

Survey: Every Other Respondent Thinks Domestic Economy In Top Shape As Compared to EU

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Erste Bank Savings and Credit Forecast

Amount intended to be saved at approximately EUR 5,200

Average amount intended to be borrowed: EUR 72,400

Austrian economy considered to be doing well compared to EU

How much money do Austrians plan to put aside in the coming 12 months? The results of the most recent INTEGRAL survey on behalf of Erste Bank show that on average EUR 5,200 are going to be saved, to borrow money from their bank for planned major purchases. The majority of Austrians (55%) considers Austria's economic situation to be better than that of other EU member states.

Safe Forms of Saving Continue to Come out on Top

Next year Austrians want to reinvest or newly invest EUR 5,200. That is EUR 900,- more than in the 2012 comparison period. "At the end of the year many fixed-term savings deposits are maturing, and securities portfolios are reviewed as well", explains Peter Bosek, member of the management board. Although they have declined in popularity compared to 2012, safe forms of saving continue to be favored the most. In the coming year, 62% want to save with a savings book (-9), 51% (-8) want to enter into a building savings contract, and 41% (+1) want to save via a life insurance policy. 17% (-2) of Austrians want to invest in real estate, while 9% (-3) want to invest in gold. Austrians continue to be cautious with regard to securities. 8% (-4) want to invest in bonds in the coming 12 months, every 10th respondent wants to invest in stocks and approximately 13% (-1) are betting on investment funds. The savings rate as such, this is to say the percentage of disposable income committed to savings, is currently as low as rarely before at 5.2%.



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More Credit Financing Than a Year Ago

Approximately one third (31%) of Austrians plan to make a major purchase in the coming 12 months. They are budgeting an average amount of EUR 72,400 (-13%) for this purpose. More than a fifth of respondents (21%) want to take out a loan or a building society loan to finance their purchases. With that the desire to take out a loan is clearly rising among Austrians, as the percentage in the comparison period of 2012 was only 14%. Peter Bosek admonishes all borrowers to opt for fixed rate loans rather than variable rate loans: "In the case of housing financing involving terms of 15 or 20 years, a fixed rate is the only way to ensure security with respect to future installment payments." The ECB has only recently cut its refinancing rate to a historic low of 0.25%. However, the interest rate that is relevant for the calculation of interest rates on loans is not the European Central Bank's base rate, but the so-called Euribor rate and secondary market rates. Euribor has however decoupled from the refinancing rate quite a while ago already and has hovered around 0.2% for more than a year in spite of several base rate cuts. "A historic low that one should definitely secure for oneself at the moment."

Austria's Economy in Good Shape As Compared to EU

In spite of the stagnating economic backdrop in Europe, Austrians consider the economic situation in this country to be quite positive. More than half of the survey respondents (55%) are even convinced that Austria's economy is in better shape than that of other EU member states. A further 38% regard the economic situation to be at least as good compared to the rest of the EU. Only 4% of Austrians are of the opinion that the domestic economy is in worse shape.

About the study's design: Integral has interviewed 1,000 Austrians (representative of the population above the age of 14) via telephone and asked them about their intended forms of saving and investment, as well as about their financing requirements. Furthermore they were asked about their estimate of how interest rates on savings and loans will develop. The survey took place between 27. September to 11. October 2013. Unless indicated otherwise, the comparative figures refer to the same quarter of the previous year.