RESEARCH LOCATION AUSTRIA

Research in Austria

Your advantages at a glance.

Invest in Austria ABA

www.investinaustria.at

Looking for a research location? Sought and found – Austria!

You want the best opportunities for your research-oriented company? Austria will convince you.

Productive business location: Profit from top employees and dynamic growth.

Strong support for R&D: Claim the 14% research tax credit, regardless of how big or small your company is.

Many tax advantages: Make use of the 30% tax deduction on the income of immigrants working as scientists and researchers – for up to five years.

Unmatched quality of life: Turn Vienna – the most liveable big city in the world – into your headquarters location.

Security and stability: Decide in favour of top-notch conditions for your company and employees.

ABA – Invest in Austria All-round support for your project

ABA – Invest in Austria is the best contact partner when it comes to your concerns relating to research and development in Austria. Take advantage of the consulting offering – at no charge at all.

The experts at ABA – Invest in Austria provide precisely the expertise you need to research and invest in Austria. Unbureaucratic, competent and at no cost.

Our offer to you:

- Analysis of market opportunities
- Contact to public authorities and funding bodies
- Support with labour and tax issues
- Direct link to cooperation partners and experts
- Consulting on site selection

→ www.investinaustria.at

Austria promotes innovation …

… with a research tax credit, attractive tax advantages and direct funding.

Whoever carries out research gets money back

Companies can claim a tax credit amounting to **14%** of their research expenditures. This attractive research tax credit has a proven effect on the business location decisions of numerous research-based companies. Applications for the research tax credit can be submitted by every company investing in research, innovation and development, regardless of its size, sector or corporate structure. Wages and salaries, investments, financing costs and overhead expenses are deductible for tax purposes in as much as they are designated for research and experimental development. The payment takes place as a cash payment – quickly and relatively unbureaucratically. In-house research as well as contract research are covered by the research tax credit.

Moreover, immigrants working as scientists and researchers in Austria profit from a 30% tax deduction on research income.

In addition, attractive direct research funding is also available.

Innovation pays off:

- The Austrian Research Promotion Agency (FFG) funds R&D in companies along the entire innovation chain. Total funding volume in 2018: € 618 million for 3,854 projects.

- The Austrian Science Fund (FWF) supports basic research. Approved funding volume in 2018: € 230.8 million for 684 projects.

- Austria Wirtschaftsservice GmbH (AWS) is a development bank for business-related funding. Total volume of funds granted in 2017: € 1,145.4 million.

→ www.ffg.at
→ www.fwf.ac.at
→ www.aws.at

Business and science in the same boat:

- The 47 competence centers encompassed in the research promotion initiative **COMET** (Competence Centers for Excellent Technologies) bring companies and scientific institutions together. For example, large international pharmaceutical companies rely on the know-how of the "Research Center Pharmaceutical Engineering" (RCPE) in Graz for pharmaceutical processes and product development. Up until now the COMET program has funded projects to the amount of € 2.24 billion.

- The **Christian Doppler Research Association** is the umbrella organisation for research units with fixed terms, in which scientists work on research issues together with corporate partners. 76 laboratories are already in operation.

→ www.ffg.at/comet
→ www.cdg.ac.at

A European comparison shows: Austria sets standards

Austria is on the way to becoming the European research trailblazer. Your company can be part of this success story.

Austria is booming as a business location but also sets benchmarks regarding its commitment to research and development.

- Austria ranks among the very few European countries which have surpassed the EU's declared target of achieving a research ratio of 3% of the gross domestic product (GDP) by the year 2020.
- 3.19% of GDP is currently being invested in research and development. Accordingly, Austria is second in an EU comparison (after Sweden) with respect to private sector research investments.
- The Alpine Republic has moved up to seventh place in the latest "European Innovation Scoreboard" and thus leads the group of "Strong Innovators".
- And Austria is fully on track towards becoming an innovation leader. In 2020, Austria will increase its research and development expenditures to € 12.3 billion. This corresponds to an estimated year-on-year rise of 5.6%.

On the fast track: How you benefit

Leading companies such as BMW, Bosch, Infineon, Novartis and Siemens set an example. They bundle their R&D activities in Austria. You can also profit from many competitive advantages.

Close cooperation
between business and science.

Clusters and competence centers
with a regional focus.

Dynamic research community
embedded in a creative, interdisciplinary ecosystem.

Successful industry mix – Traditional sectors such as mechanical and plant engineering and vehicle production succeed just as much as precision medicine, artificial intelligence, environmental technology and alternative drive systems.

First-class universities and research institutes with a global reputation

First-class universities are just as much as home here as research institutes with a global reputation – fertile ground for your R&D project.

- In addition to top-notch universities, Austria also stands out thanks to its 65 non-university research facilities, many of which are world renowned.
- **The research giant: AIT.** The Austrian Institute of Technology (AIT) is Austria's largest research and technology organisation. Its research focuses on areas such as energy, mobility systems, health & bioresources as well as digital security.

- **Driving force for the future: AAS.** The Austrian Academy of Sciences (AAS) unites 28 research institutions under a single roof. They include Joanneum Research, internationally successful in cutting-edge research in the following fields: materials, health, digital, resources and policies.

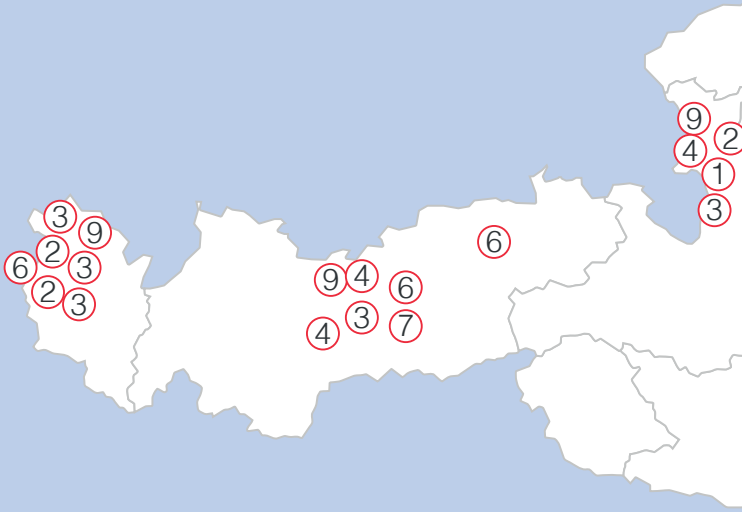
- **A top facility: IST.** The Institute of Technology Austria (IST Austria) in Lower Austria stands for leading-edge research in biosciences, physics, chemistry and mathematics. It comprises a space for excellent basic research with scientists from all over the world.

- **Digitalisation interface: SAL.** Silicon Austria Labs (SAL) was founded to be a top European research center for electronic-based systems (EBS). These components, assemblies and devices relying on microelectronics and nanoelectronics as well as embedded software are the technological backbone of digitalisation. They comprise the basis for intelligent products and processes and for issues such as Industry 4.0, Internet of Things (IoT), autonomous driving and smart energy.

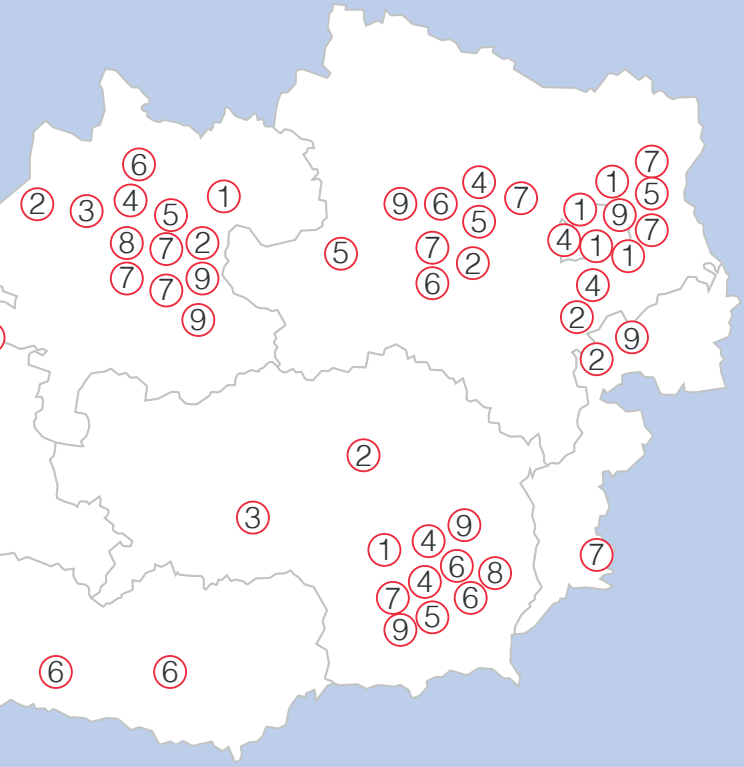
Tight-knit networks

Close cooperation between business and science

More than 60 industrial clusters of more than 7,000 companies with over 800,000 employees and an average research ratio of 7.5% strengthen Austria's innovative capacity. In the automotive sector, they include the ACstyria Autocluster and the Upper Austrian Business Auto-Cluster (AC). In life sciences, LISAvienna, among others, makes a contribution as a platform for further development of life sciences in Vienna. In the area of mechatronics, for example, the Tyrol Mechatronic Cluster supports its member companies.



1. Automotive, railway, traffic, aerospace
2. Materials, packaging
3. Wood, furniture, living, building
4. Health, life sciences, wellness
5. Food
6. Mechatronics, electronics, informatics, sensors
7. Green tech, environment
8. Human resources, design, multimedia
9. Information, communication, logistics



For all sectors: A research location with a promising future

The right conditions for conducting research exist in Austria, whether the focus is on precision medicine, multimedia, space research or e-mobility.

Autonomous driving as an example of success

- **Virtual Vehicle,** the research and development center in Graz, has been specialising in future-oriented vehicle concepts since 2002. 90 industrial partners, including Audi, AVL, BMW, MAN and Siemens, collaborate with Virtual Vehicle on research projects and take advantage of the sophisticated virtual testing methods.

- **ALP.Lab** offers the most diverse testing laboratory in Europe for autonomous driving. In particular, Alpine driving conditions including tunnels, toll gates and winter road conditions can be tested in simulations and on real roads. AVL List, Magna and the Graz University of Technology are only a few of the company's cooperation partners.

Lightweight construction as an example of success

- Light metals are an important success factor for e-powered vehicles, particularly with respect to their operating range. The lightweight metals competence center **LKR** in Ranshofen carries out research on lighter materials and process technology to further lightweight construction in vehicles.

- Lightweight construction is also used by **FACC**, the Chinese-Austrian manufacturer of aircraft cabin interiors and aircraft components for Boeing and Airbus. The firm is based in Ried in Innkreis.

Space research as an example of success

- A small country with a major impact: 114 companies operate directly or indirectly in the **aerospace industry**. Austria contributes technologies to NASA missions and is also strongly involved in projects of the European Space Agency (ESA). The Institute of Communication Networks and Satellite Communications at the Graz University of Technology works together with RUAG Space to build small satellites on behalf of the ESA. The Cubesat is only a bit larger than a milk carton.

→ www.v2c2.at
→ www.alp-lab.at
→ www.facc.com
→ www.tugraz.at

The Graz Space Research Institute participates in 17 international space missions.

E-mobility as an example of success

- The battery technology of the future is being developed in Upper Austria. Since 2014, **Kreisel Electric** has been developing the lightest and most efficient high-performance batteries in the world for applications in passenger cars, e-bikes, e-rollers, aircraft and ships. A new R&D center located in Rainbach near Freistadt will turbocharge the development of future vehicle generations.

→ www.kreiselelectric.com

From Silicon Valley to Vienna: Sentry sets a precedent

Sentry was founded in Silicon Valley and located its central development department in Vienna. The company had good reasons to choose this path.

More than 50,000 companies and more than one million users across the globe already rely on the innovative cloud solutions offered by Sentry. In this way, developers can quickly identify, analyse and resolve software problems.

Crucial elements of the software provided by the company set up in Silicon Valley are being developed in Vienna today. Armin Ronacher, Director of Engineering at Sentry:

"The attractiveness of Austria as a business location plays a key role enabling us to offer a good environment to local and international talents. Thanks to the high quality of life combined with pleasant working conditions, we can make long-term investments in projects requiring extensive know-how. A good working environment in conjunction with attractive salaries is the key to luring employees and retaining them in the long term. In turn, this gives us the possibility to work efficiently and to carry out complex projects until they are market-ready."

Armin Ronacher,
Director of Engineering
at Sentry

The educational system brings forth top specialists

Highly qualified and motivated specialists for practical implementation are an integral part of any excellent research location. Austria's educational system offers an optimal framework.

Austria's educational expenditures are significantly higher than the OECD average. About 90% of young adults in Austria have a secondary level II education (OECD average: 83%). 70% of pupils in the upper secondary schools conclude a vocational education program (OECD average: 46%).

The so-called "dual educational system" providing a sound education in a vocational school complemented by apprenticeship training is considered to be an international success model. Moreover, Austria offers higher technical colleges for all disciplines. Afterwards, one can begin a professional career or study at one of the 21 universities of applied sciences, 22 public or 13 private universities.

Continuing education is a top priority in Austria. 80% of all companies offer further education and professional development opportunities to their employees.

As a result, the country was ranked first globally in the World Competitiveness Yearbook 2019, ahead of Denmark and Germany.

The success in education has positive effects on the business location. Austria is rated fourth in a comparison of the EU's 28 member states in terms of labour productivity per person employed.

A further advantage enjoyed by companies setting up business operations in Austria is that the Red-White-Red Card enables them to more easily hire key employees such as technicians and top researchers from non-EU countries as well as university graduates from third countries who studied in Austria.

The optimal legal form for your company

You can optimally leverage the business location advantages of the country if you establish an Austrian subsidiary in the form of a limited liability company.

How much capital is necessary?

The minimum capital required to set up a limited liability company (Gesellschaft mit beschränkter Haftung, GmbH) is € 35,000. Of this amount, € 17,500 has to actually be paid in.

Who can establish a limited liability company?

One person acting as the founder is sufficient. This can be a natural or legal person.

For up to what amount are the shareholders liable?

The liability of the shareholders is limited to the initial capital contribution.

How long does it take to establish a GmbH?

The timetable for setting up a GmbH is two to four weeks.

What costs are involved?

The costs for establishing a company range from € 3,000 to € 5,000 (mainly fees for lawyers and notary publics).

What are the advantages of this legal form?

The shareholders have the right to issue instructions to the managing director.

What taxes are due?

A corporate income tax of 25% is due on profits generated on a company level.

What else must be taken into consideration?

As a rule, a business license is required in order to pursue a trade in Austria. The GmbH is entitled to operate in this line of business once it is entered into the Commercial Register.

ABA Invest in Austria

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