

\*Opens Up New Perspectives  
for Your Company

# All of Europe by Air in 3 hours



Austria's central location in Europe makes the country the business interface hub for East-West business relations

# Dynamic Business Location

As a business location, Austria offers good underlying conditions for companies to conduct their business, as well as qualified skilled employees and a modern infrastructure.

Austria ranks among the most innovative and successful countries in the European Union. The dynamic business location stands out thanks to its modern infrastructure, high-quality technologies and well-trained, highly motivated specialized personnel. We also offer customized funding programs and a very high level of reliability with respect to the energy supply in addition to political, social and economic stability. Moreover, Austria is considered to be the ideal East-West business interface in a central geographical location.

We are particularly well positioned when it comes to research and development. Austria is already ranked second in the EU featuring a R&D ratio of over three percent. Investors profit from an increased research tax premium of twelve percent as well as targeted funding to promote close cooperation between science and business. Furthermore, Austria is investing more in supporting startups than ever before. Targeted incentives for investments are available for industrial flagships as well as for small and medium-sized companies.

We are continually working on creating an even more favorable business environment for the benefit of companies. In this spirit we would like to warmly welcome you to Austria.

## Reinhold Mitterlehner

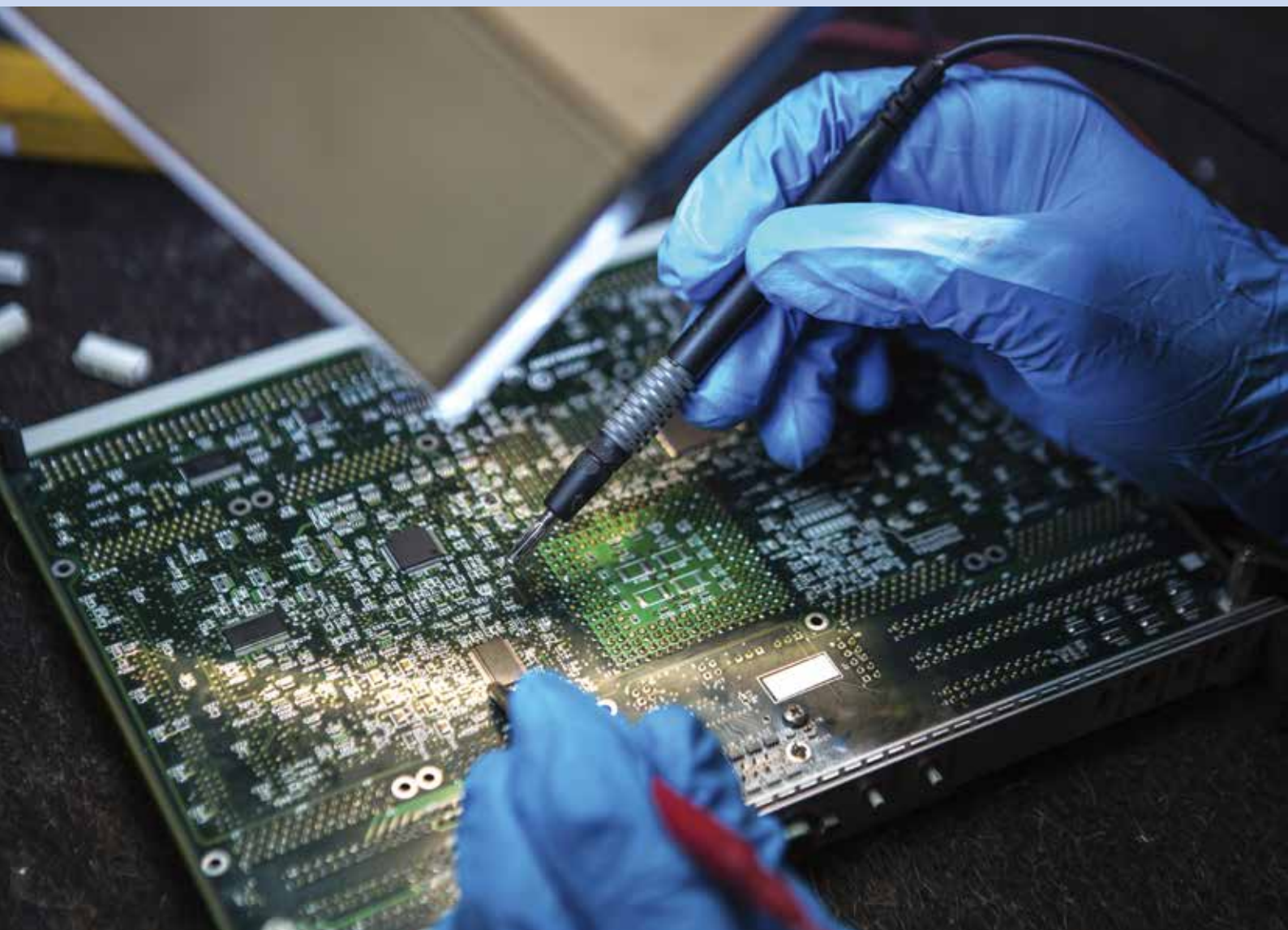
Vice Chancellor and  
Federal Minister of Science, Research and Economy



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High-quality business location: International investors take it for granted that the business location of Austria will enable them to exploit top-notch know-how and quality, high performance technologies, a state-of-the-art infrastructure and EU membership with close proximity to Eastern and South Eastern Europe. They decide for surefire success, and thus choose Austria.

# Austria – A Profitable Location

The success factors: stability, CEE know-how and a prosperous market in the heart of Europe



Good marks for Austria as a business location: according to the OECD, Austria is in the vanguard with respect to innovation, research and development. The Tax Reform 2016 featuring positive effects for the business community and the population was also positively perceived. Austria was also affirmed to be exemplary in supporting startups and introducing crowdfunding financing.

International companies also have confidence in this stable and profitable business environment. The petrochemical giant IPIC invested about EUR 80 million more in Austria in 2016. The Swiss pharmaceutical producer Octapharma invested EUR 65 million once again, and the South Tyrolean confectionery manufacturer Loacker expanded its Austrian plant at a cost of EUR 70 million. Robert Bosch GmbH is significantly enhancing its research capacities in Austria by committing about EUR 100 million. Magna is preparing to produce new models of BMW and Jaguar Landrover cars, and is investing an additional EUR 500 million in Austria.

What makes the small country of Austria located in the heart of Europe so attractive as a business location?

**All advantages at a glance.** One thing is certain: for a profitable company many of the basic conditions must be suitable for business on a long-term basis. Investors can exploit a comprehensive package of competitive advantages:

- Outstanding level of energy security and reliability and low industrial electricity prices
- Political and social stability as well as a low crime rate
- Hardly any strikes thanks to the excellent relationships between employers and employees
- Fourth most prosperous country in the EU – an attractive market with above-average purchasing power on the part of consumers
- Highly developed infrastructure with the best-performing airport with respect to flight connections to the Central and Eastern European region
- Ideal basis for business in South East and Eastern Europe with more than 1,000 CEE coordination headquarters of foreign companies
- Tax advantages based on a low corporate tax rate, a Group taxation scheme and attractive research promotion incentives
- Efficient location with high labor productivity and low unit labor costs
- Highly-qualified employees with practice-oriented vocational training



# Secure Location for Your Investments

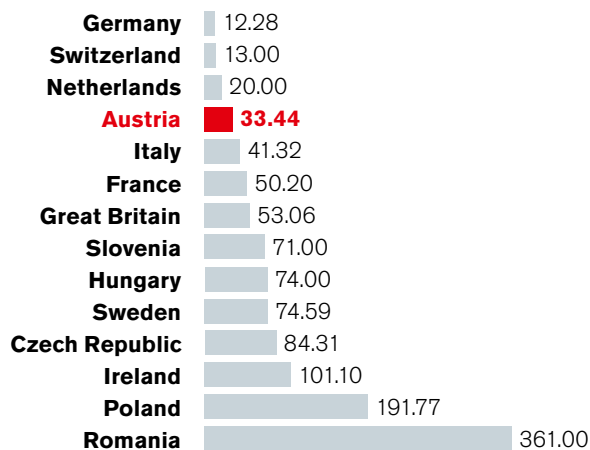
Stability, predictability and security of the energy supply are outstanding features of Austria as a business location.

**No machines stand still.** Companies operating internationally can rely on Austria's extremely high level of political stability. Austria's economic and social partnership between management and labor representatives is not only the basis for one of the lowest strike rates anywhere, with only 2 strike days annually per 1,000 employees, but also ensures a low unemployment rate and a policy of wage restraint.

**In Austria businesspeople are on safe ground.** Climate change and natural catastrophes increasingly influence business location decisions. Austria ranks among the top performers in the world with respect to the reliability of its energy supply. Electricity is available more than 99 percent of the time. Austria is relatively free from natural catastrophes. Accordingly, it is not even listed in the risk evaluations of prominent international insurance companies.

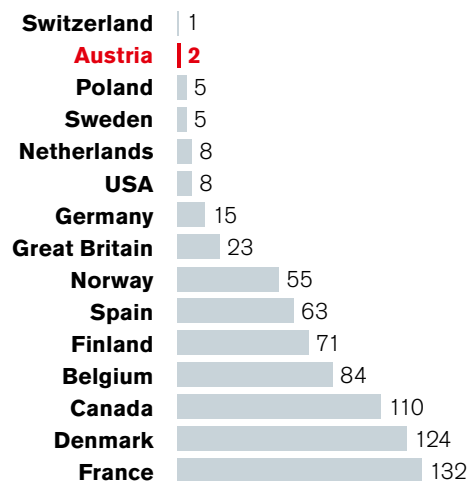
**High level of personal security.** The high level of legal certainty is not the only factor which is particularly attractive to companies. Austria is one of the safest countries in the world with a low crime rate. Even in big cities, it goes without saying that people can safely use public transportation late at night or take a stroll around town after attending a theater performance.

**Annual unplanned non-availability of the electricity supply in minutes, 2013**



**Strike duration in international comparison**

Working days lost per 1,000 employees  
Annual average 2005 - 2014



## Lukoil

“We highly value the excellent infrastructure, especially the great flight connections, the high quality of the labor market as well as the outstanding quality of life in Vienna. In addition to the geographical location, the high level of economic and political stability was an important factor in our headquarters decision.”



Robert Gulla, Managing Director,  
Lukoil Holding GmbH

## Porsche

“In Austria people are goal-oriented and well organized, and can quickly adapt to new circumstances. In my opinion, this flexibility is what characterizes Austria.”



Alain Favey, Managing Director,  
Porsche

## Infineon

“Innovation is a major basis for the success of Infineon Austria as well as for Austria as a technology location and knowledge hub. Infineon was the most research-intensive company in the country with R&D comprising 25 percent of total revenue. In the coming years we plan investments and research expenditures in Austria to the amount of EUR 290 million. A good example is our project ‘Pilot Space Industry 4.0’, a completely new concept in Austria of networked and knowledge-intensive production at the Infineon facility in Villach.”



Sabine Herlitschka, CEO of  
Infineon Technologies  
Austria AG





# People as a Success Factor

Austrian employees: top qualified and top motivated

**Exemplary education.** There is a close connection between the educational system and economic success of a country. That is why Austria focuses on providing sound education and training at all levels.

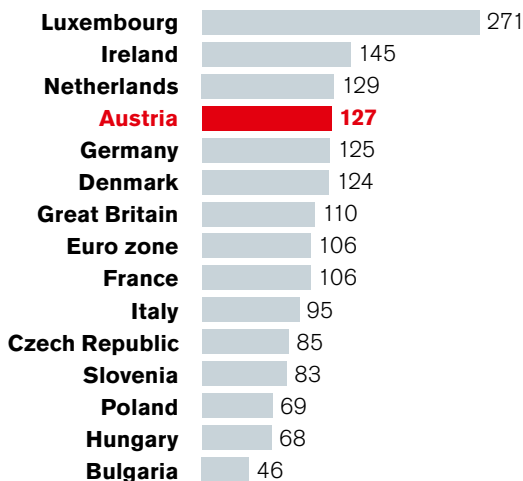
**Dual education.** Similar to Germany, Austria offers young people a dual education system, which combines practical vocational training with vocational schooling. In cooperation with companies, the schools make sure that training matches the requirements of the business community. In addition to vocational schools, higher technical schools provide courses of study in all fields. The education provided usually corresponds to a Associate Degree. A full two-thirds of all 14-18 year olds attend vocationally-oriented schools. Upon graduation, students can either start their professional careers or continue their education. The universities of applied sciences, which offer 550 different courses of study, are particularly tailored to the specific needs of companies. Close to one-half of all the study programs offered by the universities of applied sciences enable people to continue their education alongside work.

The OECD study “Education at a Glance 2016” concludes that seven out of ten young people in Austria attend a vocational school. This is the second highest level in the OECD, surpassed only by the Czech Republic (73 percent), and far higher than the average of 44 percent.

The strong loyalty on the part of Austrian employees and their identification with corporate goals are key factors underlying the high productivity and quality standards.

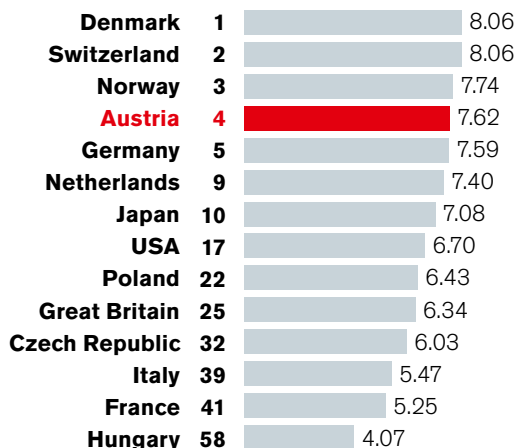
## Prosperity in the EU

GDP per capita 2015 in purchasing power standards (PPS), EU-28 = 100



## Motivated staff

10 = strong commitment to the company





## Marsh

“Austria is the leading investor in numerous Eastern European countries. Many important business partners and customers have also set up their CEE headquarters in Austria or invest heavily in this region. Against the backdrop of similar ambitious growth targets, this leads to synergies which all those involved ultimately profit from. Austria not only offers the best connections to the CEE region due to its central location in the heart of Europe, but never loses sight of its Western-oriented perspective. When operating out of Austria, it is easier to follow various trends and developments of Western economies, make the necessary adaptations and then transfer them to the region. Another point to be made is the large number of qualified employees in Austria with Eastern European know-how or multilingual abilities. Last but not least, Vienna is a very attractive city, and thanks to its international orientation, a very interesting option for young talents from all across Europe to continue their professional development.“



Lukas Herrmanns, CEO Marsh Austria/CEE Chairman Marsh & McLennan Companies Austria

## Wolong Electric

“Austria is located in the heart of Europe and has excellent ties to Eastern European countries, which are our growth markets. An important prerequisite for Wolong is the well-developed infrastructure featuring good flight connections to Eastern Europe. We profit from the central location and the Eastern European know-how in Austria and in particular from the excellently trained skilled employees. Austria's special know-how in mechanical engineering is almost unmatched. Moreover, the cooperation with scientific institutions gives us a decisive competitive edge.”



Angel Chen, CFO, Wolong Electric

## BMW Steyr

“The people in Austria boast top-notch qualifications and are highly motivated – a key to the country's business success. The business location also profits from a high-performance infrastructure, social stability and a high quality of life.“



Gerhard Wölfel, Managing Director, BMW Steyr



## East-West Interface

EU foothold for CEE companies,  
CEE headquarters for Western companies

Austria is internationally considered to be the top business location for building up business ties to South East and Eastern Europe. As a headquarters location, Austria boasts a total of 380 headquarters, far ahead of the competitive CEE locations of Poland, Slovakia, Czech Republic and Hungary. A study carried out by the law firm Wolf Theiss concluded that only 84 international companies have set up their headquarters in all the four above-mentioned locations combined. On balance, about 1,000 international companies such as Siemens, Beiersdorf, Hewlett-Packard, Eli Lilly, Henkel and Shell coordinate their CEE business operations from Austria. Approximately 40 international institutions with a focus on the CEE region are based in Austria.

**Locational advantages.** Outstanding Central and Eastern European know-how on the part of Austrian service providers such as banks and law firms, an historically matured cultural understanding of Austrians for the CEE region, political stability and security as well as transparent laws make Austria the ideal East-West business interface. This is complemented by a high share of employees with Eastern European language competence, based on the fact that some 20 percent of the population, after all, has a migration background.

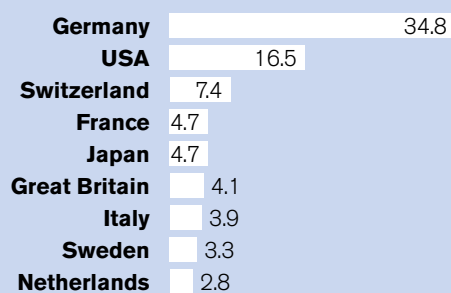
**Austria is the investment champion.** Eastern Europe ranks among the most popular targets of Austrian foreign direct investment, the CEE region accounting for one-third of Austrian investment activity abroad. Tiny Austria is the largest single foreign investor in Slovenia, Croatia and Bosnia. In 2015, almost 20 percent of all Austrian merchandise exports were destined for Central and Eastern Europe. Its most important CEE trading partners are the Czech Republic, Hungary and Poland.

**Boom in start-ups from Eastern Europe.** Prominent companies from Central and Eastern Europe such as Lukoil, Centrex and Sberbank have long decided in favor of Austria as an EU location. Austria is a reliable partner for EU expansion, with the required know-how and competent service providers. The number of firms established by Eastern European companies in Austria has increased significantly in the period between 2003 and 2016, rising from 567 to 3,501.



### Headquarters in Austria

Head office of the parent company, in percent



Source: List of Headquarters in Austria

### Headquarters

of international companies

	2011
<b>Austria</b>	<b>362*</b>
<b>Poland</b>	25
<b>Hungary</b>	24
<b>Czech Republic</b>	23
<b>Slovakia</b>	12

Source: Wolf Theiss Rechtsanwälte GmbH, 2011, \*2016



**Austria's bonus points at a glance:**

- A high level of interconnectedness
- Well-educated and loyal employees with Eastern European language skills
- Transparent legislation
- Excellent infrastructure
- Competent consultants, tax advisors, lawyers and financial service providers
- High quality of life
- High level of legal certainty and personal security

**CEE junior executives “Made in Austria“.** Three-quarters of all migrants in Austria come from Central and Eastern Europe. These immigrants have above-average qualifications, and the proportion of college graduates is also above average. Austrian universities and educational institutions offer tailor-made training programs, often developed in cooperation with the business community. An increasing number of Austrian educational institutions also offer training programs in Eastern Europe.

**The Red-White-Red Card for highly qualified employees.** The Red-White-Red Card is available to highly qualified individuals, specialists and university graduates from non-EU member states. This enables companies to employ, for example, technicians, chemists or managers as well as university graduates from non-EU countries educated in Austria without requiring any further permits.

**Austria:  
Investment champion in Central and Eastern Europe**

	<b>Investment ranking</b>	<b>Austria's share in percent</b>
<b>Slovenia</b>	<b>1</b>	33.6
<b>Croatia</b>	<b>1</b>	29.5
<b>Bosnia-Herz.</b>	<b>1</b>	21.1
<b>Romania</b>	<b>2</b>	16.1
<b>Serbia</b>	<b>1</b>	16
<b>Bulgaria</b>	<b>2</b>	15.4
<b>Slovakia</b>	<b>2</b>	14.6
<b>Czech Republic</b>	<b>2</b>	13.2
<b>Macedonia</b>	<b>2</b>	12.8
<b>Hungary</b>	<b>4</b>	10.3
<b>Albania</b>	<b>6</b>	7.8
<b>Ukraine</b>	<b>4</b>	5.6

**Eastern European companies discover Austria**  
New companies set up in Austria by CEE firms 2003 - 2016, 2003 total: 567; 2015 total: 3,823

	2003	2016
<b>Russia</b>	39	477
<b>Ukraine</b>	31	135
<b>Other CIS</b>	9	88
<b>Bulgaria</b>	29	174
<b>Poland</b>	40	108
<b>Romania</b>	26	181
<b>Slovakia</b>	116	620
<b>Czech Republic</b>	75	358
<b>Hungary</b>	149	1291
<b>Baltic states</b>	12	90
<b>Slovenia</b>	41	301
	<b>567</b>	<b>3.823</b>



## Microsoft

“Austria is a healthy country with incredible economic strength, a solid foundation of SMEs, great industrial companies, multinationals and numerous innovative hidden champions. Furthermore, one can sense the fact that the country is ready for the digital transformation. For this reason, Austria is a particularly interesting market for Microsoft because we offer suitable products and solutions for the upcoming changes.”



Dorothee Ritz,  
General Manager,  
Microsoft Österreich

## Magna Europe & Magna Steyr

“Magna Europe & Magna Steyr highly value the good research climate prevailing in Austria. An outstanding educational system, numerous competent partner companies in the region and the possibility to successfully cooperate with universities and universities of applied sciences make Austria an attractive research location for Magna.”



Günther Apfalter, President  
Magna Europe & Magna Steyr

## Takeda

“Austria is a relatively small country, but favorable legal and economic conditions exist here. We benefit from competent specialized employees, high quality industrial and research partners along with attractive funding and a moderate corporate tax rate. In addition, the outstanding quality of life is another argument which should not be underestimated as a means of luring and retaining talented people for a long time.”



Stefan König, Managing Director  
Takeda Austria



# A Country of Specialists

Innovative small and medium-size companies as global market leaders

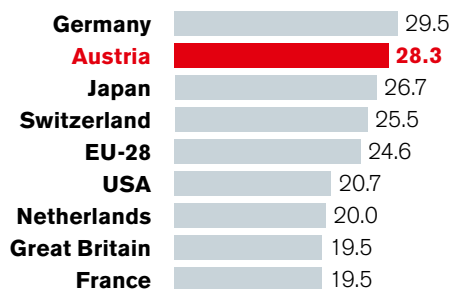
**Austria as an industrialized nation.** Tiny Austria has surprises in store for everyone, serving as the location for numerous niche players in all sectors such as ENGEL, Rosenbauer and Doppelmayr, which produce cutting edge products and are world market leaders. FACC is helping the international aviation industry to reduce fuel consumption by deploying new materials. Frequentis is equipping Dallas-Fort Worth International Airport, the third largest in the world, with an air traffic control system. Firms such as Red Bull, Swarovski and Manner have gained international fame, conquering global markets from their base in Austria.

The latest SME Performance Review of the European Commission also gives good marks to Austria’s small and medium enterprise sector. This is indicated in the fact sheet to the Small Business Act (SBA). The Austrian SME sector has been one of the most adaptable, growing by 16 percent or an average rate of three percent annually in the period 2010 to 2015. Employment increased by seven percent, creating a total of 122,000 new jobs.

**Austria’s economy is globalized.** This is the conclusion of the KOF Globalization Index 2016 compiled by ETH Zurich, a renowned university for technology and natural sciences. The annually updated index measures the economic, social and political dimensions of globalization for 192 countries. Austria was rated an impressive fourth in the rankings behind Ireland, the Netherlands and Belgium.

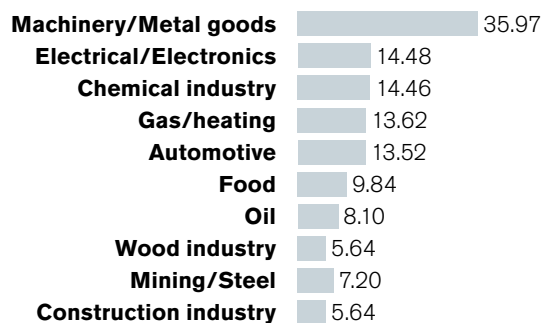
## Austria as an industrialized nation

Production sector’s share of GDP in percent, 2014



## Most important industrial sectors

Industrial production 2015 in EUR billion



# Lower Taxes, Higher Profits

Group taxation and research incentives create a business-friendly tax system in Austria.



A globally operating company benefits from decisive competitive advantages in maximizing profits which are offered by Austria. Limited liability companies are only subject to a 25 percent corporate income tax and nothing else – no wealth or trade tax at all. Accordingly, the founding of a holding company represents an advantageous approach from a tax perspective.

**The Group taxation scheme serves as a role model in Europe.** The profits and losses of subsidiaries are pooled at the parent company and subject to a unified tax rate. Loss carry-forwards of the group leader are consolidated with the taxable profits of the other companies. The pre-requisite is for the Austrian limited liability company to have a participatory stake in the foreign firm of at least 50 percent and one share. For regional headquarters, this system serves as the basis for greater competitiveness within the Group, and reduces the risk in expanding to new markets.

**Private foundations generate tax advantages.** There is also the possibility of setting up a foundation, which enables extensive organizational freedom and generates tax advantages. The feature of a private foundation is that one or several founders can devote assets (also different amounts) in the long term exclusively for the purpose of fulfilling the objective stipulated in the deed of foundation without the supervision of administrative authorities.

**Research more, pay less.** R&D at a high international level poses major financial challenges to companies and research institutions. Austria has reduced investment risk, distributing a twelve percent research premium on research expenditures. This applies to a company's own R&D as well as contract research, and is paid in cash. In this way the framework conditions for corporate innovations are being further improved.

**Startups made easy.** The minimum nominal capital required to establish a limited liability company is EUR 35,000, of which half has to be paid in cash. In 2016 Austria also introduced the "public limited company with a privileged amount of share capital" in the early phase of its business activities (a maximum of ten years). Such provisions must be included in the original articles of incorporation. The privileged status is derived from the fact that such limited liability companies in Austria can now be founded on the basis of a share capital of EUR 10,000, of which only EUR 5,000 has to be paid in cash.



# Productivity as a Trademark

Austria ranked among the best in labor productivity

**Leading in productivity.** The level of industrial productivity in Austria is traditionally very high. In recent years Austrian industry has achieved disproportionately high productivity gains. The decisive reason for this is the highly motivated and qualified employees.

**Moderate labor costs.** In addition to the innovative strength of companies and the qualifications of employees, labor costs comprise a key factor determining the competitiveness of a country. According to the EU Commission, Austria is among the top performers in terms of labor productivity per person employed compared to other EU member states. At 115 percent of the gross value added per person employed, Austria ranks ahead of industrialized nations such as France, Germany, Italy and Great Britain. High productivity goes hand in hand with strike rates of almost zero.

**Digital administrative procedures:** Austria has been a trailblazer in the field of eGovernment for many years, and has constantly achieved top scores in international comparisons. According to the E-Government Monitor 2016, eGovernment use in Austria at 74 percent is the highest level measures over the last six years in Austria, Germany and Switzerland. In contrast, Germany and Switzerland substantially lag behind at 45 and 65 percent respectively. In the latest eGovernment Benchmark Report, the EU Commission also gives particularly high marks to Austria's initiatives in the field of electronic identification (e.g. via mobile phone signature) and electronic documents.

## Fast-track instead of red tape

Online availability in percent



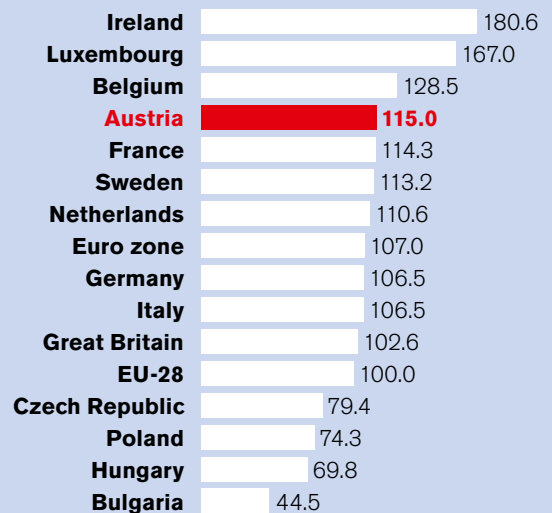
## Usability

in percent



## Labor productivity 2014 in EU comparison

GDP per person employed in PPS, EU-28=100





# Value Creation with Recreational Value

Unsurpassed in the world: Austria's quality of life



**Managers working across the globe confirm it again and again:** Austria has everything required by highly qualified individuals. A well-preserved environment, green meadows and mountain pastures, crystal-clear waters, good air quality combined with one of the most diverse cultural offerings and the world's highest quality of life make Austria a country which is pleasant to live in. According to the most recent "Quality of Living Survey 2016" prepared by Mercer Consulting Group, Vienna is the most livable city in the world.

**International educational opportunities, extensive recreational offering.** Foreign investors do not have to dispense with having their children educated in their mother tongue. All required facilities are available, from the Vienna International School and the Japanese School Association in Vienna to the Swedish School. Close to 5,000 tennis courts, around 80 golf courses, 22,000 kilometers of ski slopes, 50,000 kilometers of hiking paths 10,000 kilometers of biking paths and much more make Austria a leisure paradise.

**Personal security.** Quality of life also encompasses the highest possible level of personal security, based on a low crime rate. There is hardly any other country in the world which matches Austria in respect to security of persons and property. In addition, forward-looking climate protection policies, a pronounced environmental awareness and ecologically-compatible production technologies make Austria an environmental role model.

## The most livable capital city in the world

Ranking by quality of life

Ranking	City	Country
<b>1</b>	<b>Vienna</b>	<b>Austria</b>
<b>2</b>	<b>Zurich</b>	Switzerland
<b>3</b>	<b>Auckland</b>	New Zealand
<b>11</b>	<b>Amsterdam</b>	Netherlands
<b>13</b>	<b>Berlin</b>	Germany
<b>21</b>	<b>Brussels</b>	Belgium
<b>37</b>	<b>Paris</b>	France
<b>39</b>	<b>London</b>	Great Britain
<b>44</b>	<b>New York</b>	USA
<b>45</b>	<b>Tokyo</b>	Japan
<b>52</b>	<b>Madrid</b>	Spain
<b>53</b>	<b>Rome</b>	Italy
<b>69</b>	<b>Prague</b>	Czech Republic
<b>77</b>	<b>Budapest</b>	Hungary
<b>79</b>	<b>Warsaw</b>	Poland

## Unmatched quality of life

10 = Quality of life is very high

<b>Switzerland</b>	1	9.83
<b>Austria</b>	<b>2</b>	<b>9.71</b>
<b>Norway</b>	3	9.70
<b>Netherlands</b>	8	9.24
<b>Germany</b>	9	9.21
<b>Belgium</b>	12	9.05
<b>USA</b>	18	8.26
<b>Czech Republic</b>	19	8.20
<b>Japan</b>	20	8.11
<b>France</b>	23	8.00
<b>Great Britain</b>	24	7.92
<b>Italy</b>	28	7.21
<b>Poland</b>	43	5.36
<b>Hungary</b>	57	3.69



ABA – Invest in Austria offers you comprehensive service – from investment subsidies and market opportunities to tax laws. A team of 25 qualified employees put its know-how at your disposal to provide you with unbureaucratic support, but at no cost to you.

# The Best Contact Partner for Business Location Issues

As a consulting company set up by the Republic of Austria, ABA – Invest in Austria (ABA) is the top choice of international investors

- **Experienced investment consultants** personally serve you and provide all the necessary contacts required in Austria. Contact us when you start to consider expanding so that we can provide you with optimal support.
- ABA – Invest in Austria offers **customized information** on Austria as a business location – sectors, technologies and markets, political and economic conditions.
- We are happy to advise you on important issues relating to **site selection** such as labor and tax regulations, incentives or real estate prices.
- Employees of ABA – Invest in Austria assist and support you in **handling formalities** such as applying for public funding or operating licenses – also in cooperation with the regional investment promotion agencies in the federal provinces.
- ABA – Invest in Austria also provides extensive services to support expansion investments **after project completion**.
- Investors can also benefit from **the international network** of ABA – Invest in Austria's offices in Vienna, New York and Tokyo as well as the foreign trade centers of the Austrian Federal Economic Chamber.
- **Award-winning ABA.** ABA – Invest in Austria has won several awards for its consulting services: World's Best Investment Promotion Agency, World Bank Benchmarking (2009); Global Leader in Online Investment Promotion, World Bank Benchmarking (2012); Second-Best Investment Promotion Agency and third-place award for its program to strengthen Austria as a headquarters location, FDI World Forum (2013).
- **Specialized brochures.** More detailed information on different topics and industries can be found in numerous specialized brochures such as:



- |  |  |
|--|--|
| • Business Location Austria                          | • Life Sciences                          |
| • Bridge between East and West                       | • Logistics                              |
| • Automotive Industry                                | • Machinery / Electronics / Mechatronics |
| • Chemistry / Plastics                               | • Research & Development                 |
| • Environmental Technologies<br>& Renewable Energies | • Tourism                                |
| • Headquarters Location Austria                      | • Starting Business in Austria           |
| • ICT / Telecom                                      | • Tax Aspects of Investments in Austria  |

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