

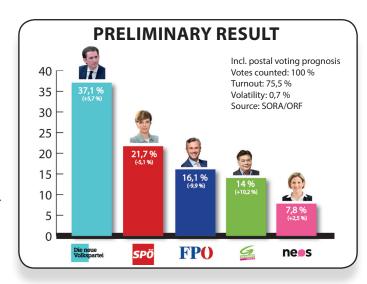
UNLOCKING THE AUSTRIAN GENERAL ELECTIONS 2019

THE RESULT

The 23rd parliamentary elections since 1945 are over and have changed the country considerably once again. Needless to say, Sebastian Kurz won the elections with an increase from +5.7% to 37.1%.

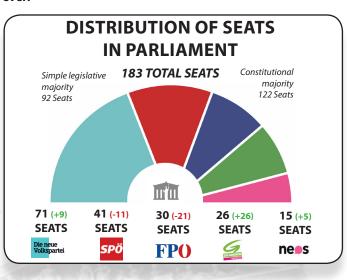
Remarkable at this point: With this result, the Austrian People's Party (ÖVP) has taken the largest lead over the runner-up in electoral history.

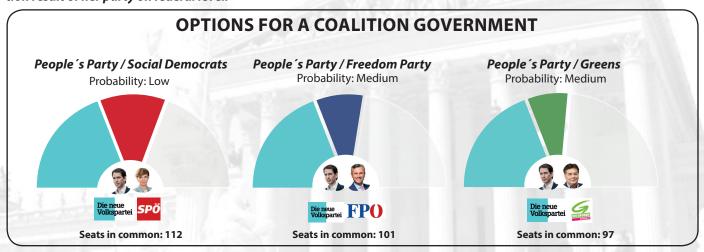
But the secret election winner is definitely Werner Kogler, who *achieved the best result in the history of the Green Party with a spectacular result of 14%.* With a down-to-earth election campaign and a dash of coolness, he has brought the Greens back to life, as Alexander Van der Bellen once did, making the party again attractive for the political center.



The third winner on this election Sunday is without a doubt Beate Meinl-Reisinger and liberal NEOS. If many still questioned whether Meinl-Reisinger would be able to fill the big hole of ex-NEOS leader Matthias Strolz, she taught all critics better: **With an increase from 2.5 % to 7.8 % NEOS are stronger than ever.**

The two big losers are clearly the right-wing Freedom Party (FPÖ) and the Social-Democrats (SPÖ). The former could not credibly convince the voters that they were no longer the party of the Ibiza protagonists Heinz-Christian Strache and Johann Gudenus. *In addition there were further revelations* and scandals, which ultimately caused the party to drop from 26% to 16%. However, the loss of SPÖ is more severe. The party started the election without scandals and with a new candidate. The confrontation course against 'poll emperor' Sebastian Kurz, including the first successful motion of no confidence in the history of the second republic, did not ultimately lead to the hoped-for voter support. In addition, the unclear issue-setting as well as a strong wave of solidarity with the Greens ultimately brought the Social-Democrat top candidate Pamela Rendi-Wagner the historically worst election result of her party on federal level.





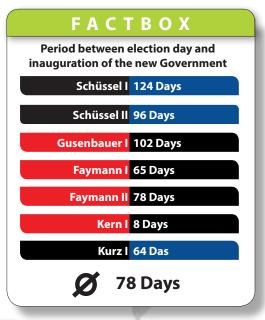


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THE ANALYSIS

Fulminant. There is no other word to describe the victory of Sebastian Kurz who earned a plus of 5.7% compared to 2017 and a 15% advantage over the outclassed Social Democrats. This was essentially a referendum on Sebastian Kurz and his political direction - and he clearly won. *However, the turquoise triumph is almost worthless.*

For sure is only that a government without the People's Party is not possible. Of the six coalition options, of course, no one is easy for the election winner. A minority government would need large concessions from the SD and Freedom Party in parliament. Likewise, an People's Party government with some independent experts. To continue the "ordinary center-right policy" with the Freedom Party, which was desired by Kurz, has in practice become a long way off. A coalition with the SD stands against an obvious, massive mutual rejection of the - current - top staff. To enter into a coalition with the Greens before Germany is certainly appealing for Sebastian Kurz. The Greens, who dropped out of Parliament in 2017 and could now take over government responsibility with a brilliant comeback, will make for tough negotiations with Kurz. Also, a tripartite coalition with NEOS and Greens is conceivable.



The ideological rifts between the People's Party and all other parties are enormous. In any case, none of these options promise stability. Tough and lengthy coalition negotiations are about to begin.

And so, the next election campaign has already begun.

