 13, 2024, Economic policy support, including the use of available fiscal space, helped the Austrian economy recover rapidly from the pandemic and cushion the adverse impact of the energy-price shock following Russia's invasion of Ukraine. Nevertheless, higher energy prices and the increase in interest rates required to contain subsequent inflation have weighed on growth, with the economy contracting last year. Inflation peaked in early 2023 and is now declining, but it remains above the euro-area average, with services sector inflation being relatively high and sticky.

Looking forward, a modest recovery is expected in 2024 as higher real wages support consumption. Growth is expected to gather pace during 2025–26 on stronger investment demand, supported by some expected monetary policy easing during 2024–25. In the medium term, growth is projected to be around 1 percent amid downward pressures from population aging. Inflation is expected to decline gradually to the target by the second half of 2025.

A snapshot of Austria's select economic indicators is as under.

Table 1. Austria: Selected Economic Indicators, 2021–25					
	2021	2022	2023	2024	2025
				Proj.	
Output					
Real GDP growth (%)	4.2	4.8	-0.8	0.3	1.6
Employment					
Unemployment (Harmonized) (%)	6.2	4.7	5.1	5.4	5.2
Prices					
Inflation (%)	2.8	8.6	7.7	4.0	2.8
General government finances					
Revenue (% of GDP)	50.4	49.7	49.4	49.6	49.4
Expenditure (% of GDP)	56.2	52.9	52.1	52.4	51.6
Fiscal balance (% of GDP)	-5.8	-3.2	-2.7	-2.8	-2.2
Public debt (% of GDP)	82.5	78.4	77.7	77.2	76.5
Money and credit					
Broad money (% change)	3.8	4.2	-1.2	0.7	4.3
Credit to the private sector (% change) 3/	6.9	6.2	-2.5	0.8	4.2
Balance of payments					

Current account (% of GDP)	1.6	-0.3	2.7	2.0	2.2
FDI (% of GDP)	2.3	-0.4	1.1	1.1	1.1
Reserves (months of imports)	1.6	1.4	1.3	1.2	1.2
External debt (% of GDP)	146.9	131.7	130.5	129.6	128.5
Exchange rates					
REER (% change)	12.2	1.5	3.9
Sources: Authorities; and IMF staff estimates and projections.					
1/ Percent of population aged 15-74 with education attainment between pre-primary and tertiary education.					
2/ 2022, at risk of poverty rate after social transfers.					
3/ Households and non-financial corporations. Exchange rate adjusted.					

Sources: Executive Board Concludes 2024 Article IV Consultation with Austria May 13, 2024.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Austria are Germany, Italy, United States, Switzerland and France. On the other hand five major import partners of Austria are Germany, China, Italy, Switzerland and Czech Republic. Major five exported goods of Austria are (i) Human and animal blood; microbial cultures; tox (ii) Electrical energy (iii) Other medicaments of mixed or unmixed products, (iv) Waters (incl. mineral and aerated), with added (v) Automobiles with reciprocating piston engine. On the other hand major five imported goods of Austria (i) Natural gas in gaseous state (ii) Petroleum oils, etc, (excl. crude); preparation (iii) Gold in unwrought forms non-monetary (iv) Electrical energy (v) Human and animal blood; microbial cultures; tox.

4. Austria's total exports globally in 2019 were of the order of US\$ 171,532 million. It had scaled upto US\$ 216,177 million in 2023. Exports from Austria had steeply increased by 20.08% in the year 2021 just after the initial serious impact of Covid-19 pandemic in 2020 . During the period from 2019 to 2023, the annual average compound rate of growth of exports was 5.95%.

5. Austria's total imports from the world in 2019 were of the order of US\$ 219,097 million and had touched US\$ 176,596 million mark in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of imports was -5.25%.

6. Austria faced an overall Balance of Trade deficit from 2019 to 2021 but from 2022 to 2023 it was surplus trade balance and which had touched USD 39,581 million in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 0.14%.

A snapshot of Austria's overall Trade Statistics is presented in Table 2 and Figure 1.

A snapshot of India's merchandise trade statistics w.r.t. Austria is presented in Table 3 Figure 2.

BILATERAL TRADE WITH INDIA

Merchandise Trade

7. In 2021, Indian exports to Austria totalled USD 1.29 billion, while imports from Austria were USD 1.18 billion, resulting in a balanced bilateral trade valued at USD 2.47 billion. By 2022, bilateral trade reached USD 2.84 billion, marking a 14.97% rise from the previous year. Austria ranked 56th as an export destination of India in FY 2023-24. India had exported to Austria almost 0.26% of its total export value in FY 2023-24. In the same financial year imports from Austria was 0.14% of India's total import value.

Almost 0.19% of India's total international trade value of goods was between India and Austria as has been recorded in DGCI&S data base for FY 2023-24.

8. Indo-Austria total volume of bilateral trade in FY 2019-20 was of the order of US\$ 1,085.33 million. It had scaled to US\$ 2,058.71 million in FY 2023-24. The annual compound growth rate of total volume comprising both exports and imports during the period from 2019-20 to 2023-24 had been of the order of 17.36%.

9. It is seen from the available figures that between 2018-19 and 2021-22, India has had a deficit Balance of Trade with Austria. It has been observed that exports from India to Austria increased by 123.57% in FY2021-22. The annual average compound rate of growth of Exports was 25.67% during the period under review. On the other hand, imports from Austria to India increased steeply by 32.42% in FY 2021-22. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was 10.01%.

10. Additionally, from Tables 4 & 5 presented below the following are stated:

a. (i) **Telecom Instruments.** (ii) **Electronics** and (iii) **Two And Three Wheelers** had occupied the top three slots in India's exports to Austria in FY 2023-24. **Telecom Instruments** had occupied 56.08% share of India's total exports to Austria in FY2023-24.

b. (i) **Indl. Machinery For Dairy Etc.** (ii) **Pump Of All Types** and (iii) **Manmade Staple Fibres** were the three major commodities in India's imports list from Austria in the year 2023-24, India had imported a significant amount of **Indl. Machinery For Dairy Etc.** from Austria with a share of 9.67% of total imports from Austria recorded in 2023-24.

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TABLE - 2
AUSTRIA'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE
BETWEEN 2019 TO 2023

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019	171532		219097		3,90,629		-47565
2020	162145	-5.47	226475	3.37	3,88,620	-0.51	-64330
2021	194703	20.08	210913	-6.87	4,05,616	4.37	-16210
2022	203753	4.65	164636	-21.94	3,68,389	-9.18	39117
2023	216177	6.10	176596	7.26	3,92,773	6.62	39581
Annual Growth Rate	Compound	5.95		-5.25		0.14	

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

Figure – 1

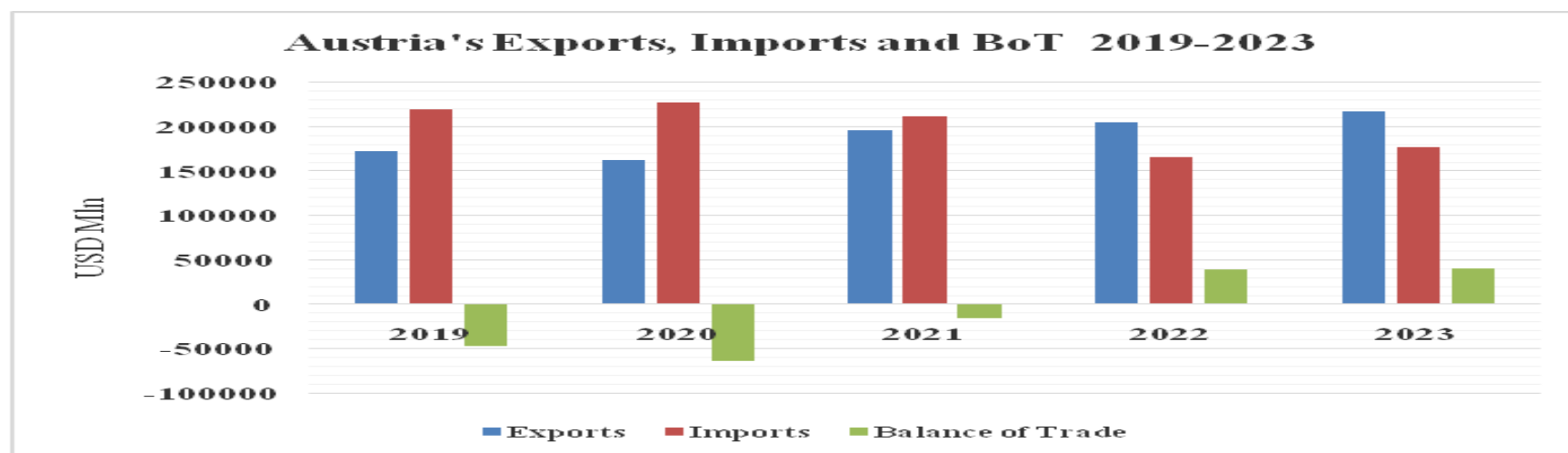


TABLE - 3
INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. AUSTRIA
FY 2019-2020 to 2023-2024

(Value in USD Million)

Year	Exports from India to Austria	Percentage Growth in Exports	Imports from Austria to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019-20	455.59		629.74		1085.33		-174.15
2020-21	453.07	-0.55	623.10	-1.05	1076.17	-0.84	-170.03
2021-22	564.32	24.55	825.13	32.42	1389.45	29.11	-260.81
2022-23	1261.64	123.57	837.63	1.51	2099.27	51.09	424.01
2023-24	1136.41	-9.93	922.30	10.11	2058.71	-1.93	214.11

Annual	Compound		
Growth Rate	25.67	10.01	17.36

NOTE :Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

Figure 2

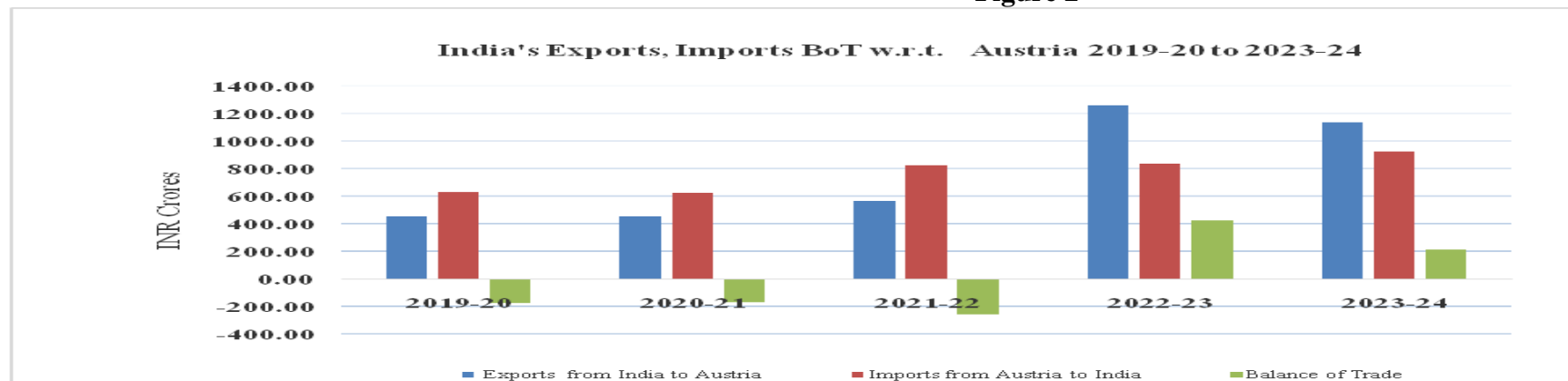


TABLE -4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO AUSTRIA
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Telecom Instruments	0.04	0.08	0.03	706.58	637.33	100.00	-62.50	2355166.67	-9.80
	Share in total export	0.01	0.02	0.01	56.00	56.08				
2	Electronics Components	50.55	53.29	67.34	71.48	62.04	5.42	26.37	6.15	-13.21
	Share in total export	11.10	11.76	11.93	5.67	5.46				
3	Two And Three Wheelers	37.80	70.70	81.40	72.95	56.14	87.04	15.13	-10.38	-23.04
	Share in total export	8.30	15.60	14.42	5.78	4.94				
4	Electric Machinery And Equipments	29.97	29.80	40.23	41.93	31.96	-0.57	35.00	4.23	-23.78
	Share in total export	6.58	6.58	7.13	3.32	2.81				
5	Indl. Machinery For Dairy Etc.	27.19	28.43	40.04	29.02	25.29	4.56	40.84	-27.52	-12.85
	Share in total export	5.97	6.27	7.10	2.30	2.23				
6	Auto Comoponents Parts	12.46	16.74	18.99	14.20	23.16	34.35	13.44	-25.22	63.10
	Share in total export	2.73	3.69	3.37	1.13	2.04				
7	RMG Of Other Textile Materials	0.15	1.77	0.82	3.74	21.35	1080.00	-53.67	356.10	470.86
	Share in total export	0.03	0.39	0.15	0.30	1.88				
8	Footwear Of Leather	20.29	7.73	8.08	27.10	19.15	-61.90	4.53	235.40	-29.34
	Share in total export	4.45	1.71	1.43	2.15	1.69				
9	Leather Footwear Components	15.03	13.29	21.16	19.69	18.54	-11.58	59.22	-6.95	-5.84
	Share in total export	3.30	2.93	3.75	1.56	1.63				
10	Residual Chemicals And Allied Products	25.90	23.22	14.93	29.40	15.95	-10.35	-35.70	96.92	-45.75
	Share in total export	5.68	5.13	2.65	2.33	1.40				
	Total exports to AUSTRIA	455.59	453.07	564.32	1261.64	1136.41	-0.55	24.55	123.57	-9.93

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM AUSTRIA
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Import					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	23-24 over 2022-23
1	Indl. Machinery For Dairy Etc.	62.84	71.44	80.22	87.68	89.23	13.69	12.29	9.30	1.77
	Share in total import	9.98	11.47	9.72	10.47	9.67				
2	Pump Of All Types	3.32	7.97	51.52	38.87	75.44	140.06	546.42	-24.55	94.08
	Share in total import	0.53	1.28	6.24	4.64	8.18				
3	Manmade Staple Fibres	57.62	37.44	58.79	45.68	63.47	-35.02	57.02	-22.30	38.94
	Share in total import	9.15	6.01	7.12	5.45	6.88				
4	Electronics Components	28.07	32.25	36.99	42.59	50.20	14.89	14.70	15.14	17.87
	Share in total import	4.46	5.18	4.48	5.08	5.44				
5	AC, Refrigeration Machinery Etc.	8.83	5.81	6.61	29.25	46.60	-34.20	13.77	342.51	59.32
	Share in total import	1.40	0.93	0.80	3.49	5.05				
6	Bulk Drugs Drugs Formulations	16.03	32.91	50.22	58.51	44.20	105.30	52.60	16.51	-24.46
	Share in total import	2.55	5.28	6.09	6.99	4.79				
7	Medical And Scientific Instruments	48.98	37.51	47.09	42.48	43.93	-23.42	25.54	-9.79	3.41
	Share in total import	7.78	6.02	5.71	5.07	4.76				
8	Electronic Instruments	45.07	38.39	51.22	38.71	43.62	-14.82	33.42	-24.42	12.68
	Share in total import	7.16	6.16	6.21	4.62	4.73				
9	Drugs Formulations Biologicals	35.32	32.81	59.74	39.42	37.29	-7.11	82.08	-34.01	-5.40
	Share in total import	5.61	5.27	7.24	4.71	4.04				
10	Electric Machinery and Equipments	22.41	19.43	23.20	32.81	28.63	-13.30	19.40	41.42	-12.74
	Share in total import	3.56	3.12	2.81	3.92	3.10				
	Total import from AUSTRIA	629.74	623.10	825.13	837.63	922.30	-1.05	32.42	1.51	10.11

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I