

2023 SURVEY – BUSINESS SENTIMENT

AUSTRIAN BUSINESS IN THE UK

KEY FINDINGS & RESULTS

ADVANTAGE AUSTRIA UK in cooperation with
VIENNA UNIVERSITY OF ECONOMICS AND BUSINESS

... KEY FINDINGS

State of the UK economy

- ✓ **64%** of Austrian business in the UK expect a **stable or improving development** for 2024 (2023: 45%)
- ✓ Only 36% expect some deterioration in 2024, which is the second-best figure since the 2016 Brexit vote
- ✓ The outlook for the UK economy is **in line with global survey results** which show a mostly stable outlook for 2024
- ✓ 2023 was slightly better than expected in the UK which is in line with data from recent years showing that forecasts tend to be more negative than actual results
- ✓ There are **uncertainties and downward risks** due to an increasing number of geopolitical challenges in the world; only 5% of UK respondents do not feel affected

Corporate key figures

- ✓ 46% of respondents saw their sales grow and 28% stagnate in 2023
- ✓ In **2024 79%** expect the **total revenue** to **increase or stagnate** at the current level
- ✓ Data from recent years shows that Austrian business in the UK has higher expectations for their own company's than for the general economic development which underlines the resilience and proactive approach taken by them

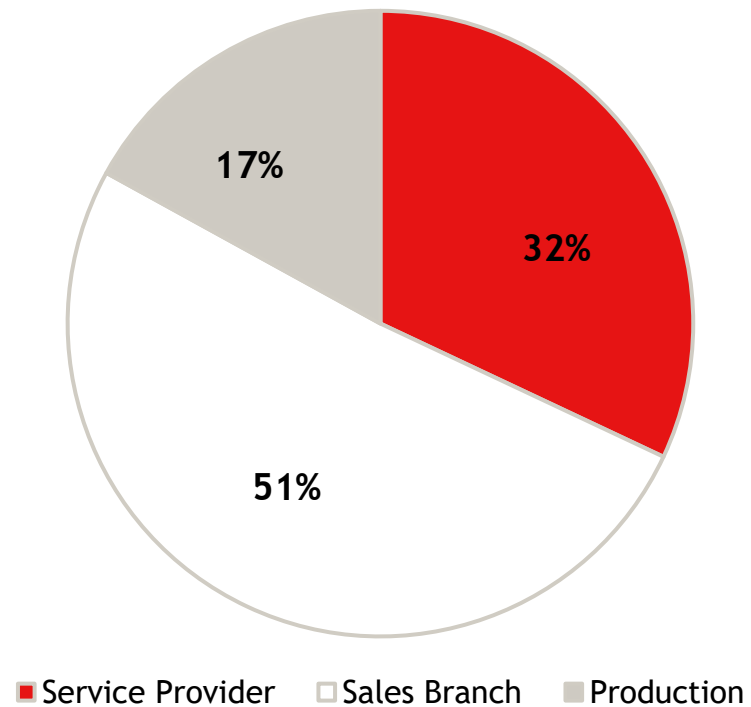
UK regulatory and market conditions

- ✓ Austrian business in the UK highly ranks the UK's legal certainty, labour law and level of digitization
- ✓ The **top 3 challenges** are the availability of a qualified labour force, the cost of raw materials and the level of bureaucracy
- ✓ Four years after Brexit, more than half of respondents are negatively affected by the **post-Brexit regulatory and administrative framework**. Top of the list are the administrative burden in import and export operations, transport and logistics issues and the planning uncertainty

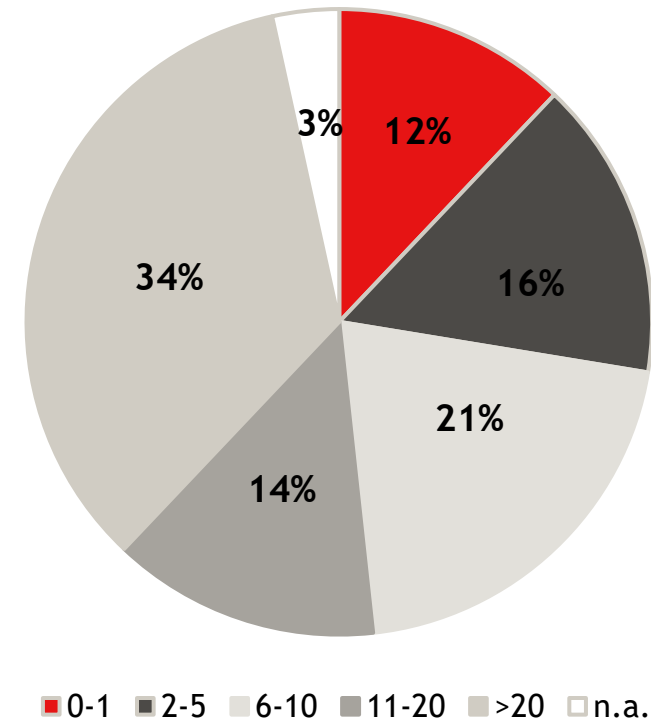
... AUSTRIAN BUSINESS IN THE UK

300 subsidiaries | 20% response rate

Company Type



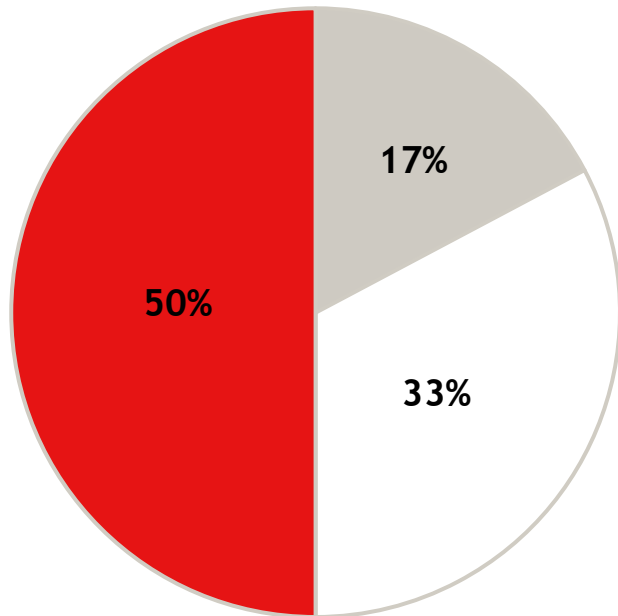
Turnover in Mio EUR



... CURRENT ECONOMIC SITUATION AND OUTLOOK

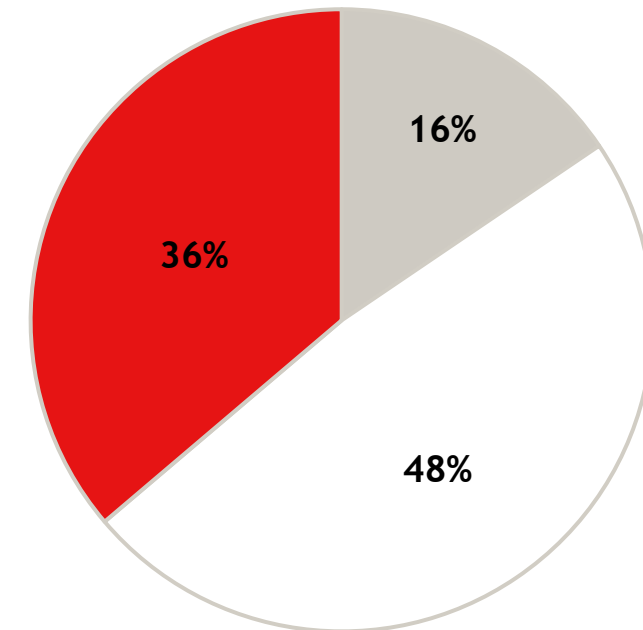
How would you characterize the economic climate and state of the UK economy ...

... for the past 12 months



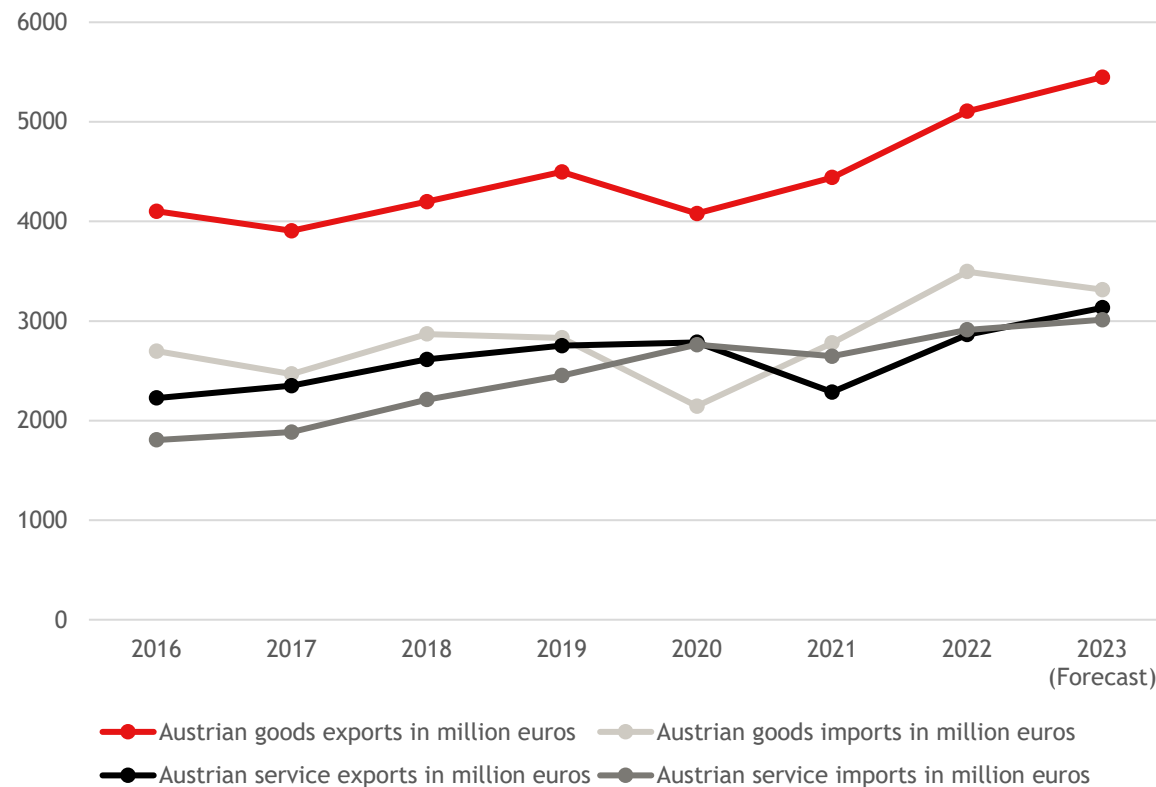
■ has improved ■ has stayed the same ■ has worsened

... for the next 12 months



■ will improve ■ will stay the same ■ will worsen

... ECONOMIC RELATIONS WITH THE UK IN 2023



¹Source: Österreichische Nationalbank

²Source: Statistik Austria

³Source: Österreichisches Institut für Wirtschaftsforschung

⁴Source: Own data

9th most important trading partner



10th in Austrian exports of goods



5th in Austrian service exports



No. 9 for Austrian FDI



No. 7 for inward investments into Austria



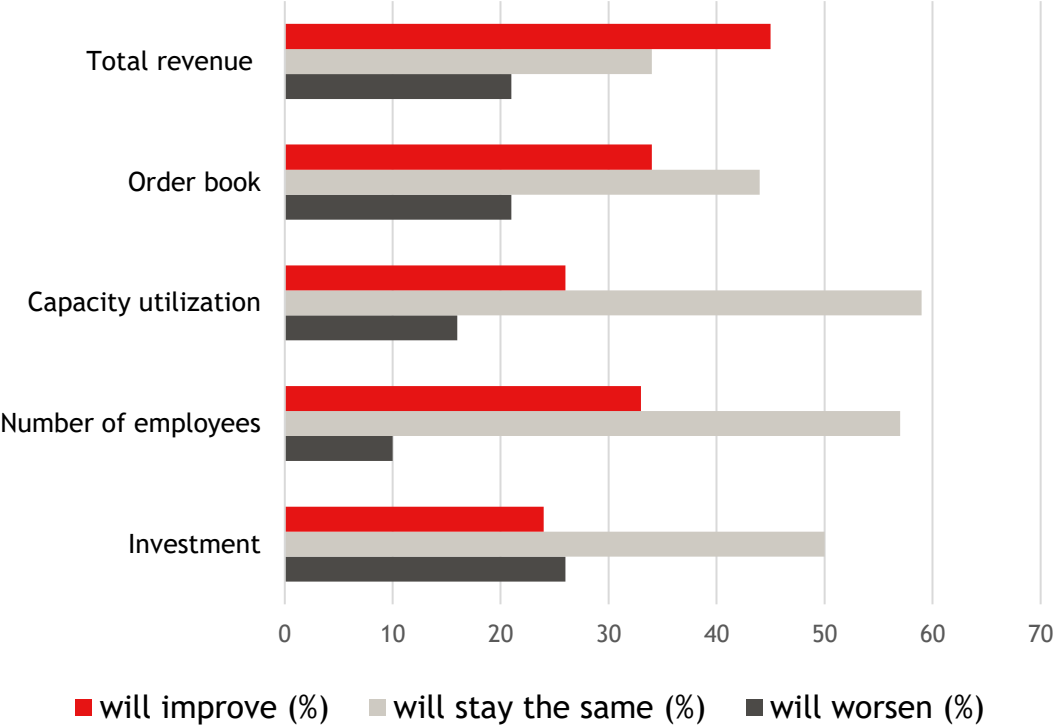
... KEY PERFORMANCE METRICS

Stable UK economic outlook translates into steady business forecasts

...over the last 12 months?



...for the next 12 months?



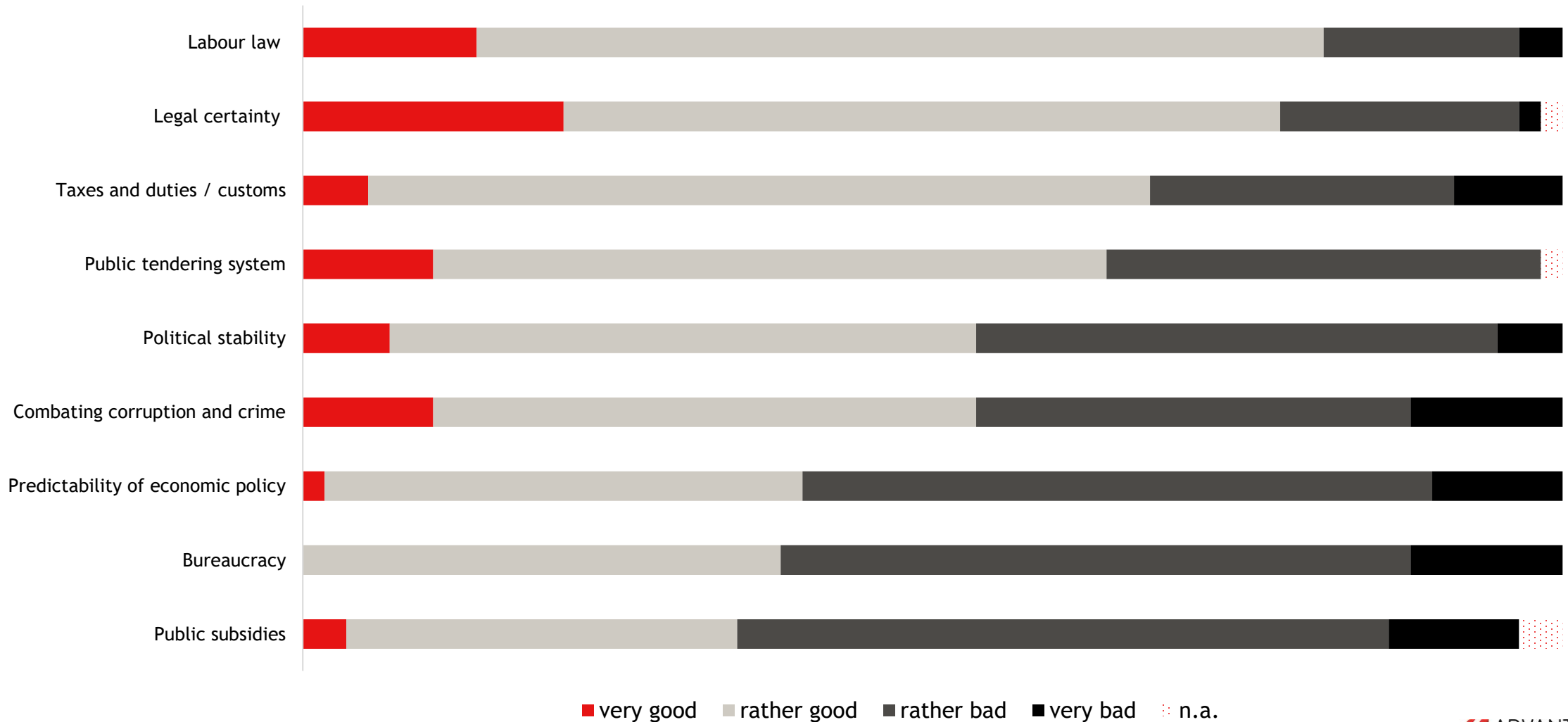
... KEY REGULATORY & MARKET ISSUES

Looking at your subsidiary's country, how would you assess the factors listed below?

very good / rather good	rather bad / very bad
Legal certainty 21 % / 58 %	Availability of a qualified labour force 51 % / 26 %
Employment law 14 % / 67 %	Cost of raw materials 69 % / 16 %
Digitalization 11 % / 72 %	Bureaucracy and red tape 50 % / 12%
Quality of local suppliers 5 % / 66 %	Public subsidies 53 % / 10 %
Business payment practices 5 % / 62 %	Labour costs 61 % / 4 %

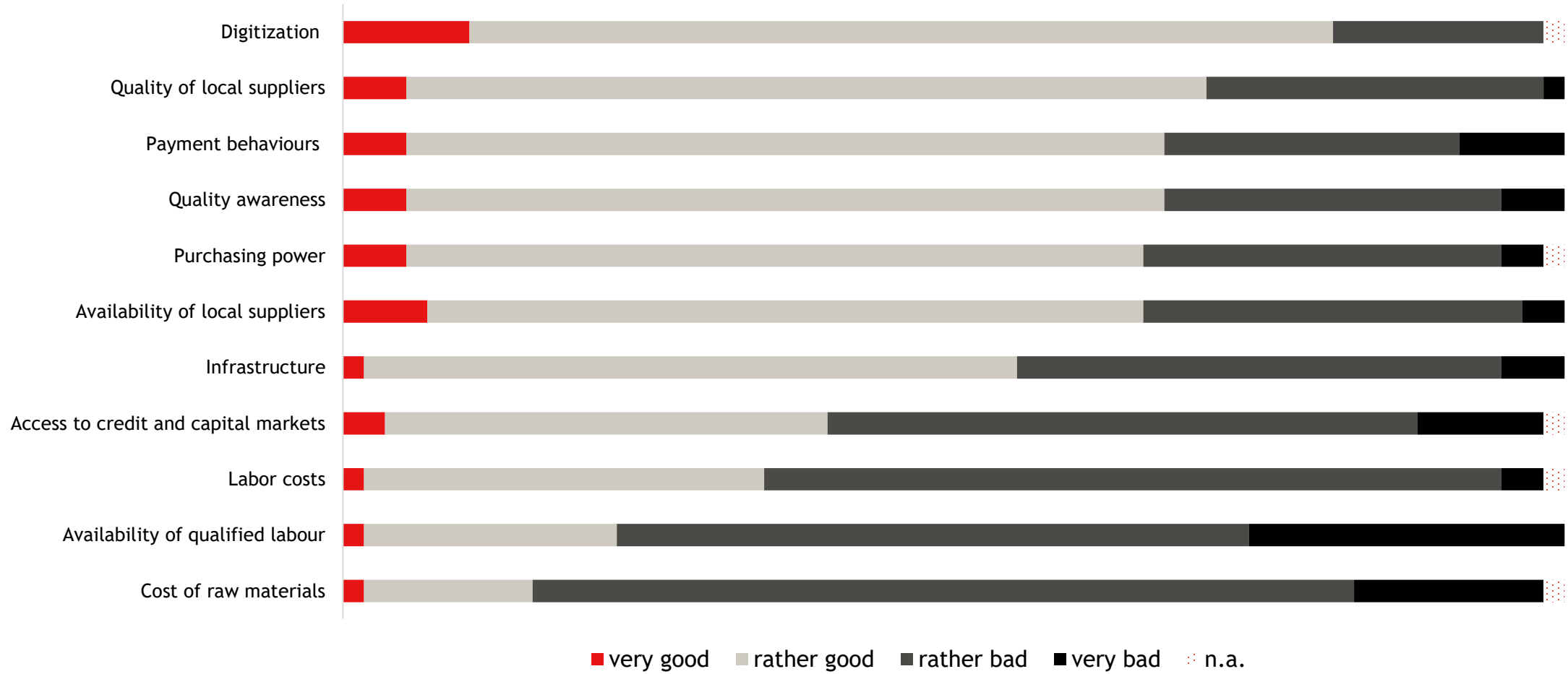
... KEY REGULATORY ISSUES IN DETAIL

Looking at your subsidiary's country, how would you assess the factors listed below?



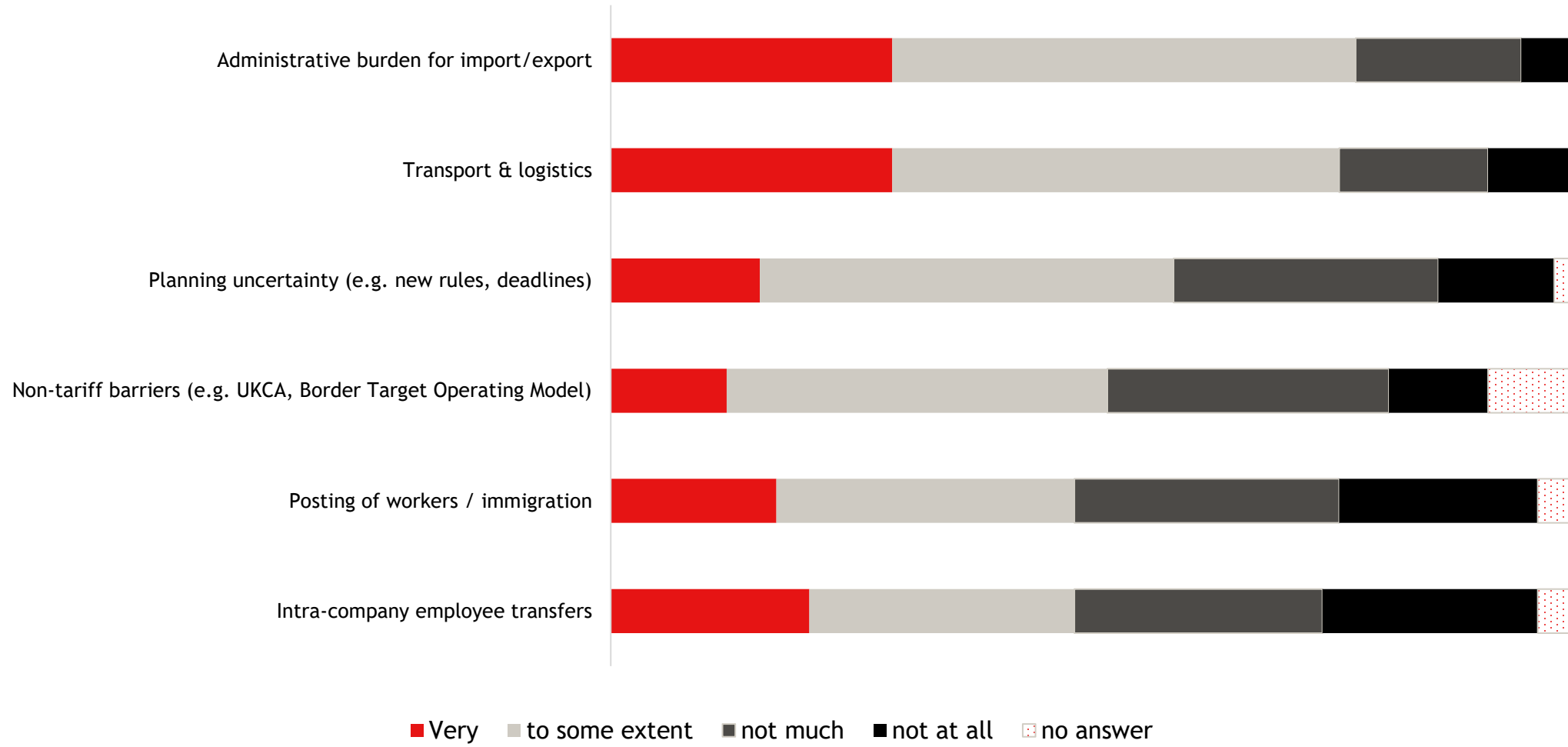
... KEY MARKET ISSUES IN DETAIL

Looking at your subsidiary's country, how would you assess the factors listed below?



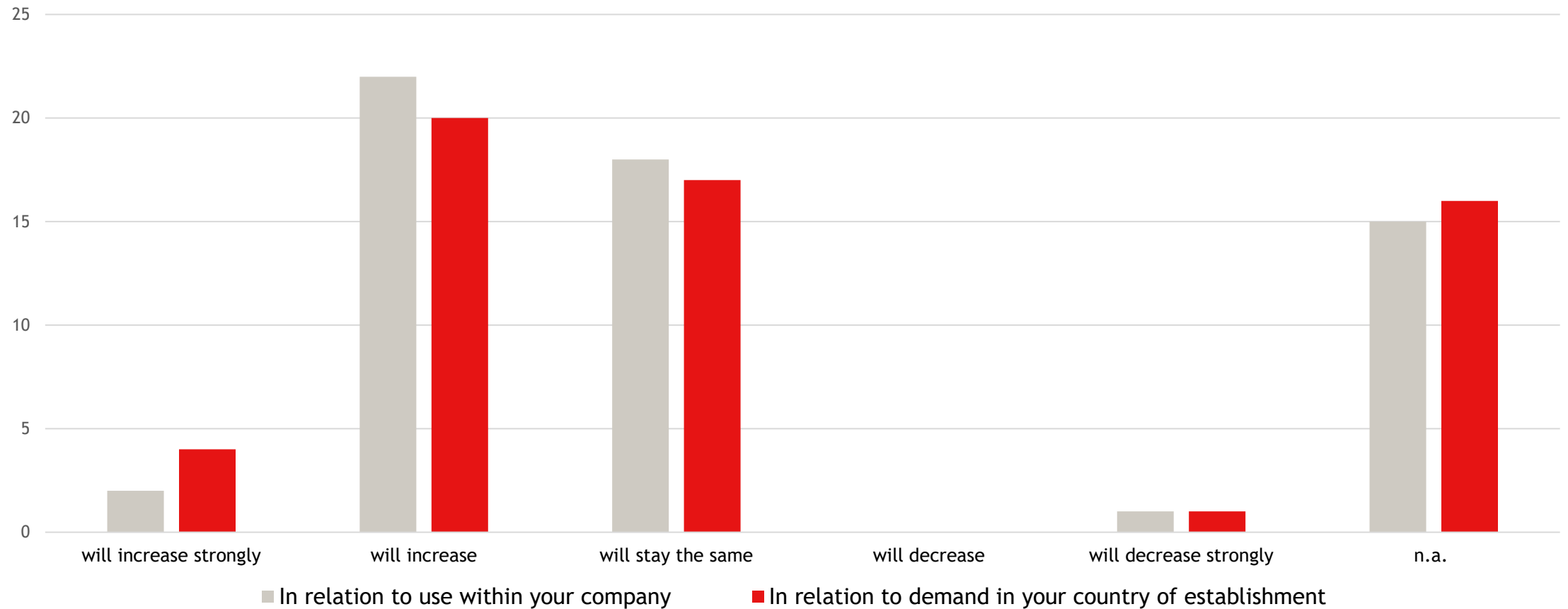
... THE BREXIT AFTERMATH

What legal and administrative issues are preoccupying you, and how intensively, post-Brexit?



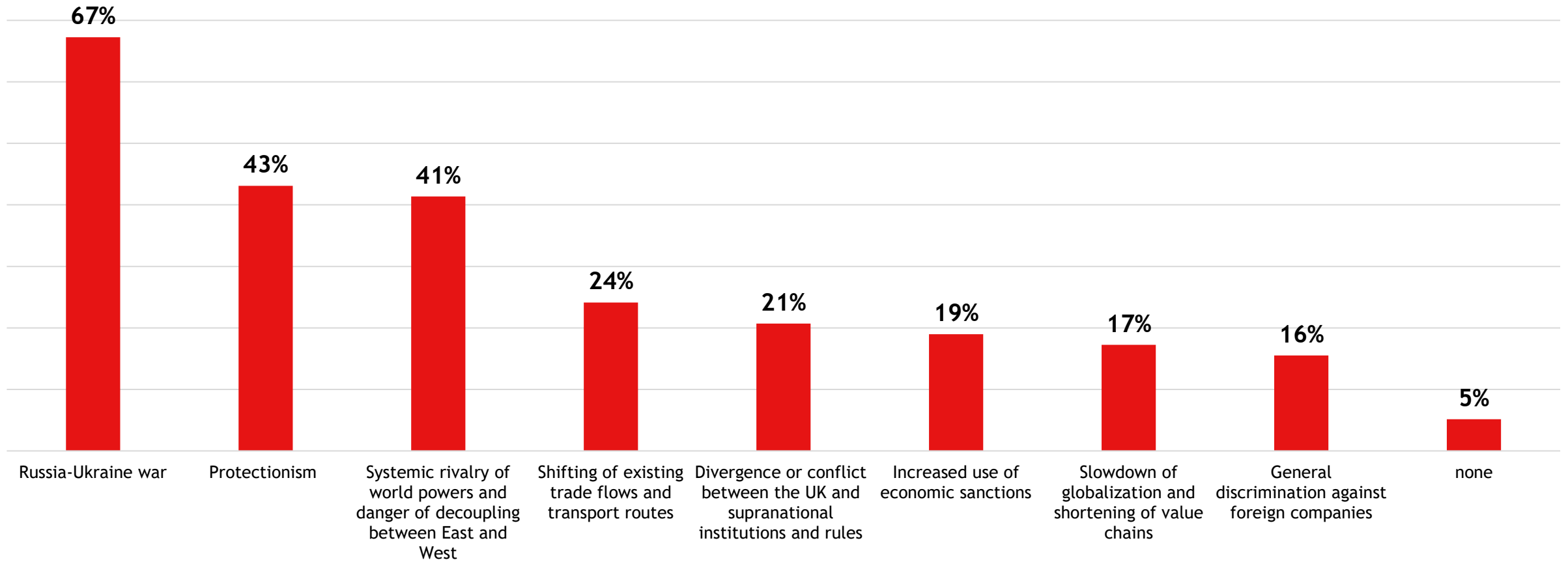
... AI IN CONTEXT

How do you assess the development of products and services based on artificial intelligence from your company's perspective over the next 12 months?



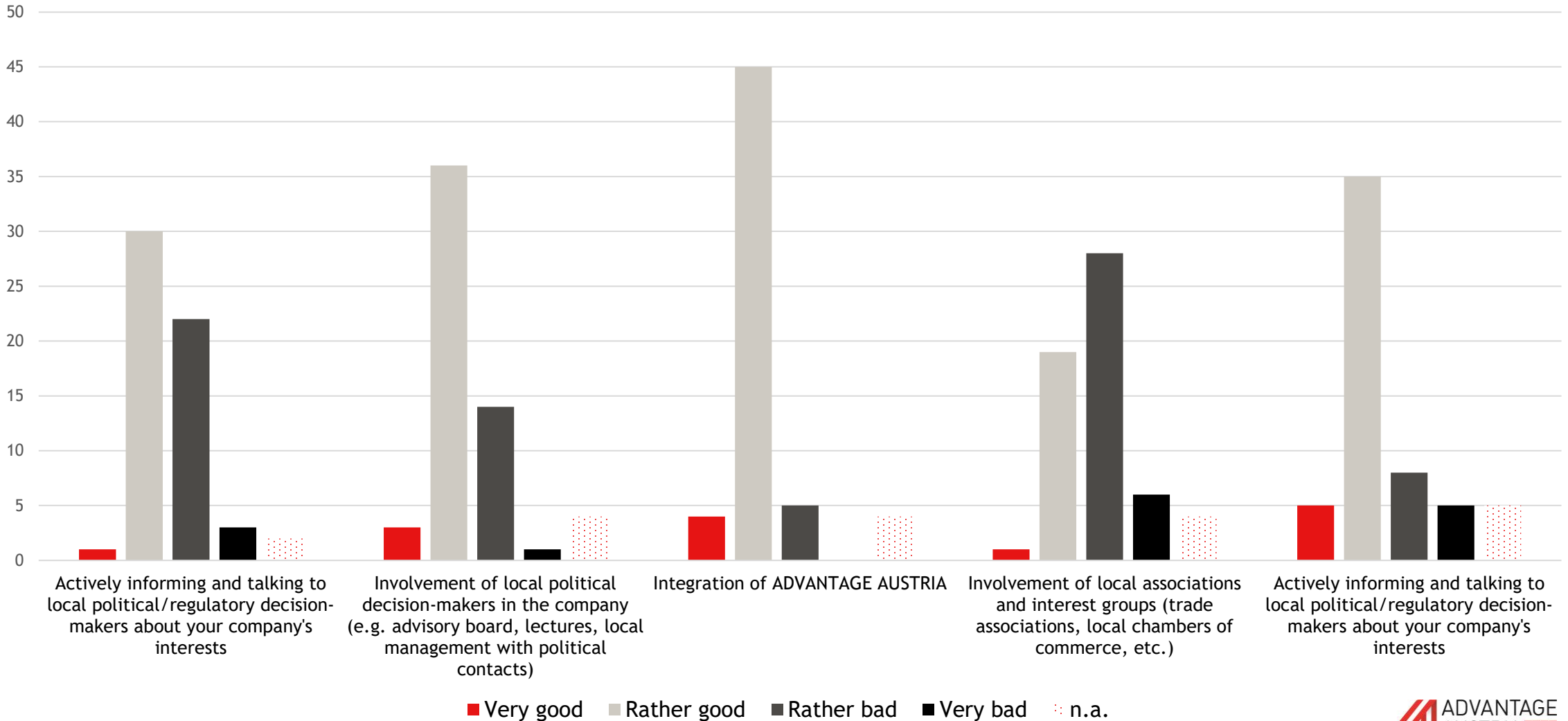
... DEALING WITH CURRENT WORLD AFFAIRS

What current geopolitical developments pose the greatest potential risk to your subsidiary's business activities?



... A HELPING HAND

How do you rate the effectiveness of the following measures for enforcing your company's interests in the country where you are based?



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