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Press Release

## Joint Vienna Institute (JVI) 2015 Annual Lecture: Thomas Wieser Calls for Urgent Economic Reforms in Austria

Mr. Thomas Wieser, President of the Euro Working Group of the Euro Area and of the Economic and Financial Committee of the European Union, delivered the 2015 Joint Vienna Institute Annual Lecture on "Accelerating Growth in Austria" at the JVI in Vienna today. The JVI Annual Lecture aims at stimulating policy discussions on current macroeconomic and structural policy issues.

In his opening remarks, Mr. Norbert Funke, Director of the JVI, thanked Mr. Wieser for his long-standing support of the institute, as Board member, lecturer, and driving force. "In many countries, including Austria, potential growth has declined since the beginning of the global financial crisis and calls for growth-enhancing reforms are rightly increasing," he noted in his introduction. "Sound macroeconomic management had put Austria in a favorable position to manage the immediate impact of the global financial and European debt crisis relatively well," he added. "Growth projections remain subdued. An annual GDP growth in the order of some ½ to 1½ percent per year is by no means satisfactory."

"Without urgently needed reforms, Austria risks falling behind its key partners," Mr. Wieser highlighted. He underlined that on the macroeconomic front, focus should be on gradually reducing debt to minimize fiscal risks and promote private sector activity. "With comparatively high public expenditure, also reflected in a high tax burden, rationalization of expenditure and further administrative reform will be important. The recent review of the audit court, with a list of 533 reform proposals, presents a good starting point," Mr. Wieser added.

Mr. Wieser sees a long list of reforms on the structural side. "Priority should be given to increasing the effectiveness of public expenditure, reviewing the regulatory burden, with a view to improving the business climate, implementing pension reform, strengthening the banking sector, and improving access to finance, including for start-ups."

Mr. Wieser stressed that increasing the organization, structure and quality of education needed to be decisively addressed in the near future if Austria wanted to at least partially regain its competitive position. "This goes for pre-primary to tertiary education. This is one of the most urgent challenges Austria is facing."

"The recent influx of migrants, often highly qualified, shows how countries can have different strategies, with differing results, for dealing with this issue. Rapid integration, and making best use of their actual skills, can lift potential growth and growth perceptibly," Mr. Wieser added.

**Background:** The JVI is an independent international organization and is the oldest of a global network of regional training centers run by or in cooperation with the International Monetary Fund (IMF). It provides training mostly to participants from former transition countries across Europe and Central Asia. A substantial part of the training is delivered jointly with one or more of its stakeholder organizations. These include Austria (the Federal Ministry of Finance and the Oesterreichische Nationalbank (OeNB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB),



the IMF, the International Bank for Reconstruction and Development (IBRD), the Organisation for Economic Co-operation and Development (OECD), and the World Trade Organization (WTO), as well as the European Commission (EC), which has observer status.

For more information on the JVI's primary members and the JVI, see:

Bundesministerium für Finanzen (BMF): <http://www.bmf.gv.at/>

International Monetary Fund (IMF): <http://www.imf.org>

Joint Vienna Institute (JVI): <http://www.jvi.org/>

Oesterreichische Nationalbank (OeNB): <http://www.oenb.at/>

Regional Training Centers: <http://www.imf.org/external/np/exr/facts/training.htm>