



1. Business Finland in Austria

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2. Key facts about Austria

Demographics (e.g. population, aging of the society...)

	2000	2018	2030e
Population	8.011.566	8.837.707	9.299.173
Share 0 to 19 years (in %)	23.1	19.4	19.7
Share 20 to 64 years (in %)	61.5	61.8	57.2
Share 65 and more years (in %)	15.4	18.8	23.1

Source: Statistik Austria

Geography, regions and federal structure

The capital Vienna is the country's largest city and has 1.8 million inhabitants. Due to the migration, refugee crisis and the increasing life expectancy, Austria's population is facing a fast growth in the next few years. In 2020, Austria's population will presumably reach a milestone of 9 million people.

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. Austria is also the largest investor in many Eastern and South-East European countries.

Austria has eight neighboring countries: Switzerland, Liechtenstein, Germany, Czech Republic, Slovakia, Hungary, Slovenia and Italy.

Austria is a federal state comprised of nine provinces; each province has its own capital.

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Source: Wiki Commons

Economy

	2016	2017	2018
Economic growth, real (in %)	2.0	2.6	2.7
GDP (at current market prices, in bn EUR)	356.24	369.90	386.15
GDP per capita (current market prices, in EUR)	37.480	38.190	39.290
Gross fixed capital formation (in %)	23.2	23.6	23.9
Employment rate (in %)	76.2	76.4	76.4
Unemployment rate (in %)	6.0	5.5	4.9
Inflation rate (in %)	1.0	2.2	2.1
R&D expenditures (in % of GDP)	3.15	3.16	3.17
Export rate (in % of GDP)	37.1	37.9	38.4

Key industries (top five industry sectors in the country)

The Austrian economy is dominated by small and medium enterprises (SMEs). 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 majority of Austrian goods exports come from these industrial sectors.

The key economic sectors for each region:

Upper Austria:	Iron, steel, chemical and mechanical engineering
Salzburg:	Electrics, wood and paper, national services in wholesale and transport
Vorarlberg:	Textiles, clothing
Carinthia:	Wood, pulp and paper industry
Styria:	Automobiles, iron and steel, manufacturing
Tyrol:	Glass, Wood
Vienna:	Financial Services

Tourism

Tourism plays an extremely important economic role in Austria. In 2017 around 20.8 million foreign visitors came to Austria, with almost 110.38 million overnight stays (3/4 of the total overnight stays), in total there were almost 149.75 million overnight stays.

The majority of visitors come from:

- Germany
- The Netherlands
- Switzerland and Liechtenstein
- United Kingdom
- Czech Republic

Key consumer behavior trends

- Online shopping
- Online banking
- Use of mobility services

Growing Sectors

Catering, accommodation, energy, health, education, food (organic products in particular).

Consumer Behaviour

Price is an important element in the Austrian consumer's purchase decision, as well as the brand, since Austrians are very weary of risk. The quality of products is nevertheless very important, and consumers are prepared to pay more for a product of higher quality (precise and efficient). Regarding food products, Austrian consumers usually prefer fresh products over packaged foods, and prefers health over time saving. Local products are favored.

Consumer Profile and Purchasing Power

The Austrian consumer's median age (44 years in 2017) is constantly on the increase. In 2016, 18.5% of the total population was 65 or over. Individual income is high, and the average Austrian consumers tends to be well-off, sophisticated and very diversified in his tastes and interests. Ranked 7th in the European buying power index published by GFK. Austrian consumers are very sensitive to environment and ethics issues. Austrians are rather conservative when it comes to preferences, but the young enjoy testing new products.

Consumer Recourse to Credit

Austrians tend to use cash rather than credit or debit card, although the trend seems to change. Bank overdrafts are widely used, and the consumer credit market holds a strong growth potential (over 7% by 2019).

E-commerce market

In 2017, B2C e-commerce sales amounted to US\$ 9.2 billion, an increase of 14.3% compared to 2016 sales. As for the total e-commerce revenue, in 2017 it amounted to US\$ 4.4 billion, a rate that is expected to reach US\$ 6.6 billion by 2021. The main online shops in the Austrian market are Amazon, Universal (generalist), Zalando (clothing, German), Otto (clothing and multimedia, German), Eduscho (generalist), E-Tec (multimedia), H&M (clothing) and Conrad (generalist). For second-hand buying and selling, Austrians use mainly two websites: Willhaben and Ebay. The Austrian e-commerce market can be very connected to the German one. For example, Amazon sales in Austria are all shipped from the company's fulfilment facilities in Germany. Consequently, shipping costs are higher for Austrian e-customers but they benefit from a 14-day period to return the product (also known as "cooling-off period"), which is the rule in Germany, as opposed to 7 days in

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Austria. Cross-border sales in Austria also come from Italy, Switzerland, China and the Czech Republic. Fashion (textile, clothing, shoes and accessories) is the leading segment, accounting for US\$ 1.2 billion market share, just ahead of the Electronics & Media, which accounted for US\$ 1.1 billion in 2017.

Source: Santander Trade

Biggest companies

Turnover (mn EUR)

OMV AG (Oil and gas)	22.930
Porsche Holding GmbH (Automotive)	20.400
Strabag SE (Construction)	16.322
Rewe International AG (Retail)	14.240
voestalpine AG (Steelproduction)	13.560
Spar Österreich (Retail)	13.034
Borealis AG (Chemicals)	8.337
Benteler International AG (Automotive)	8.072
Signa Retail GmbH (Retail)	7.500
Mondi Group (Pulp & Paper)	7.481

Source: trend500

Start-up hubs and incubators/accelerators



Current hot topics

Main discussed issues in Austria are the same as in many other European countries: sustainability, climate change due to increasing number of days with high temperature, migration, digitalization especially in public sector and lack of high-qualified employees. Also the transit traffic is a big issues due to high truck traffic through Austria.

3. Cultural issues and ease of doing business

Dos and don'ts

DOS	DON'TS
Do pay attention to punctuality. Always arrive to arranged meetings on time.	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.
If you are in doubt, dress rather too formal than too informal.	Don't forget to be polite. In Austria, it is common to address people with "Mister" or "Miss". Not to forget are titles, like Dr..
Respect the Austrian hierarchy. In practice this might mean investing time in finding a right contact in a company. Calls and mails are often forwarded first to a secretary, whose role is more important than in Finland. Getting the CEO's contact data immediately is unusual. Be patient.	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 more straightforward culture from the Balkans, the Western part is closer to Germany and Switzerland.
Do concentrate on selling the solution, not just listing the advantages of the product. The product, no matter how good it is, does not sell itself. You need to sell it to the customer. The goal should be selling a product, not just introducing a good one.	Don't send an unexperienced employee to a business meeting. Austrians value expertise and long-time working experience a lot. 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.
Arrange F2F meetings if possible. After the first contact on the phone or per mail, meeting someone in person is valued in Austria.	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.

4. Useful sources of information

Country information (e.g. ministries, trade promotion agencies)

- ABA – Invest in Austria, the national investment promotion company
<https://investinaustria.at/en/business-location-austria/facts-figures.php>
- Advantage Austria - Business Location Austria
www.advantageaustria.org/international/zentral/business-guide-oesterreich/investieren-in-oesterreich/standort-oesterreich.en.html
- Austria Chamber of Commerce
<https://www.wko.at/service/Austrian-Economic-Chambers.html>
- Austrian Business Culture
<http://businessculture.org/western-europe/business-culture-in-austria/>
- National Bank of Austria
<https://www.oenb.at/en/Publications/Financial-Market/Facts-on-Austria-and-Its-Banks.html>
- Federation of Austrian Industry
<https://www.iv-net.at/de/>
- Federal Ministry for Digital and Economic Affairs
<https://www.en.bmdw.gv.at/Seiten/default.aspx>
- Federal Ministry for Transport, Innovation and Technology
<https://www.bmvit.gv.at/en/index.html>
- WIIW – Macroeconomic information on 10 CSEE countries
www.wiwi.ac.at
- Eurojuris IBG guide/How to expand your business across borders to Austria
www.eurojurisibg.eu/assets/update_ibg-guide-austria.pdf

Country news

- Austria Presse Agentur – News
www.apa.at
- Die Presse - Newspaper
www.diepresse.com
- Der Standard
www.derstandard.at
- Der Kurier
www.kurier.at

Industry information

BIOECONOMY & CLEANTECH

- Ministry for Sustainability and Tourism
www.bmnt.gv.at/english/
- Wood construction
www.proholz.at
- Association of pulp& paper producers
www.austropapier.at
- Austrian biomass association
www.biomasseverband.at
- Furniture industry
www.moebel.at
- Wood Research Austria
www.holzforschung.at
- Upper Austrian Cleantech Cluster
www.cleantech-cluster.at
- Green Tech Cluster
www.greentech.at/en/

CREATIVE

- Cultural Council
www.kulturrat.at
- Association of textile industry
www.textilindustrie.at
- Association of clothing industry
www.fashion-industry.at
- RegioPlan – retail channel developments
www.regioplan.at

FOOD

- Association of food industry
www.dielebensmittel.at
- Organic association
www.bio-austria.at
- Regal Magazin
www.regal.at
- Konsument – Consumer ratings
www.konsument.at

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HEALTHCARE

- Ministry of Labor, Social Affairs, Health and Consumer Protection
www.sozialministerium.at
- Information on the Austrian healthcare system
<https://www.gesundheit.gv.at/service/patient-mobility/member-state-treatment/information-austrian-healthcare-system>
- LISA - Life Sciences in Austria
www.lifescienceaustria.at
- The Organization of Austrian Social Security
<https://www.sozialversicherung.at/cdscontent/?portal=esvportal&contentid=10007.754316&portal:componentId=gtna556587-431c-4d21-9e8f-3410c2e5d360&viewmode=content>
- Private offering for health care tourism in Austria
www.austrianhealth.at/
- Human Technology Styria Cluster
www.humantechnology.at/en/

Company information

- Firmen ABC - Contact information, ownership, number of personnel
www.firmenabc.at
- Compnet – Contact information, ownership, number of personnel
www.compnet.at
- Credit Reform - Credit information
www.creditreform.at
- KSV – Credit Information
www.ksv.at
- Lawyers in Austria
www.eurojuris.net/en

5. Key trade shows and events

- Listing of most relevant conferences in Austria – Austria Convention Bureau
<https://www.acb.at/Start/VeranstalterStart/Kongresskalender>

BIOECONOMY & CLEANTECH

- Paper & Biorefinery Conference
<http://paper-biorefinery.com>

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- Central European Biomass Conference
www.cebc.at
- Vienna Congress on Sustainable Building
www.bauz.at
- World Sustainable Energy Days
<http://www.wsed.at/en/world-sustainable-energy-days.html>
- Austrian World Summit
www.austrianworldsummit.com

CREATIVE

- Die Presse Design Event
www.diepresse-design.at/
- Architects at Work
www.architectatwork.at/
- Blickfang
www.blickfang.com/internationale-designmesse/wien.html

ICT & STARTUPS

- We are Developers
<https://events.wearedevelopers.com/>

FOOD

- GAST HoReCa Trade Fair
www.gast.at

HEALTHCARE

- European Health Forum Gastein
www.ehfg.org
- EuroEcho 2019
www.escardio.org/Congresses-&-Events/EuroEcho
- Stroke-Conference
<https://eso-wso-conference.org/>
- European College of Neuropsychopharmacology Congress – ECNP
<https://2020.ecnp.eu>
- ECR - European Congress of Radiology
<https://www.myesr.org/congress>