



## Market profile

Austria is a member of the European Union (EU) and is subject to EU trade regulatory requirements.

## Economy and business structure

Austria is one of the most prosperous and stable EU Member States, with a free-market economy and a strong social focus.

The Social Partnership is distinct to Austria and in practice extends to all areas of economic and social politics. Austria sets an example for the comprehensive and coordinated co-operation between different interest groups.

It is a highly developed industrialized country with an important service sector (tourism). Austria's industrial and commercial sectors are characterized by a high proportion of medium-sized companies. Austrian industry covers every branch of manufacturing, from basic goods to the labor-intensive production of highly processed products. The construction of plants and systems (encompassing the planning, delivery, and assembly of turn-key production facilities, including the required know-how and operational expertise) is making up an increasingly important share. This field is strongly export-oriented, as is the electronics sector (including, for instance, the production of integrated circuits).

In the field of agriculture, Austria is characterized by a vast number of farmers (156.000 agricultural and forestry holdings) and strong trend towards organic farming. With an overall share of 22%, organic farms in Austria occupy a leading position among the EU Member States.

The capital Vienna is the country's largest city and has 2 million inhabitants. Due to Austria's favorable location in central Europe and especially Vienna's good transport connections to Eastern and South-East Europe, it serves as a headquarters for many companies with activities in CEE. In addition, Vienna also hosts multiple headquarters of the UN and other international organizations.

### FACTS

- Merchandise exports 534 mill. Euro
- Service exports 715 mill. Euro
- Capital: Vienna
- Official language: German
- Area: 83.878 sq km
- Population: 9,1 million

Sources: ABA, BMEIA, Statistik Austria

## Key industries and their trends

The most important industrial sectors in Austria are:

- Food and Drink industry
- Mechanical and Steel Engineering
- Chemical and Automotive industry
- Electrics and Electronics industry and
- Wood, Pulp and Paper industry.

The Austrian economy is dominated by small and medium enterprises (SMEs).

Largest companies by revenue are OMV AG (Oil and gas), Porsche Holding GmbH (Automotive), Voestalpine AG (Steelproduction), Strabag SE (Construction), Rewe International AG (Retail), Spar Österreich (Retail), Borealis AG (Chemicals), Verbund (energy), Red Bull GmbH (Beverages), Benteler International AG (Automotive).

Main trends in Austria are the same as in many other European countries: sustainability, climate change, migration, digitalization especially in the public sector and lack of high-qualified employees. In addition, the transit traffic is a big issue due to high truck traffic through Austria.

## Important things to consider when doing business in Austria

- Pay attention to punctuality. Always arrive on time to meetings.
- If you are in doubt, dress rather too formal than too informal.
- Respect the Austrian hierarchy. In practice this means investing time to find the right contact person in a company. Calls and mails are often forwarded first to a secretary, whose role is more important than in Finland. Be patient.
- Build a personal relationship with your potential client/partner to create trust. The product, no matter how good it is, does not sell itself without a personal relationship.
- Concentrate in listening to the potential buyer and selling a solution, not just listing the advantages of your product.
- Arrange F2F meetings if possible. After the first contact on the phone or per mail, personal meetings are valued in Austria.
- Don't expect to be able to do business only in English. Many Austrians do understand English but don't want to speak it. The smaller the company, the more unlikely it is to manage only with English.
- Don't forget to be polite. In Austria, it is common to address people with "Mr" or "Ms", not to forget titles like "Doctor"
- Don't think that Austria equals Germany. Austria has its own business culture, and there are cultural differences within the country. Whereas the Eastern part of Austria is influenced by the culture from the Balkans, the Western part is closer to Germany and Switzerland.
- Don't send an inexperienced employee to a business meeting. Austrians value expertise and long working experience. When a meeting is organized, the Austrians expect to get to talk to someone, who knows the business well and is in the position to make decisions.
- Don't expect Austrians to be as excited about (technical) innovations as the Finns are. The Austrians are skeptical towards any kind of reforms and unfamiliar new solutions. Convincing Austrians will take time.

## Market data sources and other useful links

- [ABA – Invest in Austria, the national investment promotion company](#)
- [Advantage Austria - the trade promotion organisation of the Austrian Federal Economic Chamber](#)
- [Austria Chamber of Commerce](#)
- [Austrian Business Culture](#)
- [National Bank of Austria](#)
- [Federation of Austrian Industry](#)
- [Federal Ministry of Labour and Economy](#)
- [The Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation, and Technology](#)
- [WIIW – Macroeconomic information on 10 CSEE countries](#)