

Republic of Austria

This annex refers to the release of the monitoring note of 12 March 2021.

Annex I: Summary of core variable scorecard, reserve currency adjustment and qualitative scorecard¹

Implied rating of core variable scorecard (CVS)		aa
Reserve currency adjustment		1
Weight	Qualitative scorecard (QS) for long-term issuer ratings	
20%	Growth potential of the economy	Neutral
	Monetary policy framework	Neutral
	Macro-economic stability and sustainability	Neutral
20%	Fiscal policy framework	Neutral
	Debt sustainability	Neutral
	Debt profile and market access	Neutral
20%	Current account resilience	Neutral
	External debt structure	Strong
	Resilience to short-term shocks	Neutral
20%	Banking sector performance	Neutral
	Banking sector oversight	Neutral
	Financial imbalances	Strong
20%	Environmental risks	Neutral
	Social risks	Neutral
	Institutional and political risks	Neutral
QS adjustment (notches)		1
Additional considerations (notches)		0
Final rating		AAA STA

Annex II: Selected indicators

Selected macroeconomic indicators	2016	2017	2018	2019	2020E	2021F	2022F
GDP per capita (USD '000s)	45.2	47.4	51.3	50.4	48.6	54.8	57.8
Real GDP, % change	2.1	2.5	2.4	1.6	-6.6	4.5	2.1
CPI, % change	1.0	2.2	2.1	1.5	1.2	1.8	1.8
General government balance, % of GDP	-1.6	-0.7	0.2	0.7	-9.9	-6.5	-2.3
General government debt, % of GDP	82.6	78.4	74.0	70.3	84.8	87.0	85.5
Current account balance, % of GDP	2.7	1.6	2.3	2.6	2.4	2.5	2.3
Gross external debt, % of GDP	157.5	147.8	141.9	147.3	-	-	-

Source: Macrobond, IMF, Scope Ratings GmbH

Annex III: Economic development and default indicators

IMF Development Classification ²	AE
5y USD CDS spread (bps) as of 12 March 2021	9

¹ The weighting and explanation of all rating factors are described in Scope's 'Sovereign Ratings' methodology, available on www.scooperatings.com

² AE = advanced economy; EMDE = emerging market and developing economy

Annex IV: Analytical rationale for QS assessments

Austria	March 2021	Assessment	Analytical rationale
Peers* Domestic economic risk Public finance risk External economic risk Financial stability risk ESG risk	Denmark, Finland, Germany, Ireland, Luxembourg, Netherlands, Norway, Sweden, Switzerland		
	Growth potential	Neutral	Moderate growth potential, in line with peers
	Monetary policy framework	Neutral	ECB is a highly credible and effective central bank
	Macro-economic stability & sustainability	Neutral	Competitive and well-diversified economy; limited structural labour-market rigidities
	Fiscal policy framework	Neutral	Appropriate budgetary response to 2020 crisis; pre-crisis budget surpluses; need for medium-term fiscal consolidation
	Debt sustainability	Neutral	Elevated public debt level relative to peers
	Debt profile & market access	Neutral	Excellent government market access, low government financing costs, long public debt maturity
	Current account resilience	Neutral	Diversified and competitive export sector; recurrent current-account surpluses
	External debt structure	Strong	Low gross and short-term external debt
	Resilience to short-term shocks	Neutral	Highly open economy; benefits from euro-area membership
	Banking sector performance	Neutral	Adequate banking-system capitalisation, comfortable liquidity, low NPLs, significantly lowered exposure to foreign currency denominated loans in CESEE countries
	Banking sector oversight	Neutral	Effective oversight under the national competent authority and the ECB as part of Banking Union
	Financial imbalances	Strong	Relatively low household- and non-financial-corporate-sector indebtedness
Environmental risks	Neutral	Ambitious decarbonisation targets by 2030, however significant gap remains under a no-policy-change scenario, and high share of renewables	
Social risks	Neutral	Strong social safety net, positive social outcomes – in line with peers	
Institutional and political risks	Neutral	High-quality institutions and stable political environment, in line with peers	

*Peers relate to selected sovereigns with a similar indicative rating per Scope's Core Variable Scorecard.