



Austria*

*Research Location Austria:
Success Stories

All of Europe in Only 3 Hours Flight Time



Austria's central geographic location in Europe makes it a business interface between East and West.

Dynamic Business Location



Research Location Austria stands out in international comparison. Companies profit from a favorable business environment, qualified specialized staff and a modern infrastructure.

Austria has made a gigantic leap forward with respect to research and development. This can be demonstrated by the increase in the country's research ratio from 1.53 percent in 1994 to 3.01 percent at present. Accordingly, Austria boasts one of the most dynamic R&D growth rates in all of Europe. Investments in research are at a record level. Customized innovation funding programs, highly qualified specialized staff and more than 50 industry clusters ensure optimal networking between business and science.

In spite of this good starting position, we are continually working on creating an even more favorable business environment for the benefit of companies. An important milestone is the increase in the research premium to twelve percent starting in 2016. Austria is once again optimizing the conditions for companies and research on the basis of new knowledge transfer centers, the funding and promotion of prototype development and patent applications, pilot plants at universities as well as active support provided in the changeover to Industry 4.0.

In this spirit we would like to warmly welcome you to Austria.

Reinhold Mitterlehner

Vice Chancellor of the Republic of Austria
and Federal Minister of Science, Research and Economy

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On the Fast Track – Research in Austria

Strong player in Europe, far ahead of the EU average.

More than EUR 10 billion will be invested in research and development in Austria in 2015, 60 percent more than the comparable level ten years ago.

Austria's research ratio of 3.01% of its GDP is significantly higher than the EU average of 2.01 percent.

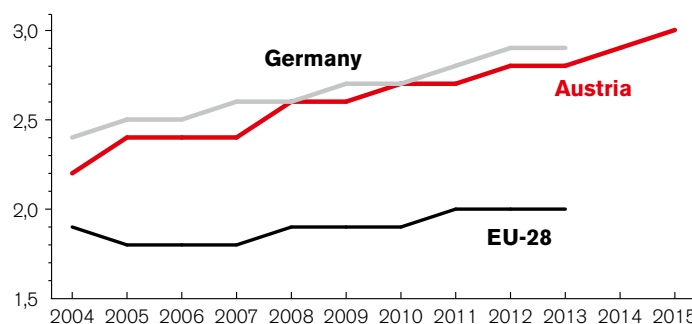
A major share is attributable to the corporate sector, which accounts for close to half of R&D expenditures and thus secures valuable Jobs.

Austria's economic policy targetedly supports innovation, creativity and qualifications as key factors enabling the country to succeed in international competition.

Excellent research achievements are only possible under favorable conditions, which scientists and innovative companies have at their disposal throughout Austria:

- Customized funding and financing of application-related and basic research
- The research premium increased to twelve percent as of January 1, 2016 as well as attractive tax advantages
- A dense network of competence centers and industry clusters linking the scientific and business communities
- An international research elite as well as soundly-trained specialists in core areas of competence such as life sciences, environment and energy, information and communications technology (ICT)
- The pre-eminent East-West business interface in a central geographical location
- Excellent living and working conditions against the backdrop of a cosmopolitan and international environment

**Development of R&D spending in Austria,
Germany and the EU-28**
% of GDP



Sources: Eurostat, Austrian Statistical Office

Support and Incentives for Innovations

Suitable funding exists for good ideas, and now a twelve percent research premium.



The Austrian innovation system is based on a diversified system of research promotion instruments featuring three institutions offering direct funding:

- The Austrian **Research Promotion Agency (FFG)** serves as the central funding institution for application-oriented R&D in Austria. More than 30 research promotion programs enable quick access to research funding services for companies based in Austria which operate in all business sectors, including subsidiaries of foreign industrial groups. FFG promotes corporate R&D along the entire innovation chain. In 2014 FFG paid EUR 460 million in funding, approving about 3,300 new projects with a funding volume of EUR 620 million (including the direct commissioning of research).
- **Austria Wirtschaftsservice GmbH (AWS)** is the funding bank for corporate-related business promotion. It offers targeted consulting, support and funding of R&D projects in the future-oriented sectors of biotechnology and nanotechnology, environmental and energy technology along with information and communications technology to Startups, SMEs and large established companies.
- The Austrian **Science Fund FWF** (Fund for the Promotion of Scientific Research) is Austria's central body for the promotion of basic research. The volume of approved research funding in 2014 totaled EUR 211.4 million designated for 691 projects.

Whoever carries out research in Austria pays lower taxes. This applies to all companies operating in Austria. Companies are entitled to claim a twelve percent research premium paid in cash for in-house research expenditures as well as contract research.

Moreover, the Austrian tax system is very attractive for companies. The corporate tax rate is set at 25 percent whereas the net worth tax and trade tax are not levied in Austria at all.



Manuel Reiberg,
Managing Director
Daiichi Sankyo Austria GmbH

Good Prerequisites for Life Sciences

Daiichi Sankyo benefits from Austrian business and research networks.

After concluding his studies in business administration, Manuel Reiberg began his professional career in London ten years ago as a business analyst for Sankyo UK. Since 2010 he has been in charge of the Austrian subsidiary of Daiichi Sankyo.

What are the strengths of the Austrian business location which Daiichi Sankyo profits from?

In addition to political and social stability, the central location in Europe and relevant productivity growth in recent years, Austria continues to offer many competitive advantages as a business and pharmaceutical location which the subsidiary of a globally operating pharmaceutical company can benefit from:

- *99% of the Austrian population is covered by national health insurance and boast a high level of purchasing power.*
- *The long-term annual average of health care expenditures as a percentage of GDP is 11%.*
- *Sound education is offered in the fields of medicine, technology and business.*

What impression do you have regarding research in Austria?

Life sciences, pharmaceuticals and biotechnology rank among the most important technology and business sectors of the 21st century. In Austria networks of innovative biotech companies, leading research institutions and established pharmaceutical companies such as Daiichi Sankyo ensure good prerequisites as the basis for Austria to serve as a major, internationally acknowledged life sciences location.

You are a German citizen. How do you like living and working in Austria?

I ended up in Vienna via a "detour" taking me to the company's European headquarters in Munich. There I was responsible for the in-licensing and out-licensing of products on a European level. Now I have been managing the Austrian subsidiary of Daiichi Sankyo for the last five years. I am very happy living here in Vienna with my wife and three children.

**What do you personally value about Austria?**

I appreciate the stable economic living conditions, a high level of personal security and an intact environment. Moreover, I highly value the scenic diversity, the people, their culture and the cultural offerings.

Daiichi Sankyo is one of the top 20 pharmaceutical companies in the world, with more than 17,000 employees. In Austria the company actively conducts research into new substances designed to treat cardiovascular diseases, metabolic disorders and cancer.



Philipp von Lattorff,
General Manager, Boehringer
Ingelheim RCV GmbH & Co KG

One of the Few Regions Which is Still Growing

Scientific staff is the base for the economic success of Boehringer Ingelheim.

Philipp von Lattorff started his professional career at Boehringer Ingelheim in Vienna in 1993 in the field of marketing for Eastern Europe. In recent years, he held various management positions in marketing and on the management board of various national subsidiaries, for example in the Baltics, Italy and Hungary. On June 1, 2013, he was appointed to serve as General Manager of the pharmaceutical company Boehringer Ingelheim Regional Center Vienna (RCV).

What advantages exist in Austria which may be unavailable elsewhere in this form?

The strengths of Austria as a business location are its high educational level, enabling us to recruit qualified specialized staff, for example scientific specialists for cancer research and biotechnology. This is combined with a good scientific environment comprised of universities, hospital and small biotech companies, which is crucial for our partnerships. Naturally, the city and its cultural environment increase the attractiveness of the location as a place to work e.g. for international experts. The stable economic and political conditions and the good quality of life are also very important.

What are the main reasons underlying your expansion here in Austria?

Our regional center ranks among the most important sites in the global group of companies, and is one of the few regions which are still growing. We are responsible for coordinating clinical studies and sales in Central and Eastern Europe, Central Asia, Israel and Switzerland. Furthermore, Vienna is home to our global cancer research and a center for biopharmaceutical development and production. Our institute for basic research is also located in Vienna.

Does Boehringer Ingelheim plan to expand further in the coming years?

After completion of an administrative building last year, we are currently in the process of further expanding. On the one hand, we are constructing a new building in Vienna's third district for the Research Institute for Molecular Pathology. On the other hand, we are extending our cancer research and biopharmaceutical operations in Vienna-Meidling.

**What do you personally value about Austria?**

Personally I appreciate the economic stability and security in Austria, the educational opportunities, good infrastructure, cultural sights and the large selection of sporting facilities and activities.

The Boehringer Ingelheim Regional Center Vienna (RCV) with about 1,440 employees is responsible for the pharmaceutical business and clinical research in more than 30 countries in Central and Eastern Europe as well as Central Asia. In addition, Vienna is also the global cancer research center within the Boehringer Ingelheim Group, and one of four locations involved in the research, development and production of biopharmaceuticals.



Gerhard Wölfel,
Managing Director,
BMW Steyr

Top-Qualified and Highly Motivated Employees

BMW feels at home in Austria, a fact which is confirmed by its economic success.

After having studied plastics engineering, Gerhard Wölfel worked at various facilities of the automobile manufacturer until being named Managing Director of the BMW Engine Plant in Steyr.

What do you like about Austria?

Austria is a beautiful country with likeable and productive people. It has become like a second home to me.

What are the particular strengths of Austria which BMW can take advantage of?

The people in Austria boast top-notch qualifications and are highly motivated – a key to the country's business success. The business location also profits from a high-performance infrastructure, social stability and a high quality of life.

What do you think about Austria's decision to raise the research premium to 12%? Will BMW also benefit from this?

It is an important step and demonstrates the political commitment to an innovative and future-oriented focus of the business location. The efficient and unbureaucratic implementation of these research promotion measures is another key factor of success. Together both can boost the economy.

Is there anything that Germans can learn from Austrians or vice-versa?

We can best master the challenges of the future if we work together. We should orient our actions to the many good examples of European integration.

What wishes do you have for the future in Austria?

What I want are courageous political decisions and a good social partnership which constructively and critically faces changes in the future. Simply trying to perpetuate the successes of the path without reflection will not be sufficient to ensure sustainable success and safeguard the future viability of Austria as an industrial location, thus securing employment and prosperity.

BMW employs a staff of close to 4,700 in Austria. The majority of 4,100 people work at the BMW Engine Plant in Steyr.

What We Were Looking for

Quick administrative procedures facilitate Bifrangi's expansion.

Francesco Biasion is the Senior Managing Director running the company together with his son Roberto. In the meantime, Bifrangi has 900 employees and operates facilities in Great Britain, the USA and elsewhere.

Why did you decide for Austria as the location to expand your business?

We selected Austria, because in comparison to Italy, the red tape is short and formalities with public authorities are handled quickly. There is little bureaucracy here, and a lot of help is provided by the responsible authorities. This is precisely what we were looking for.

What are the strengths of Austria as a business and research location?

Austria is located in the center of Europe. The strengths or competitive advantages are clearly related to logistics. Moreover, Austria is a very sound country with a high level of security and also flexibility, which was very important to us in choosing a business location.

Do you also carry out research in Austria?

We do not conduct research in Austria at the present time. However, we are planning other activities in the future which will also involve a strong focus on research and development.

Are you satisfied that you are here in Austria?

Yes, we are really satisfied with being here.

What do you personally like and appreciate about Austria?

We are particularly gratified by the hospitality in Austria. The employees in the public offices and the Austrians in general are very friendly and polite. We were warmly welcomed and we feel very much at home here.

Bifrangi is a family-owned company headquartered in Mussolente, Vicenza in Italy, which has been operating for more than 100 years. Bifrangi manufactures steel components for passenger cars, tractors and industrial plants e.g. for BMW, Deutz, NSK, SKF, Koyo Bearings, Schaeffler, John Deere and Caterpillar. In 2014 the company decided to expand to Althofen in Carinthia.



Francesco Biasion,
Senior Managing Director,
Bifrangi S.p.A.



Manfred Haas,
Vice President, Infineon
Development Center Villach

Attractive Mix for Research and Business

Central location and a stable social environment support Infineon.

Manfred Haas is in charge of the Infineon Development Center in Villach.

What advantages does Austria offer?

The Austrian business location does not stand out because of individual competitive advantages but due to a balance among many different modules. R&D is supported by a committed program of incentives. The educational quality is very good, from the higher technical institutes to the universities of technology and universities of applied sciences. Finally, stable social conditions contribute to the attractiveness of Austria as a business location. Furthermore, Austria and its companies have a high level of motivation to carry out research and development, and research issues are intensively pursued. In my opinion the country boasts a good investigative and inquisitive spirit that is also shown by the fact that Austria's research expertise is frequently represented in international projects.

How can Infineon specifically profit from the Austrian business location?

In addition to the favorable business environment mentioned above, Austria has a central geographical location in Europe, and offers the best quality of life accompanied by stable social conditions and a high level of security. That is why we succeed in attracting exactly the international experts we need. It is also demonstrated by R&D expenditures which comprised 25 percent of total revenue in 2014.

Accordingly, Infineon is the most research-intensive company in the country. In the coming years, we plan investments and research spending totaling EUR 290 million in Austria. One example is our project entitled "Pilot Area Industry 4.0", a novel concept in Austria featuring networked and knowledge-intensive production by Infineon in Villach.

The research premium was raised to 12%. Does this open up new possibilities for you?

The increase in the research premium supports the expansion of research activities in Austria. Infineon Austria has secured an important position in R&D within the Group. The good underlying conditions were decisive for the development of the site into an R&D competence center. In any case, the rise in the research is a welcome step, because it is a very efficient funding model.



What do you personally appreciate about Austria?

For one thing, I personally appreciate the quality of life in Austria. For me Austria stands for security, an innovative spirit and a good infrastructure in areas such as health and education, but also culture, humor and a beautiful landscape. In conclusion, Austria is a wonderful place to feel at home, but it is also cosmopolitan and open in its thinking and acting.

Infineon Technologies Austria is the most research-intensive company in Austria, according to the TOP 500 ranking for 2014 compiled by the business magazine Trend. About one-quarter of the 4,900 employees conducting research in the Infineon Group work in Austria.



Dorothee Ritz,
General Manager
Microsoft Austria

Austria Has Always Been My Favorite Country

Microsoft is living the “New World of Work” in Austria.

Dorothee Ritz has been General Manager of Microsoft Austria since July 1, 2015. Born in Germany, Ritz has held a variety of leadership positions at Microsoft since 2004. Most recently she served as Senior Director Business Strategy for Microsoft International, and strengthened Microsoft Germany’s management team as General Manager Consumer & Online.

What led you as a German national to work in Austria?

For a long time it was my wish to become a Country Manager for Microsoft. I always thought this was an exciting position because one is responsible for everything. Moreover, I have spent a lot of time in Austria in recent years. It has always been my favorite country, and naturally our speaking the same language is an additional bonus.

What do you particularly like about Austria?

Austria is a healthy country with incredible economic strength, a solid foundation of SMEs, great industrial companies, multinationals and numerous innovative hidden champions. Furthermore, one can sense the fact that the country is ready for the digital transformation. For this reason, Austria is a particularly interesting market for Microsoft because we offer suitable products and solutions for the upcoming changes.

Do you personally like to work in the Austrian business location?

Yes. In Vienna we are already living our philosophy of the “New World of Work”. Our operations were already completely revamped in 2011. Since then, mobile, location- and time-independent working is possible for all employees with the help of state of the art technologies. Thanks to its concept of the “New World of Work”, Microsoft Austria is definitely in the vanguard and thus a driving force of digitalization.

Does Microsoft also carry out research and development in Austria?

Yes it does. Since 2006 the company has had its own R&D subsidiary, Vexcel Imaging, which is based in Graz.

What is your view of Austria’s research promotion activities?

The Austrian approach to R&D promotion is fundamentally sound. It would be important to more strongly take current developments relating to digitalization and Industry 4.0 into consideration, and above all to integrate approaches spanning all sectors in the individual funding programs.



Can your company benefit from the higher research premium starting in 2016?

As a company with its own R&D subsidiary, we welcome the change in the research premium. The increase in research premium from ten to twelve percent will strengthen Austria's international positioning as a business and research location.

Microsoft has been operating in Austria since 1991. In the meantime, it has emerged as the leader on the Austrian software market, employing a staff of 340 people in Vienna and Graz.



Robert Kanduth,
Founder and Owner of
GREENoneTEC

Global Networking

The solar technology champ GREENoneTEC profits from its cooperation partners.

In 1992 Robert Kanduth founded the company GREENoneTEC, which in the meantime boasts a staff of 500 employees and operates global production sites, for example in Mexico.

What are the strengths of the Austrian business location which benefit GREENoneTEC?

For our company, the strengths of the business location are clearly the cooperation partners we have. We work with different companies, are very well networked around the world and are constantly evolving. The required know-how is available here locally and we make use of it. We do not carry out any basic research in Austria. I would prefer to call it ongoing development. Our long-term objective is to be able to exploit the entire energy released in the summer during the winter months. Storage capacities should be expanded, similar to a car battery.

What impression do you have of research in Austria?

Generally speaking I have a very good impression of research in Austria. Naturally the public sector does not pay for everything involving research, but the funding landscape speaks for itself. The current increase in the research premium is a further asset for many companies.

What do you appreciate about Austria?

I clearly appreciate the great employees working in this business location. We consistently have motivated people who work hard and also think independently. One seldom comes across such a favorable business environment anywhere else.

Where do you think there is room for improvement?

In Austria we tend to bureaucratize many things without thinking beforehand whether certain things are really necessary.

GREENoneTEC is the global market leader in the field of solar thermal systems with a 25 percent market, supplying its solar collectors to customers in 40 countries.

Proactively Invest in the Austrian Business Location

Siemens sends for growth and added value in Austria.

Wolfgang Hesoun serves as CEO of Siemens Austria and is responsible for the entire CEE region of Siemens, encompassing 19 countries.

Siemens is a huge company. What is happening at its Austrian subsidiary?

Siemens has been operating in Austria for 135 years. Almost every person in this country comes into contact with our company in their daily life, though this may not be evident at first glance. Some 10,400 people work for Siemens in Austria and approx. 6,600 other local suppliers and business partners. Worldwide business responsibility for rail-bound transportation products is bundled in Vienna, whereas the Linz and Graz facilities develop and manufacture transformers for the global market.

Do you/does Siemens feel at home in Austria as a business location?

Austria still occupies a top position in an international comparison of business locations. The country boasts a very modern infrastructure, high quality education and a flourishing research and development landscape. For this reason, Siemens proactively invests in the Austrian business location, ensuring important growth and value creation in the region.

What competitive advantages does Austria offer to your company?

These advantages include the proximity to top research institutions, the large selection of expertly trained people, the geographical location, legal certainty and naturally the high quality of life as a magnet for top executives along with the proximity to high quality service providers.

Would you recommend Austria as a research location?

Of course I would! In recent years Austria has achieved an astonishing performance in the field of research, technology and innovation. We have outstandingly educated technicians in Austria, a very good cooperation between the business community and universities and a presentable funding landscape.

Siemens Austria also has business responsibility for 18 other countries in the CEE region plus Turkey and Israel.



Wolfgang Hesoun,
CEO, Siemens Austria



The “Success Story” of ABA – Invest in Austria

Since ABA – Invest in Austria was founded in the year 1982, the annual number of investment projects supported by ABA was in single digits in the 1980s and early 1990s, finally rising to more than 100 international companies per year in 1999 and achieving an all-time high of 276 in 2014.

ABA – Invest in Austria offers comprehensive services, consulting potential investors on issues ranging from funding and market opportunities to tax regulations. 25 qualified employees provide you with unbureaucratic support, putting its know-how at your disposal – completely free of charge.

Best Consulting on Business Location Issues

ABA – Invest in Austria is the investment promotion consulting company of the Republic of Austria and the top choice of international investors.

- **Personal service.** ABA – Invest in Austria boasts longstanding, experienced investment consultants. ABA puts competent employees at your disposal, who personally serve you and provide all the necessary contacts required in Austria.
- **Comprehensive pool of information.** ABA – Invest in Austria offers you all the up-to-date data you need on the **Austrian business location**. ABA provides information about sectors, technologies and markets, political and economic conditions.
- **Competent consulting.** ABA – Invest in Austria advises you on the **optimal site selection**:
- ABA answers questions on labor and tax regulations, informs you about ideal funding and incentives, finds out current real estate prices and helps you to solve various problems in setting up business operations in Austria.
- **Dedicated support.** ABA – Invest in Austria helps in **handling formalities**: ABA works together with you to complete applications for funding or operating licenses, and also supports you in cooperation with the regional investment promotion agencies.
- **Sustainable service.** ABA – Invest in Austria provides you with long-term consulting and support: ABA is at your disposal to assist in expansion investments even after **project completion**.
- **International links.** ABA – Invest in Austria boasts a **global network**: ABA offers you the help of its cooperation partners and sets up contacts with the foreign trade centers of the Austrian Federal Economic Chamber.
- **Award-winning ABA.** ABA – Invest in Austria has won several awards for its consulting services: World's Best Investment Promotion Agency, World Bank Benchmarking (2009); Global Leader in Online Investment Promotion, World Bank Benchmarking (2012); Second-Best Investment Promotion Agency and third-place award for its program to strengthen Austria as a headquarters location, FDI World Forum (2013).
- **Further areas of competence.** In addition to customized and comprehensive consulting services, ABA – Invest in Austria provides specialized brochures on the following areas:



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| • Business Location Austria | • Life Sciences |
| • Bridge between East and West | • Logistics |
| • Automotive Industry | • Machinery / Electronics / Mechatronics |
| • Chemistry / Plastics | • Research & Development |
| • Environmental Technologies
& Renewable Energies | • Tourism |
| • Headquarters Location Austria | • Starting Business in Austria |
| • ICT / Telecom | • Tax Aspects of Investments in Austria |

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