

Austria*

*Why you should set up
your headquarters here

The best place to go 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



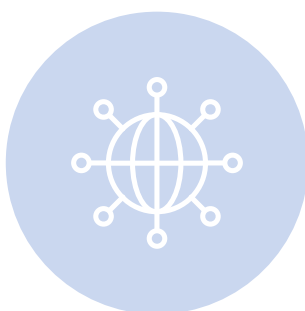
Why you should locate in Austria

Six reasons why you will find an optimal business environment here



Tax advantages

Group taxation, double taxation treaties and a corporate income tax rate of 25 percent



Central geographical location

Direct access to Central and South East European markets



Strong, dynamic market

Third most prosperous country in the EU, strongly growing capital city



Stability

Highest level of personal security, stability and quality of life for companies and employees



Excellent infrastructure

Flight and freight traffic hub



Internationality

High percentage of the population with a migration background, multilingual pool of employees

You are right in the middle of the continent

380 headquarters coordinate regional business from Austria

“You lie in the middle of the continent, like a strong heart.” Over the last decades, Austria has successfully fulfilled its role as a hub in Central Europe in accordance with this verse from the Austrian national anthem. More than 1,000 international companies coordinate their activities in South East and Eastern Europe from Austria.

Moreover, approx. 380 regional headquarters of prominent multinationals have assumed a leadership role within their corporate groups from their Austrian base. They operate in a wide range of sectors, from financial services provider Banco do Brasil, the number one global fruit juice producer Citrusuco and Deutsche Lufthansa, which relocated its sales center from Budapest to Vienna, to the electronics specialist Nichicon and the French IT service provider Atos. According to a study carried out by the Vienna University of Economics and Business, more than twice as many companies set up their headquarters in Austria in the years 2000 to 2017 compared to the number which relocated elsewhere.

The German cookie manufacturer Griesson-DeBeukelaer has coordinated its business operations in 18 Central and Eastern European countries from Vienna since 2016. Recent additions include the Industrial and Commercial Bank of China (ICBC), which established a subsidiary in Vienna in 2018 to serve as its headquarters for the CEE region and the Nordic countries. The non-profit transplantation medicine company LifeNet Health opened up its European headquarters in Vienna in 2018, making tissue transplants available to doctors and hospitals. The Swiss pharmaceutical firm Octapharma opened up its global research and development center in Vienna in 2018.



Leo Hauska,
President Headquarters Austria

Strong lobby

“Austria has a long tradition as an East-West interface. In recent years this has led to the creation of headquarter clusters whose companies serve different regions and markets far beyond Central and Eastern Europe.”

Headquarters Austria has been supporting corporate headquarters in Austria since the year 2004. The platform promotes an exchange of experience and an interactive dialogue as well as advocating the interests of its members.

Headquarters in Austria

A

Agfa
Alantra
Alcatel
Allianz
Amada
Amgen
Atos
Avis

B

Banco do Brasil
BASF
Bauhaus
Beiersdorf
BenQ
BMW
Boehringer Ingelheim
Borealis
Bosch

C

C&A
Canon
CNH
Compuware
CSC

D

Daikin
Danone
Deka Bank
Dentsu Aegis
DHL Global Forwarding
Diamond Aircraft
Durst

E

EATON
Egypt Air

Electrolux
Epcos
ERGO
Ericsson
Essilor

F

FACC
Flextronics
Fresenius
Fujitsu

G

Gefco
Griesson-DeBeukelaer
Grundfos

H

H&M
Henkel
Hewlett-Packard
Hipp
Hoerbiger
Hutchison 3

I

ICBC
Infineon
Isis

J

Johnson Controls
JP Morgan
JVC

K

Kärcher
Knau
Knorr-Bremse

L

Liebherr
LifeNet Health
Louis Vuitton
Lukoil

M

Magna
MAN
Mars
Marsh
Mazda
McDonald's
Melitta
Merck
Miele
Mondelez

N

Neckermann
Nestlé
Nichicon
Nikon
Nittoku

O

Octapharma

P

Panasonic
Peek & Cloppenburg
Puma

Q

Quintiles

R

Rehau
Rewe
Rittal

S

Saint-Gobain
Samsung
Sandoz
Sberbank
Shell
Siemens
Sun Chemical

T

Takeda
Thales
Thyssen Krupp

U

Unicredit Business
Integrated Solutions
USU

V

Vestas
Vogel & Noot
Volvo
VTB

W

Western Union
Wiberg
Wincor Nixdorf

X

Xella

Y

Yokogawa

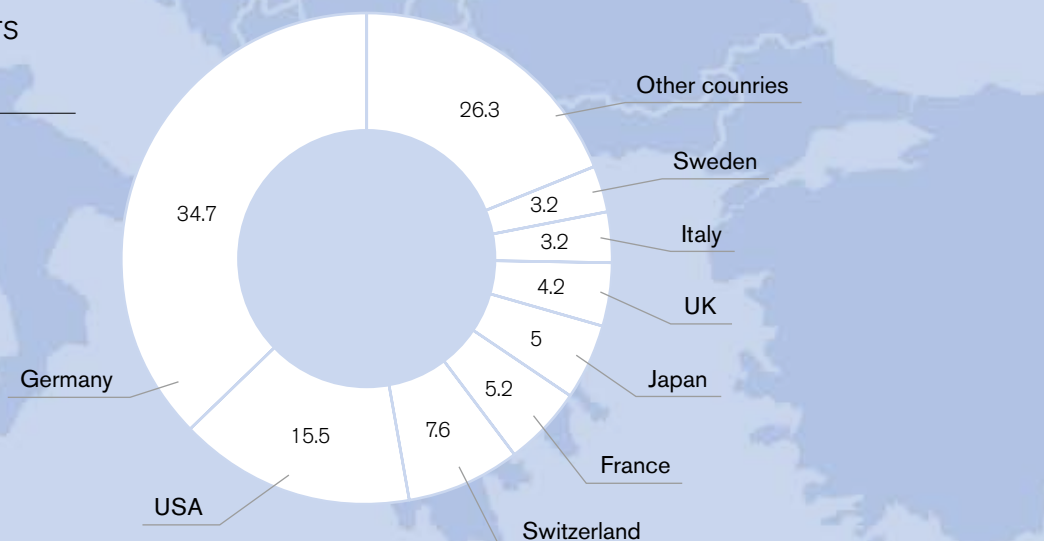
Z

ZKW
ZTE
Zürich Versicherungen

Where headquarters in Austria originate

Head office of the parent company (in percent)

Source: Headquarters Austria



All of Europe by air in 3 hours



Niklas J.R.M. Schmidt,
lawyer and tax consultant,
Wolf Theiss

“The central location in the heart of Europe, the high quality of life, the excellent educational level of Austrian employees, the various programs to fund research and development as well as the attractive tax framework comprise strong arguments for establishing foreign holdings in Austria.”



Highly invested

The Russian energy supplier Lukoil which located in Austria in the 1990s and gradually built up its operations here in recent years can look back at a success story. The new headquarters of Lukoil Lubricants Europe was opened in Vienna in April 2016. At the end of 2017, Lukoil International strengthened the international business activities bundled at its Vienna site by implementing a capital increase of EUR 6.2 billion, the highest investment of the group up until now.

“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. 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 headquarter for Lukoil Lubricants Europe GmbH has proven to be a particularly advantageous location. We are convinced that we can achieve a quality and logistics advantage based on investments in our production site in the heart of Europe which will turn 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 Western Europe.”

“We highly value the excellent infrastructure, stable social conditions and outstanding quality of life in Austria. For us, these features make Austria an ideal business location for our international Group headquarter Lukoil International with subsidiaries in 40 countries across the globe.”



Robert Gulla, Managing Director
of Lukoil Holding



Alexander Matytsyn,
CEO of Lukoil International

Tax advantages – ideal for holding companies

A globally operating company benefits from decisive competitive advantages offered by Austria in maximizing profits.

The holding company represents an advantageous approach from a tax perspective. Limited liability companies are only subject to a 25 percent corporate income tax, but there is no wealth or trade tax at all.

The advantages of Austria as a holding location

- More than 90 double taxation agreements
- Corporate income tax rate of 25 percent
- Tax-free pooling of profits from foreign subsidiaries in the Austrian holding company
- Tax-free profits from the disposal of foreign subsidiaries
- Group taxation: offsetting of losses of foreign subsidiaries against the domestic profits of the holding
- Deductions on interest expenses on borrowed capital used to acquire third-party equity interests
- Recognition of income-reducing provisions on the tax balance sheet
- Largely tax-free dividends and capital gains from foreign subsidiaries
- eGovernment: electronic legal transactions on tax matters including appeal proceedings (“FinanzOnline”)
- Quick reimbursement of value added tax (VAT) credit balances

“The tax framework for holdings is very attractive in Austria. Various tax privileges, an extensive network of double taxation agreements and a stable legal system with an efficient financial administration stand up well to international comparison, creating an outstanding business environment.”



Gerald Weiß,
TPA Steuerberatung GmbH

The Austrian group taxation scheme, which is extremely attractive for multinational companies, 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 for the Austrian limited liability company is to have a participatory stake in the foreign firm of at least 50 percent and one share. For regional headquarters, this system enhances competitiveness within the group and reduces the risk in expanding to new markets.

The existing dense network of double taxation agreements also ensures minimal taxation at the source for dividends, interest and royalties received. On the basis of implementing the EU's Parent-Subsidiary Directive, comparable shares of profits from business entities in the EU are exempt from the corporate income tax applying to the parent company receiving the dividends. The exemption from taxation on income from subsidiaries also applies to income from participations in subsidiaries in third countries, provided extensive mutual administrative assistance exists.

Top talents

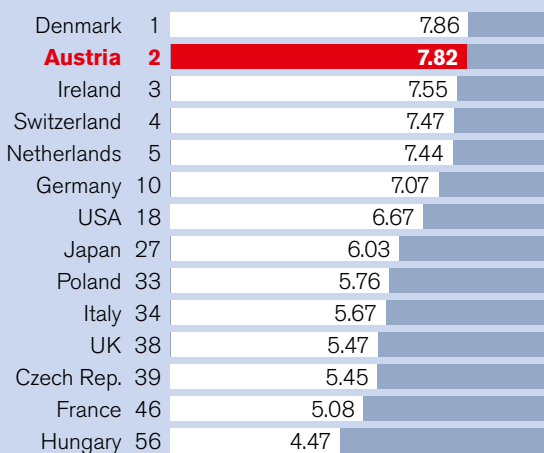
Qualified, multilingual pool of employees

All headquarters find suitable employees in Austria, whether it involves a pharmaceutical company, large bank or high-tech start-up. Application-oriented education has a long tradition here, whether at the numerous higher technical colleges, schools featuring practical training, the 22 public and twelve private universities or the 21 universities of applied sciences offering more than 640 study programs.

More qualified, specialized employees with foreign language capabilities are available for international business than in other Western European countries. About 20 percent of the Austrian population have a migration background, and three-quarters of all immigrants in Austria come from Central and Eastern Europe. These immigrants boast above-average qualifications and speak an average of three languages. Austria's universities and educational institutions have developed customized educational programs designed to educate and provide practical training to managers and skilled employees from East and West, frequently in cooperation with the business community.

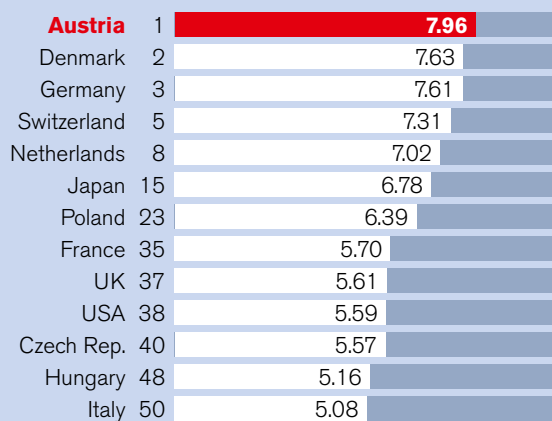
Dedicated staff

10 = motivation in companies is high



Further qualification is important

10 = employee training is a high priority in companies





Great Wall Motors

The Chinese automobile manufacturer Great Wall Motors selected Austria as the location for its first R&D headquarters outside of China. The company is building a research and development center in Kottlingbrunn, Lower Austria, where the company will invest about EUR 20 million in the coming years and employ a staff of 150 people. Great Wall Motors will particularly focus on developing drive components such as electric engines, power electronics and special software for electric-powered and hybrid vehicles.

“We consider our locating in the Central European region and thus in the heart of the automobile component supplier industry to be an advantage for us. We are confident that we will be able to recruit the right specialists, especially in the fields of electronics and software development.”



Markus Schermann,
GWM General Manager

Strong innovator: Hotspot for R&D headquarters

Mozart chocolates and microelectronics, Lipizzaner stallions and lightweight construction

Austria is famous for its music, high culture and culinary delights. However, Mozart, Lipizzaner stallions and the Sachertorte cake only comprise the traditional side of the picture. In its role as a “strong innovator”, Austria now invests 3.14 percent of its GDP in research, and is thus ranked second in Europe with respect to research investments, surpassed only by Sweden. Global players such as BMW, Bosch, Infineon and Novartis have been bundling their R&D activities in Austria for years. In 2017, the Midea Group, China’s leading producer of electrical appliances, established a research and development center here in the heart of Europe. The center located near Graz will in the beginning employ more than 30 R&D experts.

Research tax credit for all companies

Whoever carries out research pays less. This applies to all companies in Austria. R&D at a high international level poses major financial challenges to companies and research institutions. For this reason, Austria has reduced the risk of investments and distributes a research tax credit of 14 percent for research expenditures. This can be claimed for 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.

Austria invests in innovation

Increase of R&D expenditures 2000–2017



EU: +16 %



Austria: +66 %



Infineon

Electronics and microelectronics rank among the key global technologies. Infineon is one of the world's leading suppliers of semiconductors. As the group's only location outside of Germany, the Austrian subsidiary Infineon Technologies Austria bundles competencies in research and development, manufacturing and global business responsibility. Founded in 1970 with the goal of low-cost production, the company is now one of the most research-intensive companies in Austria. More than one billion chips leave the "innovation factory" in Villach each month. Employees from 60 nations contribute to its success.

"Austria is an innovative hub for Infineon. Otherwise it would not have been possible to make this transformation within five decades from a small diode plant in Villach to one of the country's most research-intensive companies and a trailblazer for digitalization in Austria. The country offers an outstanding business environment with respect to the qualifications of employees, quality of life, working conditions and public safety. The conditions for industrial research are highly attractive for innovative companies, not least due to the fourteen percent research tax credit. These were important factors in our decision to invest EUR 1.6 billion up until 2021 to build a fully-automated chip factory in Villach."



Sabine Herlitschka,
CEO of Infineon Technologies
Austria

Safe haven for global business

Stable conditions and security

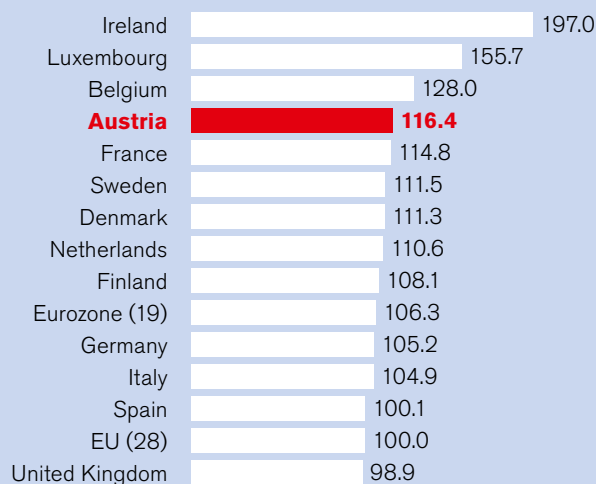
Headquarters plan for the long term and thus require reliable and stable conditions in order to be able to carry out their management and coordination activities for their region from a safe haven. Austria not only offers a high level of legal certainty and political stability, but also protection of property and personal security.

Digital administrative procedures. Austria’s public administration, which actively supports companies in handling administrative work, functions in a modern, transparent and reliable manner. Austria is a frontrunner in Europe when it comes to open government data and mobile applications and ranks among the top five in the eGovernment Benchmark 2018 of the EU Commission. More than 90 percent of all companies already take advantage of such services.

High productivity, virtually no strikes. According to the EU Commission, Austria ranks fourth in the EU-28 with respect to labor productivity per employee in manufacturing industry, outperforming industrial nations such as Germany, France and the UK. High productivity goes hand in hand with low unit labor costs and particularly low strike rates.

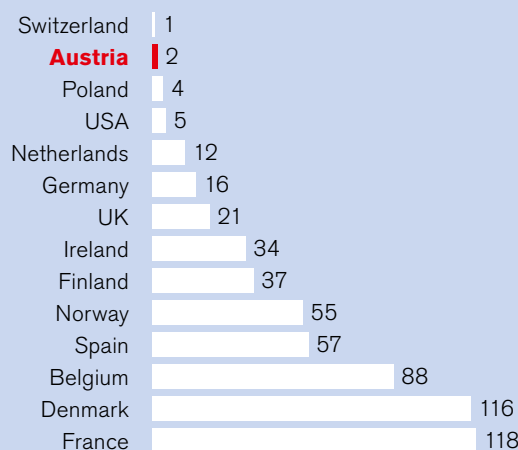
Labor productivity in EU comparison

EU (28) = 100



Strike duration in international comparison

Days lost to strike per 1,000 employees, average 2008 – 2017



Source: EU Commission, preliminary data

Source: WSI Hans Böckler Foundation 2019

Simply livable

Magnificent nature and a rich cultural offering

Managers working across the globe confirm it again and again: Austria fulfills all the requirements of highly qualified individuals in terms of quality of life. Alpine landscapes and gently rolling hills, national parks and crystal-clear lakes, good air quality and an intact environment combined with one of the most diverse cultural offerings make Austria a country which is pleasant to live in. According to the latest “Quality of Living Survey 2019” prepared by the Mercer Group, Vienna is the most livable city in the world for the tenth straight time.

International educational opportunities, extensive recreational offering.

A wide-ranging school offering featuring mother-tongue instruction, from the Japanese School Association in Vienna to the Swedish School is available to children of expatriates. 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 rich 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 with respect to security of persons and property. Even in the larger cities, it is natural for people to take public transportation late in the evening or take a stroll through the city after going to the theatre.

Best capital city

Ranking according to quality of life

Rank	City
1	Vienna
2	Zurich
3	Vancouver
3	Munich
3	Auckland
6	Dusseldorf
7	Frankfurt
8	Copenhagen
9	Geneva
10	Basel

Unmatched quality of life

10 = Quality of life is very high

Switzerland	1	9.69
Austria	2	9.63
Finland	3	9.54
Netherlands	5	9.50
Germany	6	9.25
France	21	8.12
USA	23	7.87
Japan	24	7.70
Czech Rep.	27	7.45
Italy	28	7.41
UK	29	7.38
Poland	41	5.79
Hungary	54	4.62



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www.investinaustria.jp
www.investinaustria.ru

Imprint:

Media owner and publisher: ABA – Invest in Austria
Austrian Business Agency, Operring 3, A-1010 Vienna
Responsible for contents: René Siegl
Concept, editorial work: Karin Schwind-Derdak (ABA), Northern Lights Communications
Photos: APA Picturedesk, Headquarters Austria, Wolf Theiss, iStock, Lukoil,
TPA Steuerberatung, Great Wall Motors, Infineon
Design: november-design.at. Status: August 2019

