

Press Release

Innovative Strength from Austria Powers the World

Vienna, August 28, 2019 – The research location of Austria scores points abroad thanks to its high level of innovative strength and competitiveness. Austria is rated seventh overall in the ranking of the European Patent Office, with a total of 2,300 patent applications in 2018. This represents a new all-time high, surpassing the previous record set in 2017 by 3.8 percent. The Alpine Republic has 261 patents per million inhabitants, double the EU average of 139. For this reason, it comes as no surprise that Austria places ninth in the global ranking of Noble Prize winners per million inhabitants, ahead of Germany (11th) and France (14th).

Austria: Land of inventors

In June of this year two Austrians were named the best inventors in Europe and given the European Inventor Award 2019 by the European Patent Office in honour of their ingenious idea. The two Upper Austrians Klaus Feichtinger and Manfred Hackl want to master the escalating problem of plastic based on their so-called “Counter Current Technology. The primary technology processes plastic waste into high-quality plastic pellets, which in turn serve as the starting material for new products. This concept aims at minimising waste and repeatedly using natural resources.

Attractive research conditions

In addition to innovative entrepreneurship and excellent science, the active public sector and the Austrian research community are important success factors underlying the country’s innovation system. In order to enhance innovation performance and increase investments in R&D, the federal government has created the right framework thanks to its resolute research promotion activities. In particular, the fourteen percent research tax credit which companies conducting research can claim is increasingly paying off.

Over the past two decades Austria has taken an enormous leap forward in the field of research and development, as demonstrated by the increase in the research to GDP ratio from 1.53 percent in the year 1994 to the current level of 3.19 percent. “Accordingly, Austria is one of the few European countries which has already exceeded the EU’s declared objective of achieving a research ratio of three percent by 2020“, says René Siegl, Managing Director of the national investment promotion consultancy ABA – Invest in Austria. In an EU comparison, Austria’s research ratio is second behind Sweden, already overtaking Germany, Denmark and Finland.

Billions in investments from abroad

Companies from abroad also clearly play a major role in the positive development of Austria’s research ratio. For example, the German pharmaceutical giant Boehringer Ingelheim started investing about EUR 700 million in its Viennese facility two years ago to build a new biotech production plant designed to manufacture active pharmaceutical ingredients on the basis of genetically modified cells. This represents the largest single investment in the history of the

company. The country's research promotion system was one of the decisive reasons underlying Boehringer Ingelheim's selection of Vienna as the location for this project.

However, it is not only the innovative strength of domestic companies but the strategically favourable location in the heart of Europe which makes Austria interesting to investors. As a central geographical and economic hub, the Republic of Austria equally links Eastern and Western Europe with each other and is correspondingly suitable as a bridgehead for expanding business throughout the entire European market. In particular, American investors are increasingly relying on acquiring Austrian technology and innovation leaders. In the past years, American investments in Austria have risen by more than 20 percent annually. In 2017 alone, a total of 15 Austrian firms were purchased by American companies, including the software producer Automic Software, which the American company CA Technologies acquired for USD 636 million.

ABA also feels the effects of the growing interest in Austria as a business and research location displayed by international investors. Each year investments from abroad reach new record levels. In 2018, ABA and the regional investment promotion companies provided professional support to 355 companies setting up business operations in Austria, featuring investments of close to EUR 735 million. 108 of the investment projects involved German firms.

###

ABA – Invest in Austria is the national investment promotion company owned by the Federal Ministry for Digital and Economic Affairs. It provides professional consulting services to interested companies free of charge, supporting them in selecting a business location, with labour and tax issues, identifying cooperation partners and dealing with public authorities. Since its founding in 1982, 4,177 international business location projects have been successfully implemented with the support of ABA – Invest in Austria, creating 60,598 new jobs and generating investments in Austria of EUR 9.91 billion. ABA – Invest in Austria has received multiple awards for its consulting services e.g. the World Bank named ABA as the World's Best Investment Promotion Agency.

www.investinaustria.at

Contact ABA - Invest in Austria:

Franziska Bauer

Tel. 0043 1 588 58 62, E-Mail: f.bauer@aba.gv.at