

Austria*

*Opens Up New Perspectives
for Your Company

The Best Contact Partner for Business Location Issues

ABA – Invest in Austria offers you comprehensive service – from funding and market opportunities to tax regulations. Experienced ABA experts provide you with unbureaucratic support, putting their know-how at your disposal – at no charge at all.

Are you considering setting up business operations in Austria or intensifying your research activities? ABA – Invest in Austria assists you with a complete range of cost-free services, including competent consulting in selecting an optimal site, support in dealing with public authorities and funding bodies, on tax and labor issues or in identifying contact partners. In addition, ABA supports you with its broad-based network of experts and cooperation partners.

More information at: investinaustria.at



Why You Should Invest in Austria

Innovative companies from across the globe enjoy optimal conditions in Austria



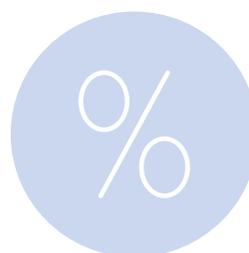
High Stability

- Security for your company and employees
- Highest quality of life worldwide
- Hardly any strikes and high level of social peace



Attractive Research Location

- 14% research tax credit for large companies and SMEs
- R&D expenditures 2018: 3.19% (rank 2 in EU)
- 30% percent tax deduction for researchers moving in



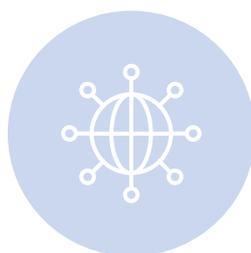
Moderate Corporate Taxes

- Corporate tax rate of 25%
- Attractive group taxation scheme for holdings
- No wealth or trade tax, cutting-edge Austrian trust regulations



Huge Market Potential

- Approx. 600 m. consumers within 3 hours by flight
- 573 flights each week from Vienna airport
- Above-average purchasing power



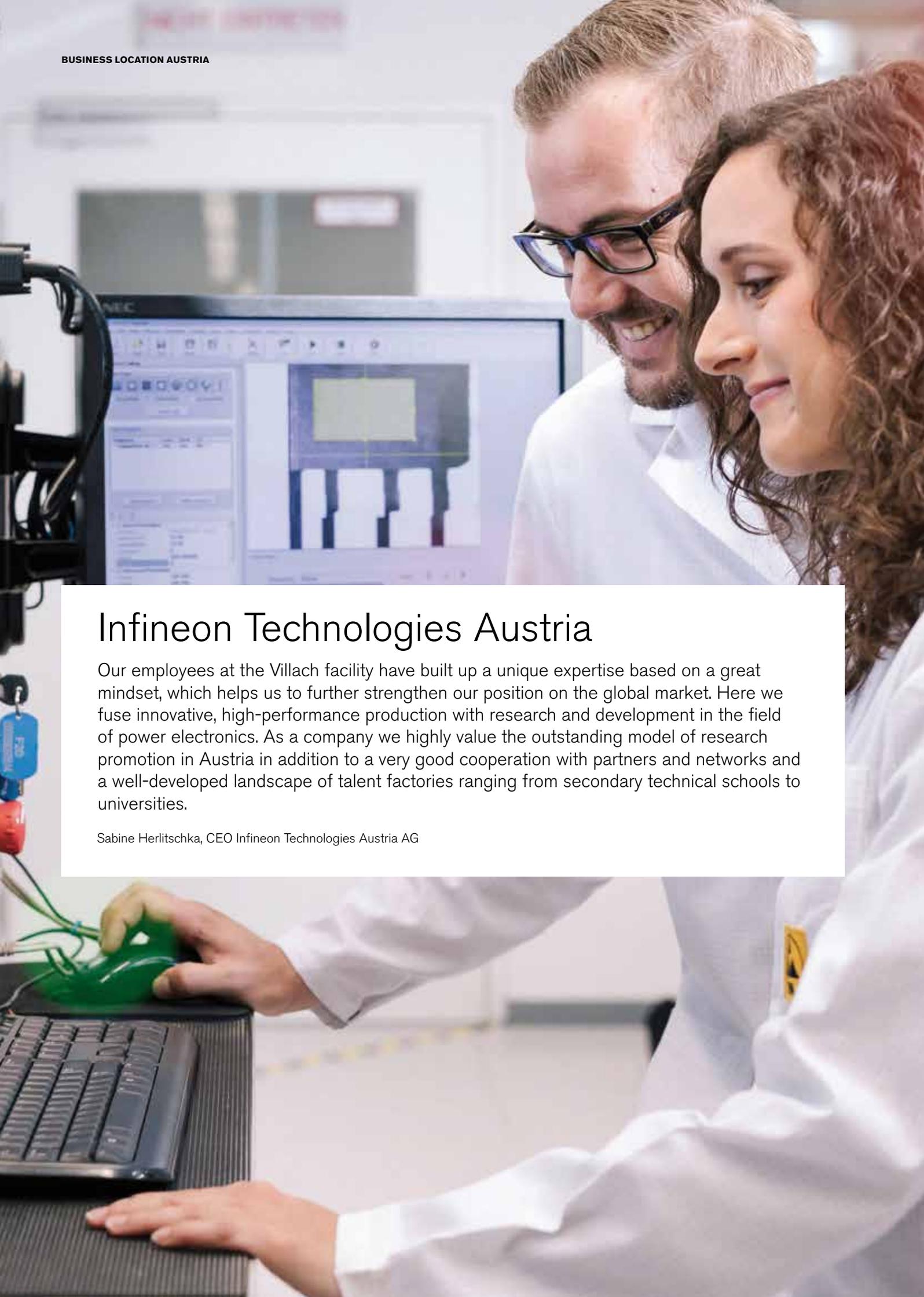
Ideal East-West-Interface

- 377 CEE headquarters
- Leading hub to Eastern Europe
- Well-educated and loyal employees with Eastern European language skills



Highly Motivated Employees

- With practice-oriented vocational training
- High labor productivity (rank 4 in the EU)
- Top qualified and highly motivated employees (rank 5 worldwide)

A man with glasses and a beard, and a woman with curly hair, both wearing white lab coats, are looking at a computer monitor. The man is smiling and pointing at the screen. The woman is looking at the screen with a focused expression. The monitor displays a software interface with a bar chart and various data points. The background is a laboratory or office setting with other equipment and a blurred background.

Infineon Technologies Austria

Our employees at the Villach facility have built up a unique expertise based on a great mindset, which helps us to further strengthen our position on the global market. Here we fuse innovative, high-performance production with research and development in the field of power electronics. As a company we highly value the outstanding model of research promotion in Austria in addition to a very good cooperation with partners and networks and a well-developed landscape of talent factories ranging from secondary technical schools to universities.

Sabine Herlitschka, CEO Infineon Technologies Austria AG

Austria is Worth It!

Stability, CEE know-how and a market with high purchasing power in a central location

According to the OECD, Austria ranks among the trailblazers when it comes to **innovation, research and development**. This is complemented by:

- tax benefits with positive effects on the economy
- growth-stimulating environment for startups and
- a modern crowdfunding law.

These and other advantages also make Austria an extremely profitable location for international companies. The high-tech firm Infineon is investing more than EUR 1.6 billion in the fully automated production of power semiconductors as well as a building complex for research and development. The Swiss pharmaceutical companies Novartis and Octapharma are each expanding their Austrian operations at a cost of EUR 200 million and EUR 142 million respectively, and the new BMW Roadster Z4 vehicle will be manufactured by Magna in Graz.

All advantages at a glance

Entrepreneurs can leverage ideal conditions in Austria:

- Outstanding energy supply security and reliability and low industrial electricity prices
- Political and social stability as well as a low crime rate
- Hardly any strikes due to the excellent relations between employers and employees
- Third most prosperous country in the EU – an attractive market with consumers enjoying disproportionately high purchasing power
- Highly developed infrastructure with the most efficient, high-performance airport operating flights to Central and Eastern Europe
- Ideal base for doing business in South East and Eastern Europe, featuring more than 1,000 Eastern European coordination offices of foreign companies
- Tax advantages based on moderate corporate taxes, Group taxation and attractive research promotion
- Efficient business location with high labor productivity and low unit labor costs
- Highly qualified employees and a practice-oriented education
- Highest quality of life

Secure Investment

thanks to stability, predictability and supply security

Internationally operating companies profit from an extremely high level of **stability** in Austria, both in political terms as well as with respect to the energy supply.

The economic and social partnership between management and labor representatives, successfully practiced for decades, is the underlying reason for only two strike days annually per 1,000 employees and a policy of wage restraint.

Austria, for the most part unaffected by climate change and natural catastrophes and aware of its geographically privileged location, increasingly relies on sustainable methods of energy generation. The country ranks among the top performers globally with respect to the reliability of its **energy supply**.

Austria also clearly stands out in a worldwide comparison when it comes to **personal security**. Even in big cities, it goes without saying that people can safely use public transportation late in the evening or take a stroll around town after attending a theater performance.

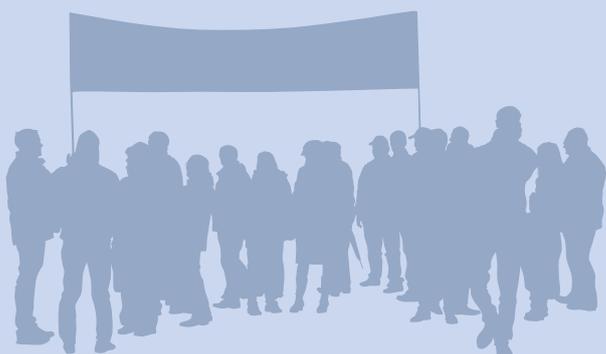
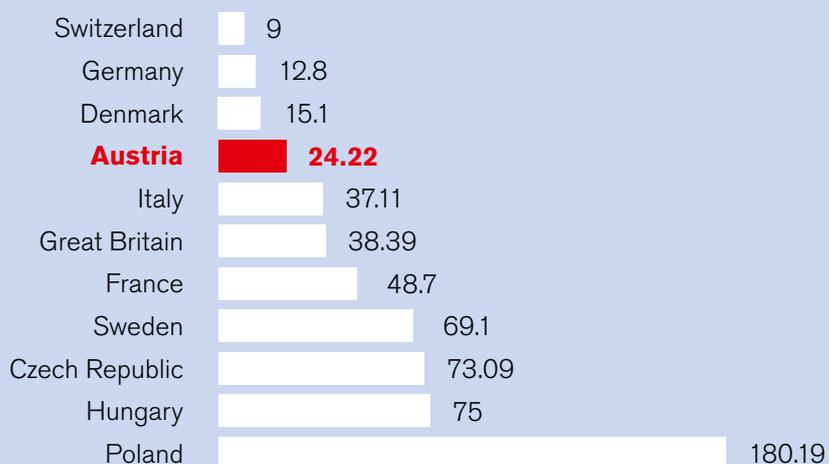
A very high level of legal certainty also prevails in Austria, a fact which particularly benefits companies.



Annual unplanned non-availability of the electricity supply

in minutes, 2016

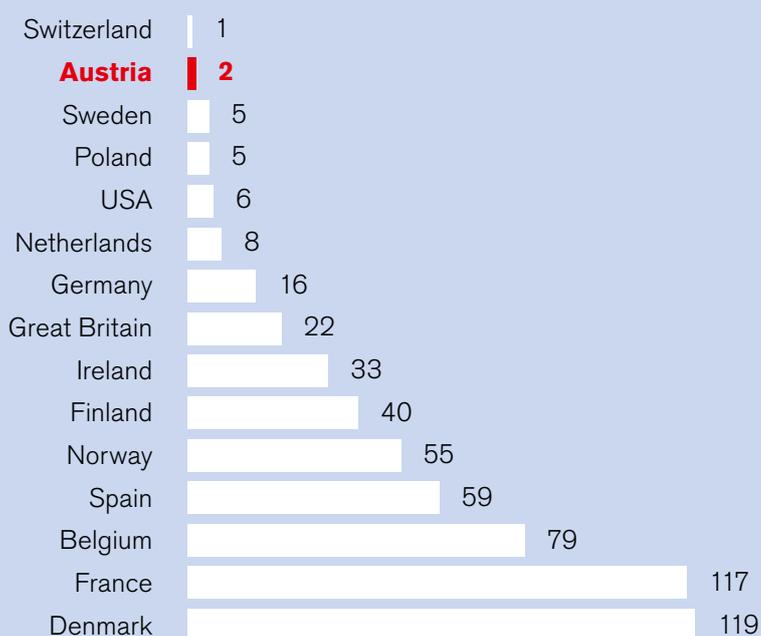
Source: CEER Benchmarking Report 6.1



Strike duration in international comparison

Working days lost per 1,000 employees, Annual average 2007 - 2016

Source: WSI - Hans Böckler Stiftung 03/2018



Atos

Very well-trained specialists, an outstanding infrastructure and a high density of top companies are just a few aspects in Austria's favor. Digitalization is gaining in momentum thanks to the extremely positive innovation climate and the fact that political decision makers have also recognized the significance of new technologies as the pre-requisite for economic growth. We are represented in all federal states because we attach great importance to customer proximity and will also continue to invest in Austria as a business location.

Johann Martin Schachner, CEO, Atos Austria



People as a Success Factor

Top qualified and motivated

The close connection between **an outstanding educational system** and economic success of a country has long been known in Austria.

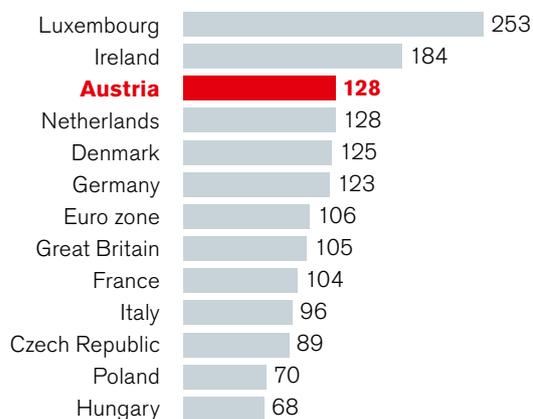
Young people are offered a dual education, similar to the situation in Germany.

- Education and training are closely aligned to the requirements of the business community in close cooperation with companies.
- In addition to vocational schools, higher technical schools provide courses of study in all fields, and the training provided comes close to bachelor's level studies. A full two-thirds of all 14- to 18-year-olds attend vocationally-oriented schools.
- The universities of applied sciences offering 550 different courses of study are particularly tailored to the specific needs of companies and maintain close contacts to industry. 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 high level of loyalty on the part of Austrian employees and their strong identification with corporate objectives are key factors underlying the **high productivity and quality standards**. Austria ranks fifth in an international comparison, surpassed only by Denmark, Norway, Ireland and Switzerland.

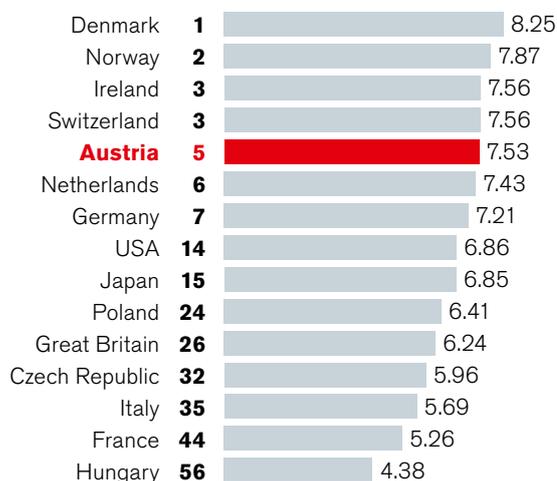
Prosperity in the EU

GDP per capita in PPS, 2017



Motivated staff

10 = strong commitment to the company



East-West Interface

CEE headquarters and EU foothold

Thanks to its **central location**, Austria is the top business location for building up business ties to South East and Eastern Europe. This is confirmed by the total of 377 headquarters in Austria.

More than 1,000 globally operating companies take advantage of the business-friendly environment in Austria to coordinate their CEE business operations from Austria. They include the pharmaceutical companies Beiersdorf and Sandoz, the electronics specialists Siemens and Nichicon as well as branded goods manufacturer Henkel. The Russian oil company Lukoil, the Australian hearing aid specialist Cochlear, China's telecommunications equipment supplier ZTE, the Japanese mechanical engineering company Nittoku Engineering and the financial services providers TeleTrade from Zypern and Banco do Brasil have selected Austria as their CEE headquarters. The US life sciences company LifeNet Health opened its European headquarters in Vienna in 2018. The new branch office of the Industrial & Commercial Bank of China (ICBC) serves as the head office for the Central and Eastern European region as well as the Nordic countries.

Austria itself also happens to be one of the largest investors in Central and Eastern Europe, with the region accounting for one-third of its foreign direct investments. Moreover, Austria's exports to Central and Eastern Europe equaled almost 10 percent of all its merchandise exports.

VEECH X VEECH

We come from Chicago and Moscow, and both of us studied in London. Our team comes from all parts of the world. There is only one response to the frequently asked question as to why we founded our architectural firm in Vienna of all places, namely that Vienna is the new navel of the world. There is hardly a better place anywhere for international projects, just considering its central geographical location with eight countries sharing borders with Austria, its rich cultural heritage and the perfect infrastructure. From here we can reach all Central European cities, Russia, Asia and the Middle East in just a few hours...Moreover, we highly appreciate the very special Viennese sense of humor and invective.

Stuart A. Veech and Mascha Veech-Kosmatschof, VEECH X VEECH Architects ZT GmbH



Location advantages:

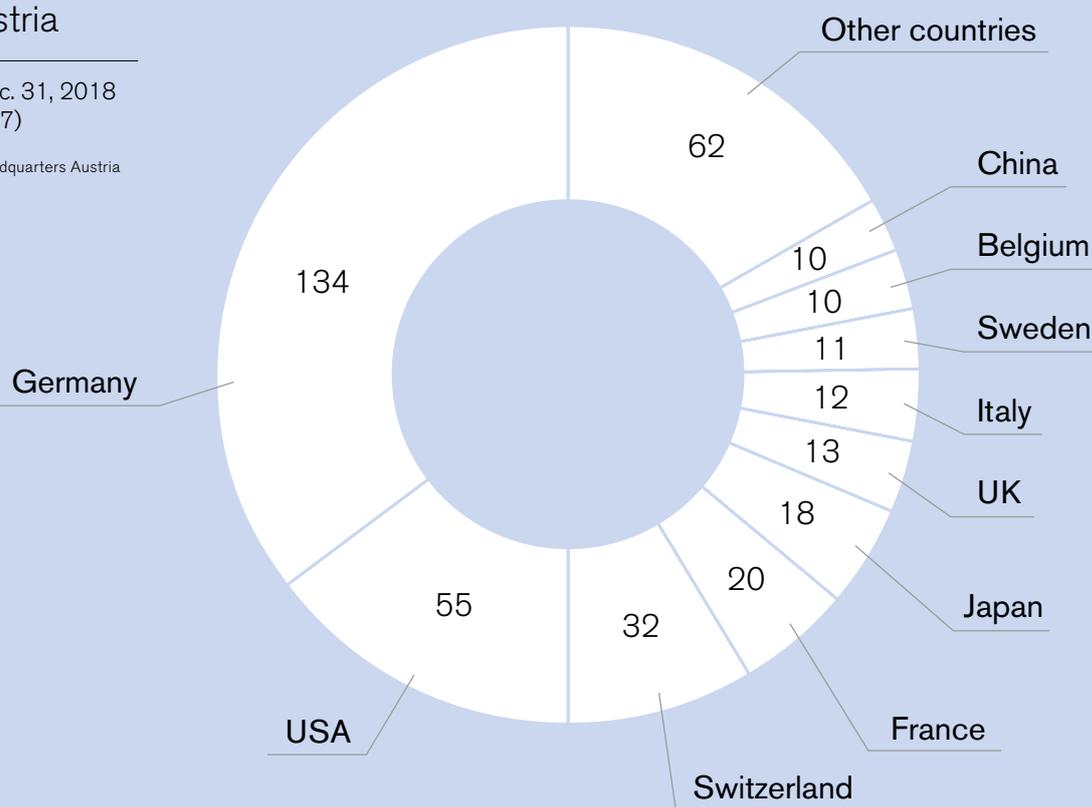
- Outstanding CEE know-how on the part of Austrian service providers such as banks and lawyers
- An historically matured cultural understanding for Eastern Europe
- Political stability and security
- Transparent laws

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Headquarters in Austria

As of Dec. 31, 2018
(total: 377)

Source: Headquarters Austria





Eastern European companies discover Austria

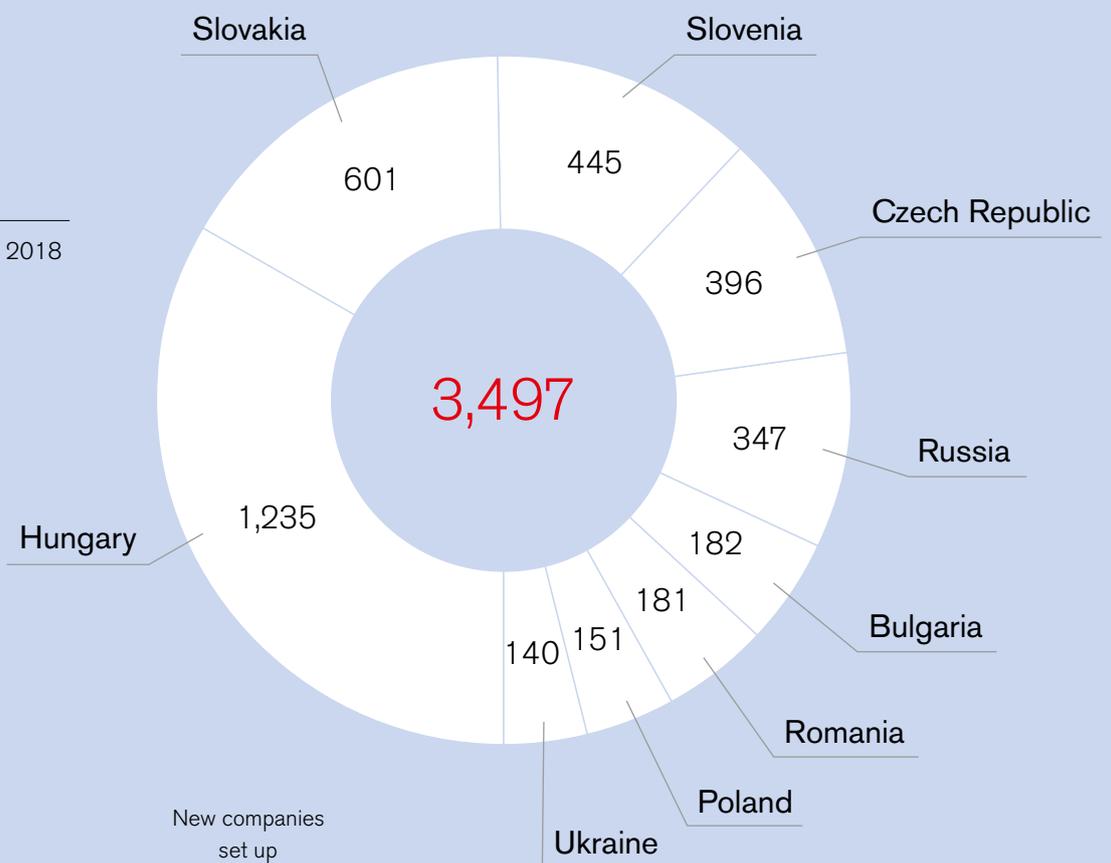
New companies set up 2003 - 2018

Source: Compass Verlag, 2018



New companies set up

until 2003



New companies set up

until 2018

Austria: Investment champion in Central and Eastern Europe

Austrian Direct Investment 2016

Source: WIIW FDI-Report 2018



After all, some 20 percent of the Austrian population has a migration background. For this reason, a high proportion of employees in Austria boast Eastern European language skills. All this makes Austria the ideal headquarters for the CEE region.

Conversely, Austria is also the perfect location within the EU for Eastern European companies. Austria is a reliable partner for EU expansion, featuring the required know-how and competent service providers. Prominent companies from Central and Eastern Europe such as Lukoil, Centrex and Sberbank realized this a long time ago. The number of Eastern European companies operating in Austria increased significantly in the period between 2003 and 2018, rising from 546 to 3,497.

Austria's bonus points at a glance

- 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". 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. An increasing number of Austrian educational institutions also offer training programs in Eastern Europe.

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

Land of “Hidden Champions”

Small and medium-size companies as professionals and specialists

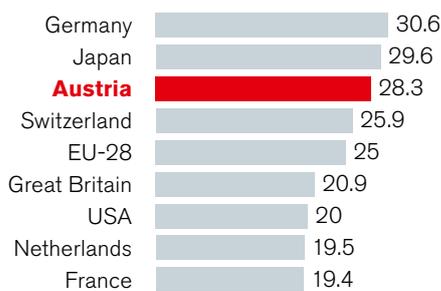
Austria is home to the most **global market leaders** of any country in relation to the number of inhabitants. Niche players in all sectors such as Kreisel, Doppelmayr and ViraTherapeutic manufacture outstanding cutting-edge products. FACC assists the international aviation industry to reduce fuel consumption by deploying new materials and supports the Chinese air taxi pioneer to optimize autonomous aircraft for series production. Thanks to its real time control software, nxt Control enables the automation of complex industrial facilities, buildings and machines - not only in a shorter time than all other currently available technologies but in a manner making the resulting complexity more manageable. Companies such as Red Bull, Swarovski and Manner have garnered international fame, conquering global markets from their base in Austria.

The latest SME Performance Review of the European Commission concludes that Austria’s SME sector ranks among the most adaptable. Value creation increased by an average rate of three percent per year or a total of 16.8 percent in the period 2010 to 2018.

Austria’s economy is globalized according to the KOF Globalization Index 2018 compiled by the renowned Swiss Federal Institute of Technology. The index measures the economic, social and political dimensions of globalization for 185 countries. Austria was rated an impressive fifth in the rankings behind Belgium, Netherlands, Switzerland and Sweden.

Austria as an industrialized nation

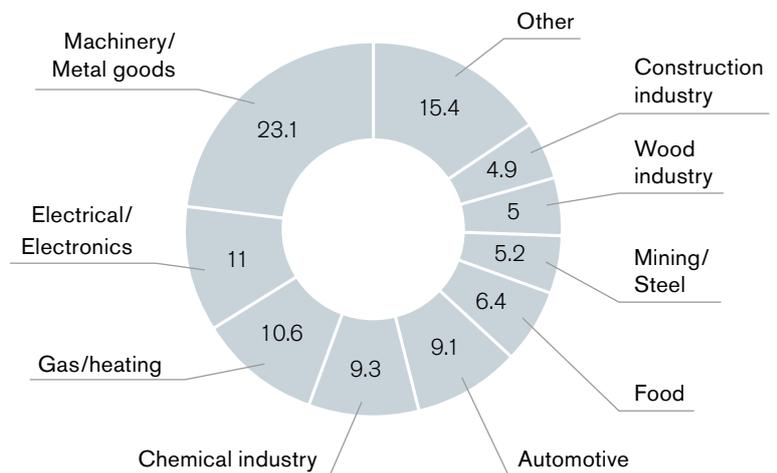
Production sector’s share of GDP in percent, 2017



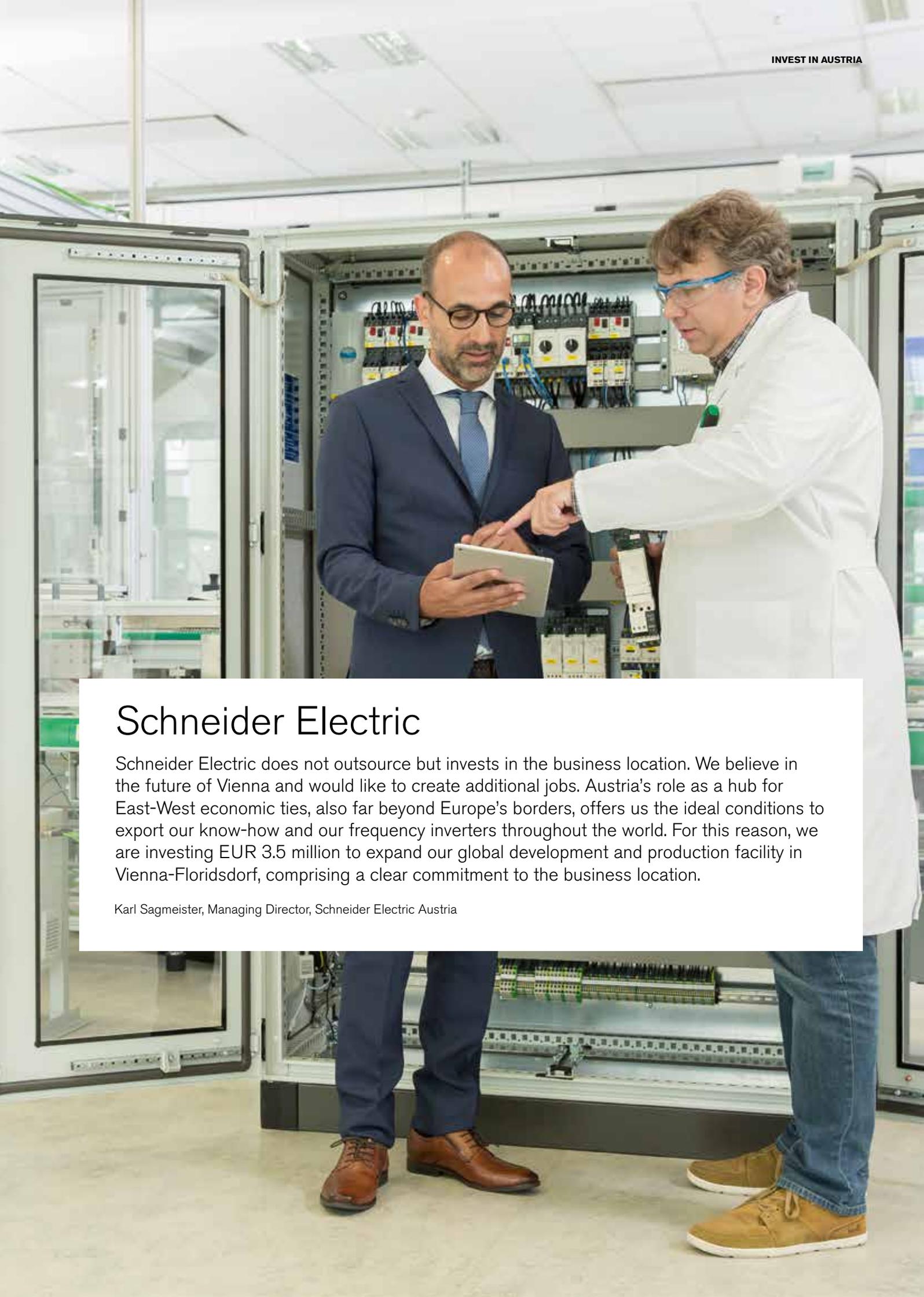
Source: OECD, Eurostat

Most important industrial sectors

Industrial production 2018 in percent



Source: Wirtschaftskammer Österreich



Schneider Electric

Schneider Electric does not outsource but invests in the business location. We believe in the future of Vienna and would like to create additional jobs. Austria's role as a hub for East-West economic ties, also far beyond Europe's borders, offers us the ideal conditions to export our know-how and our frequency inverters throughout the world. For this reason, we are investing EUR 3.5 million to expand our global development and production facility in Vienna-Floridsdorf, comprising a clear commitment to the business location.

Karl Sagmeister, Managing Director, Schneider Electric Austria



Amazon Logistics

The new Amazon distribution center in Großebersdorf is our first logistics site in Austria. It will enable us to create additional and more flexible delivery capacities for the benefit of customers. We feel that we are in good hands, also thanks to the support of ABA – Invest in Austria.

Bernd Gschaidner, Amazon Director Germany/Austria

Favorable Tax System

No wealth or trade tax

Corporations only pay a 25 percent corporate tax. Accordingly, the founding of a holding company represents a particularly advantageous approach from a tax perspective.

The **Group taxation** scheme is another decisive advantage for companies to maximize their profits. The profits and losses of subsidiaries are pooled at the parent company and subject to a unified tax rate. The pre-requisite is for the Austrian corporation to hold a stake of at least 50 percent and one share in the foreign firm. This enhances the competitiveness of regional headquarters within the Group and reduces the risk in expanding to new markets.

The founding of a **private foundation** also provides extensive organizational flexibility and generates tax advantages. One or several founders can devote assets in the long term exclusively towards fulfilling the stipulated foundation objective without being subject to the supervision of administrative authorities.

Austria distributes a **research tax credit** of fourteen percent to reduce risks relating to investments in research and development. This applies to a company's own R&D as well as contract research. In other words, a company conducting research pays less in taxes. Austria is a "strong innovator" boasting a research to GDP ratio of 3.19 percent, placing it second in Europe for research investments behind Sweden.

The minimum share capital required to establish a limited liability company (GmbH) is EUR 35,000, of which half has to be paid in cash. In 2015, Austria introduced the "public limited company with a privileged amount of share capital", **making it even easier to set up companies**. The initial capital contribution was reduced to EUR 10,000 in the first ten years, of which only EUR 5,000 has to be paid in cash.



Peak Productivity

Traditionally high performance topped again

The traditionally high **level of industrial productivity in Austria** once again showed disproportionately high growth in recent years. The highly motivated and qualified employees comprise the decisive advantage. According to the EU Commission, Austria's gross value added per person employed is 116.8 percent compared to the other EU member states, outperforming industrialized nations such as France, Germany, Italy and Great Britain. High productivity goes hand in hand with strike rates of almost zero.

Austria is also a **forerunner in the field of eGovernment**. According to the eGovernment Monitor 2018, eGovernment use in Austria at 74 percent is the highest level measured over the last six years in Austria, Germany and Switzerland. In the latest eGovernment Benchmark Report of the EU Commission, Austria is given particularly high marks for its initiatives in the field of electronic signatures on mobile phones and electronic documents.

BMW Group in Austria

Austria as a business location is characterized by top qualified and highly motivated employees, a high-performance infrastructure and a high level of stability. The BMW Group has invested about EUR 450,000 per day in the Austrian business location.

Christoph Schröder, Managing Director of BMW Group Plant Steyr

eGovernment Benchmark

Austria ranked 6th among 34 countries

1. Malta
2. Denmark
3. Sweden
4. Estonia
5. Norway
- 6. Austria**
7. Netherlands
8. Latvia
9. Lithuania
10. Portugal
11. Spain
12. Germany
13. Iceland
14. Finland
15. Belgium

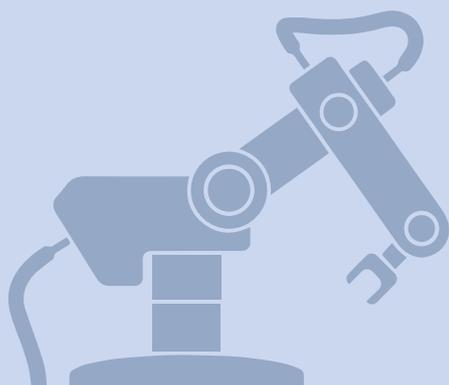
Source: European Commission,
eGovernment Benchmark 2018



Labor productivity in EU comparison

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

Source: EU Commission, 11/2018





Lukoil

LUKOIL has been operating in Austria since 1995. We are particularly pleased by the fact that we have also manufactured LUKOIL products in Austria in recent years in addition to our holding company to coordinate our strategic investments in 40 countries in the world. Thanks to optimally trained employees, we are very successful on the national market and in the export business with LUKOIL Lubricants Europe GmbH, our production company for engine oils and industrial lubricants. The production facility in the Lobau area of Vienna serving as the European headquarters for LUKOIL Lubricants Europa GmbH presents itself as a particularly advantageous location. We are convinced we can achieve a quality and logistics advantage based on investments in our production site in the heart of Europe, turning the company into a basic supplier of the European automobile industry in the field of first-fill lubricants. The possibility created by modernization to reload products from inland vessels to the railways make Vienna an important hub for LUKOIL in Central and Eastern Europe.

Robert Gulla, Managing Director Lukoil Holding GmbH

High-End, High Life

Value creation goes hand in hand with quality of life

A well-preserved natural environment, green meadows, mountain pastures, crystal-clear waters and 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 2018" prepared by the Mercer Group, Vienna is once again rated as the most livable city in the world.

Internationally active managers and foreign investors enjoy a very **extensive educational and recreational offering** without the need 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 round off Austria's leisure time options.

Quality of life also encompasses the highest possible level of personal security and a low crime rate. There is hardly any other country in the world which matches Austria in respect to security of persons and property.

The most livable capital city in the world

Ranking by quality of life

Ranking	City	Country
1	Vienna	Austria
2	Zurich	Switzerland
3	Auckland	New Zealand
12	Amsterdam	Netherlands
13	Berlin	Germany
27	Brussels	Belgium
39	Paris	France
41	London	Great Britain
45	New York	USA
49	Madrid	Spain
50	Tokyo	Japan
57	Rome	Italy
69	Prague	Czech Republic
76	Budapest	Hungary
82	Warsaw	Poland

Source: Mercer Consulting - Worldwide Quality of Living Survey 2018

Unmatched quality of life

10 = Quality of life is very high

Austria	1	9.75
Norway	2	9.70
Switzerland	3	9.66
Netherlands	4	9.65
Germany	9	9.14
Sweden	12	8.95
France	16	8.69
USA	24	8.13
Japan	26	7.92
Czech Republic	27	7.76
Italy	28	7.63
Great Britain	29	7.57
Poland	39	6.08
Hungary	52	4.56

Source: World Competitiveness Yearbook 2018



SIAD

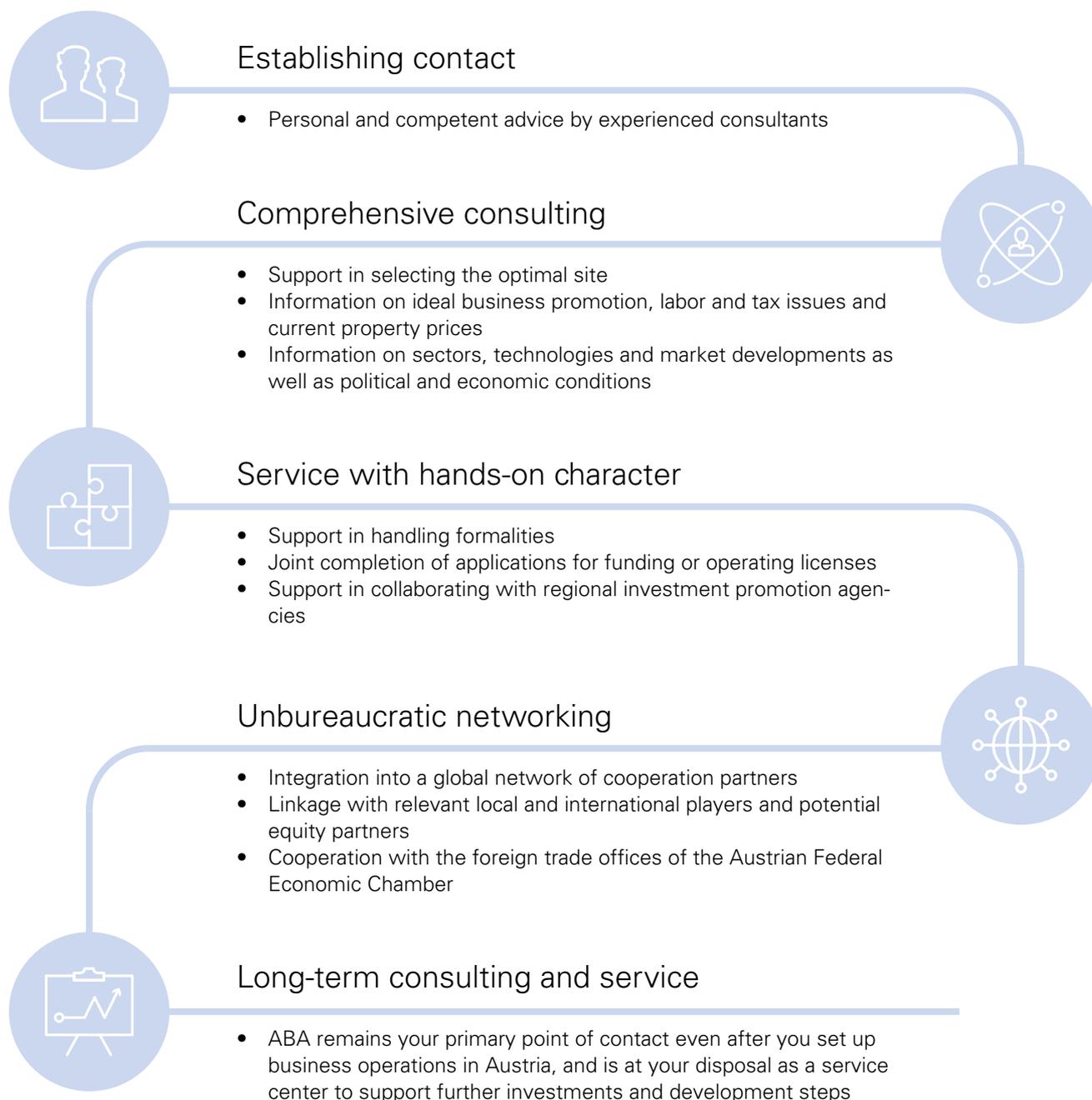
A country like Austria considered to be an especially good terrain for upscale industrial segments, and with a particular emphasis on research and environmental friendliness, represents a major opportunity for SIAD. Our corporate goal is namely to assist the customer and provide support in improving the productivity and the environmental compatibility of its work processes.

Mauro Pezzera, Marketing Manager, SIAD S.p.A.



The Top Choice for Business Location Issues

Achieve your objectives more effectively with ABA:



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