

Press Release

New Economic Package: Relief for SMEs, Research-Based Companies and International Professionals

Vienna, October 25, 2016 – After implementing a startup package in the summer designed to significantly facilitate the founding of national and international startups in Austria, the Austrian Federal Government presented a new “economic package” today to provide important impetus to strengthen Austria as a business location.

The objective of the package of measures, comprising a total volume of about EUR 400 million in public and private investments, is to mobilize communal and private investment activity and strengthen Austria as a business location in addition to fighting unemployment. The core elements of the initiative consisting of twelve individual measures include the following:

1. SME investment allowance

An investment growth bonus of 15% or 10% respectively will be granted for expansion investments made by small firms (up to 49 employees) and medium-sized enterprises (up to 250 employees). The incentive will be staggered according to the size of the company. This will provide EUR 175 million in direct funding to support about 10,000 firms in the years 2017 and 2018.

2. Further development of the Red-White-Red Card

Similarly, the “Red-White-Red Card” will be upgraded. This card facilitates the immigration to Austria of specialized and highly qualified employees from non-EU countries. The residence permit will be expanded in the future to encompass bachelor students and doctoral candidates. After completing their education or study visits in Austria, the graduates will be given a period of twelve months in the future (instead of six) to find a job in Austria.

3. Strengthening of R&D investments

If the new economic package is granted a positive assessment, it is likely that an increase will once again take place starting in the year 2018. The aim is to further improve the good business environment prevailing in Austria as a business and research location, and further stimulate R&D investments on the part of both domestic and international companies.

Federal Chancellor Christian Kern (Social Democratic Party) and Vice-Chancellor Reinhold Mitterlehner (Austrian People’s Party) already announced additional measures which will be made public before the end of the year. The further measures will focus on the issues of deregulation, reducing bureaucratic hurdles and providing financial relief.