

Mitterlehner: New Record Results for Business Location Projects in Austria

National investment promotion agency ABA supported 297 international investors locating business operations in Austria, thus achieving another all-time high – Investments in Austria up by one-third

Vienna (BMWF, ABA). Austria's national investment promotion agency ABA-Invest in Austria, operating under the auspices of the Federal Ministry of Science, Research and Economy, provided professional assistance to 297 international companies setting up business operations in Austria in 2015 in cooperation with the regional investment promotion agencies. This compares to 276 investment projects in 2014. "Thanks to this rise of 8%, we achieved a further improvement on the record results generated in the previous year. The enhanced confidence displayed by international investors is a positive signal, but also an incentive for further reforms. We have to continue further developing the business location to ensure our success in global competition in the future as well", said Reinhold Mitterlehner, Federal Minister of Science, Research and Economy representing ABA's owners. The increase in total investments was even more pronounced, climbing by close to 34% to EUR 496 million. The number of new jobs created in Austria as a consequence of these foreign investment projects amounted to 2,613 (2014: 2,645).

"Many companies locating in Austria value its role as a business interface to Central, South East and Eastern Europe. This is supported by many long-term success factors such as qualified employees, along with our stability and legal certainty, which is a particular strength, especially in the light of a difficult geopolitical backdrop", Mitterlehner explained. "The tax reform measures strengthen purchasing power and consumption in Austria. In addition, we are reducing auxiliary wage costs on a step by step basis by up to EUR 1 billion annually, and are moving ahead with streamlining the bureaucracy", Mitterlehner stated, commenting on current initiatives.

Rise in R&D investments – Research Location Austria has proven to be successful

The further increase in the number of companies carrying out research and development in Austria is particularly gratifying. Since the start of the fourth stage of the marketing campaign "Research Location Austria" in 2014, a total of 29 international companies have located R&D-relevant business operations in Austria, already exceeding the original target of attracting 25 firms. These companies created 1,194 jobs and invested EUR 493 million, an impressive proof of the performance of Austria as a science and research location. "The increase in the research premium to 12% provides additional impetus. In this way we have become even more attractive for locating the research departments of large companies here", Mitterlehner added.

ABA scorecard: Germany remains the top investor nation – Ongoing extensive interest from Italy as well as Central, South East and Eastern Europe

Germany remained the most important investor nation, accounting for 103 investment projects or an increase of 17%. "Fortunately, this group included several larger investments. For this reason, total investments from Germany at EUR 343.5 million were more than 25% higher than the prior-year level of EUR 274.5 million", said ABA Managing Director René Siegl. Italy placed second once again in the investment rankings, with 42 Italian companies setting up business operations in Austria in 2015 with the support of ABA. Interest on the part

of CEE and SEE companies remained high. This group accounted for 77 firms or about one-quarter of all ABA business location projects in 2015 (as in previous years).

Ranking of federal provinces: Vienna ahead of Carinthia and Salzburg

In 2015, Vienna was once again the frontrunner. The Austrian capital city attracted the majority or 150 of all investment projects. Carinthia was ranked second with 36 companies, followed by Salzburg with 25 foreign investment projects and Tyrol with 20. 18 companies supported by ABA and the regional investment promotion agencies decided for Lower Austria, whereas 17 located in Upper Austria, 16 in Styria, nine in Vorarlberg and five selected Burgenland. One company has sites in several federal provinces.

Examples of companies deciding in favor of Austria:

1. **NITTOKU**, the world's leading producer of coil winding machines based in Japan, set up its European headquarters Nittoku Europe GmbH as well as a production facility in St. Veit an der Glan, Carinthia. According to Nittoku, the main reason for this decision is the establishing of regional headquarters as a solid basis for the growth of its European business. In 2016 Nittoku plans to further expand its local R&D activities in Austria.
2. In Vienna, the startup **ROBO** Technologies, whose founders have Eastern European roots, has developed the new children's toy *Robo Wunderkind*. These building blocks can be fit together to make simple robots, which children as of the age of five can program themselves.
3. **MIZUHO BANK**, the third largest Japanese bank, established its regional headquarters for Eastern Europe in Vienna.
4. Since 2015, the German medical engineering company **piur imaging** has been developing and carrying out research in Vienna in the field of ultrasound diagnostics.

About ABA-Invest in Austria

ABA-Invest in Austria is the national investment promotion agency owned by the Austrian Ministry of Economic Affairs. It provides professional consulting services to potential investors free of charge, supporting companies in selecting a business location, with labor and tax issues, identifying cooperation partners and dealing with authorities. At present ABA-Invest in Austria is supporting a total of 755 international companies with a specific interest in locating in Austria, 2.5% more than in January 2015.

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