

2014

COUNTRY COMMERCIAL GUIDE

for U.S. Companies:

Doing Business in AUSTRIA



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Doing Business in Austria:

2014 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business in Austria

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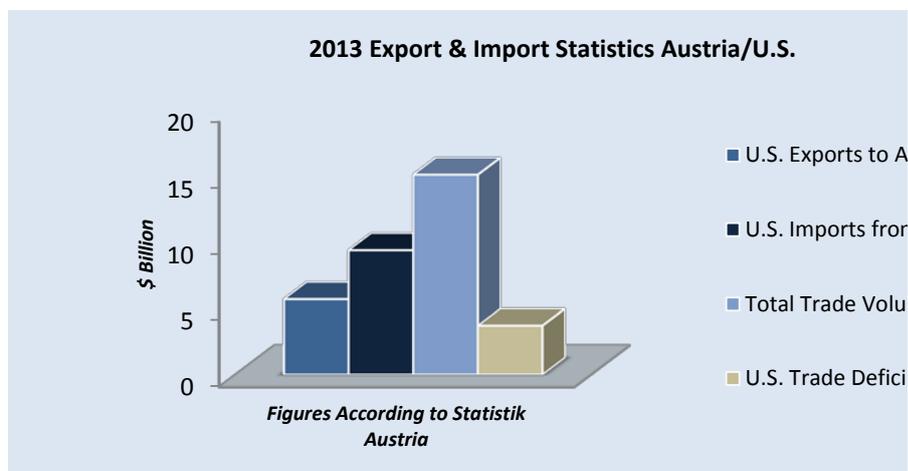
Market Overview

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This Country Commercial Guide (CCG) presents a comprehensive look at Austria's commercial environment, including economic, political and market analysis. It is provided as a tool for U.S. companies intending to do business in Austria. The CCG is prepared annually at the U.S. Embassy in Vienna through the combined efforts of several United States Government agencies and includes substantial input from the U.S. Mission to the European Union. It is a living document and its contents are updated during the year, as necessary and appropriate.

Some important facts about Austria and its market:

- Population of 8.4 million – a dynamic European Union Member State.
- Austria is an attractive location for regional headquarters for U.S. firms looking to expand in the region.
- Historical and economic ties to neighboring countries in Eastern Europe and the Balkans.
- Approximately 330 U.S. firms have subsidiaries, affiliates, franchisees, and licensees in Austria – 100 of these companies have regional responsibilities for Central and Eastern Europe, including countries in the Balkan Peninsula.
- Overall imports to Austria amounted to USD 172.9 billion (at the 2013 annual average exchange rate of USD 1.00 = EUR 0.75) in 2013 (source: Statistik Austria).
- U.S. exports to Austria amounted to USD 5.72 billion, representing an increase of 4.4% from 2012 (source: Statistik Austria). U.S. imports from Austria totaled USD 9.44 billion. (See chart below)



- Principal U.S. exports to Austria are machinery, medical devices, pharmaceuticals and chemicals, aircraft and aircraft components, coal, and computer equipment and parts.
- Principal Austrian exports to the U.S. include specialized industrial machinery, pharmaceuticals, glassware, electric power machinery, and some food products.
- Economic conditions in Austria continue to remain favorable.
- In line with its EU neighbors, Austria's economy generally is on a lower growth path than before the 2008-2009 financial/economic crisis.
- Within the next three years, U.S. exporters will still find opportunities to gain market position within most Austrian industry sectors.

Note: There are differences between Austrian and U.S. import-export statistics. Statisticians call it the “Rotterdam Effect” – the discrepancy in trade statistics that appear when goods are transshipped to other countries before they reach their final destination. The difference appears because the U.S. export statistics often only measure shipments to the first foreign port of entry, while the Austrian statistics are calculated on a c.i.f. basis.

Market Challenges

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- Austria is a good export market for U.S. technology and services, and presents no significant trade barriers.
- Austria represents a desirable, affluent pilot market for U.S.-made products and services.
- When establishing a business in Austria, U.S. companies may still encounter some bureaucratic barriers.
- Most business activities in Austria are regulated and require that a separate application be made for a business license and registration in the commercial register.

Market Opportunities

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To overlook Austria would be to overlook one of the world's most prosperous nations (on a per capita basis).

Doing business in and from Austria presents certain advantages:

- First, Austria is located at an international crossroad within Central Europe which offers a logistical advantage over other countries in the region. Austria is a member of the Schengen Agreement and offers U.S. companies access to growing markets in Eastern and Southeastern Europe.
- A second advantage for Austria is its well-diversified and relatively resilient economy. Austria represents a good opportunity for export, joint ventures, and investment. In response to pressure from the newest EU members, which offer investors lower corporate tax rates, Austria's tax rate was decreased in 2005 from 34% to 25%.
- A third plus for Austria is its membership in the EU and the Euro currency zone.
- A fourth advantage Austria offers is that the United States is its fourth largest trading partner and its leading trading partner outside of Europe. U.S. companies entering the market for the first time will benefit from the strong trading relationship already established between the two countries.

- Major Projects: Austrian electricity providers plan to invest approximately USD 19.2 billion in power generation, distribution, and efficiency upgrades between now and 2020.
- T-TIP is an ambitious and comprehensive trade and investment agreement that will promote transatlantic international competitiveness, jobs and growth. T-TIP aims to address non-tariff barriers that impede trade in goods and services and seeks to promote greater compatibility, transparency and cooperation in the regulatory and standards arenas. According to non-U.S. Government estimates, transatlantic zero-tariffs could boost U.S. and EU exports each by 17%. A 25% reduction in non-tariff barriers could increase the combined EU and U.S. GDP by USD 106 billion. For up-to-date information on T-TIP, please visit the website of the [USTR](#).

Market Entry Strategy

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Best strategy for American exporters to Austria:

- Select one distributor or agent for the entire Austrian market.
- In case of a limited number of customers and end users in Austria, a distributor might be appointed in Germany to cover all of German speaking Europe.

The U.S. Commercial Service Vienna and its industry specialists are pleased to offer a full range of cost-effective services to help your company enter the Austrian market. For more details please see [Chapter 10: Guide to our Services](#).

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of Austria, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/3165.htm>

Map of Austria



Source: www.austriatourism.com

How the EU Emerged

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In 1950, after World War II, six European countries, Belgium, France, West Germany, Italy, Netherlands and Luxembourg created the European Coal and Steel Community to help unify and rebuild Europe after the war. The Community was designed to prevent any future wars between France and Germany by promoting peaceful economic cooperation, political stability, secure economic growth and increasing economic ties among countries; all for the purpose of moving towards a single market.

Under the threat of a more divided Europe during the Cold War, the six Western European states passed the Treaty of Rome in 1957 to establish a common European market known as the European Economic Community (EEC).

By 1991, the Cold War was nearly over and the EEC with its twelve members signed The Maastricht Treaty which radically changed the functioning of the organization. It officially created the European Union, expanded the scope of the EU's competences, set budgetary and mandatory monetary criteria for member states that led to the creation of the eurozone.

After the Cold War, Central and Eastern European nations were no longer bound to the Soviet Union. The political and economic benefits of the EU's democratic integration

became appealing to the new Eastern European countries. As of 1993, in addition to budgetary commitments, new member states had to adhere to the Copenhagen Criteria requiring nations to have stable institutions that guarantee democracy, a working market economy to handle the EU's competitive market, and the ability to commit to the obligations of EU membership (i.e. observing the goals of a political, economic, and monetary union).

Lisbon Treaty

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In 2009, the Lisbon Treaty created various amendments to the existing Treaty of Rome and The Maastricht Treaty, which revised the constitutional basis of the European Union. The major changes of the Lisbon Treaty were the creation of a long-term President of the European Council, recognizing the European Council as an official EU institution, as well as the creation of a new role of High Representative on Foreign and Security Policy. Under the Lisbon Treaty, Council decisions in most policy areas are now made under double majority, requiring the support of a minimum of 55% of Council of the European Union members and representing at least 65% of EU citizens. At the same time, for legislation to pass, the Parliament must have a simple majority (majority of parliamentarians present) or 50% of the votes in favor. The need for consent by both the Parliament and the Council of the European Union is called co-decision.

The Lisbon Treaty significantly increased the influence of the European Parliament including in the nomination of Commissioners and equally dividing budgetary authority between the Parliament and the Council of the European Union.

Main EU Institutions

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European Commission

As the executive branch of the EU, the European Commission holds the right to initiate and propose legislation and the budget to the Council of the European Union and to the Parliament. It is also charged with implementing decisions and acts as guardian of the EU's treaties. Each of the 28 Commissioners holds a different member state nationality but is obligated to remain neutral and above national politics.

European Parliament

The Parliament's role is several-fold and includes: 1) debating and passing European laws along with the Council once they have been proposed by the European Commission; 2) scrutinizing the work of the European Commission and other EU institutions; 3) debating and adopting the EU's budget along with the Council; and 4) vetting new Commissioner nominees.

Elections are every 5 years, the next taking place in May 2014 with citizens voting in national elections for their Members of European Parliament (MEPs). The total number of MEPs elected will be 751.

Council of the European Union (Council of Ministers)

The Council of the European Union represents the governments of the 28 member states in the EU. The Presidency of the Council rotates every 6 months between the 28 member states. In addition to the European Parliament, the Council of Ministers shares the main legislative role of the EU. Starting July 1, 2014 Italy will take over the Council

Presidency. The concept of the Council Presidency is not to be confused with the European Council which gathers heads of states to steer the EU's political direction.

[European Court of Justice \(ECJ\)](#)

The purpose of the ECJ is to interpret EU law to make sure it is applied evenly across all EU member states. Additionally, it may also engage in settling legal disputes between EU governments and EU institutions. Individuals, companies and organizations have the ability to bring cases before the ECJ if they feel their rights have been violated by an EU institution.

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Using an Agent or Distributor

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Qualified Austrian agents and distributors can be found for nearly every kind of product or service. Because of Austria's geographic location and history, many Austrian agents and distributors sell regionally, covering markets in Central and Eastern Europe in addition to Austria.

Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. The Directive establishes the rights and obligations of the principal and its agents, the agent's remuneration and the conclusion and termination of an agency contract. It also establishes the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that according to the Directive, parties may not derogate from certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are exempt from these regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of impacting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than EUR 50 million are considered small- and medium-sized. The EU has additionally indicated that

agreements that affect less than 10% of a particular market are generally exempted (Commission Notice 2001/C 368/07).

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2001:368:0013:0015:EN:PDF>

The EU also looks to combat payment delays. The new Directive 2011/7/EU, which replaced the current law in March 2013, covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of 8% above the European Central Bank rate) as well as 40 Euro as compensation for recovery of costs. For business-to-business transactions a 60-day period may be negotiated subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF>

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. In addition, SOLVIT, a network of national centers, offers online assistance to citizens and businesses who encounter problems with transactions within the borders of the single market.

Key Links:

<http://www.ombudsman.europa.eu/home/en/default.htm>
http://ec.europa.eu/solvit/site/about/index_en.htm

Establishing an Office

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Establishing a business in Austria means navigating a bureaucratic maze, despite efforts by the Austrian government to reduce the paperwork involved. Some regions have moved to set up one-stop shops for entrepreneurs, but it is unclear how much of the red tape these offices can really eliminate. Austria is a highly regulated society. Most business activities in Austria are regulated and require that separate applications be made for a business license (Gewerbeschein) and for registration in the commercial register (Firmenbuch). Evidence of proficiency is required to operate most businesses. Usually a passing score on an examination or evidence of prior experience in the field is sufficient. For business activities that do not require proof of proficiency, a business license is granted automatically upon registration of the business.

There are several options available to the investor when deciding on the legal form of an Austrian office. These include public corporations, limited liability companies, limited or unlimited commercial partnerships, silent partnerships, branches of foreign enterprises, cooperative societies, and sole proprietorships. Most foreign-owned businesses choose to operate as a limited liability private company (Gesellschaft mit beschränkter Haftung or Ges.m.b.H.).

The official investment office of the Austrian government is “ABA Invest in Austria”, online at www.aba.gv.at/. It is an excellent source of information on all subjects related to opening an office or a production facility in Austria. In addition, all nine Austrian provinces maintain official investment offices. To contact these institutions, please consult CS Vienna at: office.vienna@trade.gov

Data Privacy

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Protecting personal data privacy is very important to Austrians, both in private and public life. Unsolicited emails and phone calls are generally unwelcome, and there is strong resistance to increased transparency in banking and travel to the United States.

Current Situation

The EU's general data protection Directive (95/46/EC) spells out strict rules concerning the processing of personal data. Businesses must tell consumers that they are collecting data, what they intend to use it for, and to whom it will be disclosed. Data subjects must be given the opportunity to object to the processing of their personal details and to opt-out of having them used for direct marketing purposes. This opt-out should be available at the time of collection and at any point thereafter. While the EU institutions are considering new legislation (GDPR), the 1995 Directive remains in force.

Transferring Customer Data to Countries Outside the EU

The EU's current general data protection Directive provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders. Personal data can only be transferred outside the EU if the third country's legislation provides adequate protection for it or if the unambiguous consent of the data subject is secured. The European Commission has decided that a handful of countries have regulatory frameworks in place that guarantee the adequate protection of data transferred to them – the United States is not one of these.

As a result, in 2000 the Department of Commerce and the European Commission negotiated the U.S-EU Safe Harbor Framework to provide U.S. companies with simple, streamlined means of complying with the adequacy requirement. It allows those U.S. companies that commit to a series of data protection principles (based on the current Directive), and that publicly state that commitment by "self-certifying" on a dedicated website, to continue to receive personal data from the EU. Signing up is voluntary but the rules are binding on those who do. The ultimate means of enforcing Safe Harbor is that failure to fulfill the commitments will be actionable as an unfair and deceptive practice under Section 5 of the FTC Act or under a concurrent Department of Transportation statute for air carriers and ticket agents. While the United States as a whole does not enjoy an adequacy finding, transfers that are covered by the Safe Harbor Framework do. Companies whose activities are not regulated by the FTC or DoT (e.g. banks, credit unions, savings and loan institutions, securities dealers, insurance companies, not-for-profit organizations, meat packing facilities, or telecommunications carriers) are not eligible to sign up for the Safe Harbor.

Key links: U.S.-EU Safe Harbor Overviews

http://export.gov/safeharbor/eu/eg_main_018476.asp

[Clarifications regarding the US-EU Safe Harbor Framework and Cloud Computing](#)

EU-based exporters or U.S.-based importers of personal data can also satisfy the adequacy requirement by using appropriate safeguards, for instance by including data

privacy clauses in the contracts they sign with each other. The Data Protection Authority in the EU country from where the data is being exported must approve these contracts. To fast track this procedure the European Commission has approved sets of model clauses for personal data transfers that can be inserted into contracts between data importers and exporters. The most recent were published at the beginning of 2005, and were complemented in 2010 by contractual clauses on “sub-processing” (outsourcing by an EU based exporter of its processing activities to other sub-processors outside the EU). Most transfers using contracts based on these model clauses do not require prior approval. Companies must bear in mind that the transfer of personal data to third countries is a processing operation that is subject to the general data protection Directive regardless of any Safe Harbor, contractual or consent arrangements.

EU countries’ Data Protection Authorities (DPAs) and large multinational companies have also developed a third major approach to compliance with EU rules on transfers of personal data to countries outside the EU. This is based on country-by-country DPA approval of “binding corporate rules” (BCRs). A BCR is the international code of practice that a multinational corporation follows for transfers of personal data between the companies belonging to that corporation (worldwide intra-group transfer). BCRs are suitable for closely-knit, highly hierarchically structured multinational companies but not for loose conglomerates. Companies that set up BCRs that satisfy European DPAs are able to use the presumption of conformity that these approvals provide to transfer personal data from the EU to any location in the world – not just the United States. BCRs can be a tool for compliance with privacy rules on a global scale. The process of negotiation and approval of the BCRs is currently lengthy and complex, and has not been attempted by small or medium-sized companies.

Proposed new regulation

The EU’s current data privacy legislation is undergoing review. A new commercial data protection regulation (GDPR) was proposed by DG Justice in January 2012. The European Parliament adopted on March 12, 2014, by a large majority, the position that its LIBE committee had developed on the proposed regulation. The 2012 proposal is in parallel being revised by the EU Council of Ministers. Greece was able to make good progress while holding the rotating Presidency of the EU Council during the first six months of 2014. Italy will take on the Presidency as of July 2014 while both the Parliament and Commission will be transitioning after the May 2014 European elections.

If the EP’s March 2014 version of the regulation is adopted, it will impose significant requirements on European and U.S. businesses on the way they are able to gather and utilize user data. It will also sunset all adequacy decisions after five years as well as transfers by way of appropriate safeguards after two years. Additionally, it will introduce substantial fines for offending companies (up to 5% of global revenue). For over two years, industry representatives have voiced their concerns to EU Institutions and member state officials. In a Position Paper published in July 2012, the American Chamber of Commerce to the EU identified 10 key concerns with the proposed regulation including:

- data breach notification
- consent
- definition of personal data, a child, and of public interest
- technical feasibility of the “right to be forgotten” provision
- extra-territoriality element that would hamper international data transfers.

The implications of this proposed regulation go well beyond its immediate scope; in particular data privacy is an integral part of other current EU regulatory initiatives in ICT sectors such as cloud computing and cyber-security.

Key Links:

European Commission's Justice Directorate-General:

http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm

http://ec.europa.eu/justice/data-protection/document/international-transfers/binding-corporate-rules/index_en.htm

Am Cham EU Position on the General Data Protection Regulation:

http://www.amchameu.eu/DesktopModules/Bring2mind/DMX/Download.aspx?TabId=165&Command=Core_Download&EntryId=7914&PortalId=0&TabId=165

Franchising

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Franchising as a business model is a relatively small factor in the Austrian economy compared to the United States, accounting for an estimated 5% of retail sales. Around half of the franchise businesses operating in this country are of local origin. The top foreign participant in the Austrian franchising economy is Germany, with around 29% of franchises, followed by the EU (without Austria and Germany), with 11% of franchises, and the United States, with about 6% of all franchises operating in Austria. Most German franchisers either set up a headquarters in Austria or franchise directly over the border, whereas most American franchisers choose to expand their operations in Austria through a master franchise partner, a solution that has had mixed results. Approximately 450 franchise systems currently operate in Austria.

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally, do not constrain the competitive position of U.S. businesses. The potential franchiser should take care to look not only at the EU regulations, but also at the local laws concerning franchising. More information on specific legislation can be found on the website of the European Franchise Federation:

<http://eff-franchise.com/spip.php?rubrique21>

The Austrian Franchise Association collects data, maintains an informative web site, and co-organizes seminars as well as a yearly trade show:

Österreichischer Franchise-Verband

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Web: <http://www.franchise.at/>

Direct Marketing

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As a function of general privacy demands, Austrian law is very strict in prohibiting most forms of direct marketing, with special emphasis on electronic, telephone and fax communications, requiring prior consent on the part of the individual or business being

contacted. Even those who consented can withdraw their consent at any time. Furthermore, electronic communications must contain certain elements, such as information about how to opt out and the sender's identity. One grey area is the question of implied consent, for example, if a telephone number and email address is listed in a directory or on a website. A more thorough review of the regulations can be found on the regulator's website: <https://www.rtr.at/en>.

There is a wide-range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions flowing from EU-wide rules on distance-selling and on-line commerce.

[Processing Customer Data](#)

The EU has strict laws governing the protection of personal data, including the use of such data in the context of direct marketing activities. For more information on these rules, please see the privacy section above.

[Distance Selling Rules](#)

The EU's Directive on Distance Selling to Consumers (97/7/EC and amendments) sets out a number of obligations for companies doing business over a distance with consumers.

It can read like a set of onerous "do's" and "don'ts," but in many ways, it represents nothing more than a customer relations good practice guide with legal effect. Direct marketers must provide clear information on the identity of themselves as well as their supplier, full details on prices including delivery costs, and the period for which an offer remains valid – all of this, of course, before a contract is concluded. Customers generally have the right to return goods without any required explanation within seven days, and retain the right to compensation for faulty goods thereafter. Similar in nature is the Doorstep Selling Directive (85/577/EEC) which is designed to protect consumers from sales occurring outside of a normal business premises (e.g., door-to-door sales) and essentially assure the fairness of resulting contracts.

In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook - "the Consumer Rights Directive". The provisions of this Directive will apply to contracts concluded after June 13, 2014, and will replace current EU rules on distance selling to consumers and doorstep selling along with unfair contract terms and consumer goods and associated guarantees. The Directive contains provisions on core information to be provided by traders prior to the conclusion of consumer contracts. It also regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes. Companies are advised to consult the relevant sections of [EU Member States' Country Commercial Guides](#) and to contact the Commercial Service at the U.S. Mission to the European Union for more specific guidance.

In 2013, the EU adopted rules on Alternative Dispute Resolution which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. A specific Online Dispute Resolution Regulation will set up an EU-wide

online platform to handle consumer disputes that arise from online transactions. The platform will be operational at the end of 2015.

Key Links:

Consumer Affairs Homepage: http://ec.europa.eu/consumers/index_en.htm

Consumer Rights: http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index_en.htm

Distance Selling of Financial Services

Financial services are the subject of a separate directive that came into force in June 2002 (2002/65/EC). This piece of legislation amended three prior existing Directives and is designed to ensure that consumers are appropriately protected with respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

Key Link: [http://eur-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT)

Direct Marketing over the Internet

The e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be easily accessible and clear. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below).

Key Link: http://ec.europa.eu/internal_market/e-commerce/index_en.htm

Joint Ventures/Licensing

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Joint ventures and licensed production arrangements in Austria can be attractive for U.S. firms looking for partners in Europe. Austria of course offers full access to the European Union market, improved access to all Central and Eastern European markets, convenient transportation routes to most European destinations, and high quality production. Joint ventures may be formed as companies, partnerships, or other legal entities.

Austrian companies are receptive to licensing arrangements, especially as a source of technology. Royalty and license fee payments may be freely transferred out of Austria.

In addition to the assistance offered by the U.S. Commercial Service in Vienna, U.S. firms seeking joint venture or license partners in Austria will receive valuable information from the Austrian Government's investment organization:

Austrian Business Agency – Invest in Austria
Contact: *Hans Nagl*
Opfering 3
A-1010 Vienna, Austria
Website: <http://www.aba.gv.at>
Tel.: +43 1 588 58 12
Fax: +43 1 586 86 59
Email: h.nagl@aba.gv.at

For more information on this topic please consult the Commerce Department's Country Commercial Guides on EU member states: [EU Member States' Country Commercial Guides](#)

Alternatively, search the Commerce Department's Market Research Library, available from: <http://www.export.gov/mrktresearch/index.asp> under Country and Industry Market Reports.

Selling to the Government

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The Bundesbeschaffung GmbH (BBG) was created in June 2001 and acts as a central procurement agency for the federal government of Austria in compliance with EU legislation. The agency is run as a limited liability company (thus is outside the federal budget), but is owned by the Austrian Ministry of Finance. More information is available online at: <http://www.bbg.gv.at/english/image-video/>

Procurements worth less than EUR 100,000 (approximately USD 135,000) are not subject to tendering regulations, and can be purchased directly. The purchase of items that cost more than EUR 100,000 and less than EUR 414,000 are subject to Austrian regulation, and there are several available procedures for procurement. Austrian tenders that are below the EU threshold are listed online at the official Bundesbeschaffungsgesellschaft website: www.bbg.gv.at/lieferanten/ausschreibungen/alle/

In order to succeed in bidding on a tender in Austria, U.S. companies should have either a local footprint or a trusted local partner well before the tender appears. In this very conservative sector, reliability and availability are absolute prerequisites.

Purchases of goods or services worth more than EUR 414,000 (approximately USD 560,000) must be tendered through the EU. These are published on the TED database: <http://ted.europa.eu/TED/main/HomePage.do>

The public procurement market in the EU is currently regulated by three Directives and in 2014, the EU adopted new legislation in this area. New EU Directives were adopted for the general and utilities sectors as well as one on concession contracts:

- Directive 2004/18 on Coordination of Procedures for the Award of Public Works, Services and Supplies Contracts;
- Directive 2004/17 on Coordination of Procedures of Entities Operating in the Utilities Sector, which covers water, energy, transport and postal services; and
- Directive 2009/81 on Coordination of Procedures for the Award of Certain Works, Supply and Service Contracts by contracting authorities in the fields of defense and security.

There is a separate Directive addressing the procurement of defense and sensitive security equipment.

According to some estimates, the size of the EU public procurement market is thought to be between 340 billion Euro - 440 billion Euro. More details on the size of the EU public procurement market are available in “The Annual Public Procurement Implementation Review”:

http://ec.europa.eu/internal_market/publicprocurement/docs/implementation/20121011-staff-working-document_en.pdf

Remedy directives cover legal means for companies who face discriminatory public procurement practices.

The U.S. and the EC are signatories to the World Trade Organization’s (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and services and some work contracts published by national procurement authorities of the countries that are parties to the Agreement. In practice, this means that U.S.-based companies are eligible to bid on supplies and services contracts from European public contracting authorities above the agreed thresholds: http://ec.europa.eu/internal_market/publicprocurement/rules/gpa-wto/index_en.htm

However, there are restrictions for U.S. suppliers in the EU utilities sector both in the EU Utilities Directive and in EU coverage of the GPA. The Utilities Directive allows EU contracting authorities to either: 1) reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50% of the total value of the goods constituting the tender; or 2) apply a 3% price difference to non-EU bids in order to give preference to the EU bid. These restrictions are applied when no reciprocal access for EU companies in the U.S. market is offered. Those restrictions, however, are waived for the electricity sector.

While authorities of EU member states have to apply EU Public Procurement Directive when procuring goods and services, the EU institutions follow different procurement rules, as explained in our reports on “Selling goods and services to the EU institutions – Update 2014” and “Tenders for Government Contracts in the EU”: <http://export.gov/europeanunion/marketresearch/index.asp>

Distribution and Sales Channels

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Austria enjoys a multitude of distribution and sales channels, including traditional agents, wholesalers and retailers, catalog and e-commerce channels, direct marketing, franchising, joint ventures, and other licensing agreements. Manufacturer’s representative agreements as we know them in the United States, however, are uncommon.

It may be useful to think of Austria in terms of the following five marketing or distribution regions:

- 1) Vienna and vicinity: This is the business and government center and the most populous part of Austria.
- 2) Pre-alpine provinces: These are Styria, Lower Austria, and Upper Austria, where most industrial and agricultural production takes place.
- 3) Alpine provinces: These are Carinthia, Tyrol, and Salzburg, which rely heavily on tourism.
- 4) Vorarlberg: This province in the far western Alps on the Swiss border has a small but wealthy population.

- 5) Burgenland: This province in the eastern flatlands of Austria bordered on the “iron curtain” during the cold war and is the least developed part of the country.

Many Austrian firms distribute to the neighboring markets of Central and Eastern Europe at the wholesale level, and some Austrian retail chains have built up networks in those countries as well. In the same way, German and other international retailers have expanded their presence in Austria over the past several years.

For more information on this topic please consult the Commerce Department’s Country Commercial Guides on EU member states: [EU Member States’ Country Commercial Guides](#).

Alternatively, search the Commerce Department’s Market Research Library, available from: <http://www.export.gov/mrktresearch/index.asp> under Country and Industry Market Reports.

Selling Factors/Techniques

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Though Austrians do not much differ from Americans in appearance, and most business people here speak English, selling factors and techniques are quite different than in the United States. This is to a large extent because most Austrians are highly risk-averse. They tend to plan and prepare projects in great detail, and to be slow to adopt change, as the risk will often loom larger than the potential gain.

Here are a few rules of thumb for working with Austrian business partners: First, it is important to establish a personal relationship, to build trust and confidence, before trying to make a sale. High pressure sales offensives are counterproductive. Companies should stick to simple American friendliness and transparency, which usually make a good impression, and be prepared to spend time planning and discussing options. Second, remember that Austrians want to see a record of success and a well-established business – innovation and entrepreneurship are great, but your Austrian business partner wants to know that you will be there for the long haul. And third, when buying machines and equipment, Austrians will look for quality and precision over robustness and user friendliness. While Americans like a product to be tough and easy to use, Austrians want a product to be well-engineered and precise.

For more information on this topic please consult the Commerce Department’s Country Commercial Guides on EU member states: [EU Member States’ Country Commercial Guides](#)

Alternatively, search the Commerce Department’s Market Research Library, available from: <http://www.export.gov/mrktresearch/index.asp> under Country and Industry Market Reports.

Electronic Commerce

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In 2013, 98% of Austrian businesses with more than 10 employees used the internet, and 86% maintained a website. Around 92% of firms with more than 10 employees have a broadband connection, and 62% access the internet using a mobile pc or smart phone. Though the saturation point for internet use has arrived, there is still room for growth in broadband and mobile access, both of which jumped significantly over the past year. There are no 2013 statistics for the number of Austrian businesses purchasing goods or services online, but they jumped from 40% in 2009 to 60% in 2012.

In 2013, 80% of all Austrian households had internet access, 59% via broadband. Of all Austrians aged 16-74, 82% report using the internet regularly and 54% report having purchased something online in the past 12 months. Interesting is the shift in what people are using to access the internet. In 2005, 85% reported using a desktop PC to access the internet. Today, 56% report using a smart phone and 33% report using a laptop/notebook or tablet to access the internet while on the go. Interesting is also the stability of social media, which remained at 47% in 2012 and 2013.

The Electronic Commerce Directive (2000/31/EC) mentioned in the direct marketing section above provides rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules such as indicating contact details on their website, clearly identifying advertising and protecting against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content. The European Commission released a work plan in 2012 in order to facilitate cross-border online services and reduce barriers and released a [report](#) on implementation of the action plan in 2013.

Key Link: http://ec.europa.eu/internal_market/e-commerce/directive_en.htm

The EU applies Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU-based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. These rules were indefinitely extended following adoption of Directive 2008/8/EC.

Businesses affected by EU Directive 2002/38 are either U.S.-based and selling ESS to non-business EU customers, or are EU-based businesses selling ESS to customers outside the EU. There are a number of compliance options for businesses.

The Directive creates a special scheme that simplifies registering with each member state. The Directive allows companies to register with a single VAT authority of their choice. Companies have to charge different rates of VAT according to where their customers are located, but VAT reports and returns are submitted to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities.

For more, go to the EC website:

http://ec.europa.eu/taxation_customs/taxation/vat/traders/e-commerce/index_en.htm

Trade Promotion and Advertising

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Austria's advertising sector broke the 4 billion Euro (approx. USD 5.4 billion) mark for the first time in 2013, charting a respectable 4.2% growth compared to 2012. The lion's share of advertising revenues is divided between print media (44%) and television (21%). Online advertising, with a total revenue share under 5%, continues to show the largest growth (18%). One of the primary reasons for the good showing in this sector is reported to be the national elections, which is considered to account for around half of the growth.

General legislation

Laws against misleading advertisements differ widely from member state to member state within the EU. To respond to this imperfection in the internal market, the Commission adopted a directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." Member states can authorize even more extensive protection under their national laws.

Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." Member States can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-style product placement on television and the three-hour/day maximum of advertising have been lifted. However, a 12-minute/hour maximum remains. Child programming is subject to a code of conduct that includes a limit of junk food advertising to children. Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller. For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section below. This Directive, however, will be incorporated into the Consumer Rights Directive mentioned above by June 2014.

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten up consumer protection rules. These rules outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

Key Link:

http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm
http://ec.europa.eu/avpolicy/reg/avms/index_en.htm

Medicine

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC as amended by Directive 2004/27/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

The Commission presented a new proposal for a framework for information to patients on medicines in 2008 which would allow industry to produce non-promotional information about its medicines while complying with strictly defined rules and would be subject to an effective system of control and quality assurance. The debate on the framework however is currently blocked in the member states and therefore, current varying systems at national level are in force.

Key Link: http://ec.europa.eu/health/human-use/information-to-patient/index_en.htm

Nutrition & Health Claims

On July 1, 2007, a regulation on nutrition and health claims entered into force. Regulation 1924/2006 sets EU-wide conditions for the use of nutrition claims such as “low fat” or “high in vitamin C” and health claims such as “helps lower cholesterol.” The regulation applies to any food or drink product produced for human consumption that is marketed in the EU. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) are allowed to carry claims. Nutrition and health claims are only allowed on food labels if they are included in one of the EU’s positive lists. Food products carrying claims must comply with the provisions of nutritional labeling Directive 90/496/EC and its amended version Directive 1169/2011.

In December 2012, a list of approved functional health claims went into effect. The list includes generic claims for substances other than botanicals which will be evaluated at a later date. Disease risk reduction claims and claims referring to the health and development of children require an authorization on a case-by-case basis, following the submission of a scientific dossier to the European Food Safety Authority (EFSA). Health claims based on new scientific data will have to be submitted to EFSA for evaluation but a simplified authorization procedure has been established.

The development of nutrient profiles, originally scheduled for January 2009, has been delayed. Nutrition claims can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states “high sugar content.” A European Union Register of nutrition claims has been established and is updated regularly. Health claims cannot fail any criteria.

Detailed information on the EU’s Nutrition and Health Claims policy can be found on the USEU/FAS website at:

<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/nutrition-health-claims/> and in the EU-28 “Food and Agricultural Import Regulations and Standards (FAIRS) Report.

Key Link: <http://ec.europa.eu/nuhclaims/>

Food Information to Consumers

In 2011, the EU adopted a new regulation on the provision of food information to consumers (1169/2011). The new EU labeling requirements will apply from December 13, 2014 except for the mandatory nutrition declaration which will apply from December 13, 2016.

Detailed information on the EU's new food labeling rules can be found on the USEU/FAS website at: <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/eu-labeling-requirements/> and in the EU-28 "Food and Agricultural Import Regulations and Standards (FAIRS) Report.

Key link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:304:0018:0063:EN:PDF>

Food Supplements

[Directive 2002/46/EC](#) harmonizes the rules on labeling of food supplements and introduces specific rules on vitamins and minerals in food supplements. Ingredients other than vitamins and minerals are still regulated by member states.

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods. This list was most recently revised in November 2009. A positive list of substances other than vitamins and minerals has not been established yet, although it is being developed. Until then, member state laws will govern the use of these substances.

Key Link: http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm

Tobacco

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed, though these are banned in many member states. Tobacco advertising on television has been banned in the EU since the early 1990s and is governed by the Audiovisual Media Services Directive. A revised Tobacco Products Directive has been adopted and must now be transposed into national legislation by member states by 2016. The new legislation will include bigger, double-sided health pictorial warnings on cigarette packages and possibility for plain packaging along with health warnings, tracking systems.

Key link: <http://ec.europa.eu/health/tobacco/products/>

Pricing

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Austrian prices are amongst the highest in the European Union, reflecting the high standard of living, the small size of the market, and high taxes. High labor costs include the cost of social benefits such as mandatory health insurance and pension fund contributions for employees. The value-added tax (VAT) on most products and services is 20% and is charged at point of sale. Special taxes are levied on luxury goods, fuel, drinks, tobacco, and other items. These costs and taxes should be taken into account when pricing products for sale in Austria.

For more information on this topic please consult the Commerce Department's Country Commercial Guides on EU member states: EU Member States' Country Commercial Guides.

Alternatively, search the Commerce Department's Market Research Library, available from: <http://www.export.gov/mrktresearch/index.asp> under Country and Industry Market Reports.

Sales Service/Customer Support

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Business customers demand a high level of support and most wholesalers or distributors offer excellent customer service. The need to replace broken parts very quickly can present a logistics problem for smaller U.S. suppliers who do not warehouse replacement parts in Europe. Thus we recommend that U.S. companies make sure that their prospective partners have the capacity and the intent to provide some local warehousing.

Conscious of the discrepancies among member states in product labeling, language use, legal guarantee and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service and customer support.

Product Liability

Under the 1985 Directive on Liability of Defective Products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.

Key link: <http://ec.europa.eu/enterprise/policies/single-market-goods/product-liability/>

Product Safety

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU. The legislation is still undergoing review.

Key link: http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After Sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);

- A price reduction; or
- Rescission of the sales contract.

Key link:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999L0044-20111212&qid=1395670475658&from=EN>

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are dealt with in Chapter 5 of this report.

Protecting Your Intellectual Property

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Though Austria is a member of all international intellectual property rights agreements and IPR is well respected, it is still advisable to use caution when dealing with your IP and TM even here. Please be sure to register your franchise name and trademark here before reaching out to potential Austrian partners, and take measures to ensure that your manufacturing partner has mechanisms in place to protect proprietary information from internal and external threats.

To begin the process of registering a patent in Austria or in the EU, contact the U.S. Commercial Service in Vienna (tel. +43 1 313 39 2243) or the Austrian Patent Office:

Oesterreichisches Patentamt
(Austrian Patent Office)
Dresdner Straße 87, 1200 Vienna, Austria
Tel. +43 1 534-24-0
Fax. +43 1 534-24-535
Email: info@patentamt.at
Website: <http://www.patentamt.at>

A list of patent attorneys is available through the Austrian Patent Attorney Chamber:

Oesterreichische Patentanwaltskammer
Linke Wienzeile 4/1/9 Wien
A-1060 Vienna, Austria
Tel.: +43 1 523 4382
Fax: +43 1 523 4382 15
Email: info@oepak.at
Website: <http://www.patentanwalt.at>

Protecting your Intellectual Property in the European Union

Several general principles are important for effective management of intellectual property ("IP") rights in the EU. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in the EU than in the United States. Third, rights must be registered and enforced in the EU under local laws. Your U.S. trademark and patent registrations will not protect you in the EU. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the EU market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally, cannot enforce rights for private individuals in EU. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in EU law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in the EU require constant attention. Work with legal counsel familiar with EU laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both EU or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Angola, Argentina, Brazil, China, Colombia, Egypt, Ghana, India, Indonesia, Kenya, Mexico, Mozambique, Nigeria, Russia, Saudi Arabia, Senegal, South Africa, Thailand, Turkey and Vietnam. For details and to register, visit: <http://www.stopfakes.gov/business-tools/international-ip-advisory-program>
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. For contact information, please see: http://www.uspto.gov/ip/global/attache/Attache_Contacts_2012-08.doc

Due Diligence

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The Austrian economy is highly regulated, which means that there are checks and controls against fraud; however, they do not stop all fraudulent activity. Due diligence is important in Austria, as it is anywhere. Basic information on a company, such as confirmation of registration and confirmation that no bankruptcy proceedings are in process, is readily available from official and semi-official sources. Commercial background checks on Austrian companies can be obtained through the U.S. Commercial Service in Vienna as well as private sector resources.

Product safety testing and certification is mandatory for the EU market. U.S. manufacturers and sellers of goods have to perform due diligence in accordance with mandatory EU legislation prior to exporting.

Local Professional Services

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The same professional services that are available in other highly developed market economies are readily available locally in Austria.

Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the U.S. Mission to the European Union at:

<http://export.gov/europeanunion/businessserviceproviders/index.asp>.

For information on professional services located within each of the EU member states, please see EU member state Country Commercial Guides which can be found at the following website [EU Member States' Country Commercial Guides](#).

There are innumerable web resources available in Austria, many of which have English content. Austrian websites tend to have an URL that ends in “.at”, though you will also find sites that end in “.net” or “.org” or “.com”. Following are some of the most important business sites:

Austrian Websites

http://export.gov/austria/	The website of the U.S. Commercial Service in Vienna, containing market research on Austria in English, as well as contact points, a list of business service providers, and information on CS services.
http://www.amcham.or.at/	American Chamber of Commerce in Austria
http://portal.wko.at/	The website of the Austrian Federal Economic Chamber, containing information on the Chamber and contact points in German, and basic information in English
http://www.virtualvienna.net/	A website in English designed for expatriates living in Austria and for prospective transferees to Austria, introducing the reader to life in Austria.
http://www.austria.org/	The official Austrian government source of information on Austria for readers in the United States.

EU Websites

EU websites:

Coordination of the laws of the member states relating to self-employed commercial agents (Council Directive 86/653/EEC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

Agreements of Minor importance which do not appreciably restrict Competition under Article 81(1) of the Treaty establishing the European Community:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2001:368:0013:0015:EN:PDF>

Directive on Late Payment:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF>

European Ombudsman:

<http://www.ombudsman.europa.eu/home/en/default.htm>

EU's General Data Protection Directive (95/46/EC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1995:281:0031:0050:EN:PDF>

Safe Harbor:

http://export.gov/safeharbor/eu/eg_main_018476.asp

Information on contracts for transferring data outside the EU:

http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm

EU Data Protection Homepage:

http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

Distance Selling Rules:

http://ec.europa.eu/consumers/cons_int/safe_shop/dist_sell/index_en.htm

Distance Selling of Financial Services:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:271:0016:0024:EN:PDF>

E-commerce Directive (2000/31/EC):

http://ec.europa.eu/internal_market/e-commerce/index_en.htm

VAT on Electronic Service:

http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

The Unfair Commercial Practices Directive:

<http://ec.europa.eu/consumers/rights/>

Information to Patients - Major developments:

http://ec.europa.eu/health/human-use/information-to-patient/legislative-developments_en.htm

Nutrition and health claims made on foods - Regulation 1924/2006

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:012:0003:0018:EN:PDF>

Regulation on Food Information to Consumers:

Regulation 1169/2011

EU-27 FAIRS EU Country Report on Food and Labeling requirements:

<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/fairs-reports/>

Guidance document on how companies can apply for health claim authorizations:

Summary document from EFSA

http://www.efsa.europa.eu/cs/BlobServer/Scientific_Opinion/nda_op_ej530_guidance_summary_en.pdf?ssbinary=true

Health & Nutrition Claims

http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm

Tobacco

http://ec.europa.eu/health/tobacco/policy/index_en.htm

Product Liability:

http://europa.eu/legislation_summaries/consumers/consumer_safety/l32012_en.htm

Product Safety

http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-Sales Service:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999L0044-20111212&qid=1395670475658&from=EN>

Copyright: http://ec.europa.eu/internal_market/copyright/documents/documents_en.htm

Harmonization of certain aspects of Copyright and related rights in the Information Society - Copyright Directive (2001/29/EC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0029:EN:HTML>

Industrial Property

http://ec.europa.eu/internal_market/indprop/index_en.htm

Trademark

http://ec.europa.eu/internal_market/indprop/tm/index_en.htm

European Patent Office (EPO)

<http://www.european-patent-office.org/>

Office for Harmonization in the Internal Market (OHIM)

<http://oami.europa.eu/>

World Intellectual Property Organization (WIPO) Madrid

<http://www.wipo.int/madrid/en>

[U.S. Websites](#)

IPR Toolkit: http://www.stopfakes.gov/sites/default/files/europeanunion_toolkit.pdf

EU Public Procurement:

<http://export.gov/europeanunion/marketresearch/eufundingandgovernmentprocurementsectors/index.asp>

Local Professional Services:

<http://export.gov/europeanunion/businessserviceproviders/index.asp>

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Chapter 4: Leading Sectors for U.S. Export and Investment

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Commercial Sectors

Aircraft and Parts (AIR)

Overview

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Unit: USD thousands

	2012	2013 (estimated)	2014 (estimated)	2015 (estimated)
Total Market Size	897,010	1,031,562	1,186,296	1,364,240
Total Local Production	43,156	49,629	57,073	65,634
Total Exports	732,776	842,692	969,096	1,114,460
Total Imports	1,586,630	1,824,625	2,098,319	2,413,066
Imports from the U.S.	318,519	366,297	421,242	484,428
Exchange Rate: 1 USD	€0.75	€0.75	€0.75	€0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Exchange rate: Base year 2013

Data Sources:

Total Local Production: Diamond Airborne Sensing GmbH

Total Exports: Statistik Austria

Total Imports: Statistik Austria

Imports from U.S.: Statistik Austria

The Austrian market for civil aviation aircraft amounted to USD 897.0 million in 2012 and is expected to grow by a CAGR of 15% from 2013 - 2015, while Austrian aircraft and parts imports in 2012 amounted to nearly USD 1.6 billion. With domestic-based manufacturing limited to one company, Diamond Airborne Sensing GmbH, the vast majority of the market is served by imports.

The major aircraft industry suppliers to Austria in 2012 were the United States with 26.7%, Canada with 20.2%, Germany with 14.6% and France with 1.2%.

The Austrian general aviation market is characterized by imports. The Federal Statistical Office gives only import/export figures for civil aircraft and related parts and equipment. No official civil aircraft production figures are available. Production figures and market demand estimates are based on sales figures obtained from the Civil Aviation Office and Diamond Airborne Sensing.

Diamond Airborne Sensing, based in Wiener Neustadt, rolled out its 59 single-engine and twin-engine two-seater and four-seater propeller-driven avgas aircraft in 2012. Approximately 95% of Diamond's production is exported. Diamond uses diesel engines from the Austrian firms Austro Engines and Rotax. Suppliers for avionics are the U.S. firm Bendix King and Garmin.

We project an average annual growth rate of 15% for the Austrian aircraft market. It should be noted that the accuracy of estimated growth rates are problematic because of the critical importance of government and military contracts and the possibility of large, one-time orders that greatly skew the statistics.

Aircraft leasing companies have become major factors in the industry as aircraft development and production costs escalate. For the airlines, leased aircraft offer the advantages of low capital investment and greater flexibility in adjusting to changing market conditions.

The Austrian Airlines Group (AAG) has a fleet of 7 Airbus 319, 14 Airbus 320, 3 Airbus 320-111, 3 Airbus 321-211, 6 Boeing 767-300 ER, 5 Boeing 777-200, 14 Bombardier Q400 and 15 Fokker 100 and 6 Fokker 70. AAG is a 100% subsidiary of Deutsche Lufthansa AG.

NIKI Luftfahrt GmbH (NIKI) has a fleet of 4 Airbus A321, 12 Airbus 320, and 7 Embraer 120 Brasilia. NIKI is a 100% subsidiary of Air Berlin Group.

InterSky Luftfahrt GmbH has a fleet of 3 Bombardier Dash 8Q 300 and 2 ATR 72-600 and 1 Embraer E190. The firm is headquartered in Bregenz.

Austria imported 10 twin-engine aircraft over 20 tons, 7 single-engine aircraft up to two tons and 5 helicopters in 2013.

The principal end-users of civil aviation aircraft, parts and equipment are in the Austrian Airlines Group, Fly Niki, as well as, other charter airlines. Emergency medical services and the police use civilian helicopters. The market for corporate fleets and business charter operators appears saturated because of the low prices for flights available commercially. However, industry experts forecast a growth for this sector in 2014.

In the very important category of single-engine aircraft up to 2 tons, U.S. aircraft are dominant. A total of 660 units were registered in 2013. The largest share of this market is held by Piper, Cessna, and Beech Aircraft. The only local competitor is Diamond. In 2013, 148 aircraft up to 5.7 tons, 114 twin-engine-aircraft over 5.7 tons, 212 twin-engine aircraft over 20 tons, 156 helicopters and 181 motor gliders were registered in Austria. The segment over 20 tons had the highest import increase. Private Austrian pilots register their aircraft for business use to gain tax advantages. Other end-users are air taxi and charter services. Helicopters are primarily owned by emergency service providers.

The outlook in 2013 for new light aircraft in the category up to 2 tons was rather dim due to a glut of used aircraft on the market. However, demand for new aircraft in the category up to 5.7 tons is expected to rise again in 2014 as older equipment is replaced. The only reason for postponing the replacement of the older equipment could be the economic downturn, which may delay it for some time.

Hope for future expansion of the civil helicopter market is not optimistic, due to the small size of the Austrian market. Most new purchases simply will replace old equipment. The industry's efforts now focus on emergency medical services, police and military. The market leader is EUROCOPTER, followed by AGUSTA Bell, Hughes, Robinson and Aerospatiale.

Defense Opportunities

Much of Austria's current weapons and equipment inventory is outdated and in need of replacement. Nonetheless, current funding is not sufficient to replace everything that needs to be replaced, a situation that is not likely to change in the next several years. In sum Austria presents an inauspicious climate for defense procurements. Opportunities for upgrading or replacement of equipment, spare parts purchase, maintenance, logistics, and service for helicopters, fighter aircraft, transport aircraft, communications equipment and radar equipment are limited.

Defense Plan

The Austrian defense plan has changed significantly since the end of the Cold War. The threat of war between Warsaw Pact and NATO countries has given way to the threat of limited conflicts in the region and the potential for spillover of refugees. In response, the earlier strategy of regional defense is being supplanted by one of increased mobility and flexibility.

Austria consistently contributes troops to international peacekeeping and disaster relief activities in other parts of the world.

Defense Procurement Process

Austria and the United States have signed a Memorandum of Understanding (MOU) concerning reciprocal defense procurement and armaments cooperation. Under the MOU, each country promises fair and equitable opportunity to the other to bid on tenders for military supplies and R&D projects and equipment with a value of at least USD 25,000 or its equivalent. The agreement does not cover construction projects or materials. Tenders are made public in the quasi-official daily newspaper, "Wiener Zeitung", as well as in the Federal Economic Chamber publication "Internationale Wirtschaft".

Included in these announcements are the subject matter of the contract, time limit on the submission of offers, and the addresses from which solicitation documents can be requested. Moreover, all EU tenders are regularly reported by the U.S. Commercial Service's EU office as part of the Trade Opportunities Program under the U.S. Department of Commerce's International Trade Administration.

There are a few practical problems affecting the competitiveness of U.S. firms in Austrian procurement competitions that should be noted. The Austrian government often requests that offset arrangements be provided by the foreign firm as a part of the acquisition. There is also an unofficial tendency to favor Austrian and other European suppliers.

Market Access

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Doing Business in Austria

Austrians are generally well disposed toward Americans. Following a few general rules of Austrian etiquette will help maintain this positive feeling. Appointments should be made either by telephone or in writing well in advance, and prospective buyers or distributors should be given the option of determining the date and place of the meeting. Prompt response to letters and faxes is very important. Some local firms have reported negative experiences in trying to contact U.S. firms, having to go through too many organizational layers and sometimes never getting a response at all. The exporter who can communicate in German will be much rewarded, even though most Austrians speak English.

Austrians tend to place more emphasis on quality than price, especially for larger purchases. The quality of a product should therefore be its main selling point. Austrians are generally looking for long-term business relationships rather than immediate sales and profit. Hard selling is generally counterproductive.

Defense Business

The military procurement process is best approached through the Office of Defense Corporation (ODC) at the American Embassy in Vienna. This office is well informed about ongoing competitions and is in an excellent position to help U.S. firms gain access to the appropriate decision-makers in the Austrian Ministry of Defense.

For detailed information please contact Major Mike Cullinane, Phone: 43-1-31339-2345, E-Mail: mike.cullinane@us.army.mil

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The best sales potential during the period 2014-2015 for U.S. aircraft and equipment is expected to be for more fuel efficient jet aircraft like the Falcon, Cessna Citation, and the Gulfstream to achieve operational efficiency and to meet market demand. Both the Austrian Airlines Group and the general aviation operators will be replacing some aircraft in the next few years. While the occupancy rate is still high, the yield is poor due to the high fuel costs and landing fees. However, demand for cargo aircraft is increasing. There is also a high demand for aircraft parts, avionics and engine parts.

Opportunities

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No special other projects or specific opportunities are available at the present time.

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Austrocontrol (Air Traffic Control Authority)
www.austrocontrol.at

Federal Economic Chamber – Aviation Department
<http://wko.at/luftfahrt>

Vienna International Airport
www.viennaairport.com

Airport Council International
www.aci-europe.org

Civil Aviation Airport Authority, Federal Ministry of Transportation, Innovation and Technology
www.bmvit.gv.at

Austrian Airlines Group
www.austrian.com

Niki Luftfahrt GmbH
www.flyniki.com

Diamond Airborne Sensing GmbH
www.diamond-air.at

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Computer Software and Services (CSF/CSV)

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	5,867,000	6,054,400	6,271,100	6,501,100
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	n/a	n/a	n/a	n/a
Imports from the U.S.	2,150,000	2,267,100	2,388,900	2,517,200
Exchange Rate: 1 USD	€0.75	€0.75	€0.75	€0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Exchange rate: Base year 2013

Data Sources:

Total Market Size: IDC Austria

Imports from U.S.: IDC Austria

In 2013, total packaged software sales reached approximately USD 2,267.1 million (EUR 1,700.3 million) of which application software represented USD 1,724.6 million (EUR 1,293.5 million) and systems infrastructure software represented USD 542.5 million (EUR 406.9 million).

The value of IT services totaled USD 3,833.2 million (EUR 2,874.9 million) in 2013 representing a year-on-year growth of 3.1% in USD terms. Measured in Euro, the market declined 0.2% from 2012. The systems integration category accounted for the largest share of IT services revenue, at 12.2%, followed by hardware support and installation, with 9.8%, and application consulting and customization, with 8.0%. The combined outsourcing category comprised 45.6% of the IT services market in 2013.

The expected annual growth rate from 2014 - 2015 for software will be 4.5% and 3.1% for services.

Industry experts forecast that cloud computing is likely to be the most important driver of IT services spending in the coming years. Austrian companies are increasingly convinced of the benefits of cloud services and they can now deal better with the potential negatives of cloud computing, such as legal and security issues surrounding public cloud provision. The cloud model is able to address demand that had not previously been addressed and has enabled the emergence of new solutions and new players in the Austrian IT market. Since the competitive situation is changing, the telecom providers, as well as software owners, will try to gain ground in the services landscape. Also hardware vendors are attempting to add services to their products. Vendors should, above all, focus on delivering high-quality services.

Cloud Services

In 2013, total market spending around cloud delivery (public, virtual private, and private) in Austria totaled USD 115.2 million.

Industry experts distinguish between public, virtual private, and private cloud delivery in terms of market spending. The private cloud category accounted for the largest share of

cloud services revenue at 56.4%, followed by public cloud with 37.5%, and virtual private cloud with 6.1% in 2013.

Government organizations contributed the most in Austria to total cloud services in 2013 with revenue of USD 12.7 million, representing a 7% market share. Manufacturing placed second and finance ranked third in terms of spending on private cloud.

In the long term, it is expected that cloud services in Austria will expand at a compound annual growth rate (CAGR) of 25.2% over the forecast period to USD 348.0 million in 2016.

Cloud delivery is not yet at a high-performing stage, but adoption is growing rapidly. The market in Austria is primarily supply-driven, as more and more vendors are entering the market with cloud solutions.

Price pressure will be increased by new payment models such as cloud. IT services customers are increasingly looking for a pay-as-you-go model, and many of them want greater flexibility and automation with shorter time to market. These needs will drive cloud adoption; however, they might limit overall services market growth. Cloud provision requires substantial investments in datacenters with high scalability.

End-user organizations will also seek to rationalize spending and will continue to shift their procurement strategies from multiple vendors to a few strategic suppliers in order to cut costs, simplify the procurement process, and facilitate negotiations.

Cloud services are important to the Austrian IT market, not only because cloud provides an alternative to traditional IT delivery models, but because it opens new areas in service provision, including faster deployment of services and infrastructure. The cloud model is able to address demand that had not been previously been addressed and has enabled the emergence of new players in the Austrian IT market. Furthermore it will boost spending on certain professional services needed to implement and integrate traditional IT with public and private cloud environments.

A significantly higher number of vendors are offering private cloud services than public cloud services, since all major vendors in Austria offer them. These vendors specialized in datacenter technology for years and built self-service platforms that fulfill the criteria for private cloud solutions. Several international vendors are also providing public and private cloud solutions.

Cloud adaption is affected by several issues arising from general economic conditions, IT market maturity and IT market trends, the legal and regulatory environment, and government subsidy programs.

Cloud has had a huge impact on the IT industry in Austria. Traditional outsourcing providers have begun to offer private cloud platforms to compete with new players entering the market with public cloud offerings. However, public cloud adaption is still at a low level.

Austria's IT services market features a small but significant number of captive vendors, a group consisting primarily of niche players. Bundesrechenzentrum (BRZ) is the most important of these vendors. The BRZ group consists of the parent company BRZ and its subsidiary, BITS which is an independent but government-owned company. BRZ has close ties to the Austrian public sector. As the IT provider to the government, BRZ is the country's leading company in developing, implementing, and managing e-government solutions. With a staff of more than 1,190 professionals BRZ reported revenue of

USD 317.5 million in 2012, all of which derived from the provision of IT services. The vendor's clients are federal ministries and their departments, state authorities, state institutions that outsource their IT infrastructures, universities, and social insurance agencies. Due to its extensive knowledge of administrative processes and its long-term collaboration with the federal government, BRZ can provide diverse services and product to these clients. The vendor subcontracts approximately 57% of its business to third parties.

Global cloud providers, with the exception of Microsoft and IBM, have generally struggled to gain market share in Austria as they have no local representation. Mostly, sales and marketing are handled in Germany, which inhibits growth in Austria. However, a number of system integrators operate in Austria, including international companies such as CSC, Capgemini, T-Systems, Atos, as well as local firms like Raiffeisen, S&T, BRZ, Kapsch, and Open Networks.

Most of Austria's telecommunication operators provide cloud services, mainly for business customers. T-Mobile, in cooperation with Microsoft, offers Microsoft Exchange as a cloud solution. A similar solution is delivered by Austria's leading telecom operator A1. To deliver this solution, A1 cooperates with Microsoft and uses Austrian datacenters. A1 also provides SAP Business One as a service. Drei, which is owned by Hutchinson, does not offer any cloud services directly. However, Orange, which was acquired by Drei, offers cloud services, including a Microsoft Exchange service hosted in Austrian datacenters. Tele2, a smaller Austrian telecom operator offers cloud-based services for conferencing, e-mail security and firewalls.

Since its advent, the legal implications of cloud have been discussed extensively. Often, data and services delivered via cloud are not hosted in Austria but in other countries. In many cases, these countries are outside the European Union and are therefore not subject to EU data protection laws, which make some organizations reluctant to use them. Other technologies (e.g., Big Data analytics) will need to resolve similar legal issues before acceptance will become widespread.

Big Data Analytics

Big Data solutions comprise a set of new technologies (e.g. highly scalable databases, data visualization tools, and high-performance search engines) and the convergence of more mature technologies, including event-driven processing, business intelligence (BI), and data mining. As uptake of Big Data solutions increases, compelling usage cases should come from customers that have made their business processes more agile, have segmented and targeted their customers more accurately, and/or have designed whole new business models.

Social Business

The deployment of enterprise social software has grown markedly during the past year, leading decision makers to implement functionalities to initiate social media tools. The growing number of social enterprise applications will increase data volumes and complexity. Many Austrian CIOs reported that they had recently created a social media manager or similar position to handle this growing area of business.

Security Software

The security software market experienced higher revenues as many of the economic conditions experienced were deemed to have been resolved and investment in security infrastructure increased in priority.

The increased visibility of cyber attacks across all geographic, vertical and segment organizations had raised the need to ensure that IT infrastructure, individuals and the many forms of data (corporate, personal, customer) were protected from known malware and APT attacks.

The historical definition of the network became less defined due to the increased promotion of mobile working, use of IT and the ground swell of the “Internet of Things,” organizations reallocated budget to mitigate the threats that were expected from external and internal players.

Security management and proactive cyber security defense mechanisms allow organizations to be more responsive to threats, providing an opportunity for security and vulnerability management and managed service providers to establish a wider footprint. Industry experts forecast a strong growth in this segment.

Security remains a top priority for organizations which are also placing an importance on increasing the posture for existing users and devices.

According to industry experts, security is a key priority for enterprises and organizations in this market and is expected to expand, at a CARG of approximately 7% from 2012-2016. The market for security software totaled USD 99.02 million in 2013, which represents an increase of 6.6% from 2012. The estimated growth rate for 2014 is 6.8%.

Microsoft is the largest IT software vendor in Austria, followed by IBM, Oracle, SAP, Symantec, Hewlett Packard, Computer Associates, EMC, Adobe and Siemens. However, there are approximately 35 additional U.S. IT firms selling their products and services in Austria. In addition, there is strong competition from European and Asian suppliers in this market.

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Accelerated adoption of virtualization will create opportunities for vendors of infrastructure software that deliver products that manage this increasingly virtualized IT environment, particularly performance monitoring, provisioning, compliance reporting, cluster visibility, and change and configuration management.

Demand for multifunctional security solutions and security software is rising significantly. Security technology is an important foundational element for many of the leading growth drivers in the IT market today, including Web services and digital identity services.

Opportunities

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The best opportunities for sales of U.S. software in Austria appear to be in internet systems engineering and applications consultancy, data bank and communications software/office automation, security, education, application development, operation management, systems integration, outsourcing, “cloud” computing, client virtualization, unified communications such as convergence of voice, video and data networks, archiving, content and document management, business intelligence and IT consulting.

The primary end-users are industry, financial services, public administration, production, telecommunications, trade, health, energy, distribution and electronic banking.

Web Resources

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ADV-EDP Association

Trattnerhof 2
1010 Vienna, Austria
Phone: ++43 1 533 0913
Fax: ++43 1 5330913-77
Web: www.adv.at

Austrian Computer Society

Dampfschiffstrasse 4
1030 Vienna, Austria
Phone: ++43 1 5120235-0
Fax: ++43 1 5120235-9
Web: www.ocg.at

IDC Austria

Parkring 10
1010 Vienna, Austria
Phone: ++43 1 526 73 28
Fax: ++43 1 526 73 29
Web: www.idc-austria.at

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Drugs and Pharmaceuticals (DRG)

Overview

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Unit: USD millions

	2012	2013 (estimated)	2014 (estimated)	2015 (estimated)
Total Market Size	2,463	2,577	2,701	2,820
Total Local Production	3,662	3,847	4,036	4,234
Total Exports	9,690	10,271	10,867	11,508
Total Imports	8,491	9,001	9,532	10,094
Imports from the U.S.	1,601	1,713	1,831	1,957
Exchange Rate: 1 USD	€0.75	€0.75	€0.75	€0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Exchange rate: Base year 2013

Data Sources:

Total Local Production: Pharmig, Vienna, Austria and estimates

Total Exports: Pharmig, Vienna, Austria and estimates

Total Imports: Pharmig, Vienna, Austria and estimates

Imports from U.S.: Statistik Austria and estimates

An estimated annual real growth rate of 5% of total market size over the next 3 years seems realistic while U.S. imports will grow by 4% annually. More than half of all pharmaceuticals approved for sale in Austria are imported. The Austrian health-care system directly employs approximately 169,000 people, of which 108,000 are working in hospitals. Approximately 10,500 persons are active in the Austrian pharmaceutical industry and almost 30,000 are working in the pharmaceutical sales sector (pharmacies, etc.)

Pharmaceutical expenditures in Austria account for about 12.8% of total health care spending. Around 76% of health-care spending is publicly financed. International comparison shows that drug consumption in Austria is significantly below the European average with regard both to expenditures in Euros and to the number of packages sold. Annual per capita consumption amounts to 28 packages. Increased life expectancy and the growth in private health care insurance are expected to have a positive impact on the market.

European drug prices are 25% to 35% lower than U.S. prices. Europe spends 60% less per capita on pharmaceuticals than does the United States – a gap that has roughly doubled since 1992, when European governments spent about 30% less per capita than the United States.

Austrian pharmacy sales prices for pharmaceuticals are about the European average, whereas factory prices are below the European average. As of January 1, 2009, the Government of Austria reduced the Value Added Tax (VAT) on drugs and pharmaceuticals from 20% to 10% which has been a long-term agenda of the U.S. Commercial Service Vienna, and the Association of Research-Based Pharmaceutical Companies (FOPI).

Suppliers of drugs to the Austrian population include 1,292 public pharmacies, 46 hospital pharmacies, and 902 self-dispensing doctors who receive their pharmaceutical products from public pharmacies and dispense medicine directly to patients.

The Austrian pharmaceutical industry consists of subsidiaries of multinational companies and small and medium-sized Austrian firms. Both groups have enjoyed above average growth in sales in recent years. Market leaders are Novartis, Glaxo Smith Kline, Baxter, Sanofi-Aventis, Roche, Janssen-Cilag Pharma, and Merck, Sharp & Dohme.

Products from the U.S. enjoy an excellent reputation with respect to quality and safety. The Austrian market is very receptive to U.S. imports in this field; however, U.S. exporters may find some bureaucratic hurdles. Following are the 2012 import market shares in Austria:

1.	Switzerland	27.7%
2.	Germany	26.7%
3.	U.S. market share	18.9%
4.	Italy	3.7%
5.	France	3.2
6.	Belgium	2.9%
7.	U.K.	2.1%
8.	Sweden	1.3%

Approval of Pharmaceutical Products

Access to the Austrian pharmaceutical market is subject to strict national and EU legislation. The approving authority is the newly established “Austrian Federal Agency for Safety and Health Care” with its operational sub-unit “AGES Pharm Med.” The authorization process consists of three different procedures:

- *Centralized Procedure (EU)*: Authorization through this procedure is immediately valid in all EU member countries and is compulsory for certain medicines, including genetically engineered medicines.
- *Mutual Recognition Procedure (EU)*: The requirement for authorization through this procedure is existing approval in another EU Member State. If the approval is already in place in one EU country, other EU countries can approve the drug using a simplified procedure.
- *National Procedure*: A drug approved through this procedure may be sold only in the approving country.

Reimbursement of Pharmaceuticals and Patent Issues

A pharmaceutical firm seeking to include a product on the list of reimbursable drugs without prior authorization must first obtain the approval of the umbrella organization of social insurance funds (*Hauptverband der österreichischen Sozialversicherungsträger / HVB*). Almost all new innovative pharmaceuticals must be individually approved by HVB physicians. According to U.S. pharmaceutical companies, the HVB approval process limits market access for innovative pharmaceutical products. The problem is compounded by other, relatively quick HVB approvals of generic competitor products.

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Best prospects among American-made pharmaceuticals are: cancer medications; cardiovascular medications; pharmaceuticals for psychotherapy; AIDS medications; biotechnologically produced medications; and vitamin and mineral combinations such as

Melatonin, DHEA, and St. John's Wort. These are classified as pharmaceuticals in Austria, not as dietary supplements as they are in the U.S.

Opportunities

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No information on special projects or special opportunities is currently available. There is only one Austrian trade fair within the pharmaceutical sector which takes place on a biennial basis:

Austropharm

April 21-23, 2016; Vienna Trade Fair Grounds

www.austropharm.at

Web Resources

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AGES Österreichische Agentur für Gesundheit und Ernährungssicherheit (Austrian Agency for Health and Food Safety)

Spargelfeldstrasse 191

1220 Vienna, Austria

Phone: ++43 05 0555-0

Fax: ++43 05 0555-22019

Web: <http://www.ages.at>

Association of the Austrian Chemical Industry

Wiedner Hauptstrasse 63

1045 Vienna, Austria

Phone: ++43 05 90 900 – 3340

Fax: ++43 05 90 900 – 280

Web: <http://www.fcio.at>

Main Association of Austrian Social Security Organization

Kundmanngasse 21

1030 Vienna, Austria

Phone: ++43 1 71132-1120

Fax: ++43 1 71132-3785

Web: <http://www.sozialversicherung.at/>

Association of Pharmaceutical Enterprises – Pharmig

Garnisongasse 4/1/6

1090 Vienna, Austria

Phone: ++43 1 40 60 290-0

Fax: ++43 1 40 60 290-9

Web: <http://www.pharmig.at>

Austrian Chamber of Pharmacists

Spitalgasse 31

1091 Vienna, Austria

Phone: ++43 1 404 14-100

Fax: ++43 1 408 84-40

Web: <http://www.apotheker.or.at>

Austrian Institute for Health Management – Oebig

Stubenring 6
1010 Vienna, Austria
Phone: ++43 1 515 61-0
Fax: ++43 1 513 84 72
Web: <http://www.oebig.at>

Federal Ministry for Health

Radetzkystrasse 2
1030 Vienna, Austria
Phone: ++43 1 711 00-0
Fax: ++43 1 711 00-14300
Web: <http://www.bmg.gv.at/>

FOPI – Association of Research-Based Pharmaceutical Companies in Austria

c/o AbbVie GmbH
Perfektastrasse 84A
1230 Vienna, Austria
Phone: ++43 1 20589-330
Fax: ++43 1 20589-329
Web: <http://www.fopi.at>

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Electric Power Equipment

Overview

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Unit: USD thousands

	2012	2013 (estimated)	2014 (estimated)	2015 (estimated)
Total Market Size	3,162,136	2,753,909	3,161,690	3,633,258
Total Local Production	3,590,581	3,121,561	3,399,380	3,701,925
Total Exports	2,244,113	2,401,201	2,614,908	2,847,635
Total Imports	1,815,668	2,033,548	2,377,218	2,778,968
Imports from the U.S.	22,400	25,088	28,073	32,818
Exchange Rate: 1 USD	€0.75	€0.75	€0.75	€0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Exchange rate: Base year 2013

Data Sources:

Total Market Size: Estimate

Total Local Production: Estimate

Total Exports: Statistik Austria

Total Imports: Statistik Austria

Imports from USA: Statistik Austria

The electric power equipment market in Austria charted a total market size in 2012 over USD 3.1 billion. Though imports stalled in 2012, we expect the general trend of import growth to continue as Austrian electricity providers invest a projected 15 billion Euro (USD 20 billion) in power generation, distribution, and efficiency upgrades between now and 2020.

Also interesting is the low number for U.S. imports. We believe that US imports are underreported, entering the market through subsidiaries and distributors in the EU. Furthermore, if U.S. exporters take advantage of the opportunities in this sector in the coming years, the share of U.S. origin electric power equipment is likely to rise significantly.

The Austrian electrical power sector was liberalized (unbundled) in 2001, creating a market by mandating the utilities to split into generation companies, transmission providers (TSO), distribution providers (DSO), and supply companies. The intent was to facilitate power generation and supply markets, while maintaining regulated monopolies for transmission and distribution. This overview will look at the generation and transmission/distribution markets.

Power Generation

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Hydropower is the primary source of Austria's electricity, followed by natural gas and coal/oil derivatives. Four trends deserve mention. First, final consumption is rising slowly again, indicating an improvement in the economy. Second, natural gas is priced too high and is losing market share at a dramatic rate. In 2010, gas-fired plants produced up 30% of the electricity. In 2012, that number had fallen to less than 10%. Coal and hydro have taken up most of the slack. Third, because hydro power is to a significant degree weather-dependent, and 2012 was a good water year, there is a dramatic jump in the share of hydro in the 2011-2012 mix that does not indicate an actual upward trend. Though final numbers are still unavailable, we expect the share of hydro to be lower in 2013. Finally, it is interesting to note the explosion in the number of

PV and wind power units, the modest increases in capacity, and the miniscule increases in actual generation of alternative energy sources.

Generation	2011	2012
Gross Generation (TWh)	65.8	72.4
Of which hydro	57.3%	65.7%
Of which coal/oil der.	12.6%	9.6%
Of which gas	18.8%	13.3%
Of which biomass/gas	6.9%	6.4%
Of which wind/PV/Geothermal	3%	3.6%
Other generation	1.3%	1.4%
Final Consumption (TWh)	68.8	69

Generation Park	2012	
Energy source	Units	MW Capacity
Hydro	2,795	13,350
Thermal (gas)	63	5,119
Thermal (coal/oil derivate)	20	1,945
Thermal (bio)	491	622
Wind	265	1,337
PV	19,435	215
Total	22,828	23,164

Transmission and Distribution

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Transmission/Distribution network	2011
Delivery Points	5.9 million
Of which have smart meters	200,000 (3.5%)
Length of grid	253,151 km
Percent underground	67%
Electrical Substations	1,060
Transformer Stations	75,895

Austrian electric power transmission and distribution systems are among the most reliable in the world, but the challenge of integrating renewables into the mix is starting to make itself felt. According to e-control, Austria's electricity regulator, there were 54.3 total minutes of planned and unplanned unavailability in 2012, up from only 48 minutes in 2011 and 52 minutes in 2010.

Sub Sector Best Prospects

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There are three notable best prospect sub-sectors in Austria, namely, products and services for the implementation of the impending smart meter roll-out, products and services for the "smartification" of electrical grids, and the upgrade/expansion of high voltage lines.

1. **Impending smart meter roll-out.** In 2012, the Austrian legislator passed legislation mandating that 95% of all household and commercial electricity customers have a smart meter by 2019. This regulation is unique in that it mandates intermediate goals of 10% by the end of 2015 and 70% by the end of 2017. Currently, there are approximately 200,000 smart meters installed in pilot projects around the country. If

the calculation includes meters that have been ordered but not yet installed, coverage was approximately 5% at the end of 2013. Estimated expenditures for the meters and supporting equipment/services is USD 11.2 billion in total.

- Smart Grids.** The Austrian distribution system consists of around 250,000 km of lines with voltage at or under 110 kV, of which over 170,000 km are underground. Over 1,000 substations and 75,900 transformer stations complete the picture. The most important upgrades to the distribution system are being precipitated by the need to integrate volatile decentralized power generation into the electricity mix and the necessity to support smart metering requirements, as well as the desire to postpone or avoid expensive new construction. Austrian DSOs are not rushing to build smart grids, however, for several reasons. Most importantly, Austria has a very reliable distribution network with negligible outages. There is nothing to “fix” per se, and because executives in this sector tend to be risk-averse, there is a strong desire to leave well enough alone. A second important factor that weakens the case for smart grids is the disadvantageous cost/benefit distribution among players, whereby DSOs invest but benefits are small or land elsewhere.

Transmission line upgrades. The overall system length of Austria’s higher voltage transmission network is over 17,600 km, divided into 380 kV, 220 kV and 110 kV lines. Austrian Power Grid AG, the country’s transmission service operator (TSO), plans to add 200 km to the 380 kV and 550 km to the 220 kV lines in order to accommodate increased EU electricity trading and the transfer and storage of renewable electricity output from Austria and its neighbors, Germany in particular. There are significant barriers to the construction of these lines, including massive resistance from residents and geographical challenges in the alpine regions of the country. The “master plan” for the expansion of high voltage lines calls for construction to begin in 2015, and there are currently several environmental impact studies underway. The estimated cost of these upgrades is approximately USD 7.7 billion. Detailed information on the largest Austrian projects is available online. <http://www.apg.at/en/grid/grid%20expansion/masterplan>.

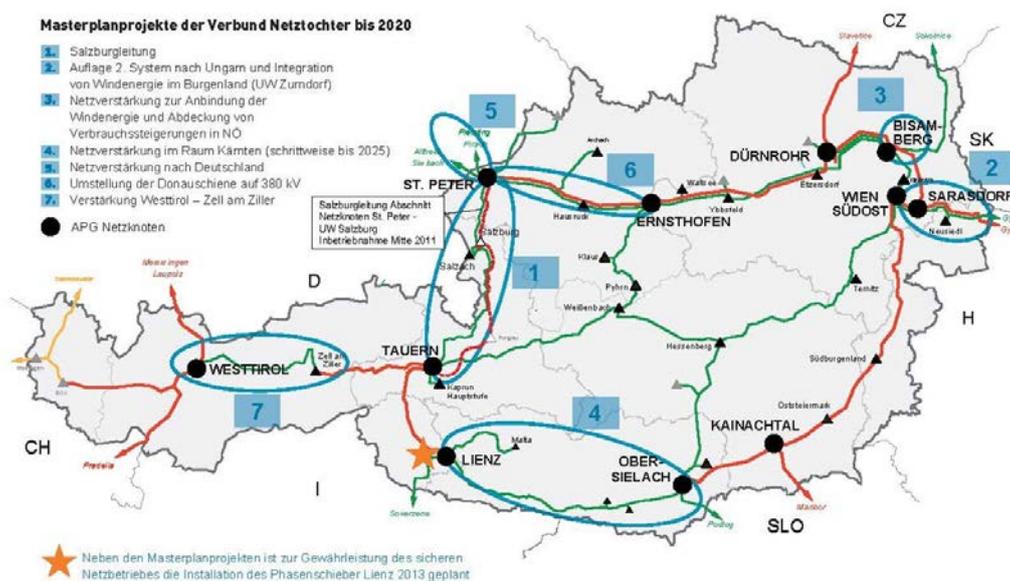


Abbildung 8: APG-Masterplanprojekte bis 2020

Opportunities

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Austria's electricity providers plan to invest over 15 billion Euro (USD 20 billion) between now and 2020 in upgrades to their power generation equipment, distribution network, and energy efficiency. Specifically, excellent opportunities for U.S. companies exist in these three areas:

- Products and services for the implementation of the impending smart meter roll-out
- Products and services for the integration of IT into electric grid operations, with the aim of integrating renewables while maintaining quality, reliability and security
- Products and services for the upgrade and expansion of high voltage transmission

Web Resources

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Medical Devices (MED)

Overview

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Unit: USD thousands

	2012	2013 (estimated)	2014 (estimated)	2015 (estimated)
Total Market Size	1,344,858	1,402,931	1,461,737	1,523,036
Total Local Production	955,200	993,790	1,032,548	1,072,817
Total Exports	1,383,458	1,452,631	1,523,810	1,598,477
Total Imports	1,773,116	1,861,772	1,952,999	2,048,696
Imports from the U.S.	295,684	310,468	325,681	341,639
Exchange Rate: 1 USD	€0.75	€0.75	€0.75	€0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Exchange rate: Base year 2013

Data Sources:

Total Local Production: Company information and estimates

Total Exports: Statistik Austria and estimates

Total Imports: Statistik Austria and estimates

Imports from U.S.: Statistik Austria and estimates

This best prospects report deals with market opportunities for medical devices in Austria, used in hospitals and doctors' medical practices, including dental, as well as home healthcare.

In 2013, Austrian imports of medical equipment were approx. USD 1.9 billion. For 2014 we expect these imports to show an increase to almost USD 2 billion. Total demand for medical devices in Austria added up to USD 1.4 billion, while exports of this equipment amounted to USD 1.5 billion. Austria is a transit-trade country with strong trade relationships with Central, Eastern and Southeastern Europe, as well as the Near and Middle East. Re-exporting products is quite common here; hence the volume of imports exceeds the total market. Taking into consideration these re-exports, imports are expected to increase at an average annual real growth rate of 3%. The size of the market in Austria for medical equipment should also increase by about 3% annually over the next three years.

Presently, Austria provides its citizens with universal or nearly universal medical service. Participation in public health insurance programs is essentially mandatory. Some 5.9 million Austrians contribute to the public health insurance companies (Krankenkassen), providing health care coverage for these workers and their families, or about 8 million persons. Insurance costs are shared between employers and employees. Insurance for hospital treatment, however, falls short of the actual costs, and the difference has to be met from public funds.

Some Austrians pay premiums into a private supplementary insurance, in addition to their social security contributions. The premiums for private health insurance are calculated according to actuarial principles and are in most cases income tax-deductible. Currently, there are 6 companies in Austria that offer private insurance. These companies provide a number of services to their subscribers, including Temporary Disability Insurance, Hospital Daily Benefit Insurance, Care Allowance Insurance, Travel Health Insurance, Hospital Expense Insurance, Outpatient Treatment Insurance, Dental Treatment, and Prosthodontics Insurance, etc. According to the

Austrian Insurance Association, the increasing number of Austrians purchasing private health insurance can be attributed to the quality of the benefits and services, as well as a subscriber's ability to specifically individualize their health care plan.

The great majority of medical equipment used in Austria is imported. U.S. manufacturers have seized a substantial share of the market and are now the second-largest supplier group, following German companies. German competition enjoys the advantages of geographic proximity, a common language, products with the same standards, no exchange rate problems, and duty-free access through Austria's membership in the EU.

The Austrian market for medical equipment is a sophisticated and well-served one. Against the heavy German competition in this market, American products can usually compete well on the basis of price and innovation.

Germany supplied 34.5% of Austria's imports of medical equipment in 2012. The United States ranked second with 16.7% among foreign supplier countries, followed by Switzerland with 6.4%, China with 3.3% and Japan with 2.9%. Multiple countries supply the balance.

Total Austrian imports of medical devices from the United States amounted to USD 310 million in 2013 and should reach USD 326 million in 2014. Sales of U.S.-engineered healthcare equipment are actually much higher than are reflected in official import statistics, because many products imported into Austria from Western Europe and from the Far East were made or assembled by subsidiaries of U.S. firms.

There are currently 25 national and international producers of medical devices and equipment operating in Austria. Their products range from medical adhesives by companies like Biegler GmbH, to 3D ultrasound diagnostic apparatus by GE Healthcare Kretztechnik, to X-ray, CT and MRI systems, produced by multinational companies like Siemens, Philips, or Toshiba.

Other products within the field of medical devices produced in Austria include dental devices, prosthetics, blood and infusion warmers, tensiometers, hygiene and maintenance units, surgical drives, power tools for the treatment of fractures, ceramic furnaces, amalgam mixers and trauma implants.

Sub-Sector Best Prospects

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The average Austrian still expects hospitals to have the latest technology. Thus, U.S.-made products that are on the cutting-edge still have great potential. But the trend is to reduce the number of hospital beds and to close down some hospitals altogether. So American companies that are interested in hospital construction or in the sale of "routine" hospital equipment and supplies may find their prospects reduced over the next few years.

Projected growth rates for different imaging products vary considerably. The Austrian market for medical equipment is constantly evolving and utilizing increasingly sophisticated products.

Scanning units that offer user-friendly features like image networking, which enable the user to digitally store and project high quality images, also should have quite good prospects. Austria is also an interesting market for echography units, which are popular as the industry discovers new applications. Recent technological advances that

incorporate Doppler technology and sophisticated probes within their designs should find a good market in Austria.

Sales of conventional radiology apparatus, which has traditionally been the most popular type of equipment, have declined over the last several years. The recent ability to digitalize this out-dated equipment, however, has sparked new interest in traditional radiology. A combination of radiology and surgery, interventionism radiology promises to have a strong future.

Taking into consideration the above information, as well as feedback from medical industry experts, the following products are considered to have the best sales prospects in Austria:

-  Nuclear Medical Instruments
(Nuclear Magnetic Resonance Scanners)
-  Diagnostic Apparati (e.g. Cardiology Instruments, Echocardiography Systems, Advanced Electrocardiograph Equipment, Monitoring Systems, Ultrasound Equipment, Gynecology and Urology Diagnostic Systems, Endoscopes)
-  Scanners, Computer Tomography Imaging Systems, Magnetic Resonance Imaging
-  Dialysis Equipment
-  Pacemakers
-  Sophisticated Digitalized X-Ray Equipment
-  Clinical Laboratory Equipment, including Blood Cell Counters, and Blood Gas Analyzers, etc.

Opportunities

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Almost all major hospital projects planned for Vienna and the Austrian provinces have been completed. However, with the expansion of the city of Vienna across the Danube River, a tender was published some time ago for a hospital project called “Krankenhaus Nord”, for a total cost of USD 1.1 billion. The hospital is expected to have 800 beds. The construction started in 2011 and should be completed by 2016.

Replacement of obsolete hospital equipment is an ongoing process. In January 2009, the Government of the city of Vienna announced a new investment program to modernize and renovate public hospitals as an economic stimulus initiative during the economic crisis.

It should be noted that an increasing number of hospital projects in the Central and Eastern European countries of Hungary, Czech Republic, Slovakia, Romania, and Bulgaria are to be constructed by Austrian companies. These projects will result in many opportunities for American companies to penetrate these markets as suppliers or subcontractors, or in partnership with Austrian firms active in the region. Furthermore,

some Austrian design and construction companies are involved in hospital projects in Middle Eastern and Asian countries, including Saudi Arabia, Kuwait, and Indonesia.

U.S. manufacturers interested in marketing their medical equipment in Austria could considerably improve their market position by aggressive marketing, in addition to:

- Working with long-established Austrian agents and dealers who have excellent contacts with the purchasing managers and administrative directors of hospitals.
- Integrating products already sold in Germany, which are in conformity with EU-standards and include product information in the German language (these products can normally be sold directly in Austria and vice-versa).
- Taking advantage of the absence of broad domestic production in the majority of product categories in electro medical equipment.
- Emphasizing the high quality the U.S. manufacturer is able to offer, at competitive prices [in general, prices of German electro-medical products are 15 to 20% higher than comparable U.S. products].

In the past, some U.S. subsidiaries have had significant problems in this market, which has been dominated for several decades by German manufacturers who offer great incentives to decision makers and purchasing officers. Unfortunately, hospitals owned by Austria's provincial governments or cities have sometimes published tenders clearly specifying German equipment, which has created unfair competition. Advocacy efforts by the U.S. Embassy on behalf of U.S. manufacturers have improved the bidding environment. U.S. companies operating in or entering the Austrian market should notify the U.S. Commercial Service office in Vienna, Austria.

Web Resources

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AMESO

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Bundesministerium für Gesundheit (Austrian Federal Ministry for Health)

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Fonds "Gesundes Österreich" (Foundation „Healthy Austria“)

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(Main Association of Austrian Social Security Organization)**

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**Österreichische Gesellschaft für Allgemein- und Familienmedizin
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**Österreichisches Medizinprodukte Handbuch – docs 4 docs
(Medical Products Handbook, published by the Goeschl Publishing House)**

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Web: <http://www.medizinprodukte.at> or <http://www.goeschl.co.at>

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Renewable Energy (REQ)

Overview

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Unit: USD thousands

	2012	2013 (estimated)	2014 (estimated)	2015 (estimated)
Total Market Size	2,392,426	2,610,495	2,790,619	2,999,318
Total Local Production	3,058,331	3,272,414	3,498,211	3,809,552
Total Exports	2,352,563	2,517,242	2,690,932	2,930,424
Total Imports	1,686,657	1,855,322	1,983,340	2,120,190
Imports from USA	27,066	28,689	30,382	32,478
Exchange Rate: 1 USD	€0.75	€0.75	€0.75	€0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Exchange rate: Base year 2013

Data Sources:

Total Market Size: Estimate

Total Local Production: Estimate

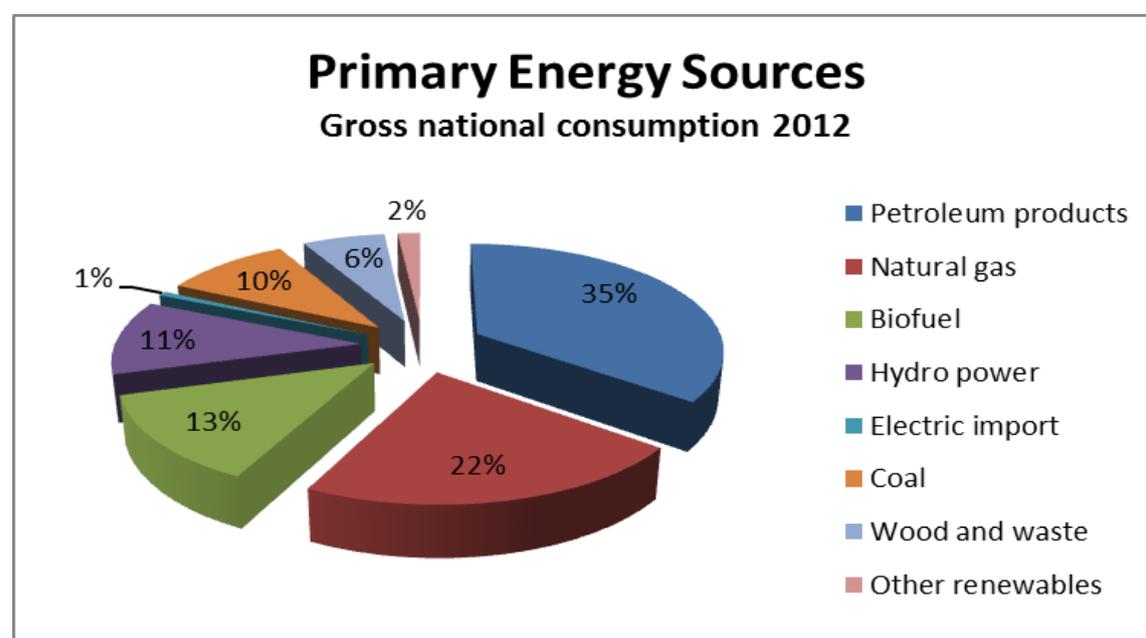
Total Exports: Statistik Austria

Total Imports: Statistik Austria

Imports from USA: Statistik Austria

Gross Energy Consumption

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According to the European Union 20/20/20 energy and climate package of December, 2009, Austria is obliged to increase its share of renewables to 34% of gross consumption by 2020. At first glance, this country looks to be very close to achieving that goal, with a 32% renewables share in 2012. Because Austria produces most of its electricity with large hydro power stations, however, and heats with natural gas, the percent of renewables in the mix is highly weather-dependent. Years with a mild winter and plenty of precipitation, like 2012, produce enviable renewables numbers. Less desirable weather patterns have the opposite effect.

As the above chart shows, petroleum products (largely for vehicles) and natural gas (for heating) are still the two most important elements of the Austrian energy mix. What does not appear in the chart is that Austria is heavily dependent on foreign sources of fossil fuels. The Eurostat energy dependence rate (EDR) for Austria in 2012 was 63.6%. The average in the EU 27 is 54%. (Source: Eurostat 2014)

Biofuels (added to petroleum products), hydro power, and wood/waste heating are the three most important renewables sources.

Electricity

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Shifting the focus to electricity generation, here is an overview of Austrian power generation, with a breakdown according to source. The trend 2011-2012 shows that 2012 was a good year for hydro production, but it also shows a significant decline in natural gas use due to high European prices.

Electricity Generation	2011	2012
Gross Generation (TWh)	65.8	72.4
Of which hydro	57.3%	65.7%
Of which coal/oil der.	12.6%	9.6%
Of which gas	18.8%	13.3%
Of which biomass/gas	6.9%	6.4%
Of which wind/PV/Geothermal	3%	3.6%
Other generation	1.3%	1.4%
Final Consumption (TWh)	68.8	69

In 2012, renewables (including hydro) accounted for 75% of domestic electricity production. Apart from the large hydro power plants that make up the backbone of Austria's domestic electricity production, the profitability of renewable electrical energy projects is still determined by politics more than economics. While the feasibility of grid-based projects depends on green energy quotas imposed on energy providers and feed-in tariffs, projects external to the grid such as some biomass and biogas systems and residential solar collectors have a somewhat more complex calculation that includes incentive schemes, the price of alternative sources, and local legislation.

One of the primary influences on alternative energy projects in Austria is the "eco-electricity" (Oekostrom) law, which lays out the level of public support for alternative power generation projects. The law has two elements: feed-in tariffs, and investment subsidies. Feed-in tariffs are guaranteed prices for eco-electricity, in which the state pays the difference up to the market price. In order to make the offer attractive to investors, this price guarantee lasts well into the future. In 2012, Austria paid USD 873 million in feed-in tariffs, a number that is expected to rise in 2013.

Here is an excerpt from the prices set for 2013 and 2014/15:

Source	Tariff 2013 in EUR cent/kWh*	Tariff 2014/15 in EUR cent/kWh*	Duration
Wind	9.45	9.36	13 years
PV – integrated into a building	18.12	12.5	13 years
PV – free-standing	16.59	10	13 years
Landfill/sewage gas	4.95-5.94	4.9-5.88	13 years
Geothermal	7.43	7.36	13 years

Source	Tariff 2013 in EUR cent/kWh*	Tariff 2014/15 in EUR cent/kWh*	Duration
Biomass (solid)	10.9-19.9	10.79-19.7	15 years
Biomass (liquid)	5.74	5.68	15 years
Biogas (agricultural waste)	12.93-16.93	12.80-16.76	15 years

*range depends on the production size; smaller producers receive larger tariffs

Source: e-control Oekostrombericht 2012

While the law is amended from year to year for new projects, existing projects continue to receive the tariff agreed upon for the duration of the contract. By recalculating the subsidy, the government steers the attractiveness of various projects. In the chart above, you will see that the tariffs for PV fell dramatically in order to curb overinvestment in this very expensive form of power generation. The other tariffs fell by 1% across the board.

The second part of the eco-energy law establishes investment subsidies, which in 2014/15 are available only for small PV (households). The subsidy covers 30% of the investment cost, up to 200 Euro/KW.

Sub-Sector Best Prospects

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Wind

At the end of 2012, wind provided 2,386 GWh of electricity in Austria. This figure is expected to rise to 3,519 GWh in 2015 and 6,019 in 2020. This indicates demand for wind power systems, but also the equipment and technology required to manage this variable input into the grid. (e-control 2013 and i.g. windkraft 2012)

Opportunities

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In addition to the opportunities likely to arise for new wind installations, notable opportunities exist for companies that can help Austria solve the problems associated with integrating renewables into their electric grid, including storage solutions, smart grids, and the expansion of their high voltage networks.

- Wind energy products and equipment
- Smart grid products and equipment, including smart meters, security, communications monitoring and regulating equipment, software, and home-automation
- High voltage lines, products, and services, including public relations and legal services

Web Resources

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Security and Safety Equipment (SEC)

Overview

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Unit: USD thousands

	2012	2013 (estimated)	2014 (estimated)	2015 (estimated)
Total Market Size	454,713	472,902	491,345	510,509
Total Local Production	412,000	428,480	445,191	462,554
Total Exports	238,474	248,013	257,686	267,735
Total Imports	281,187	292,435	303,840	315,690
Imports from the U.S.	3,326	3,492	3,663	3,843
Exchange Rate: 1 USD	€0.75	€0.75	€0.75	€0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Exchange rate: Base year 2013

Data Sources:

Total Local Production: Company information and estimates

Total Exports: Statistik Austria and estimates

Total Imports: Statistik Austria and estimates

Imports from U.S.: Statistik Austria and estimates

According to a recent report of the Austrian Ministry of the Interior, the past decade has been characterized by a significant decrease in overall crime rates, though cybercrime rates saw a dramatic increase. In the year 2010, reported crime rates dropped to a number of 535,745, which represents the lowest level since 2001. A total of 546,396 crimes were reported in Austria in 2013, which indicates a slight decrease of 0.3% compared with 548,027 crimes in 2012. Though violent crime is relatively low in Austria, a significant decrease in the number of murders and attempted murders was reported, from 174 cases in 2011 to 52 in 2013. In 2013, the solution rate of violent crime was equivalent to 82%.

The main reason for the decrease in the overall crime rate within the past decade can be attributed to a decrease in property crime and vehicle theft. Vienna is still the region most affected by crime, followed by Lower and Upper Austria. In the past years, Vienna has become a target for burglaries and break-ins, which many Austrians attribute to the political and economic consequences of continuing integration in Europe and the subsequent increase in immigration, both legal and illegal. However, a master plan implemented in 2010 to combat the high number of burglaries seems to have had an effect: break-ins into private homes decreased by 38.6% while apartment break-ins decreased by 17.9% compared with 2009. However, in 2013 break-ins increased again by 7% compared with 2012. The incidents of car theft, after falling to an absolute bottom level in 2010 (5,150 reported incidents), also continued to remain low in 2013 (5,141 reported incidents).

A dramatic rise in cybercrime, from 4,937 detected cases in 2011 to 11,199 cases in 2013, has been reported. However, one has to note that the increase of cybercrime did not rise to the same extent as it used to do as it only increased by 8.6% between 2012 and 2013. This remarkable development indicates that the implementation of the Cyber Security Strategy as well as the establishment of the Cybercrime Competence Centre (C4) has been proven effective.

The security market in Austria has become a growth industry with 440 firms involved in security systems, 170 firms involved in safety engineering, and 150 in providing support

functions. Surveillance companies dealing with the protection of people and property, electronic monitoring, fire detection, as well as armored-car manufacture and services generate strong turnover figures. The lion's share of the surveillance business is comprised of the Austrian Security Service (2500 employees), Securitas (2000 employees), which is part of a Swedish concern, and Group4S (2700 employees), which is partly owned by a U.S. company. In 2013, the total Austrian market for safety and security equipment is estimated to be USD 472.9 million. The market is expected to grow at an estimated annual real growth rate of 2% over the next three years. Austrian imports from the United States in this sector were approximately USD 3.3 million in 2012. In 2012, Austrian import market shares for Security and Safety Equipment in Austria were as follows:

Country	Market Share (of imports only)
<i>Germany</i>	40.4%
<i>China</i>	7.3%
<i>Switzerland</i>	5.9%
<i>Italy</i>	5.1%
<i>Slovakia</i>	4.9%
<i>USA</i>	1.2%
<i>Japan</i>	1.0%

Two leading U.S. manufacturers of sophisticated security solutions are already well established in the Austrian market: GE Security and ADT of Tyco International.

Austrian local production within this sector consists of the manufacturing of all sizes of safes, some electronic security devices, and a wide range of sophisticated locks and locking systems for all applications.

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The Austrian security market offers many opportunities for U.S. firms. In general, it is a desirable, affluent test market for advanced U.S. technology. In particular, access control systems, including biometric identification systems, and video surveillance equipment, including CCTV systems have considerable potential. IP-based security is highly attractive to the trade and is currently growing at an annual rate of 40%. From this perspective, the greatest potential can be realized in the retail and public sectors – governmental authorities, schools and public areas. Additional growth possibilities exist in products such as explosives and metal detectors (X-Ray, handheld), residential alarms, forensic equipment, perimeter protection systems, ICT security (firewall, anti-virus software, Spam filters), fire-related protection and work-wear protection.

Opportunities

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The Government of Austria and some semi-governmental institutions are working on several infrastructure projects (e.g. a large “Central Railway Station” in Vienna, prison and court projects, etc.) which may soon increase the demand for safety and security equipment.

Web Resources

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Travel and Tourism (TRA)

Overview

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	2012	2013 (estimated)	2014 (estimated)	2015 (estimated)
Total Arrivals of Austrian to the United States	183,276	186,010	204,000	210,000

Data Source:

Statistik Austria

USDOC Office of Travel and Tourism Industries

2013 exchange rate: USD 1 = EUR 0.75

Note: The above statistic for 2014 and 2015 are unofficial estimates

Austrians took a total of 18.2 million holiday trips in 2013 as well as 4.2 million business trips. A total of 8.6 million of these trips were longer than 7 nights and were spent abroad. In general Austrians prefer to spend their vacation abroad. They spent a record EUR 7.7 billion (USD 10.3 billion) traveling abroad in 2013, where approximately EUR 275 million (USD 366 million) was spent for travel to the United States. For travel to the United States, Austrians spent approximately EUR 3,780 (USD 5,027) per trip. We expect an increase of 3% in these rates in 2014.

The United States was the most popular long-haul destination in 2013 (meaning a destination outside Europe) for Austrian travelers. We expect the number of Austrian travelers to the United States to increase about 3% in 2014. For 2015 we expect an increase of 3% but less spending. Total arrivals from Austria in 2013 were 186,010. Austria ranked 32 overall for arrivals to the United States in 2013. The top ports of entry for Austrian travelers are, in order: New York JFK, Washington D.C., Chicago, Miami, Los Angeles, Atlanta, Boston, San Francisco and Dallas.

The most popular U.S. destinations are New York, Florida (Orlando, Miami), California (San Francisco, Los Angeles, and San Diego), Nevada, Massachusetts, Illinois, Pennsylvania, New Jersey, Texas, and the national parks. The most popular recreational places in the United States are amusement/theme parks like Disney World, Disneyland, Universal Studios, Sea World, visiting historical places, sightseeing in cities, visiting museums and art galleries, visiting cultural heritage sites, ranches, shopping malls, dining in restaurants, water sports and golfing. Travel industry representatives see potential for adventure trips to Alaska, Washington State, Oregon, Colorado, Montana, Texas and Louisiana. New York, Florida, California and Las Vegas will remain strong attractions. Repeat travelers choose destinations like New England, the Carolinas, Tennessee, Georgia and the Great Lakes.

In 2013, the Austrian outbound market declined by 4.8 % and expenditures for travel abroad declined by 1.1%. There was less demand for packages offered to South East Asia, South America, Africa and the Middle East. The United States had an increase of 1.5% of visitors from Austria. The appreciation of the Euro against the U.S. dollar and attractive packages offered by tour operators stimulated long-haul travel to the United States. The correlation between the weaker U.S. currency and the Austrian visitor to the United States was particularly noticeable, especially during the second half of the year. Industry experts forecast that Austrian long-haul pleasure travel market will grow by 3% annually over the next 3 years if the dollar does not appreciate too much against the

Euro. Expenditures will not rise at the same rate since the average length per trip and cost may be slightly declining due to the economic downturn. Visitors to the United States stayed an average of 17 days per trip in 2013.

Austrians who travel to the United States are generally 20-50 years of age with about 50% belonging to the upper middle class. Their length of stay in 2013 was approximately 18 days vis-à-vis 16 days in 2012. Travel mostly takes place during June, July, August and September and during the Christmas holidays. Almost 50% of all pleasure travel takes place during the months of July and August. More than half are repeat travelers. About 75% of Austrian bookings to the United States are for pleasure, 15% for business including conference/convention. Another 10% combine business and pleasure. Vienna and its surroundings account for the major part of travel to the United States.

Stiff competition among the direct service carriers Austrian Airline's Group in cooperation with United Airlines and Lufthansa (Star Alliance), Delta Airlines and Air France KLM, and British Airways in cooperation with American Airlines, is expected to keep airfares low and attractive. The low cost carrier Air Berlin and Condor are also offering flights via hubs in Germany to several destinations in the United States. Several carriers, including Austrian Airlines, KLM and British Airways, offered return trips to New York for EUR 299 (USD 398) excluding taxes and to Washington D.C. for EUR 349 (USD 464) excluding taxes in 2013. The Star Alliance group and British Airways pick up the highest number of passengers originating from Vienna across the Atlantic. A strong Euro may encourage some people to take a trip to the United States, to take advantage of the attractive packages offered by travel suppliers, which are about 1.5% more compared to the previous year.

Austrians in the past have discovered the United States as a shopping paradise, where many products are sold at a considerably cheaper price. Austrians also discovered excellent wines and cuisine as well as a broad offering of cultural events, which now rank among the main attractions. Sports are in very high demand, as is adventure travel. Most Austrians, with the exception of older people, prefer to travel individually. The majority of Austrian travelers rent a car.

The United States is in a strong position, as long as the dollar does not increase too much vis-à-vis the Euro, which would make traveling to the United States expensive for middle-class Austrians. Competition from South East Asia, the Middle East, South Africa, the Caribbean and South America is increasing, and continuous marketing is necessary to meet these challenges.

Paid vacation is generally between 5-6 weeks depending upon industry and years of service. The number of Austrian arrivals in the United States increased from 183,276 in 2012 to 186,010. English is widely spoken and is not generally a barrier for Austrian travel to the United States.

The Austrian outbound travel market is wide open with virtually no restrictions. The use of credit cards is widespread, with VISA, MasterCard, American Express and Diners Club being the most popular.

Tour operators and travel agencies do extensive promotional work and absorb most promotion costs. Increasing pressure comes from tourists who like to make their own arrangements and reservations (Internet, etc.). Tour operators have been successful so far in competing with packaged air travel, hotels and car rentals at very competitive prices, due to their annual purchasing power. E-specials and last minute offers are very popular due to the attractive prices.

Given that most visitors from Austria to the United States are repeat visitors who prefer to travel independently, we expect that U.S. tour operators could profitably offer attractive fly and drive packages, short city trips for shopping and cultural events, guided tours, cruises, hotel and resort packages in lesser known areas, wilderness, river rafting or adventure trips, helicopter sight-seeing, wedding packages, etc. Educational trips/stays (e.g., language, MBA programs, pilot training) may have good potential. The traditional golf packages offered should be expanded to areas, which are less known to Austrians, e.g., the Carolinas, Virginia and others. The market for vacation club packages and time-share condominiums still has some potential in this market.

The Visit USA Committee is a registered association in Austria. The association comprises approximately 20 members and is funded primarily by membership dues and profits generated from events. The Visit USA Committee's website is www.visit-usa.at

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Fly and drive packages, short city trips for shopping and cultural events, guided tours, hotels and resorts in lesser known areas, visits to national parks, golf packages, eco-tourism, specialties such as flights in small planes to the wilderness, river rafting, adventure trips, helicopter sightseeing etc., educational trips (language study, MBA, other studies, pilot training, etc.) and cruises (including river cruises).

Opportunities

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No information on special projects or opportunities is currently available.

Web Resources

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Agricultural Sectors

Agricultural, Fish and Forestry Sector

Overview

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Unit: USD thousands

	2012	2013 (estimated)	2014 (estimated)	2015 (estimated)
Total Market Size	11,270,903	11,659,883	11,602,000	11,847,000
Total Local Production	11,866,666	11,985,000	12,165,000	12,347,000
Total Exports	17,044,405	17,522,738	17,873,000	18,230,000
Total Imports	16,448,442	17,197,621	17,370,000	17,730,000
Imports from the U.S.	106,593	119,753	120,950	123,370
Exchange Rate: 1 USD	€0.75	€0.75	€0.75	€0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Exchange rate: Base year 2013

Data Sources:

Total Local Production: Federal Ministry of Agriculture, Forestry, Environment and Water Management, Foreign Agricultural Service Estimates

Total Exports: Global Trade Atlas International, Foreign Agricultural Service Estimates

Total Imports: Global Trade Atlas International, Foreign Agricultural Service Estimates

Imports from U.S.: Global Trade Atlas International, Foreign Agricultural Service Estimates

In 2013, Austria's total agriculture, fish and forestry imports were USD 17.5 billion and exports were USD 17.2 billion. In total, 85% of all imported agricultural products came from the EU and 75% of all exported goods were delivered to EU Member States. Austria's most important agricultural trading partners are Germany and Italy. (Source: Global Trade Atlas)

Austria imported USD 119.7 million worth of U.S. agricultural, fishery and forestry products in 2013. Official import numbers do not include significant and steadily growing transshipments of U.S. products from other EU countries. (Source: Global Trade Atlas)

Austrian consumer food and beverages expenditures have grown steadily in recent years. Growth of consumer expenditures on food and non-alcoholic beverages between 2009 and 2013 is estimated at 10.3%. In the light of the weaker economy, consumers tend to shift towards non-discretionary spending and lower priced products. The forecast for Austrian consumer expenditures on food and beverages (non-alcoholic and alcoholic including tobacco) in 2013 is at USD 2,724 per capita, which is just over 13% of total consumer expenditures. The share of food and beverage expenditures is fairly stable. (Source: Euromonitor).

When responding to polls, Austrian consumers usually express a preference for high quality foods; however, when it comes to actually buying patterns, price appears to be the major purchasing factor for a majority of the population. One result of the EU economic difficulties is that average Austrian consumers are tending to buy lower-priced brands and products. This may change again with a recovering economy. However, for special events, most people, even those in a low income bracket, are

willing to spend more for “exclusive” products. In addition, the higher income and gourmet market segments (which regularly buy high priced foods) are growing.

The traditional Austrian diet is based on pork, wheat flour, and vegetables. Cakes and bakery products are important parts of the diet. Austrian cuisine can be quite rich and younger consumers are showing an increasing interest in healthy lifestyles and low-fat foods. The younger generation is also open to new products and is a logical segment to target new food product introductions.

Biotech products (also called GMOs) have a very negative image among the Austrian public and will not be found in Austrian retail stores. A counterpoint to the negative view of biotech crops and food products is Austria’s growing market for organic agricultural products. In 2011 (latest available statistics), estimated food retail organic sales were at USD 2.3 billion (source: BIO Austria), which is an increase of 7.8% compared to the previous year. In 2012 about 7% of all fresh food purchases (not including bread and bakery products) in Austria were organic which compares to USD 442 million and is an increase of 8.5% by value year-on-year (source AMA Marketing).

Driven by the Austrian government and NGOs, Austrian consumers are very aware of environmental issues. There is a growing market for “sustainably” produced or sourced food products. Reacting to this trend, food retail chains have established private labels promoting certified “sustainable” foods.

Due to the increasing number of single households and the rising number of older people seeking companionship, the number of pets should continue to increase, further stimulating demand for pet food.

Best Products / Services

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Although foods and beverages from Austria, Germany, and other EU countries dominate Austrian retail shelf space, there are good market opportunities for U.S. products, particularly at the upper end of the market. Consumer-oriented food and beverage products remain the most important agricultural imports from the United States. In 2013, the consumer oriented sector accounted for 57% of total agricultural, fish and forestry imports from the United States worth USD 68.6 million. (Source: Global Trade Atlas).

[Organic Food Certification and Labeling](#)

Starting in June 2012, U.S. products certified as organic may also be sold in the EU as being organic. This recognition of certification standards between the two largest organic-producers in the world reduces duplicative requirements and lowers certification costs for the trade in organic products. Growing organic demand in the EU, supported by this new arrangement, is creating new export opportunities for U.S. companies in the following market segments: tree nuts, fresh fruit, specialty grains, dried fruit, vegetables and processed food products.

Opportunities

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Market opportunities for U.S. products include fish and seafood products, nuts, wine, pet foods, dried/processed fruits, fruit juices, snack foods, hormone-free high quality beef, game and exotic meats for the upper scale cuisine. Products that are marketed as “sustainable” or organic often have a competitive advantage.

Fish and Seafood

Overview

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Unit: USD thousands

	2012	2013 (estimated)	2014 (estimated)	2015 (estimated)
Total Market Size	440,559	475,842	490,560	500,450
Total Local Production	25,100	25,850	26,360	26,850
Total Exports	42,285	45,355	46,000	46,800
Total Imports	457,744	495,347	510,200	520,400
Imports from the U.S.	2,033	1,930	2,150	2,250
Exchange Rate: 1 USD	€0.75	€0.75	€0.75	€0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Exchange rate: Base year 2013

Data Sources:

Total Local Production: Statistik Austria, Foreign Agricultural Service Estimates

Total Exports: Global Trade Atlas International, Foreign Agricultural Service Estimates

Total Imports: Global Trade Atlas International, Foreign Agricultural Service Estimates

Imports from U.S.: Global Trade Atlas International, Foreign Agricultural Service Estimates

The Austrian market offers small but lucrative opportunities for fish and seafood products. Fish consumption in Austria is growing as consumers associate fishery products with a modern healthy diet. Domestic fish production is marginal and limited to fresh water fish like trout and carp. Austria's fish production is only 5% of Austrian fish consumption. Since Austria is a landlocked country, all marine fish, shellfish, and crustaceans must be imported. The main suppliers are Germany, Netherlands, Italy, and Denmark.

Consumption of seafood is rising. The reason for the general upward trend is the rising standard of living, health awareness, and the growing number of restaurants serving seafood. Austrian per capita consumption of fish rose from 6 kg in 2003 to almost 7.7 kg in 2012.

Due to transshipment within the EU, the real value of imports from the United States is thought to be much higher than indicated in customs statistics. Major U.S. seafood products are imported through Germany.

Best prospects for U.S. fish and seafood exports are salmon, lobster, shrimps, crab, caviar substitutes, catfish and scallops.

Unit: USD thousands

	2012	2013 (estimated)	2014 (estimated)	2015 (estimated)
Total Market Size	795,924	857,328	875,000	890,000
Total Local Production	694,670	780,000	805,000	825,000
Total Exports	181,092	206,555	215,000	225,000
Total Imports	282,346	283,883	285,000	290,000
Imports from the U.S.	4,971	5,063	5,100	5,200
Exchange Rate: 1 USD	€0.75	€0.75	€0.75	€0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Exchange rate: Base year 2013

Data Sources:

Total Local Production: Federal Ministry of Agriculture, Forestry, Environment and Water Management, Foreign Agricultural Service Estimates

Total Exports: Global Trade Atlas International, Foreign Agricultural Service Estimates

Total Imports: Global Trade Atlas International, Foreign Agricultural Service Estimates

Imports from U.S.: Global Trade Atlas International, Foreign Agricultural Service Estimates

Austria's average wine output is about 2.5 million hectoliters/year, which corresponds roughly to the domestic wine consumption. Large quantities of wine are imported and exported. The predominant suppliers are Italy, France, Germany, and Spain, the latter supplying mostly red wines.

A large share of California wines is imported through German wholesalers and does not appear as a U.S. import in the official trade statistics. The numbers above show only wines imported directly into Austria.

Austria has traditionally a high share of domestic wine consumption. However, good prospects exist for "new world wines," including those from the United States. In 2013, the United States was the seventh most important supplier of wine (by value) to Austria. U.S. wine sales have increased, including at discounter retailers carrying inexpensive U.S. wines. Demand for good quality, inexpensive U.S. wine priced from USD 5 to USD 10 a bottle is rising. The main competitors for U.S. wines are Australian, South African, and Chilean and wines.

Unit: USD thousands

	2012	2013 (estimated)	2014 (estimated)	2015 (estimated)
Total Market Size	113,497	129,652	131,850	134,400
Total Local Production	6,500	6,700	6,850	7,000
Total Exports	51,939	53,820	55,000	56,100
Total Imports	158,936	176,772	180,000	183,500
Imports from the U.S.	13,161	15,649	16,100	16,450
Exchange Rate: 1 USD	€0.75	€0.75	€0.75	€0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Exchange rate: Base year 2013

Data Sources:

Total Local Production: Foreign Agricultural Service Estimates

Total Exports: Global Trade Atlas International, Foreign Agricultural Service Estimates

Total Imports: Global Trade Atlas International, Foreign Agricultural Service Estimates

Imports from U.S.: Global Trade Atlas International, Foreign Agricultural Service Estimates

There is growing demand for wholesome/natural foods by Austrian consumers. Austrian imports of nuts and dried fruits show a growing trend. Those products are mostly used as ingredients by the food-processing sector for the production of pastries and breakfast cereals. Dried fruits and prepared nuts are also popular as a snack. Austrian production of dried fruits and nuts is limited to locally grown products like apples, pears and walnuts. Demand for organically/sustainably produced dried fruits and nuts is also increasing.

The statistics above show actual Austrian imports from the United States not including EU transshipments. A large share of Austria's cereal, fruits and nut mixtures consumption is sourced from Germany where these items are processed and packed and then exported to Austria. Therefore, the actual import value of U.S. dried fruits and nuts to Austria is estimated to be much higher. The EU and Turkey are the largest suppliers of these products to Austria.

The United States is the third most important supplier of nuts to Austria. Almonds are the most important commodity within this category. Further products with good sales potential include walnuts, pistachios, pecans, hazelnuts, raisins, prunes, apricots, and cranberries.

Unit: USD thousands

	2012	2013 (estimated)	2014 (estimated)	2015 (estimated)
Total Market Size	502,600	521,600	542,100	563,500
Total Local Production	453,805	438,473	462,000	480,000
Total Exports	220,320	315,876	330,000	340,000
Total Imports	269,115	399,003	410,000	423,000
Imports from the U.S.	2,229	1,955	2,300	2,400
Exchange Rate: 1 USD	€0.75	€0.75	€0.75	€0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Exchange rate: Base year 2013

Data Sources:

Total Market Size: Euromonitor

Total Local Production: Foreign Agricultural Service Estimates

Total Exports: Global Trade Atlas International, Foreign Agricultural Service Estimates

Total Imports: Global Trade Atlas International, Foreign Agricultural Service Estimates

Imports from U.S.: Global Trade Atlas International, Foreign Agricultural Service Estimates

Due to the increasing number of single households and the rising number of older people seeking companionship, the number of pets continues its upward trend. This stimulates the demand for pet food.

However, there are good market opportunities for prime quality, organic and nutritional pet food products. As consumers seek healthier lifestyles for themselves, many seek the same for their pets. The human trend towards eating more natural and organic foods is being emulated in pet foods; for example, there is an increase in organic pet food sales of pet vitamins and supplements.

Web Resources

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Chapter 5: Trade Regulations, Customs and Standards

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- [Import Requirements and Documentation](#)
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Import Tariffs

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EU import tariffs vary depending on the product; however for most U.S. exports the tariffs are relatively low. In fact, over half of all products from non-EU countries enter without any tariff. The average EU tariff level for manufactured goods is relatively low at 3.5%, but some goods are taxed at a higher rate. For example, passenger cars and office machines have duties of about 10%. For certain kinds of shoes and special motor vehicles, the rate may be up to 18%.

The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a license is required for a particular product, check the TARIC.

The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily.

Key Link:

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Trade Barriers

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Officially there are no non-tariff barriers for U.S. companies entering the Austrian market. However, corresponding practices in certain sectors should be a concern to certain U.S. industries. For an extensive analysis of non-tariff barriers (especially in the pharmaceutical, telecom, biotechnology, refrigerant, and legal and accounting services sectors) in Austria and throughout the European Union, please refer to the National Trade Estimate Report on Foreign Trade Barriers, published by USTR and available through the following website:

<http://www.ustr.gov/sites/default/files/2013%20NTE%20European%20Union%20Final.pdf>

Information on agricultural trade barriers can be found at the following website:

<http://www.usda-eu.org/>

To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center at <http://tcc.export.gov/> or the U.S. Mission to the European Union at <https://new.export.gov/countries/EU>

Some goods are subject to tariff-rate quotas, whereby after a certain quantity of the product has entered the EU at a low or zero duty rate, the rate is increased. These are primarily goods determined to be useful to the European economy only in certain quantities, generally raw materials or parts. The most important tariff quotas for manufactured goods are on chemicals and electronics. Both are administered on a first-come, first-served licensing basis. The Austrian importer can get information about the extent to which the quota has been filled through the Customs Office Suben, which has an on-line connection to Brussels, as well as through the Main Customs Offices (*Hauptzollämter*) or via internet at: http://ec.europa.eu/taxation_customs/index_en.htm

Import Requirements and Documentation

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When a delivery is made to Austria, the products become subject to the import value-added tax (*Einfuhrumsatzsteuer*) upon entry into the Austrian customs area. The import value-added tax is assessed according to the customs value of imported goods. The importer is entitled to claim a refund of the import value-added tax from the tax office once the product is sold again in the distribution chain.

Finally, the end-user is subject to the Value Added Tax (VAT), which generally amounts to 20% in Austria. For food products and drugs and pharmaceuticals, the VAT is only 10%. Alcoholic beverages fall into the 20% VAT category.

The VAT is a pure tax on transactions that is ultimately absorbed by the end-user or consumer.

The European Union, and therefore Austria, requires import licenses for a number of products, first and foremost for agricultural produce and products. This holds for all originating countries, including the United States. Special rules apply for imports of particular products and products originating in certain countries, such as shoes from China. European Union import quotas are managed through the granting of import licenses to qualified firms. In general, an Austrian importer must possess an export license from the supplier country, and then obtain permission to import from the Austrian authorities (*Einfuhrbewilligung*). For imports of agricultural products, importers should contact: Agrar Markt Austria (AMA), Dresdner Strasse 70, 1201 Vienna, Austria, phone: ++43 1 331 51-0. (<http://www.ama.at>). The licensing authority for most other goods is the Austrian Ministry of Economics and Labor.

The import of war material requires a license and individual approval of each shipment. The licensing authority responsible for these products is the Austrian Ministry of the Interior (<http://www.bmi.gv.at>). Austria is not a NATO member. U.S. companies exporting to Austria should consult U.S. export control regulations well before shipping products to Austria. The U.S. Bureau of Industry and Security website can be found here: <http://www.bis.doc.gov/>

Import Documentation – The Single Administrative Document

The official model for written declarations to customs is the Single Administrative Document (SAD). Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. Goods are covered by a Summary Declaration which is filed once the items have been presented to customs officials. The customs authorities may, however, allow a period

for filing the Declaration which cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The Summary Declaration is filed by:

- the person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry; or
- the person in whose name the person referred to above acted.

The Summary Declaration can be made on a form provided by the customs authorities. However, customs authorities may also allow the use of any commercial or official document that contains the specific information required to identify the goods. The SAD serves as the EU importer's declaration. It encompasses both customs duties and VAT and is valid in all EU member states. The declaration is made by whoever is clearing the goods, normally the importer of record or his/her agent.

European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. Information on import/export forms is contained in Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

More information on the SAD can be found at:

http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/sad/index_en.htm

Non-EU goods presented to customs must be assigned a customs-approved treatment or use authorized for such non-Community goods. Where goods are covered by a summary declaration, the formalities for them to be assigned a customs-approved treatment or use must be carried out:

- 45 days from the date on which the summary declaration is lodged in the case of goods carried by sea;
- 20 days from the date on which the summary declaration is lodged in the case of goods carried other than by sea.

Where circumstances so warrant, the customs authorities may set a shorter period or authorize an extension.

Regulation (EC) No 450/2008 laying down the Community Customs Code (so-called the "Modernized Customs Code") aimed at the adaptation of customs legislation and at introducing the electronic environment for customs and trade. This Regulation entered into force on June 24, 2008 and was due to be applicable once its implementing provisions were in force by June 2013. However, the Modernized Customs Code was recast as a Union Customs Code (UCC) before it became applicable. The Union Customs Code (UCC) Regulation entered into force in October 2013 and repealed the MCC Regulation; its substantive provisions will apply only on May 1st 2016. Until this time, the Community Customs Code and its implementing provisions continue to apply.

Key link:

http://ec.europa.eu/taxation_customs/customs/customs_code/union_customs_code/index_en.htm

EORI

Since July 1, 2009, all companies established outside of the EU are required to have an Economic Operator Registration and Identification (EORI) number if they wish to lodge a customs declaration or an Entry/Exit Summary declaration. All U.S. companies should use this number for their customs clearances. If a U.S. company wishes to apply for AEO status or apply for simplifications in customs procedures within the EU, it must first obtain an EORI number. Companies should request an EORI number from the authorities of the first EU member state to which they export. Once a company has received an EORI number, it can use it for exports to any of the 28 EU member states. There is no single format for the EORI number.

More information about the EORI number can be found at http://ec.europa.eu/taxation_customs/dds2/eos/eori_home.jsp?Lang=en

U.S. – EU Mutual Recognition Arrangement (MRA)

Since 1997, the U.S. and the EU have had an [agreement](#) on customs cooperation and mutual assistance in customs matters. For additional information, please see http://ec.europa.eu/taxation_customs/customs/policy_issues/international_customs_agreements/usa/index_en.htm

In 2012, the U.S. and the EU signed a new Mutual Recognition Arrangement (MRA) aimed at matching procedures to associate one another's customs identification numbers. The MCC introduced the Authorized Economic Operator (AEO) program (known as the "security amendment"). This is similar to the U.S.' voluntary Customs-Trade Partnership Against Terrorism (C-TPAT) program in which participants receive certification as a "trusted" trader. AEO certification issued by a national customs authority is recognized by all member state's customs agencies. An AEO is entitled to two different types of authorization: "customs simplification" or "security and safety." The former allows for an AEO to benefit from simplifications related to customs legislation, while the latter allows for facilitation through security and safety procedures. Shipping to a trader with AEO status could facilitate an exporter's trade as its benefits include expedited processing of shipments, reduced theft/losses, reduced data requirements, lower inspection costs, and enhanced loyalty and recognition.

The U.S. and the EU recognize each other's security certified operators and will take the respective membership status of certified trusted traders favorably into account to the extent possible. The favorable treatment provided by mutual recognition will result in lower costs, simplified procedures and greater predictability for transatlantic business activities. The newly signed arrangement officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators. The agreement is being implemented in two phases. The first commenced in July 2012 with the U.S. customs authorities placing shipments coming from EU AEO members into a lower risk category. The second phase took place in early 2013, with the EU re-classifying shipments coming from C-TPAT members into a lower risk category. The U.S. customs identification numbers (MID) are therefore recognized by customs authorities in the EU, as per Implementing Regulation 58/2013 (which amends EU Regulation 2454/93 cited above): http://ec.europa.eu/taxation_customs/resources/documents/customs/procedural_aspects/general/implementing_regulation_58_2013_en.pdf

Additional information on the MRA can be found at: [http://www.cbp.gov/newsroom/national-media-release/2013-02-08-050000/eu-us-fully-
implement-mutual-recognition-decision](http://www.cbp.gov/newsroom/national-media-release/2013-02-08-050000/eu-us-fully-implement-mutual-recognition-decision)

Batteries

EU battery rules changed in September 2006 following the publication of the Directive on batteries and accumulators and waste batteries and accumulators ([Directive 2006/66](#)). This Directive replaces the original Battery Directive of 1991 (Directive 91/157). The 2006 Directive applies to all batteries and accumulators placed on the EU market including automotive, industrial and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. In 2012, the European Commission published a FAQ document to assist interested parties in interpreting its provisions. For more information, see our market research report: http://www.buyusainfo.net/docs/x_4062262.pdf

REACH

REACH, "Registration, Evaluation and Authorization and Restriction of Chemicals", is the system for controlling chemicals in the EU and it came into force in 2007 (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by this policy. REACH requires chemicals produced or imported into the EU in volumes above 1 metric ton per year to be registered with a central database handled by the European Chemicals Agency (ECHA). Information on a chemical's properties, its uses and safe ways of handling are part of the registration process. The next registration deadline is **May 31, 2018**. U.S. companies without a presence in Europe cannot register directly and must have their chemicals registered through their importer or EU-based 'Only Representative of non-EU manufacturer'. A list of Only Representatives (ORs) can be found on the website of the U.S. Mission to the EU: <http://export.gov/europeanunion/reachclp/index.asp>

U.S. companies exporting chemical products to the European Union must update their Material Safety Data Sheets (MSDS) to be REACH compliant. For more information, see the guidance on the compilation of safety data sheets: http://echa.europa.eu/documents/10162/17235/sds_en.pdf

U.S. exporters to the EU should carefully consider the REACH 'Candidate List' of Substances of Very High Concern (SVHCs) and the 'Authorization List'. Substances on the Candidate List are subject to communication requirements prior to their export to the EU. Companies seeking to export products containing substances on the 'Authorization List' will require an authorization. The Candidate List can be found at: <http://echa.europa.eu/web/guest/candidate-list-table>.

The Authorization List is available at: <http://echa.europa.eu/addressing-chemicals-of-concern/authorisation/recommendation-for-inclusion-in-the-authorisation-list/authorisation-list>

WEEE Directive

EU rules on Waste Electrical and Electronic Equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters to register relevant products with a national WEEE authority or arrange for this to be done by a local partner. The WEEE Directive was revised on July 4, 2012 and the scope of products covered was expanded to include all electrical and electronic equipment. This revised scope will apply from August 14, 2018 with a phase-in period that has already begun. U.S. exporters seeking more information on the WEEE Directive should visit: <http://export.gov/europeanunion/weerohs/index.asp>

RoHS

The ROHS Directive imposes restrictions on the use of certain chemicals in electrical and electronic equipment. It does not require specific customs or import paperwork however, manufacturers must self-certify that their products are compliant. The Directive was revised in 2011 and entered into force on January 2, 2013. One important change with immediate effect is that RoHS is now a CE Marking Directive. The revised Directive expands the scope of products covered during a transition period which ends on July 22, 2019. Once this transition period ends, the Directive will apply to medical devices, monitoring and control equipment in addition to all other electrical and electronic equipment. U.S. exporters seeking more information on the RoHS Directive should visit: <http://export.gov/europeanunion/weerohs/index.asp>

Cosmetics Regulation

On November 30, 2009, the EU adopted a new regulation on cosmetic products which has applied since July 11, 2013. The law introduces an EU-wide system for the notification of cosmetic products and a requirement that companies without a physical presence in the EU appoint an EU-based responsible person.

In addition, on March 11, 2013, the EU imposed a ban on the placement on the market of cosmetics products that contain ingredients that have been subject to animal testing. This ban does not apply retroactively but does capture new ingredients. Of note, in March 2013, the Commission published a Communication stating that this ban would not apply to ingredients where safety data was obtained from testing required under other EU legislation that did not have a cosmetic purpose. For more information on animal testing, see: <http://ec.europa.eu/consumers/sectors/cosmetics/animal-testing>

For more general information, see:

<http://export.gov/europeanunion/accessingeumarketsinkeyindustrysectors/index.asp>

Agricultural Documentation

Phytosanitary Certificates: Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the

product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU, but the harmonization process is not complete. During this transition period, certain member state import requirements continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements can be found at the following website: <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>.

Sanitary Certificates (Fisheries)

In April 2006, the European Union declared the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. The U.S. fishery product sanitary certificate is a combination of Commission Decision 2006/199/EC for the public health attestation and of Regulation 1012/2012 for the general template and animal health attestation. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU's. The EU and the U.S. are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1, 2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops.

Since June 2009, the only U.S. competent authority for issuing sanitary certificates for fishery and aquaculture products is the U.S. Department of Commerce, National Marine Fisheries Service (NOAA-NMFS).

In addition to sanitary certificates, all third countries wishing to export fishery products to the EU are requested to provide a catch certificate. This catch certificate certifies that the products in question have been caught legally.

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU (stephane.vrignaud@trade.gov) or visit the following NOAA dedicated web site: http://www.seafood.nmfs.noaa.gov/EU_Export.html

U.S. Export Controls

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Austria is not a member of NATO, thus U.S. exports of sensitive technology are subject to more stringent export control requirements.

Austria is a member of the Australia Group, the Missile Technology Control Regime, the Nuclear Supplier Group, and the Wassenaar Arrangement.

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available at: <http://www.bis.doc.gov/licensing/exportingbasics.htm>

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. These are posted at:

<http://www.bis.doc.gov/index.php/enforcement/oeec/compliance/23-compliance-a-training/51-red-flag-indicators>

Also, BIS has "Know Your Customer" guidance at:

<http://www.bis.doc.gov/index.php/enforcement/oeec/compliance?layout=edit&id=47>

If there is reason to believe a violation is taking place or has occurred, report it to the

Department of Commerce by calling the 24-hour hotline at 1(800) 424-2980, or via the confidential lead page at: <http://www.bis.doc.gov/index.php/component/rsform/form/14-reporting-violations-form?task=forms.edit> The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS web.

It is important to note that in August 2009, the President directed a broad-based interagency review of the U.S. export control system, with the goal of strengthening national security and the competitiveness of key U.S. manufacturing and technology sectors by focusing on current threats, as well as adapting to the changing economic and technological landscape. As a result, the Administration launched the Export Control Reform Initiative (ECR Initiative) which is designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction.

The Administration is implementing the reform in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center.

For additional information on ECR see: <http://export.gov/ecr/index.asp>

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars can be found at: <http://www.bis.doc.gov/index.php/compliance-a-training/export-administration-regulations-training/current-seminar-schedule>

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website at: <http://www.bis.doc.gov/>

Temporary Entry

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There are no tariffs imposed on goods that enter Austria on a temporary basis for a particular purpose, such as transit goods or goods intended for demonstration or exhibition at trade fairs. A refundable security deposit is required which is equal to applicable import duties.

In the case of a commodity that is imported on a temporary basis to be used and returned (such as machinery), a compensatory levy of 3% per month applies if the commodity would be dutiable if imported permanently into Austria. If replacement parts for warranty or non-warranty repairs of a product are brought into Austria on a temporary base and the products are re-exported after repair, no duties and taxes will

be charged for this transaction. This would be handled by the Carnet ATA in the so-called excise bond procedure. For more details concerning the Carnet ATA, please consult the following websites:

- https://www.wko.at/Content.Node/service/Aussenwirtschaft/fhp/Zoll/Carnet_ATA.html
- <http://www.atacarnet.com/>

Labeling and Marking Requirements

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This chapter provides some general information about labeling. Important note: labeling is always linked to the product itself! Labels appear in the form of text or numerical statements that may be required but are not necessarily recognized on a universal basis. Labels typically indicate more specific information about a product, such as measurements, or an indication of materials. There are mandatory and voluntary labels for the Austrian market.

The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the freedom of Member States to require the language of the country of consumption. In Austria, language requirements for labeling and marking of products depend on the type of product and the intended use. For some product categories, especially those with a health or environmental impact, it is mandatory to label products in German. Although not required for all products sold in Austria, for marketing purposes it is advisable to include German on all labels.

Products that require labels but are not adequately labeled (*Kennzeichnungspflicht*) are stopped at the border and must be labeled correctly within three weeks. The company importing the product bears the responsibility to ensure that products are certified and properly marked before they are offered for sale.

More detailed information about labeling can be found at:
http://www.buyusainfo.net/docs/x_4171929.pdf

An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report that is available at:
http://buyusainfo.net/docs/x_366090.pdf

Prohibited and Restricted Imports

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The import of certain commodities into Austria is prohibited, usually as a result of international sanctions. A variety of goods and commodities are subject to import (and export) restrictions to protect the safety and lives of humans, animals, and plants, to safeguard national security, or to protect artistic, cultural, or intellectual property. Examples are restrictions and controls on the import of certain foodstuffs, wines, drugs, pharmaceuticals, seeds, war material, and antiques.

The TARIC is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for the following codes:

CITES Convention on International Trade of Endangered Species
PROHI Import Suspension

RSTR Import Restriction

For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Key Link:

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Customs Regulations and Contact Information

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Austria is a member of the European Union (EU), and therefore the Austrian Customs regime is based on the EU's TARIC system, which is determined in Brussels. The TARIC register can be searched by country of origin, Harmonized System Code, and product description on the interactive website of the EU Directorate-General for Taxation and the EU Customs Union. The TARIC is updated annually in April.

For further information please contact:

Tariff Information	
Zolldokumentationsstelle Villach	
<i>Via phone: Monday–Friday from 6:00 am to 10:00 pm (CET)</i>	Phone: ++43 1 514 33-564 053 E-Mail: post.425-ztv.zaktn@bmf.gv.at
Hauptzollamt Wien	
Central Customs Office	
	Schnirchgasse 9, 1030 Vienna, Austria Phone: ++43 1 74 0 76 Web: http://www.bmf.gv.at

Regulation 648/2005 is the "Security Amendment" to the Customs Code (Regulation 2913/92) and outlines the implementing provisions for Authorized Economic Operators, risk management procedures, pre-departure declarations, and improved export controls.

Tariffs and Import Taxes: Information on customs valuation is contained in Title II, Chapter Three, of Council Regulation (EEC) 2913/92, establishing the Community Customs Code, entitled, "Value of Goods for Customs Purposes" (Articles 28 through 36). The primary basis for determining customs value set out in Articles 29 is: "... the transaction value, that is, the price actually paid or payable for the goods when sold for export to the customs territory of the Community..." Article 29 lists the following conditions, which must be met in determining customs value:

- There are no restrictions as to the disposal or use of the goods by the buyer, other than restrictions which are imposed or required by a law or by the public authorities in the community, limit the geographical area in which the goods may be resold, or do not substantially affect the value of the goods;
- The sale or price is not subject to some conditional consideration for which a value cannot be determined with respect to the goods being valued;
- No part of the proceeds of any subsequent resale disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with Article 32; and

- The buyer and seller are not related, or, where the buyer and seller are related, that the transaction value is acceptable for customs purposes.

The "price actually paid or payable" in Article 29 refers to the price for the imported goods. Thus the flow of dividends or other payments from the buyer to the seller that do not relate to the imported goods are not part of the customs value. Articles 32 and 33 provide for adjustments to the value for customs purposes. Article 32 lists charges that are added to the customs value, such as, commissions and brokerage, costs of containers, packing, royalties and license fees, and the value of goods and services supplied directly or indirectly by the buyer in connection with the production and sale for export of the imported goods. Article 33 lists charges that are not included in the customs value, such as, charges for transport, charges incurred after importation, charges for interest under a financing arrangement for the purchase of the goods, charges for the right to reproduce imported goods in the Community, and buying commissions.

Effective July 1, 1995, the Commission amended Article 147(1) of Regulation 2454/93 of the Customs Code which affects valuation in the case of successive sales. This amendment "defaults" valuation to the last sale, but allows the value of an earlier sale if it can be demonstrated that such a sale took place for export to the EU. The evidentiary requirements to support the bona fides of any earlier sales will be based upon commercial documents such as purchase orders, sales contracts, commercial invoices, and shipping documents.

Homepage of Customs and Taxation Union Directorate (TAXUD) Website:

Key Link: http://ec.europa.eu/taxation_customs/customs/index_en.htm

The following provides information on the major regulatory efforts of the EC Taxation and Customs Union Directorate:

Electronic Customs Initiative – This initiative deals with EU Customs modernization developments to improve and facilitate trade in the EU member states. The electronic customs initiative is based on the following three pieces of legislation:

- The [Security and Safety Amendment to the Customs Code](#), which provides for full computerization of all procedures related to security and safety;
- The Decision on the paperless environment for customs and trade ([Electronic Customs Decision](#)) which sets the basic framework and major deadlines for the electronic customs projects;
- The [Modernized Community Customs Code \(recast as Union Customs Code\)](#) which provides for the completion of the computerization of customs.

Key Link:

http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

Homepage of Customs and Taxation Union Directorate (TAXUD) Website

Key Link: http://ec.europa.eu/taxation_customs/customs/index_en.htm

Customs Valuation – Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation. Thus, it is necessary to dispose of a standard set of rules for establishing the goods' value, which will then serve for calculating the customs duty.

Given the magnitude of EU imports every year, it is important that the value of such commerce is accurately measured for the purposes of:

- economic and commercial policy analysis;
- application of commercial policy measures;
- proper collection of import duties and taxes; and
- import and export statistics.

These objectives are met using a single instrument - the rules on customs value.

The EU applies an internationally accepted concept of '[customs value](#)'.

The value of imported goods is one of the three 'elements of taxation' that provides the basis for assessment of the customs debt, which is the technical term for the amount of duty that has to be paid, the other ones being the origin of the goods and the customs tariff.

Key Link:

http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/index_en.htm

Standards

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Overview

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Austria is a signatory to the WTO (GATT) Agreement on Product Standards. As a member of the EU, Austria is obligated to conform to EU standards. While some EU standards are already legally binding, others may still be in a transition phase, and still others may be awaiting national implementation. In the absence of an EU standard, the national standard will apply.

[National Standards](#)

Austrian national standards are prepared and administered by the Austrian Bureau of Standards (*Österreichisches Normungsinstitut - ON*), a private non-profit organization incorporated by the Austrian Parliament in the Standards Act of 1971 as the only Austrian body to issue and endorse Austrian standards. The ON can also provide information on nongovernmental standards.

Products tested and certified in the United States to American standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union legislation and standards created under the New Approach are harmonized across the member states and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. For a list of new approach legislation, go to:

<http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main>

The concept of new approach legislation is likely to disappear as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a blueprint for existing and future CE marking legislation. Since 2010/2011 existing legislation has been reviewed to bring them in line with the NLF concepts.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

[Agricultural Standards](#)

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at: <http://www.usda-eu.org>

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website: <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>

Standards Organizations

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Following is the Austrian Organization that develops standards:

Österreichisches Normungsinstitut (ON)	
Austrian Standards Institute	
	Heinestrasse 38, 1020 Vienna, Austria Phone: ++43 1 213 00-613 Fax: ++43 1 213 00-650 Web: http://www.as-institute.at

The ON prepares standards in a variety of fields: ores and metals, mechanical engineering, building and construction, health and medical equipment, non-metallic materials, chemical and related industries, special technologies, personal safety, food, environment, and waste management.

About 90% of the standards ON prepares are voluntary. The ISO 9000 series of quality management standards is one of the most important sets of voluntary standards in Austria, and it has become almost a requirement in many industries.

EU standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong

encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

1. CENELEC, European Committee for Electrotechnical Standardization (<http://www.cenelec.eu/>)
2. ETSI, European Telecommunications Standards Institute (<http://www.etsi.org/>)
3. CEN, European Committee for Standardization, handling all other standards (<http://www.cen.eu/cen/pages/default.aspx>)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the member states, which have "mirror committees" that monitor and participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual member states standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. The Commission also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical legislation. Mandates – or requests for standards – can be checked on line at: http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

Given the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its development, the EU's standards regime is wide and deep - extending well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as Albania, Belarus, Israel, and Morocco among others. Another category, called "partner standardization body" includes the standards organization of Mongolia, Kyrgyzstan and Australia, which are not likely to become a CEN member or affiliate for political and geographical reasons.

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN's "what we do" page provides an overview of standards activities by subject. Both CEN and CENELEC offer the possibility to search their respective database. ETSI's portal (http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

The European Standardization system and strategy was reviewed in 2011 and 2012. The new standards regulation 1025, adopted in November 2012, clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing EN harmonized standards. The emphasis is also on referencing international standards where possible. For information, communication and technology (ICT) products, the importance of interoperability standards has been recognized. Through a newly established mechanism, a "Platform Committee" reporting to the European Commission will decide which deliverables from fora and consortia might be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms of

delivery and to look for ways to include more societal stakeholders in European standardization.

Key Link: http://ec.europa.eu/enterprise/policies/european-standards/standardisation-policy/index_en.htm

Conformity Assessment

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Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual member states are listed in NANDO, the European Commission's website.

Key Link: <http://ec.europa.eu/enterprise/newapproach/nando/>

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification system is known as the Keymark. Neither CENELEC nor ETSI offer conformity assessment services.

Product Certification

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To sell products in the EU market of 28 member states as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC or ETSI, and referenced in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the member states, and its use simplifies the task of essential market surveillance of regulated products. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the local contact established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

The most important testing organization in Austria is:

TüV Österreich	
Austrian Testing Organization	
	Krugerstrasse 16, 1015 Vienna, Austria Phone: ++43 1 51407 0 Fax: ++43 1 51407 6005 Web: http://www.tuev.at

Accreditation

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Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements.

"European Accreditation" (<http://www.european-accreditation.org>) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible to appropriate EN and ISO/IEC standards.

The accreditation for laboratories is required for any sector in Austria.

Key link: <http://www.european-accreditation.org>

The Austrian Accreditation Body:

Bundesministerium für Wirtschaft, Familie und Jugend	
Austrian Federal Ministry of Science, Research and Economy	
	Abteilung I/12 Stubenring 1, 1010 Vienna, Austria Contact: Dr. Norman Brunner Phone: ++43 1 711 00-5411 Fax: ++43 1 714 35 82 E-Mail: norman.brunner@bmwfw.gv.at

Publication of Technical Regulations

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The Official Journal is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees, and more (<http://eur-lex.europa.eu/JOIndex.do?ihmlang=en>). It lists the standards reference numbers linked to legislation (http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm).

National technical Regulations are published on the Commission's website http://ec.europa.eu/enterprise/tris/index_en.htm to allow other countries and interested parties to comment.

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Labeling and Marking Requirements

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Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of member states to require the use of the language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers.

Key Link:

http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

[The Eco-label](#)

The EU eco-label is a voluntary label which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently 13 different product groups, and more than 17000 licenses have been awarded.

Applications to display the eco-label should be directed to the competent body of the member state in which the product is sold. The application fee will be somewhere between EUR 275 and EUR 1600 depending on the tests required to verify if the product is eligible, and an annual fee for the use of the logo (typically between USD 480 to USD 2000), with a 20% reduction for companies registered under the [EU Eco-Management and Audit Scheme](#) (EMAS) or certified under the international standard [ISO 14001](#). Discounts are available for small and medium sized enterprises (SMEs).

Key Links: [Eco-label Home Page: http://ec.europa.eu/environment/ecolabel/](http://ec.europa.eu/environment/ecolabel/)

Website: <http://www.nist.gov/>

Contacts

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National Institute of Standards & Technology

Mr. George W. Arnold
Director
Standards Coordination Office
100 Bureau Dr.
Mail Stop 2100
Gaithersburg, Maryland 20899
Tel: (301) 975-5627
Website: <http://ts.nist.gov/Standards/Global/about.cfm>

CEN – European Committee for Standardization

Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.550.08.11
Fax: 32.2.550.08.19
Website: <http://www.cen.eu>

CENELEC – European Committee for Electrotechnical Standardization

Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.519.68.71
Fax: 32.2.519.69.19
Website: <http://www.cenelec.eu>

ETSI - European Telecommunications Standards Institute

Route des Lucioles 650
F – 06921 Sophia Antipolis Cedex, France
Tel: 33.4.92.94.42.00
Fax: 33.4.93.65.47.16
Website: <http://www.etsi.org>

SBS – Small Business Standards

4, Rue Jacques de Lalaing
B-1040 Brussels
Tel: +32.2.285.07.27
Website: under development (<http://www.ueapme.com/spip.php?rubrique220>)

ANEC - European Association for the Co-ordination of Consumer Representation in Standardization

Avenue de Tervuren 32, Box 27
B – 1040 Brussels, Belgium
Tel: 32.2.743.24.70
Fax: 32.2.706.54.30
Website: <http://www.anec.org>

ECOS – European Environmental Citizens Organization for Standardization

Rue d'Edimbourg 26

B – 1050 Brussels, Belgium
Tel: 32.2.894.46.55
Fax: 32.2.894.46.10
Website: <http://www.ecostandard.org>

EOTA – European Organization for Technical Assessment (for construction products)

Avenue des Arts 40
B – 1040 Brussels, Belgium
Tel: 32.2.502.69.00
Fax: 32.2.502.38.14
Website: <http://www.eota.be/>

Trade Agreements

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As an EU member, Austria participates in the European Economic Area (EEA). Austria is also a member of the World Trade Organization (WTO). Since Foreign Trade Policy is an EU competency, Austria has no bilateral free trade agreements. As an EU member it participates in all EU trade agreements, including:

- Agreement with European Economic Area: Iceland, Liechtenstein and Norway
- Customs Union with: Turkey, Andorra and San Marino
- Free Trade Agreement with Switzerland.
- Stabilization and Association Agreement with the countries in the West Balkans (the countries eligible for EU accession; Croatia will accede in 2013 and then become part of the Economic and Monetary Union): Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro and Serbia.
- Partnership, Cooperation and Association Agreements with other Eastern Europe and Central Asian countries (all former Soviet Union): Armenia, Azerbaijan, Georgia; Russian Federation, Moldova, Ukraine, Belorussia; Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan.
- Association Agreements with Mediterranean countries: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine Authority, Syria, and Tunisia; Framework Agreement with Libya.
- Cooperation and Free Trade Agreements with Middle East and Gulf states: Bahrain, Qatar, Saudi-Arabia, Kuwait, Oman, United Arab Emirates; only Cooperation Agreements with Iraq, Iran and Yemen.
- Several other EU agreements with African/Caribbean/Pacific (ACP), Asian and Latin American states.

For a list of U.S. trade agreements with the EU and its Member States, as well as concise explanations, please see: http://tcc.export.gov/Trade_Agreements/index.asp

Web Resources

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EU Websites

Online customs tariff database (TARIC):

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

The Modernized Community Customs Code MCCC):

http://europa.eu/legislation_summaries/customs/do0001_en.htm

ECHA: <http://echa.europa.eu>

Taxation and Customs Union:

http://ec.europa.eu/taxation_customs/customs/index_en.htm

Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF>

Electronic Customs Initiative: Decision N° 70/2008/EC

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF>

Modernized Community Customs Code Regulation (EC) 450/2008):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF>

Legislation related to the Electronic Customs Initiative:

http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

Export Help Desk

http://exporthelp.europa.eu/thdapp/index_en.html

International Level

What is Customs Valuation?:

http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/european/index_en.htm

Customs and Security: Two communications and a proposal for amending the Community Customs Code:

http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

Establishing the Community Customs Code: Regulation (EC) n° 648/2005 of 13 April 2005

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF>

Pre Arrival/Pre Departure Declarations:

http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/prearrival_predeparture/index_en.htm

AEO: Authorized Economic Operator:

http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm

Contact Information at National Customs Authorities:

http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm

New Approach Legislation:

<http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main>

Cenelec, European Committee for Electrotechnical Standardization:
<http://www.cenelec.eu/>

ETSI, European Telecommunications Standards Institute:
<http://www.etsi.org/>

CEN, European Committee for Standardization, handling all other standards:
<http://www.cen.eu/cen/Pages/default.aspx>

Standardisation – Mandates:
http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

ETSI – Portal – E-Standardisation :
http://portal.etsi.org/Portal_Common/home.asp

CEN – Sector:
<http://www.cen.eu/work/areas/Pages/default.aspx>

CEN - Standard Search:
<http://esearch.cen.eu/esearch/>

Nando (New Approach Notified and Designated Organizations) Information System:
<http://ec.europa.eu/enterprise/newapproach/nando/>

Mutual Recognition Agreements (MRAs):
<http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=mra.main>

European Co-operation for Accreditation:
<http://www.european-accreditation.org/home>

Eur-Lex – Access to European Union Law:
<http://eur-lex.europa.eu/en/index.htm>

Standards Reference Numbers linked to Legislation:
http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm

What's New:
http://ec.europa.eu/enterprise/news/index_en.htm

National technical Regulations:
http://ec.europa.eu/enterprise/tris/index_en.htm
NIST - Notify U.S.:
<https://tsapps.nist.gov/notifyus/data/index/index.cfm>

Metrology, Pre-Packaging – Pack Size:
http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

European Union Eco-label Homepage:
<http://ec.europa.eu/environment/ecolabel/>

U.S. Websites

National Trade Estimate Report on Foreign Trade Barriers:

<http://www.ustr.gov/about-us/press-office/reports-and-publications/2012-1>

Agricultural Trade Barriers:

<http://www.usda-eu.org/>

Trade Compliance Center:

<http://tcc.export.gov/>

U.S. Mission to the European Union:

<http://useu.usmission.gov/>

The New EU Battery Directive:

http://www.buyusainfo.net/docs/x_8086174.pdf

The Latest on REACH:

<http://export.gov/europeanunion/reachclp/index.asp>

WEEE and RoHS in the EU:

<http://export.gov/europeanunion/weeerohs/index.asp>

Overview of EU Certificates:

<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>

Center for Food Safety and Applied Nutrition:

<http://www.fda.gov/Food/default.htm>

EU Marking, Labeling and Packaging – An Overview

http://buyusainfo.net/docs/x_366090.pdf

The European Union Eco-Label:

http://buyusainfo.net/docs/x_4284752.pdf

Trade Agreements:

http://tcc.export.gov/Trade_Agreements/index.asp

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Additional Information

U.S. Commercial Service Austria

Boltzmanngasse 16

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US Commercial Service

US Mission to the European Union

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Fax: ++32 2 811 5151 Web: <http://export.gov/europeanunion/index.asp>

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CEN- European Committee for Standardization

Rue de Stassart 36, B-1050 Brussels, Belgium
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Fax: ++32 2 550 08 19
Web: <http://www.cen.eu/>

CENELEC – European Committee for Electrotechnical Standardization

Rue de Stassart 35
B-1050 Brussels, Belgium
Phone: ++32 2 519 68 71
Fax: ++32 2 519 69 19
Web: <http://www.cenelec.org>

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Chapter 6: Investment Climate

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- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
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Executive Summary

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Economic conditions in Austria -- particularly those relevant to foreign investors -- continue to remain favorable. As a small and highly internationalized economy, Austria was affected by the world economic downturn in 2009 and the 2012/2013 recession in the Eurozone, but is recovering and expecting modest economic growth over the next years. Macroeconomic fundamentals are relatively healthy, however, the Austrian government's crisis response and the multi-billion Euro disaster of a major Austrian bank led to a deterioration in public finances.

Austria is a highly developed industrial nation with a huge and dynamic services sector. The country's geopolitical position between Western European industrialized nations and the growth markets in Central, Eastern, and Southeastern Europe (CESEE) has led to a high degree of economic, social, and political integration with the European Union (EU) and non-EU countries in CESEE. Border controls between Austria and all of its eight neighboring countries were lifted under the EU's Schengen agreement. EU enlargements in 2004 and 2007 strengthened Austria's attractiveness as an investment location by increasing access to markets in Eastern Europe, but expansion also bolstered Austria's competitors in that region so that, due to their vicinity, Budapest, Prague, and Bratislava now compete directly with Vienna for foreign investors.

Austria offers many advantages for foreign investors, including political stability, motivation and skill of labor, high productivity and international competitiveness, rule of law, quality of life and personal security. Austria further scores with high-quality health, telecommunications and energy infrastructure. The administrative system is transparent. Labor-management relations are relatively harmonious in Austria, which has a low incidence of industrial unrest.

Austria receives lower marks for the high tax burden (despite an attractive corporate tax model), low innovation dynamics, a huge public sector, and a complex regulatory system with an over-boarding bureaucracy (also for established businesses). Long-term aspects that the Austrian government needs to address are shortcomings in the education system and the lack of structural reforms, including of the health and pension systems and of the state to reform the costly federalism and reorganize competencies among the various levels of government.

Some 340 U.S. companies have invested in Austria; many have expanded their original investment over time.

Altogether, Austria continues to offer a stable, advantageous and attractive climate for foreign investors, albeit one with some challenges.

Openness to, and Restrictions upon, Foreign Investment

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[Attitude towards foreign direct investment](#)

Observers do not expect Austria's openness to foreign direct investment to change under the current coalition government between the center-left Social Democratic Party (SPÖ) and the center-right People's Party (ÖVP), which took office December 16, 2013 for a five-year term.

Austria welcomes foreign direct investment that avoids a negative impact on the environment, creates new jobs in high technology fields, promotes capital-intensive industries, and has links to R&D activities, for which special tax incentives are available. Austria is a high-tax country overall with a heavy personal income tax burden. However, due to a relatively low 25% corporate tax rate, it is attractive as a business headquarters location. Because of tax base adjustments, experts estimate the effective corporate tax burden at no more than 22%. The corporate tax regime also offers a highly favorable framework for group taxation, unique in Europe, which allows business to offset profits and losses of group operations (requiring direct or indirect participation of more than 50%, but no other financial, economic or organizational integration) in Austria and abroad. This group taxation system offers interesting opportunities for U.S. investors, in particular joint-venture structures, M&A transactions and headquarters. Effective March 1, 2014, the eligibility for foreign tax group members was restricted to those resident in the EU or in a country which has concluded a comprehensive administrative assistance agreement regarding the exchange of information with Austria (Note: the United States and Austria have such an agreement). Deductibility of losses of foreign group members from the Austrian group's tax base was limited to 75%, the amortization of goodwill for share deals was abolished. All companies active in Austria are affected by a new regulation limiting tax-deductibility of expenses for high salaries (cash and non-cash benefits) paid to top-level employees to EUR 500,000 (about USD 664,000) per year. Austria has no wealth tax, trade tax, or inheritance/gift tax, but the senior coalition partner SPÖ regularly presses for wealth and inheritance taxes.

Austria's macroeconomic fundamentals are relatively healthy; however, post-crisis fiscal pressure persists. The economic climate, affecting national and international investors, in coming years will be characterized by modest economic growth averaging an annual rate of 1.7% until 2017; the unemployment rate of around 5% will remain to be one of the lowest within the EU-28. However, all forecasts are currently beset by high risks from the fallout of the Ukraine/Russian crisis, potential additional sanctions, and related geopolitical risks. Fiscal consolidation will be the dominating issue in coming years. Many observers believe that the government coalition pact falls short in enacting the structural reforms needed to revitalize the Austrian economy, balance the budget by

2016 and significantly reduce the debt level from currently around 80% of GDP. The structural reforms which the government needs to implement include reforms of the pension and health systems, school and university education, and the federal structure in order to reorganize inter-governmental fiscal relations, eliminate overlap among the various levels of government, and reduce Austria's large bureaucracy. The current high tax quota of more than 45% of GDP is unlikely to decrease significantly any time soon, particularly absent plans for expenditure reforms and reductions in the subsidies and benefits.

There are no sectoral or geographic restrictions on foreign investment. In some regions, the government offers special facilities and services ("cluster packages") to foreign investors. For example, these can include incentives for automotive producers, and manufacturers of high-tech products, or environmental technologies.

Resistance to investment in the industrial sector may arise from environmental concerns. Potential U.S. investors need to factor Austria's strict environmental regulations and environmental impact assessments into their decision-making process. Heavy industries also fall under the EU greenhouse-gas Emissions Trading System – part of the EU's policy to combat climate change. Strict liability regulations and co-existence rules sharply restrict any research, cultivation, marketing or distribution of biotechnology crops.

The Austrian judicial system upholds the sanctity of contracts.

Treatment of foreign investors

There is no discrimination against foreign investors, but businesses are required to follow numerous regulations. Although there is no requirement for participation by Austrian citizens in ownership or management, at least one manager must meet residence and other legal requirements. Non-residents must appoint a representative in Austria. Expatriates are allowed to deduct certain expenses (costs associated with moving, maintaining a double residence, education of children) from Austrian-earned income. Austrian immigration law requires those applying for resident permits to take German language courses, but exempts those expatriates who hold a university degree.

Privatization Program

The government has not privatized any public enterprises since 2007. Austrian public opinion remains skeptical towards further privatization. The senior coalition partner SPÖ is on record opposing additional privatizations. The current government program does not identify any public enterprises for privatization, but the government may reduce some of its shareholdings, while retaining a blocking minority share. In past privatizations, foreign and domestic investors received equal treatment. Despite a historical government preference for having domestic shareholders retain a blocking minority, foreign investors have successfully gained full control of enterprises in several strategic sectors of the Austrian economy, including telecoms, banking, power generation, and infrastructure.

Screening of the FDI

Only those foreign investments with financial assistance from the Austrian government are subject to government review. Screening ensures compliance with EU regulations limiting such assistance to disadvantaged regions.

Acquisitions, mergers, takeovers

Austria's Anti-Trust Act is in line with European Union anti-trust regulations, which take precedence over national regulations in cases spanning Austria and other EU member states. The Austrian Anti-Trust Act prohibits cartels, any competitive restrictions, and abuse of a dominant market position. The independent Federal Competition Authority (FCA) and the Federal Cartel Prosecutor (FCP) are responsible for administering anti-trust laws. Amendments to the Competition Act and the Anti-Trust Act in 2013 strengthened FCA's position in investigations and authority to request information from firms, and it strengthened enforcement by entitling private parties to file damage claims based on an infringement of Austrian and European anti-trust rules.

Companies must inform the FCA about mergers and acquisitions (M&A). Special M&A regulations apply to media enterprises. The cartel court is competent to decide M&A notifications from the FCA or the FCP. For violations of anti-trust regulations, the cartel court can impose fines of up to the equivalent of 10% of a company's annual worldwide sales. An independent energy regulator separately examines antitrust concerns in the energy sector, but must also submit cases to the cartel court.

Austria's Takeover Law applies to friendly and hostile takeovers of corporations headquartered in Austria and listed on the Vienna Stock Exchange. The law protects investors against unfair practices, since any shareholder obtaining a controlling stake in a corporation (30% or more in direct or indirect control of a company's voting shares) must offer to buy out smaller shareholders at a defined "fair market" price. The law also includes provisions for shareholders who passively obtain a controlling stake in a company, i.e., not by buying additional shares, but because another large shareholder has reduced his/her shareholding. The law prohibits defensive action to frustrate bids. Austria has not implemented the breakthrough regulations of the EU's Takeover Directive's, but does allow individual companies to address these in company bylaws. The Shareholder Exclusion Act allows a primary shareholder with at least 90% of capital stock to "squeeze out" minority shareholders. An independent takeover commission at the Vienna Stock Exchange oversees compliance with these laws.

Investment trends

Investor surveys and international rankings consistently award Austria high marks for political stability, quality of life (Mercer's 2014 Quality of Living Index ranks Vienna as the top location to reside in the world), high-quality healthcare, infrastructure, personal security (overall, crime, particularly violent crime, is low in Austria and Vienna specifically, but the incidence of residential burglaries is high), skill and motivation of labor, productivity, rule of law, and social factors. Austria receives low marks for economic growth, high tax burden, high cost of living, shortage of risk capital, low innovation dynamics, size of the public sector, and regulatory red tape. The Swiss Economic Institute's (KOF) 2013 Index of Globalization ranks Austria fourth out of 207 countries, reflecting Austria's high degree of economic, social, and political integration.

TABLE 1: The following chart summarizes several well-regarded indices and rankings.

Measure	Year	Rank or Value	Website Address
TI Corruption Perceptions index	2013	26 of 177	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom index	2014	24 of 178	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2013	30 of 189	http://doingbusiness.org/rankings
Global Innovation Index	2013	23 of 142	http://www.globalinnovationindex.org/content.aspx?page=GII-Home
World Bank GNI per capita	2012	USD47,660	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Conversion and Transfer Policies

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Austria has no restrictions on cross-border capital transactions, including the repatriation of profits and proceeds from the sale of an investment, for non-residents and residents. The Euro, a freely convertible currency and the only legal tender in Austria and 17 other Euro-zone member countries, shields investors from exchange rate risks within the Euro-zone.

Expropriation and Compensation

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Expropriation of private property in Austria is rare and may proceed only on the basis of special legal authorization. The government can initiate it only in the absence of any other alternative to satisfy the public interest; when the action is exclusively in the public interest; and when the owner receives just compensation. The expropriation process is fully transparent and non-discriminatory toward foreign firms.

Dispute Settlement

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The Austrian legal system provides an effective means for protecting property and contractual rights of nationals and foreigners. Austria's civil courts enforce property and contractual rights and do not discriminate against foreign investors. Commercial matters fall within the competence of ordinary regional courts, only Vienna has a specialized Commercial Court, which has also Austrian-wide competence for trademark, design, model and patent matters.

Austria is a member of the International Center for the Settlement of Investment Disputes. The 1958 New York Convention (UNCITRAL) also grants enforcement of foreign arbitration awards in Austria.

The Austrian Insolvency Act contains provisions for business reorganization and bankruptcy proceedings. Reorganization requires a restructuring plan from the still solvent debtor. The plan must offer a quota of at least 20% of the debtor's obligation and be adopted by a majority of all creditors and a majority of creditors holding at least 50% of all claims. Bankruptcy proceedings are in court and opened upon application of the debtor or a creditor; the court appoints a receiver for winding down the business and distributes proceeds to the creditors. In the World Bank's 2014 Doing Business Report, Austria ranks 14th for ease of "resolving insolvency."

WTO/TRIMS

The Austrian government has not notified the WTO of any domestic measures inconsistent with Trade Related Investment Measures (TRIMs) requirements. Embassy has not been notified/not registered any complaints/reports regarding any measures that are alleged to violate the WTO's TRIMs obligations.

Investment incentives

Austria offers financial and tax incentives (within EU competition policy limits) to firms undertaking projects in economically underdeveloped areas. In most of these areas, eligibility for co-financing subsidies under EU regional and cross-border programs has gradually declined under the EU's financial frameworks, but might still account for around EUR 200 million per year within the new EU "Common Strategic Framework" for the period 2014 to 2020. Financial incentives provided by Austrian federal, state, and local governments to promote investments are equally available to domestic and foreign investors and include tax incentives, preferential loans, loan guarantees, and grants. Most of these incentives are available only if the investment meets specified criteria including employment creation and use of high technology. Tax allowances for advanced employee training and R&D expenditures are also available. Austria Wirtschaftsservice is the government's institution that provides financial incentives; further information on targeted investment incentives (German language only) is available at <http://www.awsg.at>. Information on investment incentives in English language is available on the website of the Austrian Business Agency (ABA-Invest in Austria), the national investment promotion company, at <http://aba.gv.at/EN/Home/ABA-Invest+in+Austria.aspx>.

There are virtually no restrictions on foreign investment in Austria and foreign investors receive national treatment. The Austrian government may impose performance requirements when foreign investors seek financial or other assistance from the government, although there are no performance requirements to gain access to tax incentives. There is no requirement that nationals hold shares in foreign investments or for technology transfer, and no requirement for foreign investors to use domestic content in goods or technology. Data storage -- for six months -- is only required for providers of publicly available telecommunication and internet services.

Austria offers an attractive incentive system for research and development (R&D) activities -- including those undertaken by foreign-owned enterprises -- with pre-seed and seed financing options for start-ups and cash grants up to 80% for later-stage companies.

The United States and Austria are signatories to a 1931 bilateral Treaty of Friendship, Commerce, and Consular Rights. Several non-immigrant business visa classifications exist, including intra-company transfers/rotational workers, and employees on temporary duty. Recruitment of long-term overseas specialists or those with managerial duties is governed by a points based immigration scheme to attract skilled workers and specialists in individual sectors (points are available for qualification, education, age, and language skills). The Red-White-Red (RWR) model has been designed to react flexibly to rising demand in different occupations and is available to highly qualified individuals, qualified specialists/craftsmen in certain understaffed professions (qualified labor and registered nurse jobs), and key personnel/professionals. Applicants must have an offer of employment to apply for the

RWR. In the past, highly qualified individuals were required by law to apply locally in Austria, but since 2013 they may also find a potential employer from abroad and have the company apply in Austria on their behalf. Once the application is approved, the visa office authorizes the Austrian embassy or consulate to issue the visa to enter Austria and pick up the RWR card. While principal applicants are exempt from any language requirement, family members must submit proof of basic language proficiency when first applying for residence permits. Austrian immigration law requires those applying for resident permits to take German language courses, but exempts university-degree holders. Family members of highly qualified individuals are also exempted.

Right to Private Ownership and Establishment

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Foreign and domestic private enterprises are free to establish, acquire, and dispose of interests in business enterprises, except for some infrastructure and utilities. A law requires all third-country nationals or companies with their seat in a third country (not a member state of the EU, or from Iceland, Norway, Liechtenstein or Switzerland) to obtain approval by the Federal Minister of Science, Research, and Economy for any investment of 25% or more in a company that is headquartered in Austria and active in sectors relevant for domestic and foreign security, public order, or crisis precaution. This affects investment in defense equipment producers, security services, hospitals, fire brigades, disaster control and rescue services, electricity, gas and water providers, telecom companies, railroads, air and ship transportation, federal roads, universities, schools and child care facilities.

Licensing requirements, such as those in the banking and insurance sectors, apply equally to domestic and foreign investors. In most business activities, the law permits 100% foreign ownership. An exemption is that by law, federal and state governments maintain at least a 51% share in all electricity providers. Entrenched political interests may make it more difficult to challenge quasi-monopolies in some sectors where they still exist. However, U.S. investors have had some success, especially when they have used local partners and contacted the U.S. Embassy at an early stage.

Protection of Property Rights

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The Austrian legal system protects secured interests in property. For any real estate agreement to be effective, owners must register with the – electronic – land registry. In case of rededication of land, approval of the land transfer commission or the office of the state governor is required. The land registry, overhauled in 2012 to speed up registration procedures and reduce costs, is a reliable system for recording interests in property, and access to the registry is public.

Austria has effective laws to protect intellectual property rights, including patent and trademark laws, a law protecting industrial designs and models, and a copyright law. Austria is a party to the World Intellectual Property Organization (WIPO) and several international property conventions, including the European Patent Convention, and the Universal Copyright Convention. Since both the United States and Austria are members of the "Paris Union" International Convention for the Protection of Industrial Property, American investors are entitled to the same protection under Austrian patent legislation as are Austrian nationals.

Austria's Copyright Act is in conformity with EU directives on intellectual property rights and grants authors the exclusive rights to publish, distribute, copy, adapt, translate, and broadcast his/her work. The law also regulates copyrights of digital media (restrictions on private copies), works on the Internet, protection of computer programs, and related damage compensation. Infringement proceedings, however, can be time-consuming

and costly. Film and music industry representatives are in a legal dispute with Internet providers to block access to pirated audiovisual products over the Internet: In March 2014, the European Court of Justice (ECJ) decided that the Austria-based Internet provider UPC must prevent access to illegal streaming platforms once made aware of a copyright violation. In line with EU requirements, Austria also has a law against trade in counterfeit articles. In 2013, Austrian customs authorities confiscated pirated goods worth EUR 5.7 million (USD 7.6 million).

Patent Prosecution Highway

Since 2010, a "Patent Prosecution Highway" (PPH) agreement between the United States and Austria is in force. PPH allows filing of streamlined applications for inventions determined to be patentable in other participating countries and is expected to reduce the average processing time. The program, which is based on information sharing between national patent offices and standardized application and examination procedures, should reduce costs and encourage greater utilization of the patent system.

Contact Point at Post for IP Issues

Eric K. Lundberg, Economic Political Counselor
Embassy of the United States
Boltzmanngasse 16
1090 Vienna, Austria
Phone: +43-(0)1-313 39 – 2299
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Country-specific resources:

American Chamber of Commerce in Austria
Porzellangasse 39/7
1090 Vienna
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E-Mail: office@amcham.at

Link to Post's list of local lawyers: <http://austria.usembassy.gov/attorney.html>

Transparency of Regulatory System

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Austria's legal, regulatory, and accounting systems are transparent and consistent with international norms. Ministries generally publish draft laws and regulations for expert comment prior to their adoption by Austria's cabinet (Ministerrat) and/or Parliament.

The government has made progress in streamlining its complex and cumbersome requirements for business licenses and permits. It claims to have reduced the processing time for permits to less than three months, except for large projects requiring an environmental impact assessment. The government's "one-stop shop" for business permits does not include plant and building permits. All licensed businesses in Austria (including foreign-owned enterprises) must be members of Austria's Economic Chamber and pay compulsory dues; the Chamber plays an administrative role in some areas (including retailing, tourism, and certification of skilled labor).

The government does not influence the allocation of investments among sectors. It uniformly applies tax and labor laws as well as health and safety standards. Austrian regulations governing accounting provide U.S. investors with internationally standardized financial information. In line with pertinent EU regulations, listed

companies must prepare their consolidated financial statements according to the International Financial Reporting Standards (IAS/IFRS) system.

Efficient Capital Markets and Portfolio Investment

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Austria has modern and sophisticated financial markets, to which foreign investors have access without restrictions. All financial instruments are available. Credit is available at market-determined rates. There are no signs of a credit crunch, although a tightening of credit standards for loans is notable as banks work to improve the quality of their loan portfolios. Austria has a highly developed banking system with worldwide correspondent banks, and representative offices and branches in the United States and other major financial centers. Large Austrian banks also have extensive networks in Central and Southeast European (CESEE) countries and the Commonwealth of Independent States (CIS, the countries of the former Soviet Union). Due to U.S. reporting requirements, some private banks do not accept personal accounts from U.S. citizens, though locally incorporated businesses belonging to U.S. investors have not reported problems in this regard. Austria's five largest banking groups (Erste Group, UniCredit Bank Austria, Raiffeisen Zentralbank with Raiffeisen Bank International, Raiffeisen-Landesbank Oberoesterreich, and BAWAG P.S.K. Bank) comprise 66% of Austria's total banking sector assets; all five are considered "too big to fail." Several Austrian banks are currently restructuring and downsizing.

Regulators and criminal investigators have dealt with several major financial sector fraud and mismanagement cases in the past five years, the largest of which resulted in the nationalization of Kommunalkredit bank in 2008 and Hypo Alpe Adria (HAA) banking group in 2009, and partial nationalization of Volksbanken AG in 2012. HAA's problems, the result of political interference paired with criminal energy and a lack of control, have developed into a fiscal nightmare for the Austrian government, which in March 2014 decided to establish a bad bank for HAA and wind it down. However, aside from billion Euro equity injections in past years, the HAA bad bank will have to assume up to EUR 18 billion (USD 24 billion) in toxic assets, which will drive up Austria's total public sector debt to around 80% of GDP.

Austria's current bank supervision system provides for a dual-oversight system with supervisory roles for both the Austrian National Bank (OeNB) and the Financial Market Authority (FMA), which are also responsible for policing irregularities on the stock exchange and for supervising insurance companies, securities markets, and pension funds. To ensure the safety and soundness of the European banking system, the Euro-zone's new single supervisory mechanism (SSM), headed by the European Central Bank (ECB) in cooperation with the national competent authorities FMA and OeNB, will start operating November 2014. Six Austrian banks with assets in excess of the EUR 30 billion (USD 40 billion) will be subject to the SSM.

Austria's Anti-Money Laundering/Combating Terrorist Financing (AML/CTF) regime is in line with Financial Action Task Force (FATF) standards. At its Plenary in Paris, February 2014, the FATF recognized that Austria has addressed the deficiencies identified in the 2009 Mutual Evaluation Report and developed comprehensive AML/CFT legislation. Criminal penalties apply to insider trading, money laundering (including self-laundering), and terrorist financing. Bearer shares are not allowed except for companies listed on a recognized stock exchange.

Austria's venture capital market is small and underdeveloped. In 2012, funds raised dropped 31% to EUR 173 million (USD 230 million). The volume of private equity and venture capital raised in Austria during 2003-2012 was EUR 2.4 billion (USD 3.1 billion).

Competition from State Owned Enterprises

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Private enterprises in Austria can compete with public enterprises under the same terms and conditions with respect to access to markets, credit, and other business operations, such as licenses and supplies. After many successful privatizations primarily in 2000/2006, public enterprises are mainly active in the area of state monopolies (e.g., gambling) and in utilities, hospitals, social insurance, infrastructure, and related sectors. In many of these sectors (e.g., hospitals, utilities) private companies compete successfully; however, public enterprises occasionally use political ties to prolong dispute resolution and appeal procedures and/or delay implementation of remedies, which in some markets can lead to significant uncertainties. While most state-owned enterprises (SOEs) must finance themselves under terms similar to private enterprises, the largest SOEs (such as the Federal Railways) do not have a hard budget constraint and some benefit from state-subsidized pension systems.

Since many public enterprises are outsourced and organized as stock corporations, senior management usually does not report directly to a minister but to a board. However, the government often appoints management and board members, who usually have strong political affiliations.

Austria does not have a sovereign wealth fund.

Corporate Social Responsibility

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In past years, awareness of corporate social responsibility (CSR) has risen among Austrian producers and consumers. Major Austrian companies follow generally accepted CSR principles and publish a CSR chapter in their annual reports; many also provide information on their health, safety, security, and environmental activities. CSR Europe (the leading European business network for CSR) has a local partner organization respACT (short for "responsible action"). Austria adheres to the OECD Guidelines for Multinational Enterprises; the Austrian national contact point has an office in the Federal Ministry of Science, Research and Economy and regularly distributed the Guidelines to companies, universities and other stakeholders. The Austrian Kontrollbank, the Austrian export credit agency, is promoting information on CSR issues, principles and standards, including the Guidelines, on its website (<http://www.oekb.at/en/about-oekb/sustainability/Pages/Sustainability.aspx>).

Political Violence

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There have been no incidents of politically motivated damage to foreign businesses. Civil disturbances are extremely rare.

Corruption

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Austria has ratified the United Nations Convention against Corruption (UNCAC), the OECD Anti-Bribery Convention, the Council of Europe's Civil Law Convention on Corruption, and has signed -- but not ratified -- the Criminal Law Convention on Corruption. Austria is a member of the Group of States against Corruption (GRECO) within the Council of Europe. Transparency International's (TI) 2013 Corruption Perceptions Index ranked Austria 26th - down one rank from 2012. U.S. firms have not identified corruption as an impediment to investment in Austria.

Corruption cases are routinely reported in the media. Enforcement, although improving, is still moderate and legal proceedings in corruption cases are slow. A special committee formed by Parliament in fall 2011 to investigate a number of high-profile

corruption cases, some involving current or past senior government officials, produced alarming results, but was ended by the governing coalition parties in October 2012. Watchdog groups such as Transparency International are active, but play no formal role.

According to the European Commission's first EU Anti-Corruption Report of 2014, Austria has strengthened its fight against corruption by efforts in prevention and prosecution. In this report, the Commission suggests that Austria makes access to bank account information easier in cases of suspected corruption. Polls by the Commission show that 66% of the Austrians (76% of the Europeans) agree that corruption is widespread in their home country and that 5% of the Austrians (4% of the Europeans) have been asked or expected to pay a bribe in the past year.

Corruption provisions in Austria's Criminal Code cover managers of Austrian public enterprises, civil servants and other officials (with functions in legislation, administration, or justice on behalf of Austria, in a foreign country, or an international organization), representatives of public companies, and domestic members of Parliament, government members, and mayors. The term "corruption" includes the following: active and passive bribery; illicit intervention; abuse of office; and accepting consideration. Corruption can sometimes include a private manager's fraud, embezzlement, breach of trust, or accepting consideration. Criminal penalties for corruption include imprisonment of up to 10 years for all parties involved. Bribes are not tax deductible for companies making them. A separate law, the Law on Responsibility of Associations, deals with criminal responsibility for legal entities and partnerships. The law covers all criminal offenses, including corruption, money laundering, and serious tax offenses that are subject to the Tax Offences Act; fines can rise to as much as EUR 1.8 million (USD 2.4 million). Austria has a special public prosecutor's office with Austrian-wide authority for corruption cases. The Lobbying Act of 2013 introduced binding rules of conduct for lobbying and requires domestic and foreign organizations to register with the Austrian Ministry of Justice; a law on financing of political parties requires disclosure of donations exceeding EUR 3,500 (USD 4,650).

Contacts at government agencies responsible for combating corruption:

Wirtschafts- und Korruptionsstaatsanwaltschaft
(Central Public Prosecution for Business Offenses and Corruption)
Dampfschiffstraße 4
1030 Vienna, Austria
Phone: +43-(0)1-52 1 52 0
E-Mail: wksta.leitung@justiz.gv.at
Internet: [Wirtschafts-und Korruptionsstaatsanwaltschaft](#)

BAK – Bundesamt zur Korruptionsprävention und Korruptionsbekämpfung
(Federal Agency for Preventing and Fighting Corruption)
PO Box 100
1014 Vienna, Austria
Phone: +43-(0)1-531 26 - 6800
E-Mail: BMI-IV-BAK-SPOC@bak.gv.at
Internet: [Bundesamt zur Korruptionsprävention und Korruptionsbekämpfung](#)

Contact at "watchdog" organization:

Transparency International – Austrian Chapter
Berggasse 7
1090 Vienna, Austria

Phone: +43-(0)1-960 760
E-Mail: office@ti-austria.at

Bilateral Investment Agreements

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Austria has bilateral investment agreements in force with Albania, Algeria, Argentina, Armenia, Azerbaijan, Bangladesh, Belarus, Belize, Bolivia, Bosnia-Herzegovina, Bulgaria, Cape Verde, Chile, China, Croatia, Cuba, Egypt, Estonia, Ethiopia, Georgia, Guatemala, Hong Kong, Hungary, India, Iran, Jordan, Kazakhstan, Kosovo, Kuwait, Latvia, Lebanon, Libya, Lithuania, Macedonia, Malaysia, Malta, Mexico, Moldova, Mongolia, Montenegro, Morocco, Namibia, Oman, Paraguay, Philippines, Poland, Romania, Saudi Arabia, Serbia, Slovenia, South Korea, South Africa, Tajikistan, Tunisia, Turkey, Ukraine, United Arab Emirates, Uzbekistan, Vietnam, and Yemen.

Austria has signed an agreement with Nigeria, and signed and ratified agreements with Cambodia and Zimbabwe, but those agreements are still pending ratification by those countries and have not yet entered into effect. Negotiations with Bahrain, Kirgizstan and Turkmenistan are ongoing. An agreement with North Korea was initialed in 2001, but has not been signed. Until new agreements take effect, prior agreements with the former Czechoslovakia continue to apply to the Czech Republic and Slovakia, and that with the former Soviet Union to Russia. Austria and Russia are negotiating a new agreement. Under all these agreements, if parties cannot amicably settle investment disputes, a claimant submits the dispute to the International Center for Settlement of Investment Disputes or an arbitration court according to the UNCITRAL arbitration regulations.

Austria and the U.S. do not have a bilateral investment treaty. The U.S. and Austria are parties to a bilateral double taxation convention covering income and corporate taxes, which went into effect on February 1, 1998. Another bilateral double taxation convention (covering estates, inheritances, gifts and generation-skipping transfers) has been in effect since 1982. Austria and the United States signed the Foreign Account Tax Compliance Act (FATCA) Agreement on April 29, 2014, covering U.S. citizen account holders in Austria.

OPIC and Other Investment Insurance Programs

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OPIC programs are not available for Austria. Austria is a member of the Multilateral Investment Guarantee Agency (MIGA).

Labor

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Austria has a highly educated, disciplined and productive labor force of about 4.4 million, of whom 3.8 million are employees and 600,000 are self-employed or farmers. Austria's labor market is more rigid than that of the United States, but more flexible than in some other European countries. In line with EU regulations, free movement of labor from all member states is allowed, excepting Croatia, which joined the EU in July 2013 and will be subject to a transition period until 2020.

Austria's labor market policy has for many years maintained unemployment to among the lowest levels in the EU. The unemployment rate of between 4.2–4.9% in 2010/2013 (in all four years the lowest in the EU-28) may increase to around 5% in 2014 and 2015, because of moderate economic growth and a growing labor force. Youth unemployment is much less a problem in Austria than other EU member states, large due to Austria's successful "dual-education" apprenticeship system, which combines on-the-job training with classroom instruction in vocational schools and includes

guaranteed placement by the Public Employment Service for those 15-24 year olds who cannot find an apprenticeship place.

In general, skilled labor is available in sufficient numbers. However, regional shortages of highly specialized laborers may occur in such careers as engineers, technicians, natural and physical scientists, and – in specific sectors – systems administration, metalworking, healthcare, and tourism. Additional labor supply due to the opening of the labor market to new EU member states, additional immigration, measures to curb early retirement and rising labor market participation of women should offset the demographic factor of a declining number of youth labor market entrants. A medium-term problem is the growing number of under-qualified school drop-outs – 15% of the 15-year olds leave school with only a lower secondary education, and a high share of these (more than 20%) has low reading literacy performance and other deficits.

Compulsory Austrian social insurance is comprised of health insurance, old-age pension insurance, unemployment insurance, and accident insurance. Employers and employees contribute a percentage of total monthly earnings to a compulsory social insurance fund. Austrian laws closely regulate terms of employment including working hours, minimum vacation time, holidays, maternity leave, statutory separation notice, severance pay, protection against dismissal, and an option for part-time work for parents with children under the age of seven. Problem areas include increased deficits in the pension and health insurance systems, the shortage of personnel to care for the increasing number of elderly, and escalating costs for long-term care. Because of the employer share to the social insurance for employees, paid leave, paid sick leave, fringe benefits, etc., additional wage costs in Austria add up to about 70% of the gross pay.

Labor-management relations are relatively harmonious in Austria, which has a low incidence of industrial unrest. No major work stoppages have occurred since 2005. Approximately 32% of the work force belongs to a union.

Collective bargaining revolves mainly around wages and fringe benefits. Approximately 80% of the labor force works under a collective bargaining agreement. All collective bargaining agreements now provide for a minimum wage of EUR 1,000 (USD 1,328) per month. Austrian law stipulates a maximum workweek of 40 hours, but collective agreements also provide for a workweek of 38 or 38.5 hours per week for more than half of all employees. Flexible work hour regulations allow firms to increase the maximum regular time hours from 40 to 50 per week in special cases (for a limited period even to 60 hours). Responsibility for agreements on flextime or reduced workweeks is at the company level. The government has plans to implement more flexible regulations. Austrian employees are generally entitled to five weeks of paid vacation (and an additional week after 25 years in the workforce); the rate of absence due to illness/injury averages 13 workdays annually.

Foreign-Trade Zones/Free Ports

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Austria has no foreign trade zones.

TABLE 2: Key Macroeconomic data, U.S. FDI in Austria

Economic Data	Host Country Statistical source 1)		USG or international statistical source		USG or international Source of data (Source of Data: Worldbank)
	Year	Amount	Year	Amount	
Austrian Gross Domestic Product (GDP) (<i>Millions U.S. Dollars</i>)	2013	416.0	2012	394.7	Worldbank: http://data.worldbank.org/country/austria
Foreign Direct Investment	Host Country Statistical source 2)		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in Austria (<i>Millions U.S. Dollars, stock positions</i>)	2012	18,366	2012	15,591	Bureau of Economic Analysis
Austria's FDI in the United States (<i>Millions U.S. Dollars, stock positions</i>)	2012	6,965	2012	5,421	Bureau of Economic Analysis
Total inbound stock of FDI as % host GDP	2012	40.5	2012	69.0	IMF

1) Statistics Austria:

http://www.statistik.at/web_de/statistiken/volkswirtschaftliche_gesamtrechnungen/index.html

2) Austrian National Bank: <http://www.oenb.at/isaweb/report.do?lang=DE&report=950.7>

<http://www.oenb.at/isaweb/report.do?lang=DE&report=950.3>

Note: Host country statistical figures for 2013 converted at the 2013 annual average exchange rate of USD 1.00 = EUR 0.75 and for 2012 at the 2012 annual average exchange rate of USD 1.00 = EUR 0.78.

TABLE 3: Sources and Destination of FDI in Austria, 2012

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	264,754	100%	Total Outward	325,643	100%
Germany	47,289	18%	Germany	28,384	9%
Netherlands	25,314	10%	Czech Republic	16,537	5%
Italy	21,917	8%	Romania	11,637	4%
Luxembourg	12,254	5%	Russian Federation	11,207	3%
Switzerland	10,301	4%	Hungary	10,002	3%

"0" reflects amounts rounded to +/- USD 500,000.

Source: IMF: <http://cds.imf.org>

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	160,053	100%	Total Outward	206,754	100%
Germany	44,222	28%	Germany	27,640	13%
Italy	22,173	14%	Czech Republic	16,104	8%
United States	18,366	11%	Romania	11,332	5%
Switzerland	9,880	6%	Russian Federation	10,913	5%
Russian Federation	8,396	5%	Hungary	9,740	5%

"0" reflects amounts rounded to +/- USD 500,000.

Source: Austrian National Bank (OeNB)

<http://www.oenb.at/isaweb/report.do?lang=DE&report=950.7>
<http://www.oenb.at/isaweb/report.do?lang=DE&report=950.3>

Note: Figures converted at the 2012 annual average exchange rate of USD 1.00 = EUR 0.78. The discrepancy between the IMF figures and that from the Austrian National Bank (ÖNB) mainly stems from the fact that the ÖNB excludes assets of so-called special purpose entities (SPEs). SPEs are fully foreign-owned but have only limited business activity in Austria and their assets consist mostly of equity investment in direct investment enterprises abroad; a few SPEs that have virtually no employees in Austria and do not actively pursue business activities in Austria have a corporate value of about USD 94 billion. Likewise, Austrian SPEs with a total value of about USD 105 billion are excluded from the outward direct investment statistics. Moreover, IMF statistics classify FDI by the immediate origin country of the investor, while ÖNB statistics use the home country of origin of the ultimate investor (i.e., the location of the parent company).

**TABLE 4: Sources of Portfolio Investment
Austria, 2012**

Portfolio Investment Assets									
Top Five Partners (Millions, US Dollars)									
	Total			Equity Securities			Total Debt Securities		
All Countries	333,844	100%	All Countries	86,943	100%	All Countries	246,901	100%	
Germany	66,124	20%	Luxembourg	24,921	29%	Germany	44,275	18%	
Luxembourg	32,569	10%	Germany	21,849	25%	France	25,842	10%	
France	30,015	9%	United States	7,511	9%	Italy	23,240	9%	
United States	25,581	8%	Ireland	5,146	6%	Netherlands	21,203	9%	
Italy	23,909	7%	France	4,173	5%	United States	18,069	7%	

Source: IMF: <http://cpis.imf.org>

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How Do I Get Paid (Methods of Payment)

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It is common practice to require either (partial) payment in **advance, or certified and irrevocable** letters of credit for initial transactions. Due diligence information is readily available for most companies, greatly reducing the risk of non-payment. The [U.S. Commercial Service Vienna](#) offers a due diligence service (International Company Profile or ICP) which includes a personal interview with the company in question. Please contact our office for more information. Once the relationship with a customer is established, open account and extended terms will be expected. As Austria is a fully developed industrial nation, programs offered by the U.S. government and multinational institutions designed to reduce the risk of trading with developing countries do not apply here. Austria's international credit rating gives it preferred status for trade, finance, and investment guarantees. A bilateral arbitration agreement exists and can be included in contracts. In Austria, the common business practice is to allow 30 to 60 days for payment; early payments (within 14 days) are usually credited with a discount of 3 to 6%, depending on the industry. Supplier credits are common.

How Does the Banking System Operate

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Austria is a member of the European Monetary Union and uses the Euro as its only legal tender. The Austrian banking system is well developed, with worldwide correspondent relations, as well as offices and branches in the United States and other major financial centers, and a significant network in the countries in Central, Eastern, and Southeastern Europe (CESEE) and the former Soviet Union (FSU).

A wide range of credit and financial instruments is offered by all of Austria's banks. General financing to establish foreign operations in Austria is readily available. Foreign firms enjoy access to Austrian credit and capital markets without restriction.

[In the Aftermath of the Global Financial Crisis – Continued Challenges and Volatile Conditions](#)

Austrian banks were spared any immediate fallout from the subprime crisis, but they suffered indirectly from the worldwide financial crisis through higher refinancing costs and credit scarcity, and later, due to their strong focus on Central, Eastern and Southeast European and Former Soviet Union (CESEE/FSU) countries. Thus, the crisis led to some financial sector distress in Austria, particularly for those large Austrian banks active in CESEE/FSU. Three medium-sized but systemically relevant Austrian banks were fully or partially nationalized and are under restructuring and are winding down. The wind-down of one of these banks in the form of a bad bank has comprised a fiscal challenge to the Austrian government; in addition to several billion Euro equity

injections in past years, the bad bank will have to assume up to EUR 18 billion (USD 24 billion) in toxic assets, which will drive up Austria's total public sector debt to 80% of GDP.

After a rebound in profitability in 2012, which among other factors was due to one-off effects, banks' profits came under pressure again in 2013, since new business developed modestly while operating and risk costs increased. Profits from CESEE/FSU operations are essential for overall results and some CESEE/FSU operations continue to be a key profit driver for Austrian banks. The Austrian banks appear to be sufficiently capitalized. Pursuant to Austrian regulatory requirements to implement Basel III capital rules by January 2013, banks have increased their capital buffers, which exceed supervisory authorities' minimum requirements. Nevertheless, since underlying conditions for the Austrian banks active in CESEE/FSU continued to be challenging, particularly because of the Ukraine-Russia conflict, Austrian financial regulators require additional capital buffers from those banks.

Currently, Austrian banks have to take steps to implement financial reforms both on the national and the international levels. On January 1, 2014 the Austrian Banking Intervention and Restructuring Act took effect. It requires banks to draw up "living wills" and authorizes supervisory authorities to force struggling banks and financial institutions at an early stage to sell assets, cut risks, and raise capital or give up businesses. On the European level, Austria will take part in the EU's banking union with the Single Supervisory Mechanism (SSM), the Single Resolution Mechanism (SRM), and the still unfinished issue of the Single Deposit Guarantee Mechanism (SDM). However, bank deposits in all Member States will continue to be guaranteed up to EUR 100,000 per depositor per bank, even if a bank fails. Starting in late 2014, the large Austrian banks will be under the EU's new SSM. Through crisis prevention measures, and tools for early intervention and bank resolution, the banking union aims to create a safer banking sector in the Eurozone.

Austrian banks' CESEE exposure is high, but it is diversified broadly across the region; some 72% of the exposure is in EU Member States. Banks view the situation in CESEE/FSU as difficult but manageable and remain committed to the region. Large scale deleveraging by Austrian banks moving away from CESEE countries has not occurred. However, Austrian banks active in CESEE/FSU will have to get used to a "new normality" of slow growth, lower profitability and tighter regulations. They have reallocated their exposures in the region and replaced cross-border funding with local funding, and are rethinking their strategies, particularly in light of special political risks such as in Hungary or the Ukraine-Russia conflict. However, banks still see substantial growth potential in the area and the possibility of generating above-EU average growth in banking volumes and profitability.

In summary, Austria's banking system is sound, the aggregate bank capitalization, funding and liquidity conditions have improved, and Austrian banks' foreign subsidiaries have reduced their reliance on parent bank funding. Nevertheless, bank asset quality is still deteriorating in several CESEE/FSU countries, the NPL-ratio is rising, and depressed credit demand is hurting profitability. Additional challenges for the large internationally active Austrian banks will be adjusting to the EU's banking union and new regulatory requirements, and strengthening capital buffers, while repaying government participation capital and being confronted with special taxes.

Financing Trade and Investment in Central and Eastern Europe

Large Austrian banks can also assist in trade and investment financing in Central and Eastern and Southeastern Europe (CESEE) and the former Soviet Union (FSU), where

they operate significant networks. Western European banking groups dominate the CESEE/FSU banking markets, and three of the five largest foreign banking groups in the area are Austrian. Austrian banks can also help arrange financing for export and investment transactions in Central and Eastern Europe. The Austrian government does not have a counter trade policy or any other specific regulations in this field.

Many major foreign banks, including American banks, have operations in Austria.

Foreign-Exchange Controls

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Austria has a fully liberalized foreign exchange regime. There are no limitations on cross-border payments, whether related to foreign trade, capital investments, or other transactions, except to countries under UN or EU sanctions.

U.S. Banks and Local Correspondent Banks

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Branches / Subsidiaries of U.S. Banks in Austria	
American Express Bank Ltd. TRS	
<i>Commercial & Private Banking</i>	Kärntnerstrasse 21-23, 1015 Vienna, Austria Phone: ++43 1 515 67-0 Fax: ++43 1 515 67-15 Web: http://www.americanexpress.com/austria/homepage.shtml
Citibank International PLC, Austria Branch	
<i>Corporate & Investment Banking (no retail services)</i>	Kärntnerring 11-13, 1010 Vienna, Austria Phone: ++43 1 717 17-0 Fax: ++43 1 712 97 07 Web: http://www.citigroup.com
Western Union International Bank	
<i>Consumer Financial Services</i>	Maderstrasse 1, 1040 Vienna, Austria Phone: ++43 1 506 17 120 Fax: ++43 1 506 17 897 Web: http://www.westernunionbank.com
Austrian Banks with Subsidiaries in the United States	
Erste Bank der österreichischen Sparkassen AG	
<i>In Austria:</i>	Erste Bank / Sparkasse Graben 21 1010 Vienna, Austria Phone: ++43 05 0100 - 10100 Fax: ++43 05 0100 9 - 10100 E-Mail: service@s-servicecenter.at Web: http://www.sparkasse.at/erstebank-en/ Swift Code / BIC: GIBAATWW, Bank Code: 20111
<i>In the United States:</i>	Erste Group 280 Park Ave # 32W New York, NY 10017, USA

	Phone: (212) 984-5600
Raiffeisen Bank International AG	
<u><i>In Austria:</i></u>	Am Stadtpark 9 1030 Vienna, Austria Phone:++43 1 71707-0 Fax:++43 1 71707-1715 Web: http://www.raiffeisen.at
<u><i>In the United States:</i></u>	RB International Finance (USA) LLC 1133 Avenue of the Americas, 16th Floor NY 10036 USA Phone: ++1 212 845 4100 Fax: ++1 212 944 2093 Web: http://usa.rbinternational.com
Bank Austria (Member of UniCredit Group)	
<u><i>In Austria:</i></u>	Bank Austria, UniCredit Group Schottengasse 6 - 8 1010 Vienna, Austria Phone: ++43 050505-25 E-Mail: info@unicreditgroup.at Web: http://www.bankaustria.at/en/ Swift: BKAUATWW Bank Austria's Bank Code: 12000
<u><i>In the United States:</i></u>	HVB Capital Markets, Inc., New York 150 East 42 nd Street New York, NY 10017, USA Mag. Helmut Kratky Phone: (212) 672 5851 Fax: (212) 672 5529 E-Mail: helmut.kratky.ny@unicredit.eu Business Activities: Corporate Banking
BAWAG P.S.K. - Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse AG (owned by Cerberus Capital Management)	
<u><i>In Austria:</i></u>	BAWAG P.S.K. Georg-Coch-Platz 2, 1018 Vienna, Austria Phone: ++43 05 99 05 E-Mail: kundenservice@bawagpsk.com Web: http://www.bawagpsk.com/ Swift Codes: BAWAATWW and OPSKATWW Bank Codes: 14000 and 60000
<i>NO branch office in the U.S.</i>	

Project Financing

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EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and projects in a number of key

sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). A number of centralized financing programs are also generating procurement and other opportunities directly with EU institutions.

The EU supports economic development projects within its member states, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU provides assistance to candidate and neighbor countries.

The EU provides project financing through grants from the EU budget and loans from the European Investment Bank. Grants from the EU Structural and Investment Funds program are distributed through the member states' national and regional authorities. Projects in non-EU countries are managed through the Directorate-Generals Enlargement, Development and Cooperation (EuropeAid), Humanitarian Aid and Civil Protection (ECHO).

EU Structural and Investment Funds (ESIF)

EU Structural Funds, including the European Regional Development Fund, were created in 1975 to assist economically depressed regions of the European Union that required industrial restructuring. For the period of 2014 – 2020, the EU has earmarked 352 billion Euro for projects under the EU's cohesion policy. In addition to funding economic development projects proposed by member states or local authorities, EU Structural and Investment Funds (ESIF) also support specialized projects promoting EU environmental and socioeconomic objectives. Member states negotiate regional and "sectoral" programs with EC officials. For information on approved programs that will result in future project proposals, please visit: http://ec.europa.eu/regional_policy/index_en.cfm

For projects financed through ESIF, member state regional authorities are the key decision-makers. They assess the needs of their country, investigate projects, evaluate bids, and award contracts. To become familiar with available financial support programs in the member states, it is advisable for would-be contractors to develop a sound understanding of the country's cohesion policy indicators.

Tenders issued by member states' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation. All ESIF projects are co-financed by national authorities and many may also qualify for a loan from the European Investment Bank and EU research funds under Horizon 2020, in addition to private sector contribution. For more information on these programs, please see the market research section on the website of the U.S. Mission to the EU: <http://export.gov/europeanunion/marketresearch/index.asp>

The Cohesion Fund

The Cohesion Fund is another instrument of the EU's cohesion policy. Its 63 billion euro (2014-2020) budget will fund projects in two areas: Trans-European Network projects in transport infrastructure and environmental projects, including areas related to sustainable development and energy for projects with environmental benefits.

The fund will support projects in Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

These projects are, in principle, co-financed by national authorities, the European Investment Bank, and the private sector:

Key Link: http://ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm

Other EU Grants for Member States

Another set of sector-specific grants offer assistance to EU member states in the fields of science, technology, communications, energy, security, environmental protection, education, training and research. Tenders related to these grants are posted on the various websites of the directorates-generals of the European Commission. Conditions for participation are strict and participation is usually restricted to EU firms or tied to EU content. Information pertaining to each of these programs can be found at: http://ec.europa.eu/grants/index_en.htm

External Assistance Grants

“Development and Cooperation – EuropeAid” is the Directorate-General (DG) responsible for implementing EU development policies through programs and projects across the world. Its website offers extensive information on the range of grant programs, the kind of projects that are eligible, as well as manuals to help interested parties understand the relevant contract law. However, participation in these calls for tender is reserved for enterprises located in the EU member states or in the beneficiary countries and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. Consultants of U.S. nationality employed by a European firm are allowed to participate. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.

For more information: http://ec.europa.eu/europeaid/index_en.htm

The EU also provides specific Pre-Accession financial assistance to the accession candidate countries that seek to join the EU through the “Instrument for Pre-accession Assistance” (IPA). Also, the European Neighborhood Instrument (ENI) will provide assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU.

IPA II is the second EU program of support for political and economic reforms, preparing the beneficiaries for the rights and obligations that come with EU membership that are linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by candidate countries as a precondition to accession). These programs are intended to help build up the administrative and institutional capacities of these countries and to finance investments designed to aid them in complying with EU law. IPA II finances projects in: Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Iceland, Kosovo, Montenegro, Serbia, and Turkey. The budget of IPA II for 2014-20 is 11.7 billion Euro. For more information, see: <http://ec.europa.eu/enlargement/instruments/overview/>

The European Neighborhood Policy program (ENPI) covers the EU's neighbors to the east and along the southern and eastern shores of the Mediterranean (i.e. Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the occupied Palestinian territory, Syria, Tunisia and Ukraine). The ENI budget is 15.4 billion Euro for 2014-2020. Additional information can be found at: http://ec.europa.eu/world/enp/index_en.htm

Loans from European Investment Bank

Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As a non-profit banking institution, the EIB assesses reviews and monitors projects, and offers cost-competitive, long-term lending. Best known for its project financial and economic analysis, the EIB makes loans to both private and public borrowers for projects supporting four key areas: innovation and skills, access to finance for smaller businesses, climate action, and strategic infrastructure.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Southeastern Europe, Africa, Latin America, and Pacific and Caribbean states). In 2013, the EIB loaned 75 billion Euro for projects, an increase of 37% over 2012. The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research and industrial manufacturing to help those countries prepare for eventual EU membership.

The EIB presents attractive financing options for projects that contribute to the European objectives cited above, as EIB lending rates are lower than most other commercial rates.

Projects financed by the EIB must contribute to the socioeconomic objectives set out by the EU, such as fostering the development of less favored regions, improving European transport and environment infrastructure, supporting the activities of SMEs, assisting urban renewal and the development of a low-carbon economy, and generally promoting growth and competitiveness in the EU. The EIB website displays lists of projects to be considered for approval. As such, the EIB website is a source of intelligence on upcoming tenders related to EIB-financed projects:

<http://www.eib.org/projects/pipeline/index.htm>

For more information, see our report on the EIB:

<http://export.gov/europeanunion/marketresearch/index.asp>

Web Resources

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Austrian Websites

Austrian Central Bank:

<http://www.oenb.at/en/>

Austrian Control Bank:

<http://www.oekb.at/en/about-oekb/pages/default.aspx>

Austrian Financial Market Authority:

<http://www.fma.gv.at/cms/site/EN/index.html>

Austrian Federal Financing Agency:

<http://www.oebfa.co.at/e/index.htm>

EU Websites

The EU regional policies, the EU Structural and Cohesion Funds:

http://ec.europa.eu/regional_policy/index_en.htm

EU Grants and Loans index: http://ec.europa.eu/grants/index_en.htm

EuropeAid Co-operation Office: http://ec.europa.eu/europeaid/index_en.htm

EU tenders Database: <http://ted.europa.eu/TED/main/HomePage.do>

The European Investment Bank: <http://www.eib.org>

EIB-financed projects: <http://www.eib.org/projects/index.htm?lang=-en>.

U.S. Websites

Market research section on the website of the U.S. Mission to the EU:

<http://export.gov/mrktresearch/index.asp>

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: <http://www.exim.gov/tools/countrylimitationschedule/>

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.ustda.gov/>

SBA's Office of International Trade

<http://www.sba.gov/about-offices-content/1/2889>

U.S. Agency for International Development: <http://www.usaid.gov>

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Business Customs

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Business practice and etiquette in Austria are similar to American customs; however, there are some important differences. For example, it is worth noting the relatively formal environment in which business is generally conducted in Austria. When making appointments with prospective buyers or clients it is customary to make initial contact well in advance, either in writing or by phone, and to offer to meet on the business premises of the person in question. Another manifestation of Austrian formality is the widespread use of titles, be they in recognition of a university degree, a position in a firm, or in the government. The most common titles are "Doktor" (abbreviated form: "Dr."; a university degree similar to the U.S. Doctorate), "Magister" (abbreviated form: "Mag."; similar to the U.S. Master of Arts), "Diplom-Ingenieur" (abbreviated form: "DI" or "Dipl. Ing."; similar to the U.S. Master of Science), and "Ingenieur" (abbreviated form: "Ing."; literally meaning 'Engineer'). The use of titles adheres to a system and it is not uncommon for one to have several titles, in which case the highest title will come first, i.e. Dr. Mag. Schmidt or Dr. Dipl. Ing. Steinbock. In addition to Austrian titles, academic degrees which were previously only seen in the English speaking world are being increasingly awarded by Austrian universities. Therefore, titles such as B.A., M.A. and M.B.A may not necessarily mean that the individual has studied in an English speaking country. However, these titles will come after one's name.

At a function, Austrians would prefer to have the host introduce them to the other guests rather than to introduce themselves. When Austrians do introduce themselves, they usually just give their family name. First names may or may not come later in a relationship. Although first names are used immediately in social situations in the United States, with many employees calling their bosses by their first names, this is not done in Austria. There are, of course, exceptions, particularly among the younger generation. The newcomer should take his or her cue from the people around them.

Austrians shake hands whenever they greet or leave acquaintances; this is done with everyone in a group. A woman offers her hand first to the man, and the older person to the younger. Handshakes are firm and accompanied by direct eye contact. It is considered rude to have one's hands in one's pockets while being introduced or while talking to anyone. Also, Americans inexperienced in negotiations and discussions with Austrians may at first find some Austrians overly direct in initial meetings; however, one should keep in mind that directness is seen in the same light as honesty in Austria.

The traditional buyer-seller relationship in Austria may seem strange to Americans. The customer wants or needs something and is thus at a disadvantage, while the seller, who is holding the item that the customer wants, is in a position of power. Though it is true that this traditional interpersonal part of the commercial relationship is losing its hold here as the older generations move into retirement and more sophisticated communications and competition take hold, the sense that the customer is asking a favor of the seller still persists in many sectors.

Why is this information important? Because it will help U.S. firms avoid making simple mistakes when communicating with potential partners and customers. Two rules of thumb are worth remembering: First, companies should refrain from hard sell practices, which could backfire if the Austrian customer feels that the products are less desirable because the sales approach is so strong. And second, companies should stick to simple American friendliness and transparency, which usually make a good impression.

Another interesting difference in the way Austrians make purchasing decisions is the relative importance here of preciseness. While Americans like a product to be tough and easy to use, Austrians want a product to be perfectly engineered and very precise.

In addition to cultural considerations, price has become a key factor in purchasing. More and more sectors are now price-driven, a development that has accelerated with the globalization of the local economy. Where product quality and personal relationships once played a larger role in purchasing decisions, the focus has shifted increasingly to pricing and the bottom line.

Overall, Austrians are generally well disposed towards the United States and Americans. Showing understanding for the Austrian way of doing things will prove rewarding.

Travel Advisory

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There are no general travel advisories specifically for Austria.

Travel warnings are issued when the U.S. State Department recommends that citizens either avoid travelling altogether, or exercise various cautions, when visiting a specific country. Countries where this is recommended will have a travel warning as well as Consular Information Sheets. These sheets are available for every country of the world and can be found online at <http://travel.state.gov/content/travel/english.html>

In addition, travelers can refer to the U.S. Department of State's pamphlet, A SAFE TRIP ABROAD, for ways to promote a trouble-free trip. The pamphlet is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. This document can also be viewed online at http://travel.state.gov/travel/tips/safety/safety_1747.html

Austria is a predominantly mountainous, landlocked central European country, with an area of 32,378 mi² (83,859 km²) and a population of 8.2 million. It is divided into nine federal provinces: Wien (Vienna), Niederösterreich (Lower Austria), Burgenland, Steiermark (Styria), Oberösterreich (Upper Austria), Salzburg, Kärnten (Carinthia), Tirol (Tyrol) and Vorarlberg. For a map of Austria and its 9 provinces, please see [Chapter 2](#) of this Country Commercial Guide.

The climate varies considerably from the Alpine region to the eastern plain. Summers can be hot, humid and long; cold winters bring snow and ice.

Electrical Voltage

The European standard is 230 volts/50 cycles. All 110 or 120 volt U.S. appliances will need a transformer. Clocks and other appliances that require 60 cycle current will not function properly, even with a transformer. Austria uses a plug with two small and elongated round prongs. More exact information can be found here: [Electrical Plug/Outlet and Voltage Information for Austria \(Republik Österreich\): Adaptelec.com, International Electrical Specialists](#). Adapters and converters for small appliances are available at luggage or travel stores and at Radio Shack in the United States and can also be found quite easily at any electronic store in Austria.

Safety

Although statistics show crime has risen in recent years, Vienna is often cited as one of the safest cities in Europe, and Austria is considered one of the safest countries in the world. Violent crime in Austria is very rare. The most worrisome crime in urban areas is having one's pocket picked or purse stolen. As in any big city, the visitor should take care when walking alone, avoiding dark and isolated places. For the most part, the visitor will be safe any time of the day or night.

There are three separate emergency numbers, all of which are free of charge:

- Fire ("Feuerwehr"): 122
- Police ("Polizei"): 133
- Ambulance ("Rettung"): 144

Arrival At VIE Vienna International Airport

Vienna International Airport, also called Schwechat International, is located about 12 miles east of Vienna near the town of Schwechat. It is a short 20 to 30 minute ride by taxi, bus, or train from the airport to the city center. An airport bus is probably the easiest and most efficient means of public transportation to get from the airport to your hotel. A shuttle bus departs every 20 or 30 minutes from the lower level of the airport, with 4 buses, one of each stopping at Schwedenplatz, Kaisermühlen VIC & Kagraner Platz, at train stations Wien Meidling & Westbahnhof, and a bus runs to the neighboring town of Baden. More exact information can be found at [ÖBB-Postbus GmbH: Vienna AirportLines](#). Tickets can be bought on the bus for EUR 8 one-way (EUR 13 round trip). There is also the S-7 Schnellbahn (train) that runs from Wien Nord, via Wien Mitte, to Vienna International Airport and back, about every half hour. The trip takes 30 minutes and costs EUR 4.10. Tickets must be bought at one of the available ticket machines in the station before boarding the train.

The City Airport Train (CAT) is an express train service to and from "Wien Mitte". The ride lasts 16 minutes and costs EUR 11 one-way (EUR 17 round trip) for adults and children above 14. Children below 14 are free of charge. Trains leave every 30 minutes. Luggage can be checked for certain carriers at the train station at Wien Mitte. Further information on CAT: [CAT - City Airport Train](#).

Additional information on how to get to and from the airport is available on the following websites:

- <http://www.viennaairport.com> (English)
- <http://www.schnellbahn-wien.at/> (German)

Tourist information is available in the arrival area of Vienna International Airport, as well as at train stations. The Vienna Tourist Information Office is located behind the State Opera House at Kärntner Strasse 38 in the 1st district. There is also a City Information Office at the City Hall (Rathaus).

The currency used in Austria is the Euro (EUR) and Euro Cents (1 Euro = 100 cents).

The Austrian National Tourist Office in North America conducts nationwide and regional promotions and co-op marketing programs, and offers numerous support services. Details are available on their website: <http://www.austria.info/us>

Business travelers to Austria seeking appointments with U.S. Embassy Vienna officials should contact the U.S. Commercial Service Vienna well in advance, as visitors are accepted on an appointment basis only. Please feel free to contact the U.S. Commercial Service at the American Embassy in Vienna:

The U.S. Commercial Service in Vienna, Austria

Phone: ++43 1 313 39 0

Fax: ++43 1 310 69 17

E-Mail: office.vienna@trade.gov

Web: <http://export.gov/austria> or <http://buyusa.gov/austria>

Visa Requirements

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A visa is not required for U.S. citizens who wish to stay in Austria for up to 90 days within a six-month period. At the conclusion of the 90-day stay, the visitor must leave the country. The exception is if he or she has already submitted the paperwork for and received a residence permit. Please note that the visa-free travel is limited to three months out of any six months within the entire Schengen territory.

For further detailed information, visitors should consult the website of the Consular Section of the U.S. Embassy in Vienna: http://austria.usembassy.gov/cons_index.html

U.S. companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links:

State Department Visa Website: <http://travel.state.gov/content/visas/english.html>

Telecommunications

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Telecommunications services are reliable in Austria. The phone system is fully automated, and direct dialing is available to most countries in the world at varying international rates. The system was for many years monopolized by the government-owned and operated company Telekom Austria. A few years ago the government deregulated the system and several new companies entered the market. While the government remains a Telekom shareholder, the company has no special protected status.

Public telephone booths are becoming less common as almost every Austrian older than ten has a mobile phone. However, a public phone is available in most post offices. You can use coins or a pre-paid calling card (Telefonwertkarte). The card can be bought at post offices, supermarkets or tobacco shops (Trafik).

Direct Long Distance Calls

To make a direct call outside Austria, the caller should first dial "00" and then the country code (e.g. 001 for the United States and Canada), the area or city code, and finally the phone number. International country codes are listed at the front of the white pages in the Vienna telephone book. The country names in the telephone book are in German. Area codes for major cities within the specific countries are also listed. The list also provides the time difference (Zeitunterschied) given in hours between Austria and the destination country. For credit card calls, the caller should dial 0802 34 56 or 0800 287 874 21 (toll-free). For long distance information, he should call 11 88 77 for Austria, Germany and the EU countries, and countries bordering Austria. For other countries, the caller should call 0900 11 88 77. The Herold Business Data AG also provides online telephone information for Austria: <http://www.herold.at/telefonbuch/>

Internet Calling

For inexpensive Internet phone service, the caller should consult the following websites:

- <http://www.skype.com>
- <http://www.iconnecthere.com>

Cell Phones

Cell phones are called "Handys" in the German-speaking areas of Europe. Austria uses the GSM standard for its cellular service. Unless the visitor is in a very remote area, he will most likely have coverage. A tri-frequency cell phone will provide service in Austria and the United States. Drivers are not allowed to drive and use a hand-held cell phone at the same time. If caught without a hands-free system (Freisprechanlage), the driver will be fined. During traffic jams, drivers are exempt from this law.

The following cell phone service providers / networks are used in Austria:

A1 (Telekom Austria)	http://www.a1.net
Tele-ring	http://www.telering.at
T-Mobile	http://www.t-mobile.at
Drei	http://www.drei.at
Bob	http://bob.at/

Internet

Visitors to Austria can also use numerous Internet Cafés throughout the country. The visitor should check with the hotel receptionist or the yellow pages of the local telephone directory for Internet Café locations.

Transportation

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Direct flights connect Vienna to several U.S. cities. Austria's modern highways link most cities, and numerous border crossings into neighboring countries are easily accessible. Unlike highways in America, Austrian highways do not indicate their route through direction, i.e. I-95N or Rt. 30W, but rather which major cities it runs towards, i.e. A9 Salzburg or A4 Bratislava. Air travel connections between major cities in Austria and in the region are available and frequent, and land travel by train or bus is comfortable and reliable. Travelers can save money by using second class, which most travelers

consider adequate and comfortable. If extensive travel is planned, Austrian and European wide rail passes may be the best value. The Austrian Railpass offers three days of unlimited travel in a 15-day period and includes some major shipping lines. For those including Austria on a multi-nation itinerary, Eurailpasses are honored in 18 countries. For people wanting unlimited travel, the Eurail ticket provides the option to travel in and between 27 countries in Europe. For detailed rail information as well as purchases of rail tickets, call:

- DER Rail: ++43 708 692-6300 or
- Rail Europe: ++43 877-257-2887 (between 9am and 8.30 pm EST Monday-Friday),
- or visit their website: <http://www.raileurope.com>

For travel itineraries, train schedules and prices for rail trips within Austria (and to some neighboring countries) please visit the Austrian Railways' website (Österreichische Bundesbahnen, ÖBB): <http://www.oebb.at/en/index.jsp>.

A cheaper way to travel within Austria is by using the Westbahn. The Westbahn started operating on December 2011 and offers rail trips within Austria at reasonable prices. For more information and/or ticketing, visit their website: <https://westbahn.at/en>

Toll stickers (Vignette) are required on all vehicles on Austria's major highways. They can be obtained from the Austrian Automobile Clubs as well as at post offices, gasoline stations and borders. The following fees apply:

Validity	Means of Transportation		
	Private Car	Motor Home (weighing up to 3.5 tons)	Motorcycle
1 year	EUR 82.70	EUR 82.70	EUR 32.90
2 months	EUR 24.80	EUR 24.80	EUR 12.40
10 days	EUR 8.50	EUR 8.50	EUR 4.90

Stickers must be applied on the upper middle or left side of the windshield in cars and on motorcycles on any good visible part. Motorists who do not possess the appropriate sticker are subject to a fine. Cars rented in neighboring countries may or may not be equipped with the sticker, so travelers should remember to obtain one from their car rental agency.

Contact information for the Austrian Automobile Clubs:

ÖAMTC
Phone: ++43 1 71199-0 (information) and ++43 1 120 (24-hour road service) Web: http://www.oeamtc.at
ARBÖ
Phone: ++43 1 891 21-0 (information) and ++43 1 123 (24-hour road service) Web: http://www.arboe.at

All of the major car rental companies can be found at the Vienna International Airport. Some also have offices in the city of Vienna and throughout the country.

In Vienna, districts 1-9, 12, 14-17 and 20 are so-called "Kurzparkzonen" - Short Time Parking Zones. On weekends and public holidays, parking is free. Monday through

Friday the parking time is limited to 2 hours from 9:00 am to 10:00 pm in the above districts. The same system is used in many other Austrian cities. To use Short Time Parking Zones, tickets have to be displayed on the dashboard. They can be purchased at tobacco shops or banks. Throughout the provinces, regulations for short time parking vary and other methods are used. Numerous cities have pay meters, and some use cardboard clocks indicating arrival and departure time, which must be displayed on the car dashboard. The City of Vienna is presently considering an enlargement of the existing Short Time Parking Zones.

Public transportation is excellent throughout the country, and particularly good in larger cities. In Vienna, a public transportation ticket is valid on any form of public transportation – U-Bahn, Schnellbahn, trams, or buses, even within the same trip. The honor system is used here; however, periodic checks by controllers, potential embarrassment and the hefty fine dissuade most people from riding without a ticket. Tickets can be bought in advance (less expensive) at “Vorverkaufsstellen”, ticket machines, and from tobacco shops. Trams and buses have integrated machines. There are single tickets, 24-hour and 72-hour tickets, 8-day tickets, weekly and monthly travel passes, and annual travel passes. Information is available online: [Wiener Linien](#) or one could visit [Wiener Linien Ticket Prices](#) for details on different kinds of public transportation tickets, and please also see [Wiener Linien Maps](#) for public transportation maps within Vienna.

Language

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For a traveler, it is no problem to get around the country with little or no knowledge of the German language. Many Austrians speak English (mandatory in school) and are quite willing to help.

Health

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Emergency Numbers

Emergency numbers in Austria are as follows:

- Fire Department – 122
- Police – 133
- Ambulance – 144
- Poison Information Hotline – 1 406 43 43
- Emergency Doctor – 141
- Mountain Rescue - 140

Water

It is not only safe but also recommended to drink Vienna’s water from the tap. It comes from alpine springs and is very refreshing. However, the water supply is not fluoridated. This is true throughout Austria.

Public Hospitals

Travelers needing to consult a doctor should check with the receptionist at their hotel or make use of the yellow pages of the local telephone directory.

Emergency room service is not offered at private hospitals, but only at public facilities, and there is often more than one emergency room in a hospital managing different

types of problems and age groups. The ambulance may be instructed to transport an individual to a specific center. Private citizens are not usually permitted to drive up to the ambulance entrance in their own car. For urgent assistance, the individual should call an ambulance by dialing 144.

Allgemeines Krankenhaus der Stadt Wien (AKH)

Währinger Guertel 18-20, 1090 Vienna, Austria
Phone: ++43 1 404 00-0
Phone of Children's Clinic: ++43 404 00-3488 (Secretariat) or ++43 404 00-3229 (Clinic)
Fax: ++43 1 404 00-1212
Web: <http://www.akhwien.at>

Unfallkrankenhaus Wien Lorenz Böhler

Donaueschingenstrasse 13, 1200 Vienna, Austria
Phone: ++43 1 331 10-0
Fax: ++43 1 331 10-380
Web: <http://www.auva.at/ukhboehler>

Dental Emergencies

The weekend edition of the Viennese daily newspapers lists the on-call dentists and dental surgeons available for dental emergencies (Zahnärzte und Dentisten) under the heading "Notdienst". Also available is the Dental University Clinic:

Dental University Clinic (Zahnklinik)

Waehringer Strasse 25 a, 1090 Vienna, Austria
Phone: ++43 1 40 070 2000
E-Mail: aufnahme-zmk@meduniwien.ac.at
Web: <http://www.meduniwien.ac.at/zahnklinik/>

American physicians expect their patients to ask lots of questions and seek explanations as partners in health care. This is not as common in Austria as in the U.S.

Pharmacies in Austria are not open 24 hours a day. They usually have hours from 8:00am through 6:00pm, and on Saturday from 8:00am through 12:00noon. There is a rotating schedule of pharmacies that provide services after these hours, and their location will be posted at the entrance to a closed pharmacy. You may also look up the Austrian pharmacies' weekend schedule online (province by province) by putting your address into this website's search engine:

<http://www.apotheker.or.at/internet/oeak/Apotheken.nsf>

Local Time, Business Hours, and Holidays

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Central European Time is used in Austria. There is a time difference of +6 hours between Vienna and New York City, except for a few weeks in the spring and fall when European and American daylight savings times differ. Austrians use the 24-hour clock. For example, 5 p.m. is written as "17:00 Uhr". Variations may be: 17 U, 17.00, 17h or 17h00. Times (especially in movie and theater listings) are distinctly Austrian: $\frac{1}{4} 4 = 3:15$, $\frac{1}{2} 4 = 3:30$, $\frac{3}{4} 4 = 3:45$, and so on. Austria follows European Daylight Savings Time, which begins the last Sunday in March and end on the last Sunday of October.

The following holidays will be observed in Austria in calendar year **2014** (If “U.S.” is indicated in the column on the right, the respective holiday is also celebrated by the official American community in Austria):

January 1	<i>New Year's Day</i>	Austria & U.S.
January 6	<i>Epiphany</i>	Austria
January 20	<i>Martin Luther King's Birthday (3rd Monday in January)</i>	U.S.
February 17	<i>Presidents' Day Washington's Birthday (3rd Monday in February)</i>	U.S.
April 18	<i>Good Friday</i>	Austria
April 20	<i>Easter Sunday</i>	Austria & U.S.
April 21	<i>Easter Monday</i>	Austria
May 1	<i>Labor Day</i>	Austria
May 26	<i>Memorial Day (last Sunday in May)</i>	U.S.
May 29	<i>Ascension Day</i>	Austria
June 8	<i>Whitsunday</i>	Austria
June 9	<i>Whitmonday</i>	Austria
June 19	<i>Corpus Christi Day</i>	Austria
July 4	<i>Independence Day</i>	U.S.
August 15	<i>Assumption Day</i>	Austria
September 1	<i>Labor Day (1st Monday in September)</i>	U.S.
October 13	<i>Columbus Day (2nd Monday in October)</i>	U.S.
October 26	<i>Austrian National Day</i>	Austria
November 1	<i>All Saints' Day</i>	Austria
November 11	<i>Veteran's Day</i>	U.S.
November 27	<i>Thanksgiving (3rd Thursday in November)</i>	U.S.
December 8	<i>Immaculate Conception</i>	Austria
December 25	<i>Christmas Day</i>	Austria & U.S.
December 26	<i>St. Stephen's Day</i>	Austria

Business visitors should note that the Austrian vacation season is in July and August, and that many decision-makers take extended vacations during that time – sometimes four weeks or more. Business visits or events are not recommended during these two months. Appointments may also be difficult to make during the traditional Christmas break (December 20 – January 6). Many offices and businesses are closed Friday afternoons, reflecting the widely implemented 38.5-hour work week.

Temporary Entry of Materials and Personal Belongings

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[Computers Used for Business Purposes](#)

When entering Austria, visitors should go through Customs, declare their laptop or notebook, and state that it is used for doing business only (e.g. for PowerPoint presentations). It is advisable to have the value of the electronic equipment (evidenced on a copy of the invoice) available. The visitor will be issued a Customs paper called

“Verwendungsschein”, which will also include the visitor’s departure date (there is an upper limit of 12 months). When leaving Austria, the visitor should go through Customs again for a checkout. Although this is the existing regulation, it is not widely observed according to our knowledge.

Web Resources

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U.S. State Department Travel Warning:

http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html

Safe Trip Abroad Pamphlet:

http://travel.state.gov/travel/tips/safety/safety_1747.html

The U.S. Commercial Service in Vienna, Austria:

<http://www.export.gov/austria>

<http://www.buyusa.gov/austria/en>

Vienna International Airport:

<http://www.viennaairport.com>

Schnellbahn Vienna:

<http://www.schnellbahn-wien.at>

Vienna City Airport Train (CAT):

<http://www.cityairporttrain.com/>

Austrian National Tourist Office:

<http://www.austria.info/us>

Austrian Trade Portal: Travelling to Austria:

<http://www.advantageaustria.org/us/zentral/business-guide-oesterreich/reisen-nach-oesterreich.en.html>

U.S. Embassy Visa Information:

http://austria.usembassy.gov/cons_index.html

State Department Visa Website:

http://travel.state.gov/visa/visa_1750.html

Online Telephone Information in Austria:

<http://www.herold.at/telefonbuch/>

Internet Phone Service:

<http://www.skype.com>

Internet Phone Service:

<http://www.iconnectthere.com>

Cell Phone Service:

<http://www.a1.net>

Cell Phone Service:

<http://www.telering.at>

Cell Phone Service:

<http://www.t-mobile.at>

Cell Phone Service:
<http://www.drei.at>

Cell Phone Service:
<http://www.bob.at>

Rail Europe:
<http://www.raileurope.com>

Austrian Railways:
<http://www.oebb.at/en/index.jsp>

Westbahn:
<https://westbahn.at/en>

Austrian Automobile Club:
<http://www.oeamtc.at>

Austrian Automobile Club:
<http://www.arboe.at>

Public Transportation Information in Vienna:
<http://www.wienerlinien.at>

Vienna University Hospital:
<http://www.akhwien.at/>

Wilhelminen Hospital Vienna:
<http://www.wienkav.at/kav/wil/>

Rudolfinerhaus Private Hospital Vienna:
<http://www.rudolfinerhaus.at/en.html>

Dental University Clinic:
<http://www.meduniwien.ac.at/zahnklinik/>

Contact

U.S. Commercial Service Vienna, Austria
Jacqueline Viduya, Commercial Assistant
E-Mail: jacqueline.viduya@trade.gov
Phone: ++43 1 313 39 Ext: 2297
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Chapter 9: Contacts, Market Research and Trade Events

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- [Market Research](#)
- [Trade Events](#)

Contacts

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United States Government Agencies in Austria:

The U.S. Commercial Service Austria	The U.S. Commercial Service at the American Embassy, Austria Boltzmannngasse 16, 1090 Vienna, Austria Phone: ++43 1 313 39 2297 Fax: ++43 1 310 69 17 E-Mail: office.vienna@trade.gov Web: http://www.buyusa.gov/austria/en , http://www.export.gov/austria/ and http://www.trade.gov/cs
Please use the following mailing address for mail sent from the United States:	The U.S. Commercial Service Vienna 9900 Vienna Place Washington, D.C., 20521-9900
The United States Embassy in Austria	United States Embassy in Austria Boltzmannngasse 16, 1090 Vienna, Austria Phone: ++43 1 313 39-0 Fax: ++43 1 310 69 17 E-Mail: embassy@usembassy.at Web: http://austria.usembassy.gov
Please use the following mailing address for mail sent from the United States:	The U.S. Commercial Service Vienna 9900 Vienna Place Washington, D.C., 20521-9900

Austrian Government Agencies:

Embassy of Austria in the United States

Press and Information Service:	3524 International Court N.W. Washington, DC 20008-3035, USA Phone: (202) 895-6700 Fax: (202) 895-6750 E-Mail: austroinfo@austria.org Web: http://www.austria.org/ and http://www.austrianinformation.org/
Consular Section:	Phone: (202) 895-6711 Fax: (202) 895-6773 E-Mail: consularsection@austria.org

Austria's Official Consultant for Foreign Investment:

ABA - Invest in Austria, the Foreign Investment Promotion Agency of the Austrian government, is the international investor's first business address in Austria providing free-of-charge support and assistance to foreign investors planning business establishments or acquisitions in Austria.

In the United States:	ABA – Invest in Austria 120 West 45 th Street, 9 th floor New York, NY 10036, USA Phone: ++1 212-398 1221 Fax: ++1 212 398 1511 E-Mail: office-usa@aba.gv.at Web: http://aba.gv.at/
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In Austria:	ABA – Invest in Austria Opernring 3 1010 Vienna, Austria Phone: ++43 1 588 58-0 Fax: ++43 1 586 86-59 E-Mail: office@aba.gv.at
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Austrian Federal Ministries:

Federal Ministry of Economy, Family and Youth	Stubenring 1 1011 Vienna, Austria Phone: ++43 1 711 00-0 Fax: ++43 1 713 79 95 E-Mail: service@bmwfj.gv.at Web: http://www.en.bmwfj.gv.at
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Federal Ministry of Agriculture, Forestry, Environment and Water Management	Stubenring 1 1012 Vienna, Austria Phone: ++43 1 711 00-0 Fax: ++43 1 513 16 79-9900 E-Mail: service@bmlfuw.gv.at Web: http://www.lebensministerium.at/en.html
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The Austrian Trade Association in the United States:

The Austrian Trade Commission operates offices in the U.S. at the below listed locations. The following phone number can be used for all Austrian Trade Delegates in the United States:

1-800-VIP-AHST

New York:	Austrian Trade Commission, New York 120 West 45 th Street, 9 th Floor New York, NY 10036, USA Phone: (212) 421 52 50 Fax: (212) 421 52 51 E-Mail: newyork@advantageaustria.org Web: http://www.advantageaustria.org/us/
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Washington, D.C.:	Austrian Embassy/Commercial Section, Washington, D.C. 818 18 th Street, Suite 500, N.W. Washington, D.C. 20006, USA Phone: (202) 537 50 47 Fax: (202) 537 50 48
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	E-Mail: washington@advantageaustria.org Web: http://www.advantageaustria.org/us/
Illinois:	Austrian Trade Commission, Illinois 500 North Michigan Avenue, Suite 1950 Chicago, IL 60611-3722, USA Phone: (312) 644 5556 Fax: (312) 644 6526 E-Mail: chicago@advantageaustria.org Web: http://www.advantageaustria.org/us/
California:	Austrian Trade Commission, California 11601 Wilshire Blvd., Suite 2420 Los Angeles, CA 90025, USA Phone: (310) 477 99 88 Fax: (310) 477 16 43 E-Mail: losangeles@advantageaustria.org Web: http://www.advantageaustria.org/us/

Chambers of Commerce

American Chamber of Commerce in Austria	Porzellangasse 39/7 1090 Vienna, Austria Phone: ++43 1 319 57 51 Fax: ++43 1 319 57 51-15 E-Mail: office@amcham.at Web: http://www.amcham.at
Wirtschaftskammer Österreich (Austrian Federal Economic Chamber, North America Desk):	Wiedner Hauptstrasse 63 1040 Vienna, Austria Phone: ++43 05 90 900-4181 Fax: ++43 5 90 900-114181 E-Mail: awo.amerika@wko.at Web: http://wko.at/awo/ or http://portal.wko.at
U.S. Austrian Chamber of Commerce, Inc.	165 West 46th Street, Suite 1113 New York, NY, 10036, USA Phone: (212) 819-0117 E-Mail: office@usaustrianchamber.org Web: http://www.usaustrianchamber.com/

Austrian Associations

Pharmaceutical Industry

Österreichische Apothekerkammer (Austrian Pharmacists' Association)	Spitalgasse 31, Postfach 87 1090 Vienna, Austria Phone: ++43 1 404 14-100 Fax: ++43 1 408 84 40 E-Mail: info@apotheker.or.at Web: http://www.apotheker.or.at/
Forum der forschenden pharmazeutischen Industrie – FOPI (Association of the research-based Pharmaceutical Industry)	c/o AbbVie GmbH Perfektastrasse 84 A 1230 Vienna, Austria Phone: ++43 1 205 89-340 Fax: ++43 1 970 75-10 E-Mail: office@fopi.at Web: http://www.fopi.at/

Pharmig - Verband der pharmazeutischen Industrie Oesterreichs (Austrian Association of the Pharmaceutical Industry)	Garnisongasse 4/1/6 1090 Vienna, Austria Phone: ++43 1 40 60 290 Fax: ++43 1 40 60 290 – 9 E-Mail: office@pharmig.at Web: http://www.pharmig.at
Dental Industry	
Oesterreichische Zahnärztekammer (National Dental Association, Vienna)	Kohlmarkt 11/6 1010 Vienna, Austria Phone: ++43 05 05 11 Fax: ++43 05 05 11-1167 E-Mail: office@zahnaerztekammer.at Web: http://www.zahnaerztekammer.at/
Medical Industry	
Oesterreichische Aerztekammer (Austrian Medical Association; International Office)	Weihburggasse 10-12 1010 Vienna, Austria Phone: ++43 1 51406-3000 Fax: ++43 1 51406-3042 E-Mail: post@aerztekammer.at Web: http://www.aerztekammer.at
Electric / Electronic Industry	
FEEI - Fachverband der Elektro- und Elektronikindustrie (Association of the Electric and Electronic Industry in Austria)	Mariahilfer Strasse 37-39 1060 Vienna, Austria Phone: ++43 1 588 39-0 Fax: ++43 1 586 69 71 E-Mail: info@feei.at Web: http://www.feei.at/en/home/
IT-Sector / Computer Industry	
ADV - Arbeitsgemeinschaft fuer Datenverarbeitung (Austrian Association for Electronic Data Processing)	EURO Plaza Building G Am Euro Platz 21120 Vienna, Austria Phone: ++43 1 533 09 13 Fax: ++43 1 533 09 13-77 E-Mail: office@adv.at Web: http://www.adv.at
OCG - Oesterreichische Computer Gesellschaft (Austrian Computer Society)	Wollzeile 1 1010 Vienna, Austria Phone: ++43 1 512 02 35-0 Fax: ++43 1 512 02 35-9 E-Mail: info@ocg.at Web: http://www.ocg.at
Environmental Technology	
OEGUT - Oesterreichische Gesellschaft fuer Umwelt und Technik (Austrian Association for Environment and Technology)	Hollandstrasse 10/46 1020 Vienna, Austria Phone: ++43 1 315 63 93 Fax: ++43 1 315 63 93-22 E-Mail: office@oegut.at Web: http://www.oegut.at/en
Austrian Commercial Banks / Branch Offices of Austrian Banks in the U.S.	
Bank Austria (Member of UniCredit Group)	
In Austria:	Bank Austria, UniCredit Group Schottengasse 6 - 8 1010 Vienna, Austria Phone: ++43 050505-25

	<p>E-Mail: info@unicreditgroup.at Web: http://www.bankaustria.at/en/ Swift: BKAUATWW Bank Routing Number : 12000</p>
In the United States:	<p>HVB Capital Markets, Inc., New York 150 East 42nd Street New York, NY 10017, USA Mag. Helmut Kratky Phone: (212) 672 5851 Fax: (212) 672 5529 E-Mail: helmut.kratky.ny@unicredit.eu Business Activities: Corporate Banking</p>
Erste Bank der Oesterreichischen Sparkassen AG (Erste Bank Oesterreich)	
In Austria:	<p>Erste Bank / Sparkasse Graben 21 1010 Vienna, Austria Phone: ++43 05 0100 - 10100 Fax: ++43 05 0100 9 - 10100 E-Mail: service@s-servicecenter.at Web: http://www.sparkasse.at/erstebank-en/ Swift Code / BIC: GIBAATWW Bank Routing Number: 20111</p>
In the United States:	<p>Erste Group 280 Park Ave # 32W New York, NY 10017, USA Phone: (212) 984-5600</p>
Raiffeisen Zentralbank Oesterreich AG	
In Austria:	<p>Raiffeisen Zentralbank Oesterreich AG Am Stadtpark 9, 1030 Vienna, Austria Phone: ++43 1 26216-0 Fax: ++43 1 26216-1715 Web: http://www.rzb.at/ Swift Code: RZBA AT WW, Bank Sort Code: 31000</p>
In the United States:	<p>RB International Finance (USA) LLC 1133 Avenue of the Americas, 16th Floor New York, NY 10036, USA Phone: (212) 845-4100 Fax: (212) 944-2093 Web: http://usa.rbinternational.com/eBusiness/01_template1/842368994693474627-NA-NA-NA-2-EN.html</p>
BAWAG P.S.K. - Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse AG (owned by Cerberus Capital Management)	
In Austria:	<p>BAWAG P.S.K. Georg-Coch-Platz 2, 1018 Vienna, Austria Phone: ++43 05 99 05 E-Mail: kundenservice@bawagpsk.com Web: http://www.bawagpsk.com/ Swift Codes: BAWAATWW and OPSKATWW Bank Codes: 14000 and 60000</p>
NO branch office in the U.S.	

U.S.-Based Associations

The associations listed below represent some of the industries offering the best prospects for U.S. products and services in Austria. This should not be considered a conclusive list of all trade associations. These associations do not have offices in Austria. For an extensive listing of International Trade Associations, please visit the website of the Federation of International Trade Associations (FITA) at: <http://www.fita.org>

Medical Technology Industry

Advanced Medical Technology Association 701 Pennsylvania Ave, N.W., Suite 800
Washington, D.C. 20004-2654, USA
Phone: (202) 783-8700
Fax: (202) 783-8750
E-Mail: info@advamed.org
Web: <http://www.advamed.org/>

Electronics Industry

TechAmerica

Santa Clara, CA: TechAmerica Silicon Valley/Northern CA Commercial
Development (CA),
5201 Great America Parkway #400
Santa Clara, CA 95054, USA
Phone: (202) 682 9110

Washington, D.C.: TechAmerica Headquarters
1001 19th St. N20th Floor
Arlington, Virginia 22209
Phone: (202) 682 9110
Fax: (202) 682 9111
E-Mail: database@techamerica.org
Web: <http://www.techamerica.org/>

Dental Industry Association

Dental Trade Alliance 4350 N. Fairfax Drive, Suite 220
Arlington, Virginia 22203, USA
Phone: (703) 379-7755
Fax: (703) 931-9429
E-Mail: info@dentaltradealliance.org
Web: <http://www.dentaltradealliance.org/>

Environmental Industry Associations

National Waste and Recycling Association 4301 Connecticut Avenue, NW, Suite 300
Washington, D.C. 20008-2304, USA
Phone: (202) 244-4700
Fax: (202) 966-4824
Web: <https://wasterecycling.org/home-sitewide>

Electrical Industry

NEMA - National Electrical Manufacturers Association 1300 North 17th Street, Suite 1752
Rosslyn, Virginia 22209, USA
Phone: (703) 841-3200
Fax: (703) 841-5900
Web: <http://www.nema.org/>

Telecommunications Industry

TIA - Telecommunications Industry Association (Headquarters) 1320 N. Courthouse Rd., Suite 200
Arlington, VA 22201
Phone: (703) 907 7700
Fax: (703) 907 7727
Web: <http://www.tiaonline.org/>

Washington-Based U.S. Government Contacts

Trade Information Center in Washington, D.C.	Phone: 800-872-8723 (1-800-USA-TRAD(E)) Fax: (202) 482 44 73 E-Mail: tic@trade.gov Web: http://www.export.gov
U.S. Department of Commerce	The U.S. Department of Commerce International Trade Administration Mr. Alexander Gorshenin, M.B.A. (Desk Officer for Austria and Germany) 1401 Constitution Avenue, N.W. Washington, D.C. 20230, USA Phone: (202) 482 24 34 E-Mail: alexander.gorshenin@trade.gov Web: http://www.commerce.gov/
U.S. Department of Agriculture	The U.S. Department of Agriculture Foreign Agriculture Service Office of Country and Regional Affairs (OCRA) Europe Division Mr. Stephen Hammond, Director Room 5620 Washington, D.C. 20250, USA Phone: (202) 720 1330 E-Mail: stephen.hammond@fas.usda.gov Web: http://www.fas.usda.gov

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>
<http://export.gov/austria/tradeevents/index.asp>

Contact

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities and support them once they do have exporting opportunities.**

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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