

U.S. Country Commercial Guides



Austria 2020

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Doing Business in Austria

Market Overview

This Country Commercial Guide (CCG) presents a comprehensive look at Austria's commercial environment, including an analysis of economic, political, and market regulatory factors. Presented annually by an interagency team at the U.S. Embassy Austria, the CCG is intended as a tool for U.S. companies interested in doing business in Austria.

Austria is a sophisticated, globally-oriented EU market, centrally located between Germany and Italy, with economic and cultural ties to the rest of central Europe. The U.S. and Austria share a strong, long-standing bilateral relationship with hundreds of companies trading and investing in each other's countries. U.S. companies can benefit from this positive business environment by expanding their European strategy to include Austria, especially in best prospect sectors: pharmaceuticals, medical devices, advanced manufacturing, cyber security, education, and agricultural products. To strengthen global competitiveness, improve data security, and better address heightened demand for remote applications triggered by the COVID-19 pandemic, government and private sector entities in Austria are prioritizing innovative, digital solutions. These trends are opening significant opportunities for U.S. companies.

Key Facts (2019):

Population:	8.8 million
Language:	German
GDP (per capita):	\$446.5 billion (\$50,739)
GDP growth:	1.6% (-7% IMF projection for 2020)
Inflation (CPI):	1.5% (0.4% IMF projection for 2020)
Unemployment:	4.5%
Currency:	Euro
European Union Member since	1995

Source: Statistics Austria (2019 avg. Euro 1:US\$ 1.12)

Tracking global trends, Austria's economy is facing a recession in 2020 due to the impact of the COVID-19 crisis. As of August 2020, leading forecasters (European Commission, IMF, and Austrian Economic Chamber) anticipate a 7-7.1% decrease in 2020 GDP, with projections for a strong recovery in 2021 ranging from 4.3-5.6% GDP growth.

The Austrian economy is highly international with more than one-half of its GDP linked to exports. In 2019, Austria experienced fairly flat and balanced overall trade, importing \$176.9 billion and exporting \$172 billion in products worldwide. The U.S. is Austria's second largest export market and Austria's third most important trading partner after Germany and Italy, gaining this position with an 11% increase in 2019 bilateral trade.

According to U.S. Census data, U.S. goods exports to Austria reached \$5.75 billion in 2019, an unprecedented 61.5% increase over 2018 led by surges in organic chemicals (+27.8%) and pharmaceutical products (+22.5%), followed by aircraft (+7.7%), and mineral fuel (+6%). Other leading U.S. exports to Austria include machinery, medical and measuring instruments, electrical machinery and equipment, and vehicles. The Austrian government reports a larger value of U.S. exports to Austria of almost \$8 billion in 2019 using their methodology that captures not only direct trade, but also in-bond transfers and products imported through distributors in other parts of Europe.

Market Challenges

Though wealthy, Austria's 8.8 million population naturally limits its market potential. U.S. companies face stiff competition in this very open market from multinational corporations, German and other regional competitors, and Austrian firms including the over 200 that are considered "hidden champions," global leaders in their specific business areas. Products and services must meet both EU-wide required standards and certifications, as well as Austrian regulations. Further, euro exchange rate variability should be considered in business planning.

U.S. companies considering establishing operations in Austria should keep in mind that labor costs rank the 8th highest in the EU at \$41 per hour (2019). While Austrian banks with global operations regularly work with larger U.S. corporations, smaller U.S. entities and individuals report difficulty conducting banking activities as many local banks are hesitant to serve clients from the United States due to strict U.S. government regulated reporting requirements.

Market Opportunities

Austria is a wealthy market with the world's 27th largest GDP and the 14th highest per capita GDP. Its economy is diversified and highly international. Manufacturing accounts for nearly 20% of Austria's GDP and over 60% of manufactured product are exported. Historic unemployment rates are modest and social stability is strong.

Over 300 U.S. companies operate subsidiaries in Austria, many drawn in the past to Austria as a regional Central European hub. Today, most focus on the Austrian market, with some also using Austria as a global production and solutions base. The American Chamber of Commerce Austria's (www.amcham.at) annual Business Barometer Survey of U.S. company members shows that the most important business location factors in Austria are consistently: 1) availability of skilled labor, 2) high quality of life and security, and 3) excellent infrastructure (transport, telecom, energy). Vienna consistently ranks at the top internationally among quality of life scores. Austria is a safe country where democracy and the rule of law are firmly established. Austria's global business rankings are also among the best worldwide, with the World Bank's Doing Business Report placing Austria at 27 of 190 countries and Transparency International ranking Austria 12 of 180 countries.

Best prospect sectors for U.S. exporters to Austria, as listed below, are detailed in the *Leading Sectors for U.S. Exports and Investments* section of this Country Commercial Guide.

- Pharmaceuticals
- Medical Devices
- Advanced Manufacturing
- Cyber Security
- Education
- Agricultural Products

Market Entry Strategy

While Austria market entry strategies for U.S. exporters depend on the specific sector and business objectives, below are some cross-cutting suggestions:

- Companies interested in working with the government of Austria are best positioned by partnering with a local company. A good source of information on potential partners is the EU [TED database](#), that lists the results of previous tenders by sector.
- Those looking for an agent or distributor in Austria should think beyond national borders. In some cases, qualified distributors for this market may be found in neighboring Germany; alternatively, some Austrian distributors have offices throughout Central-Eastern Europe and can support a regional footprint.
- Austria is a sophisticated, globally-oriented market. It is important for U.S. exporters to invest time to research market size, drivers, distribution channels and the regulatory environment for their specific product or service. This information will be valuable in advancing business with Austrian partners or potential customers.
- U.S. companies already exporting to other EU member states will find the overall regulatory environment in Austria to be quite familiar. However, additional national-level Austrian regulations may also be imposed. Local Austrian partners and the U.S. Commercial Service can assist U.S. companies in determining these regulatory requirements.

Leading Sectors for U.S. Exports and Investment

Pharmaceuticals

Overview

Austria has one of the highest per capita expenditures on pharmaceuticals worldwide. In 2019, pharmaceutical sales are estimated to have reached \$7.7 billion or \$875 per capita and make up around 13% of Austria's total healthcare spending. Both imports and exports are expected to grow at an estimated 3.3% annual rate over the next several years as demand rises and several pharmaceutical production facilities plan expansions.

U.S. pharmaceutical products enjoy excellent success in the Austrian market and are among the top U.S. export categories, both in terms of value and growth. U.S. manufacturers hold around 30% of the market, and the Austrian operations of U.S. and other global companies are market leaders in the biotech sector. The greatest challenge for U.S. exporters to Austria is the arduous process of gaining authorization from the social insurance carriers for reimbursement financing, without which a treatment would not be financially viable in Austria.

The most important factors influencing the Austrian pharmaceutical market are: 1) an aging population, 2) rapid advances in pharmacological technology that is producing new treatment options, and 3) cost constraints as enforced by Austria's public insurance carriers.

Pharmaceutical distribution flows through two channels: hospitals (around 30% of market value) and pharmacies/dispensing doctors (around 70% of market value). Prescription drugs make up 87% of all pharmaceuticals sales (\$6.7 billion in 2019). Patented drugs dominate the market. Generics are experiencing slower growth rates in Austria than in most other OECD markets despite efforts on the part of the government to encourage their use. This is an unintended consequence of the reimbursement system, which sets a single price for original and generic preparations. Because the payer does not save money on the generic, there is little incentive to switch. In addition, many physicians prefer familiar, patented names, and pharmacies are not allowed to make substitutions at the point of sale.

As of mid-2020, prescription medicines were being added to the national eHealth record system (ELGA), a process that is expected to take several years. This will enable healthcare providers to improve their ability to track prescription histories, particularly in managing patient comorbidities. During the COVID-19 crisis, an emergency regulation enabled fully digital prescriptions (direct from provider to pharmacy without patient interaction) as a temporary measure.

The over-the-counter (OTC) market is highly restrictive in Austria; even simple pain relievers and most nutritional supplements must be approved for sale and can only be purchased in licensed pharmacies. Prices for non-prescription medications are high and market growth is limited, in part due to the ease with which Austrians can get a prescription for analgesics or supplements from their physician with a co-pay of around \$6 out-of-pocket per prescription.

The most common diagnoses requiring prescription medications are high blood pressure, chronic cardiac insufficiency, heartburn/acid indigestion, depression, ADHD, and high cholesterol. The most frequently purchased over the counter treatments are cough/cold treatments, vitamins/supplements, pain relievers, and indigestion remedies.

The Austrian government prioritizes the biotech sector for inward investment and has had significant success over the past several years with major R&D investments from Boehringer Ingelheim (Germany) and Octa-pharma (Switzerland). Pfizer and Takeda production facilities are currently being expanded, and a new MSD animal health production facility is coming online in stages between 2020-2024. With more than 330 pharmaceutical and biotech companies operating in Austria, of which 175 are R&D and manufacturers and 161 are sales/service/suppliers, Austria is expected to maintain its status as a pharmaceutical net exporter. Most major multinational companies have sales/distribution subsidiaries in Austria, and several also have R&D and/or manufacturing facilities. In addition, Austria is home to its own small and mid-size manufactures, including significant generics, homeopathic and natural remedy producers. A directory of life science companies in Austria can be found at www.lifesciencesdirectory.at/.

	2018	2019 (est)	2020 (est)
Total Local Production (est)	3,114	3,208	3,304
Total Exports	8,858	9,354	10,511
Total Imports	6,587	6,849	7,174
Imports from the US	966	1,293	1,490
Total Market Size	7,507	7,728	7,952
Units: USD million			
Exchange Rate 2019 1€ = \$1.12/\$1 = €.89			

(total market size = (total local production + imports) - exports)

Sources: fitchsolutions.com, Austria Pharmaceuticals and Healthcare Report Q3 2020; Statistik Austria; US Census data; estimates based on local resources, historic growth rates and other factors.

Market Access and Reimbursement

There are two paths to approval for pharmaceuticals in the EU: the centralized process through the European Medicines Agency and the national process, with or without mutual recognition. Centralized EU authorization is mandatory for certain classes of medicines, for example, treatments that contain innovative substances used in severe indications such as cancer or auto-immune disorders, or for orphan diseases. The national authorization process can be used to authorize certain types of medicines in a single EU country. If the manufacturer decides to pursue mutual recognition in additional EU countries, the medicines authorization agencies in those countries assess the national authorization and either accept or veto it. For more information about the authorization process, please see the EMA website: <https://www.ema.europa.eu/en/about-us/what-we-do/authorisation-medicines>

In Austria, the national authorization agency is the Bundesamt fuer Sicherheit im Gesundheitswesen (Austrian Federal Agency for Safety in Healthcare), which is also responsible for pharma co-vigilance and the inspection of pharmaceutical production sites in Austria.

Opportunities

- Treatments for COVID-19
- Vaccines against seasonal flu (2020) and COVID-19
- Medication for cardiovascular conditions (high blood pressure, high cholesterol, cardiac insufficiency)
- Medication for cancer treatment, including breast, lung, prostate, colon, and pancreas
- Medication for coughs/colds, indigestion, pain relievers
- Vitamins/food supplements
- Psychopharmacological medications, all indications esp. depression and anxiety

Note: Please contact your local export assistance center for support in determining if your product is subject to U.S. government export restrictions related to COVID-19. For a list of export assistance centers, please visit www.export.gov.

Resources

Statistik Austria (Austrian Statistics Office)
<http://www.statistik.at>

LISA Austria (Austrian Life Sciences Cluster)
<http://lifescienceaustria.at>

Bundesministerium für Gesundheit (Austrian Federal Ministry for Health)
<http://www.bmg.gv.at/>

Gesundheit Österreich GmbH (Austrian Federal Institute for Health)

<http://www.oebig.at>

Hauptverband der österreichischen Sozialversicherungsträger
(Association of Austrian Social Insurance Carriers)

<http://www.sozialversicherung.at>

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

<http://www.ages.at>

Fachverband der Chemischen Industrie (Association of the Austrian Chemical Industry)

<http://www.fcio.at>

PHARMIG (Austrian Association of Pharmaceutical Enterprises)

<http://www.pharmig.at>

Apothekerkammer (Austrian Pharmacists Association)

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

FOPI (Association of Research-Based Pharmaceutical Companies in Austria)

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

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Medical Devices

Overview

Austria ranks fourth in the world in per capita spending on medical devices at more than \$280 per year for a total of over \$2.5 billion in 2019. Overall healthcare spending reached an estimated \$49.6 billion in 2019, 11.4% of GDP. Austria is a good prospective market for U.S. medical devices. Spending on modernization projects as well as pandemic response (including digital health) present excellent opportunities. Budget pressures expected in the aftermath of COVID-19, however, will likely cause a healthcare market contraction in 2021.

Market Drivers: Three main drivers influencing Austria's medical device market are: 1) an aging population and the accompanying increasing burden of disease; estimates are that by 2030, over 23% of the Austrian population will be 65 or older; 2) poor lifestyle choices, including high smoking and alcohol consumption rates paired with a sedentary lifestyle, predict increasing rates of cancer, lung disease, heart disease, kidney disease, and diabetes; and 3) well-established and high-quality universal health coverage that can finance the population's health needs.

The confounding factor in the medical device market outlook is the impact of COVID-19. While the pandemic is boosting healthcare spending in the short-term, it is also putting budget pressure on the system in the longer run. This is likely to cause spending trade-offs, with increased pandemic-related spending causing delays in the purchase of other healthcare equipment and services. The pandemic has also increased attention on the importance of digital health and remote consultation/monitoring capacities. As a result, the Austrian government temporarily lifted many legal and administrative barriers to the implementation of digital solutions, opening new opportunities for innovative solutions. It remains to be seen if this progress will persist in a post-COVID-19 environment.

Healthcare System: Austria has a statutory national health insurance program that covers 99% of the population through mandatory employer and employee contributions. There are five non-competitive national carriers that cover all Austrians based on profession and work status. All government employees, for example, pay into and are covered by the same national carrier.

The healthcare ecosystem in Austria is characterized by a problematic separation between in-patient and out-patient care. Out-patient services are primarily financed and controlled by the social insurance carriers, who maintain contracts with physicians and other providers. In contrast, hospital-based treatment is provided at public and private facilities and financed through a complex system of payments and reimbursements that is shared by regional governments (funded through federal taxes), the social insurance carriers, and private insurance companies. The movement of patients between these two systems lacks continuity and is seen by decision-makers in the healthcare system as an area that warrants attention.

In-patient treatment accounts for around 39% of Austrian healthcare spending. With its 267 hospitals and 64,230 available beds, Austria has one of the highest hospital bed/population ratios in the world. Around 67% of hospital beds are in general hospitals, with 26% in specialized clinics and rehabilitation centers, and 7% in sanatoriums or long-term care facilities. Experts have argued for decades that the high number of hospital beds and the cost of in-patient care needed to be slashed; however, the COVID-19 crisis of 2020 and predictions of a second wave to follow have demonstrated the value of this reserve capacity. Now, rather than looking to reduce beds, the government focus is turning to more efficient management of excess capacity. Patient care is administered according to an Austrian DRG (disease-related group) system which establishes the reimbursement price and standard of care for various procedures (referred to in Austria as "leistungsorientierte Krankenanstaltfinanzierung" or LKF).

Outpatient care is the second-largest category of healthcare spending, accounting for 23% in 2018. Examinations, tests, and prescription medications deemed both necessary and effective by an insurance carrier are generally covered with little or no co-payment. More significant co-pays are charged for higher-end dental and vision care, physical therapy, mental health treatment and home health aides. Cosmetic procedures and preventive treatments are generally not covered by public insurance.

In addition to mandatory public healthcare, supplemental private insurance is used by around 30% of the population. For those with additional insurance and those willing to pay out of pocket, a growing network of private physicians and clinics offer more flexible opening hours, shorter wait times and well-known specialists. They also provide services not covered by statutory public insurance. Depending on the procedure, private providers may be partially reimbursed by public insurance.

The third largest portion of healthcare spending is for pharmaceuticals and health aides, which together make up around 16% of the total. Long-term care accounts for just under 9% of total healthcare spending and is partly financed through a separate budget of payments to patients or caregivers according to disability grades.

Business Trends: Approximately 550 companies in Austria produce or sell medical technologies, of which 171 are manufacturers and 383 are distributor or service companies. Austria’s medical manufacturers include a handful of large national companies with global operations such as MedEl (cochlear implants), Greiner Bio One (blood collection, bioscience and diagnostics) and Semperit (surgical and examination gloves), subsidiaries of multinational corporations such as GE Healthcare and Siemens Healthineers, as well as Austrian SMEs and dynamic healthcare tech start-ups. A directory of life science companies active in Austria can be found at www.lifesciencesdirectory.at/.

Austrian imports of medical devices were valued at \$2.43 billion in 2018, with a modest upward trend projected. While Germany supplies around one-third of Austria’s medical technology, the United States is the second most important supplier with a market share of 15% and leading in orthopedics and prosthetics. Other major players include Switzerland, the Netherlands, China and Japan. The increased demand for PPE and ventilators during the height of the COVID-19 pandemic is likely to be seen as a detectable surge in market size and imports, mostly from China and Germany, in 2020.

	2017	2018	2019 (est)	2020 (est)
Total Market Size	2,376	2,556	2,535	2,788
Total Exports	2,191	2,400	2,475	2,200
Total Imports	2,266	2,426	2,547	2,623
Imports from the US	338	334	330	300
Local Production	2,301	2,530	2,463	2,365
Units: USD million				
Exchange Rate 2019 1€ = \$1.12/\$1 = €0.89				

Sources: *fitchsolutions.com*, *Austria Medical Devices Report Q3 2020*; *Statistik Austria*; *Signify Research 2019/20 Reports on EMR/HER, Telehealth and PHM*; estimates based on local resources

Leading Sub-Sectors

- Health IT and digital health, especially telehealth, remote monitoring, disease management and interoperability solutions
- Pandemic control solutions including PPE, ventilation solutions, isolation equipment, digital tracking and monitoring
- Radiological devices
- Medical consumables

Opportunities

Digitalization: The COVID-19 pandemic showcased the advantages of digital health solutions, in particular telemedicine and remote monitoring, as well as tracking, prescription and patient record apps. Legal barriers were temporarily eliminated to deal with the crisis, creating a significant uptick in the demand for these solutions, with future regulations to be determined.

Increasing Inter-operability: The increasing penetration of HealthIT has broad implications for the medical equipment market, as inter-operability and advanced communications options become standard requirements for a whole range of medical devices.

Reducing Inefficiencies: Reducing waste and improving efficiency are growing increasingly important as administrators work to reduce the high cost of healthcare. Examples include cheaper and more efficient screening and diagnostic technologies.

Adapting to Demographic Shifts: Austria's aging population will spur a growing demand for age-related care and equipment, including dental instruments, diagnostic technologies, cardiovascular monitoring, mobility solutions, artificial joints, etc.

Vienna's General Hospital: The City of Vienna is planning to spend \$1.6 billion between 2020 and 2030 to modernize Vienna's most important teaching hospital, one of the largest in Europe. Upcoming investments are expected to include: 1) Neonatal ICU, surgery center, and birth center 2019-2022, 2) operating room renovations, 3) ICU and immediate care station renovations, and 4) patient room renovations.

Medical Device Regulation 2017: When the MDR 2017 comes into force in 2021, it is likely to force lower quality products from the market, opening new opportunities for high-quality U.S. products.

Note: Please contact your local export assistance center for support in determining if your product is subject to U.S. government export restrictions related to COVID-19. For a list of export assistance centers, please visit www.export.gov.

Resources

Statistik Austria (Austrian Statistics Office)

<http://www.statistik.at>

LISA Austria (Austrian Life Sciences Cluster)

<http://lifescienceaustria.at>

Bundesministerium für Gesundheit (Austrian Federal Ministry for Health)

<http://www.bmg.gv.at/>

MedTech Europe (Umbrella Organization of European Medical Technology Associations)

<http://www.medtecheurope.org>

Gesundheit Österreich GmbH (Austrian Federal Institute for Health)

<http://www.oebig.at>

Hauptverband der österreichischen Sozialversicherungsträger

(Association of Austrian Social Insurance Carriers)

<http://www.sozialversicherung.at>

FEEI (Austrian Association for the Electric and Electronics Industries)

<http://www.feei.at>

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Advanced Manufacturing

Overview

Austria's manufacturing industry generated \$281 billion per year and accounted for 19% of the country's GDP in 2019. Manufacturing employs approximately 680,000 in 29,000 companies with an especially strong presence in the provinces of Upper Austria, Styria and Lower Austria. Austrian manufacturers include several globally significant multinationals and an estimated 200 "Hidden Champions," global technology leaders in their specific segments dense in patent holders. Beyond these companies, the majority of the Austrian manufacturing industry is characterized by small- and medium-sized family-owned companies with an average of 100 employees.

In order for Austrian industry to advance in its international competitiveness, many companies need to increase their productivity by adopting more cutting-edge innovative technologies. Industry 4.0 advanced manufacturing solutions are critically important to this effort. There is a high degree of commitment to digitization among industry, government, leadership, and even labor. According to the latest PWC survey of 100 Austrian industrial companies, conducted in 2016, more than \$4.5 billion is invested annually by Austrian companies in industry 4.0 solutions and more than 85% of the companies reported plans to digitize major areas of their value chain by the end of 2020. Impacted by the COVID-19 crisis, some digitization projects were put on hold in 2020 due to cost saving measures, especially in industrial production, though companies in less impacted sectors such as healthcare and food production proceeded with planned industry 4.0 related projects.

In Austria, 30 universities and 15 research institutes, mostly in Vienna and Graz, concentrate in several Industry 4.0 relevant disciplines including mechanical engineering, electronics and information technology. A strong network of industry clusters under the umbrella of the government-led National Cluster Platform brings together 7,000 companies participating in 61 industry clusters with focuses such as mobility, materials, mechatronics and information and communication technologies, life sciences, and environmental and energy technologies. U.S. companies should consider joining a relevant Austrian clusters or associations to build strong industry links and to network with potential partners.

Leading Sub-Sectors

According to the 2019 Austrian Research and Technology Report, firms in the mid-range technology segment that provide industrial inputs and machinery in globally competitive supply chains (electronics, automotive, metal, plastics production and processing) are the most frequent users of Industry 4.0 technologies and are trend leaders in Austria. Customer requirements are a key driver for the use of new concepts and technologies in such areas as quality, flexibility, effective documentation of manufacturing process, and improved coordination with customers' production processes. Strong ties between Austrian suppliers and with their customers highlight the importance of Industry 4.0 and smart manufacturing technology to Austria.

Opportunities

Austrian manufacturers are faced with increasing requirements from their customers that are pushing for greater product diversity and environmentally-friendly manufacturing processes, while demanding new high-tech materials, shorter development cycles and just-in-time delivery. In some cases, global clients are also pursuing strategies of re-shoring parts of the supply chains, localizing of critical suppliers or switching to a multi-sourcing strategy.

Austrian manufacturing is under enormous pressure to cut costs in order to be more efficient especially in the face of strengthening global competition. In addition to existing German and Japanese manufacturers, Austria now faces an increase in higher quality Chinese products that benefit from government resources.

"Plattform Industrie 4.0", an initiative of the Austrian government closely coordinated with employers' and workers' associations, published a technology roadmap in 2018 that is critical for the future of advanced manufacturing in

Austria. These trends mirror the best opportunities for U.S. firms to provide Austrian companies key Industry 4.0 solutions/technologies including:

- Virtualization & simulation: Precise digital images, such as a digital twin or a digital factory;
- Physical systems: Smart machines, robots and additive production (3D printing especially for prototypes) to make production faster and safer;
- Sensor systems: Intelligent and energy-efficient sensors using self-diagnosis and predictive maintenance to increase their significance for quality control;
- Cross-sectional software: to enable the intelligent combination of algorithms, sensors, physical objects and cyber-physical systems;
- New surface treatments enhancing the functionality and smart materials (ceramics, plastics, metals, composites) with improved properties;
- Smart logistics: autonomous, cellular, self-driving transport systems;
- Cyber-physical systems (CPS): including autonomous automotive systems, process control systems and distributed robotics;
- Work and assistance systems: improved user interfaces between machines and humans with the aim of simplifying work in real time e.g. through visualization with the aid of augmented reality;
- Cyber security: to improve risk profiles and especially protect industrial control systems, connected products and intellectual property (*see additional Best Prospect in CCG regarding cyber security*)
- Big data analytics: advanced evaluation techniques against very large, diverse data sets, assisting real-time decision-making and optimization;
- Cloud technology: to manage huge data volumes and allow real-time communication in open systems for production systems.

Several significant advanced manufacturing projects underway in Austria, often involving international OEMs, illustrate this advancing Industry 4.0 movement:

- Semiconductor manufacturer Infineon will invest \$1.9 billion by 2025 to construct a new, fully automated chip factory to manufacture 300 mm thin wafers at its production site in Villach.
- Swiss technology group ABB is building a research campus in Upper Austria where 1,000 employees will conduct research into developing the factory of the future.
- Semi40 is one of the largest Industry 4.0 projects in Europe. Coordinated by Infineon Tech in Austria brings together 37 partners in 5 countries that are conducting research on further developing autonomous factories with a strong focus on semiconductors and electronic manufacturing.

Resources

Trade Shows

- Hannover Messe, Hannover, DE, April 12-16, 2021 www.hannovermesse.de
- Smart Automation, Linz, AT, May 18-21, 2021 www.smart-linz.at
- MSV, Brno, CZ, September 13-17, 2021 www.bvv.cz/en/msv
- Produktion & IT, Linz, AT, September 2021 www.lsz-consulting.at/events

Associations & Interest Groups

- Plattform Industrie 4.0 <https://plattformindustrie40.at>
- Clusterplattform Austria www.clusterplattform.at
- FV Metalltechnische Industrie www.metalltechnischeindustrie.at
- FV der Elektro- und Elektronikindustrie www.feci.at
- Additive Manufacturing Austria www.am-austria.com
- Semi40 www.semi40.eu
- Silicon Alps www.silicon-alps.at
- Austrian Chamber of Commerce, Federal Industrial Division
https://www.wko.at/branchen/industrie/start.html?shorturl=wkoat_industrie

Research Institutes

- Austrian Institute of Technology www.ait.ac.at
- Fraunhofer Austria www.fraunhofer.at
- Salzburg Research Forschungs GmbH www.salzburgresearch.at
- Upper Austria Research GmbH www.uar.at
- Joanneum Research www.joanneum.at

U.S. Commercial Service Austria, Advanced Manufacturing Specialist – Jan Bruckner jan.bruckner@trade.gov

Cyber Security

Overview

Austria has a medium-sized and well-developed ICT sector. According to the Austrian Chamber of Commerce it generated an industry turnover of \$22 billion, accounting for slightly above 3% of Austria's GDP in 2019. In 2020, the cyber security market was estimated at \$550 million. It is one of the fastest growing ICT subsectors in Austria and projected to grow annually by 6 to 9% from 2020 to 2023. The Austrian cyber security market is dominated by U.S. and UK companies with Austrian presence or covering Austria from their German offices.

Cyber security has become an increasingly important issue in Austria. The Austrian government's 2013 National Cyber Security Strategy elevated Austrian societies' awareness of cyber threats and established goals of enhancing cyber security and resilience of Austrian infrastructure and services. Since that time, the government has achieved many of these objectives; however, recent 2019/20 cyber attacks on government and private companies have revived the topic and increased attention on the need for further action.

Austria continues to offer growing export opportunities for U.S. companies, particularly in cyber services that represent 56% of the cyber market, according to IDC data. Leading cyber services subsegments include managed services, integration, consulting, education and training. Cyber security software represents 26% and hardware 18% of the total cyber market. Despite overall cuts in IT budgets anticipated due to the economic impact of the COVID-19 crisis, the increasing threat of cyber-attacks has led to greater spending on and demand for innovative IT security solutions by both the government and private sector.

Market Demand

Austria's market can be split in three main segments: SMEs, large companies, and government. Overall, there is a much higher risk awareness and also continuous cyber security investment by government institutions and the 1,700 larger Austrian business with 250+ employees. An increasing number of critical infrastructure providers and leading manufacturers have already established dedicated cyber security teams. Since 2013, the Austrian government led by the Federal Chancellery continues to heavily invest in increasing cyber resources at federal, regional and provincial levels. One example was the July 2020 announcement of a Joint Cyber Security Center, bringing together resources from the Federal Chancellery, Ministry of Defense, and Ministry of Interior.

Austria's businesses are dominated by SMEs (660,000 entities), accounting for 99% of all businesses, with the majority only minimally protected by cyber security measures, still misjudging the danger of security breaches, and dedicating only limited IT budgets for services, software, hardware and additional IT staff. Especially mid-sized manufacturers, often with strong patent portfolios and growing international presence, have a great need to implement robust IT security management.

COVID-19 Telework-Driven Cyber Demand. Following the global trend, Austrian companies are reevaluating and building their telework capacities and related security measures. A recent survey by Deloitte of 535 Austrian private sector decision makers showed that since the mid-March 2020 Austrian COVID-19 shutdown time, 40% report increased employee use of private devices, 25% registered an increase in cyber-attacks, and 60% perceived their employees as an increasing risk factor. Austrian manufacturers have largely reopened with many services-oriented and tech-based firms remaining in telework status at least in part through 2020 and possibly into 2021. This survey also showed that these companies have already implemented a number of measures: 72% increased the usage of VPNs, 46% increased their focus on employee awareness and training, 44% increased their cyber monitoring, 34% adopted user two-factor authentication, and 32% have updated and tested crisis plans. Looking ahead, 40% of these businesses are planning to roll out new regulations and solutions for mobile devices, 31% want to change their hardware and software, and 27% want to prioritize the overall role of cyber security. Despite overall IT budget pressures in most industries, 21% are planning additional investment in this field.

In the wake of elevated cyber threats becoming more common especially during the COVID crisis, the Austrian government is actively improving its cybersecurity outreach awareness campaign to the public by alerting about phishing/malware threats and launching an end-user focused cyber security awareness app.

Opportunities & Leading Sub-Sectors

According to the Federal Criminal Police Office, the total number of reported cyber security breaches in Austria grew steeply by 215% from 9,000 in 2014 to 28,400 in 2019. Further in 2020, highly publicized news reports of cyber attacks at the Foreign Ministry and the largest Austrian internet service provider A1 have led to a rapidly growing awareness throughout Austrian society of cyber security threats. According to KPMG's 2020 cyber security report, 57% of the 650 Austrian companies surveyed confirmed that they have been attacked in the last 12 months. In another recent survey by Ernst Young, 81% of the 200 decision makers surveyed expect a further increase of cyber-attacks and data theft; however, only 43% have prepared a detailed crisis plan to address this threat.

Key trends driving the Austrian cyber security market that open excellent opportunities for U.S. companies include:

- Outsourcing of entire cyber security or procurement of managed security services including services to detect and close security loopholes;
- Preferences for full platforms compared to point solutions as a result of ever-growing talent shortage & vendor fatigue;
- Security measures to comply with implementation of cross-industry EU legislation including GDPR and the NIS Security Law, as well as, industry-specific legislation such as Basel 3 (financial sector) or the roll out of SCADA systems for critical infrastructure;
- Cyber defense solutions targeting phishing, malware and ransomware, social engineering and overall data leakage;
- Endpoint hardware and software security for private devices and security monitoring also for remote workers;
- End-user awareness & continuous cyber security training;
- Solutions for IoT specifically in the industrial sector;
- Cyber insurance (2/3 of Austrian companies are not insured);
- Other innovative solutions in the fields of verification services, threat intelligence, online reputation, artificial intelligence, deep fakes and email compromising.

Market Entry

U.S. cyber security solutions providers interested in the Austrian market can best position themselves by selling through an established, qualified local channel partner such as a reseller, value-added distributor or systems integrator. These channels offer a low risk market entry for most U.S. manufacturers. In some cases, an existing partner in Germany can cover the Austrian market. Establishing a direct business presence in Austria is the best strategy for U.S. companies pursuing a) national security projects with the Austrian government, b) projects with larger professional integrators, or c) critical infrastructure end-users.

Some U.S. companies may choose to partner with U.S. or other international integrators already established in Austria. Major U.S. ICT and cyber security companies in Austria include: Oracle, IBM, Microsoft, Google, Cisco, Commvault, Citrix, VMWare and Fortinet.

Public sector procurement contracts in Austria above a minimum value are subject to formal EU tender procedures, which can be a significant resource challenge especially for smaller U.S. suppliers. For details on this process, please refer to [European Commission's website](#).

Most Austrian business partners are fluent in English, but the majority of local trade shows, conferences and industry publications are in German. It is therefore recommended to translate and adjust marketing materials including references to the Austrian market.

Resources

Trade Shows & Conferences

- Security Summit: Vienna, AT September 8, 2020 <https://securitysummit.at>
- IT Security Herbst: Vienna, AT, September 24, 2020 www.lsz-consulting.at/events
- Cybercrime Forum: Vienna & Salzburg, AT, November 23 & 26, 2020 www.lsz-consulting.at/events
- it-sa: Nuremberg, DE, October 6-8, 2020: www.it-sa.de
- InfoSecurity Europe: London, UK, June 8-10, 2021 www.infosecurityeurope.com

Associations, Interest Groups & Research Institutes

- Austrian Security Board (KSÖ): <https://kuratorium-sicheres-oesterreich.at>
- Cyber Security Austria (CSA) Association: www.cybersecurityaustria.at
- Association of Austrian Software Industry (VÖSI): www.voesi.or.at
- SBA Research: www.sba-research.org
- Austrian Institute of Technology (AIT): www.ait.ac.at/themen/cyber-security
- KIRAS Security Research: www.kiras.at/en

Government Links

- Federal Chancellery (BKA) - Cyber Security Platform (CSP) & Cyber Security Steering Group (CSS): www.bundestkanzleramt.gv.at/en/topics/security-policy/cyber-security.html
- Ministry of Interior (BMI) - Federal Criminal Police Office (BK) & Cyber Crime Competence Center (C4): www.bundeskriminalamt.at
- Austrian Cyber Security Strategy: [Link](#) & www.cyberwiser.eu/austria-au
- Austrian Cybercrime Report: www.bundeskriminalamt.at/306/files/Cybercrime_Report_18_web.pdf
- Online Security Portal: www.onlinesicherheit.gv.at
- CERT Overview: www.onlinesicherheit.gv.at/erste_hilfe/certs/249343.html

U.S. Commercial Service Austria, ICT and Cybersecurity Specialist – Jan Bruckner jan.bruckner@trade.gov

Education

Overview

Highly qualified Austrian students and professionals actively participate in study abroad programs ranging from short-term to full year-long. Austrian professionals attend training programs in the United States at the individual and corporate levels. Almost 1,100 Austrians officially enrolled in the United States in 2019, a slight decrease of about 4% from the previous year according to the 2019 International Educational Exchange Open Doors Report. This decline can be mainly seen within the undergraduate and graduate programs. Despite this, the United States still remains one of the top study abroad destinations for Austrian students, ranked 4th following Germany, the U.K. and Switzerland per UNESCO reporting.

The COVID-19 pandemic interrupted academics throughout the world, which may negatively affect Austrian study abroad data for 2020. While posing challenges for physical study abroad, the pandemic underscored the importance of digital education. In Austria, this triggered the Austrian government to prioritize digital education solutions for all levels of education, opening strong potential for U.S. providers. Distance learning also gained traction as Austrian students and professions are increasingly seeking alternatives to short-term, in-person study programs.

English is the first foreign language that Austrians learn as early as primary school. Progressing through higher education, Austrian students generally have strong English skills, which contributes to their strong interest in a broad range of study in the United States, including in the areas of STEM, liberal arts programs, and professional degrees. Leading U.S. study destinations for Austrian students are New York, California, Massachusetts, Illinois and Florida. Various scholarships initiated by the Austrian government and the EU encourage study abroad which are normally channeled through university-to-university exchange programs. International study experiences complement Austria's strong education system allowing students and professionals to further advance their English skills and gain expertise not offered in Austria.

	2018	2019
Austrian Students Studying in the United States (longer than 90 days)	1,148	1,100

Source: 2019 IIE Open Doors Report

Educational System: Austria's education system ranks 4th among 63 countries worldwide in the 2019 Institute for Management Development (IMD) World Talent Report. The goal of lifelong learning is highly integrated in the Austrian education system and society. This report also ranks Austria 1st in prioritizing employee training and 3rd in implementing apprenticeships. These high rankings are due in part to the Austrian government's strong investment in its education system and professional development, which is one of the highest among OECD countries.

In Austria, school attendance is compulsory for nine years and is divided into two parts. The first portion is a four-year primary school that begins at age 6. At age 10, children are divided into two tracks based on their academic strengths and preferences. The vocational track lasts 6 years, with a focus on practical life skills and preparation for an apprenticeship at age 16. Students have a choice from seven vocational areas according to their interests and aptitudes: metal, electrical, wood, construction, trade/office, services and tourism. The academic track takes 8 years, comparable to a college preparatory school in the United States, where students prepare to attend university.

Austria has over 2,700 high schools with around 610,000 students. The 70 universities in Austria are mostly public with 12 private universities. Public universities offer free tuition with students paying modest fees. Specialized universities concentrate on arts (6), medicine (3), applied sciences (22) and teacher education (14). In the 2018/2019 academic year, a total of 376,700 students studied in universities nationwide with 26.3% international students as reported by Statistik Austria.

COVID-19 Impact: During Austria's Spring 2020 COVID-19 crisis, the Austrian government instituted extensive restrictions including school closures. Distance learning was quickly adopted with the government providing computers to students as needed. Then in May 2020, students returned to school on a

part-time basis before the summer break. The Fall 2020 school year is expected to open with in-person instruction, with extensive health-oriented measures, at the lower levels and a combination of digital, classroom, and hybrid learning for higher education. Austrian government recognition of the importance of education technology and distance learning options is reflected in the Ministry of Education strategic planning and budget through 2022 that opens opportunities for U.S. solutions providers.

Sub-Sectors and Opportunities

- **Education Technology (EduTech):** In response to the COVID-19 pandemic, the Austrian government has prioritized investment in digital education. The Ministry of Education budgeted \$236 million for digital learning solutions in primary and secondary schools through 2022 and another \$50 million for digital and social transformation in universities. These projects open excellent opportunities for U.S. technology companies offering digital learning tools and cloud solutions.
- **Distance Learning:** Due to travel restrictions resulting from the COVID-19 pandemic, demand has increased for online and distance learning. In addition to students seeking to earn college credits, many Austrian companies are opting for online professional development training opportunities for their employees. Many take advantage of the free online education platforms; however, fee-based platforms for specialized or customized courses and formal certifications are also becoming more popular.
- **Scholarships and Grants:** The Austrian Agency for International Cooperation in Education and Research (OeAD) manages a series of scholarship programs for international study. This includes the popular Erasmus+ Program, funding students to study, teach, complete an internship or collaborate internationally with partner higher education institutions. To apply for these scholarships and grants, students apply through their home university in Austria for study abroad at their school's international partner university. The norm in Austria for school and university exchanges are two-way programs; therefore, U.S. counterparts seeking to attract Austrian students should be prepared to also send their students to Austria. Fulbright Austria also has a very active program, providing grants to qualified Austrian students to teach, engage in research or study in the U.S. and offering American students parallel opportunities in Austria.
- **Exchange Programs/Intensive English Language Programs:** Customized exchange programs that vary from short-term (7-10 days) during academic breaks to one-year long, are attractive to Austrian university and high school students. Interest is especially strong in unique programs that include STEM and intensive English language courses, hands-on scientific field and lab experiences, and professor-student, and private company engagement. While many Vienna-based universities already have long-standing partnerships with U.S. universities, those universities outside of Vienna and high schools nation-wide demonstrate strong interest in establishing U.S. academic partnerships.

U.S. Commercial Service Austria can structure customized introductions and promotional programs for interested U.S. university and other education institutions to meet targeted Austrian universities, schools and private entities. The U.S. government's EducationUSA advising center is also active in Austria providing student advising and promoting Study in USA. Unlike in some other countries, Austrian students do not work through private educational representatives to find international study opportunities, rather, they apply directly to U.S. educational institutions. U.S. Student Visa: For details on U.S. study visa application process, please visit: <https://at.usembassy.gov/embassy-vienna-resumes-limited-visa-services/>

Resources

Trade Show:

BeSt³ Student Fair, Vienna, Austria, March 4 – 7, 2021 , <https://bestinfo.at/en/>

U.S. Government:

U.S. Commercial Service Austria, Education Specialist – Robee Sallegue robee.sallegue@trade.gov

Education USA: <https://educationusa.state.gov/>

Fulbright Austria: <http://www.fulbright.at/>

Study in Austria: www.studyinaustria.at

U.S. Embassy Visa Information: <https://at.usembassy.gov/embassy-vienna-resumes-limited-visa-services/>

State Department Visa Website: <https://travel.state.gov/content/visas/en.html>

Austrian government

Federal Ministry of Science, Research and Economy: <http://www.bmwf.gv.at>

“Österreichischer Austauschdienst OeAD” – Austrian agency for international mobility and cooperation in education, science and research: <https://oead.at/en>

Austrian Grants: <https://grants.at/>

Statistik Austria: www.statistik.at

Other

OECD: <http://www.oecd.org/>

IIE: www.iie.org

IMD: www.imd.org

UIS UNESCO: <http://uis.unesco.org/>

Agricultural Sectors

Overview

As a result of the COVID-19 virus pandemic and its related lock-down world-wide, the global agricultural and food market has been characterized by market and trade distortions since mid-March 2020. Future developments are subject to considerable uncertainties depending on the development of the outbreak and trade distorting lock-down measures. However, since the food supply chain belongs to the so-called “system-relevant” sectors, trade disruptions for agricultural and food products are not as severe as in other sectors.

In 2019, Austria’s total agriculture, fish and forestry imports were \$17.2 billion, and exports were \$16.7 billion. In total, about 84% of all imported agricultural products came from the EU and 82% of all exported goods were delivered to EU Member States. Austria’s most important agricultural trading partners are Germany and Italy. (Source: Trade Data Monitor/Statistik Austria)

Austria imported \$128.8 million worth of U.S. agricultural, fishery and forestry products in 2019. Official import numbers do not include significant and steadily growing transshipments of U.S. products from other EU countries. (Source: Trade Data Monitor/Statistik Austria)

When responding to polls, Austrian consumers usually express a preference for high quality, regionally and sustainably produced foods, but when it comes to actual buying patterns, price appears to be one of the major purchasing factors for a majority of the population. However, for special events, most people, even in lower income brackets, 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.

Due to the high number of people working on reduced schedules and a high unemployment rate caused by the COVID-19 pandemic, private consumption is projected to decrease in 2020. In the first quarter of 2020, private household expenditures fell by 4.5%. With lower disposable income, Austrian consumers tend to buy less expensive food, such as less expensive meat cuts. (Source: Statistik Austria)

Until March 2020, food and beverage sales benefited from increasing total consumer expenditures. In 2019, consumer expenditures on food and beverages, including alcoholic beverages and tobacco, were estimated at \$3,355 per capita. The forecast for consumer expenditures on food and beverages in 2020 is an approximately 6% reduction. The share of food and beverage expenditures of total consumer expenditures remains fairly stable, at about 13%, over the years. (Source: Euromonitor)

The traditional Austrian diet is based on pork, wheat flour, and vegetables. Cakes and bakery products are important parts of the diet, but there is an increasing interest in healthy lifestyles. A growing number of consumers are concerned about excess calories and healthy diets. The younger generation particularly appreciates trying new products and is a logical segment to aim for with new food product introductions. Since the population is steadily aging, the 50+ generation is also an important target market for food products considering their specific needs, including health foods.

Biotech, genetically engineered (GE) or ‘GMO’ food products have a very negative image among the Austrian public. Food products that have to be labeled as biotech do not sell in Austria and cannot be found in Austrian retail stores. Austrian retailers even promote biotech-free food. There is an Austrian label for biotech-free products issued by “ARGE Gentechnik-frei” (Platform for ‘GMO-Free’ Food Products) which follows the requirements for biotech-free food products established by the Austrian food codex. The label states “produced without biotech” (ohne Gentechnik hergestellt). Major products with this labeling are milk and dairy products (cows must not be fed GE feed), bread and bakery products, eggs (laying hens must not be fed biotech feed), soybean products, meat, fruits, and vegetables.

A counterpoint to the negative view of biotech foods is Austria’s strong and still growing market for organic agricultural and food products. The market share of organics in food retail accounts for about 8% and Austria has the highest percentage of organic farmland within the EU. Thus, opportunities exist for U.S. organic companies and exporters interested in the Austrian market. (Source: AMA Marketing)

Driven by the Austrian government and non-governmental organizations, Austrian consumers are highly aware of environmental issues. This creates a rapidly growing market for sustainably and regionally produced food

products. In reaction to this trend, retail chains started launching private labels promoting the “sustainability” and “regionality” of their products.

	2017	2018	2019	2020 estimated
Total Local Production	10,054	11,603	12,500	13,000
Total Exports	14,217	16,926	16,665	16,300
Total Imports	14,704	17,714	17,160	16,800
Imports from the US	111.5	132.8	128.8	130
Total Market Size	10,541	12,392	12,995	13,500
Exchange Rates 1 Euro= USD	1.1301	1.1810	1.1201	1.1100

(total market size = (total local production + imports) - exports)

Units: \$ millions

Data Sources:

Total Local Production: Federal Ministry of Agriculture, Regions and Tourism (2017 – 2018), Foreign Agricultural Service Estimates (2019 - 2020)

Total Exports, Total Imports, Imports from the US: Trade Data Monitor (2017-2019), Foreign Agricultural Service Estimates (2020)

Exchange Rates: OFX.com (2017 – 2019), Foreign Agricultural Service Estimates (2020)

Leading Sub-Sectors

Fish and Seafood Products. 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 freshwater fish such as trout and carp. Best prospects for U.S. fish and seafood exports are salmon, pollock, lobster, shrimps, crabs, caviar substitutes, catfish, and scallops.

Tree Nuts. In 2019, the United States was the fourth largest supplier of tree nuts (in value and quantity) to Austria. Most tree nuts are used as ingredients by the food processing sector. Almonds are the most important commodity within this category. Further products with good sales potential include walnuts, pistachios, pecans, and hazelnuts.

Wine. Austria traditionally has a high share of domestic wine consumption. However, good prospects exist for “new world wines,” including those from the United States. In 2019, the United States was the fifth most important supplier (by value) of wine to Austria.

Processed Fruits and Vegetables. Austrian imports of processed fruits and vegetables are mainly prepared nuts/seeds and dried fruits. Those products are mostly used as ingredients by the food-processing sector used in the production of pastries and breakfast cereals. Dried fruits and prepared nuts are also popular as a snack.

Fruit and Vegetable Juices. A very strong fruit juice industry makes Austria one of the most important juice importers worldwide. The demand for fruit juices is high. Good opportunities for U.S. fruit juices in the Austrian market are citrus and cranberry juices.

Snack Foods (Excluding Nuts). The Austrian demand for healthy, organic, innovative, and exotic snacks is at a high level.

Red Meats Fresh/ Chilled/ Frozen. Limited, but lucrative and increasing opportunities exist for U.S. hormone-free, high quality beef, game and exotic meat for the upper-scale gastronomy.

Whiskies (Bourbon). When it comes to hard liquor, Austrians traditionally drink schnapps but there is also a good market for whiskeys with increasing popularity. The United States is the second largest supplier, after the United Kingdom.

Opportunities

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 2019, the consumer oriented sector accounted for \$66.1 million, about 47% of total agricultural and related products imports from the United States. (Source: Trade Data Monitor).

Austrian consumer trends are creating good market opportunities for organic, health, diet, convenience, and ‘sustainable’ food products. Market opportunities for U.S. products include but are not limited to nuts, dried/processed fruits, spirits - especially whiskies, wine, fruit juices, snack foods, fish and seafood products, hormone-free high quality beef, game and exotic meats for the up-scale cuisine.

Resources

United States Department of Agriculture/Foreign Agricultural Service
1400 Independence Ave., S.W.
Washington, DC 20250
Phone: (202) 720-2791
Web: <https://www.usda.gov/>; <https://www.fas.usda.gov/>

Foreign Agricultural Service Vienna
Boltzmannsgasse 16
1090 Vienna, Austria
Agricultural Specialist: Roswitha Krautgartner
Phone: ++43 1 31339-2293 Email: agvienna@fas.usda.gov
Regional Office in Berlin covers Austria, Germany, Hungary, Czech Republic, Slovakia and Slovenia Web: <https://fas-europe.org/>

The United States Mission to the European Union
Foreign Agricultural Service
Boulevard du Regent 27
1000 Brussels, Belgium
Phone 32-2-811-5793
Web: <https://www.usda-eu.org/>

Bundesministerium für Soziales, Gesundheit, Pflege und Konsumentenschutz
(Federal Ministry of Social Affairs, Health, Care and Consumer Protection)
Radetzkystasse 2
1030 Vienna, Austria
Phone: ++43 1 711 00-0
Web: <https://www.sozialministerium.at/>

Österreichische Agentur für Gesundheit und Ernährungssicherheit
(Austrian Agency for Health and Food Safety)
Spargelfeldstrasse 191
1220 Vienna, Austria
Phone: ++43 05 0555-0
Web: <https://www.ages.at/>

Data Sources:

Trade Data Monitor: <https://www.tradedatamonitor.com/>

Statistik Austria: <https://www.statistik.at>

WIFO: <https://www.wifo.ac.at/>

Euromonitor: <https://www.euromonitor.com/>

ARGE Gentechnik-frei: <http://www.gentechnikfrei.at/>

AMA Marketing: <https://www.ama.at>

OFX.com: <https://www.ofx.com/en-au/forex-news/historical-exchange-rates/yearly-average-rates/>

Customs, Regulations and Standards

Trade Barriers

U.S. companies experiencing trade barriers or other challenges in exporting to Austria are encouraged to contact the U.S. Commercial Service in Austria for assistance with contacts at: www.export.gov/austria.

The [U.S. Commercial Service European Union](#) is positioned to assist U.S. companies to understand EU trade regulations and to address potential EU trade barriers.

For information on existing EU trade barriers, please see the [National Trade Estimate Report on Foreign Trade Barriers](#) published by USTR. Information on agricultural trade barriers can be found on the [Foreign Agricultural Service \(FAS\) website](#).

Import Tariffs

When products enter the EU, they need to be declared to customs according to their classification in the Combined Nomenclature (CN). The CN document is updated and published every year, and the latest version can be found on the [European Commission's website](#).

U.S. exports to the European Union enjoy an average tariff of 3%. U.S. exporters should consult “The Integrated Tariff of the Community”, referred to as TARIC (Tarif Intégré de la Communauté), to identify the specific EU tariff and the various rules, including possible licensing, which apply to specific products being imported into the EU customs territory.

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.

Import Requirements and Documentation

Many EU Member States maintain their own lists of goods subject to import licensing. The TARIC described above is available to help determine if a license is required for a particular product. The European Commission maintains a [Trade Helpdesk](#) with information on import restrictions of various products.

The [U.S. Commercial Service office at the U.S. Mission to the EU \(CS Europe\)](#) has expert staff dedicated to tracking changes to EU trade regulations. U.S. companies seeking information about EU-wide import requirements are encouraged to review the U.S. Commercial Service’s [Commercial Guide for the European Union](#) for detailed information on general EU import requirements as well as those for specific products including batteries, electronics, agriculture, and cosmetics, among others.

Labeling and Marking Requirements

There is a broad array of EU legislation pertaining to the marking, labeling and packaging of products, with neither an “umbrella” law covering all goods nor any central directory containing information on marking, labeling and packaging requirements.

The first step in investigating the marking, labeling and packaging legislation that might apply to a product entering the EU is to draw a distinction between what is mandatory and what is voluntary. Decisions related to mandatory marking, labeling, and/or packaging requirements may sometimes be left to individual Member States. Furthermore, voluntary marks and/or labels are used as marketing tools in some EU Member States.

For complete details on EU labeling and marking regulations, please visit the [CS Europe website](#) and consult with their expert staff as needed.

U.S. Export Controls

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR).

The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, and compiled "[Know Your Customer](#)" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check [This is a best prospect industry sector for this country](#). Includes a market overview and trade data [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the e-CFR (Electronic Code of Federal Regulations) and is updated as needed. The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

Temporary Entry

Austria and the EU use the [ATA Carnet Customs](#) procedure used for temporary importation, transit and temporary admission of goods designed for specific purposes, duty-free and tax-free (such as professional equipment for presentations or trade fairs).

Prohibited and Restricted Imports

The EU Common Customs Tariff ([TARIC](#)) provides information on EU customs duties, relevant commercial and agricultural legislation, and any prohibitions or restrictions to imports or exports, specifically in sections on: Convention on International Trade of Endangered Species (CITES), Import Suspension (PROHI), and Import Restriction (RSTR).

Customs Regulations

As a part of the EU, Austria adheres to the Union Customs Code (UCC), adopted in 2013, and its substantive provisions from 1 May 2016. In addition to the UCC, the European Commission has published delegated and implementing regulations on the actual procedural changes. These are included in Delegated Regulation (EU) 2015/2446, Delegated Regulation (EU) 2016/341 and the Implementing Regulation (EU) 2015/2447.

In April 2016, the European Commission published an implementing decision (number: 2016/578) on the work program relating to the development and deployment of the electronic systems of the UCC. The EC continues to evaluate the timeline by which the EU-wide integration of the customs IT system can be implemented. The EU Common Customs Tariff databased is located at: [TARIC](#).

Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation. The EU has a [standard set of rules](#) for establishing the goods' value, which will then serve for calculating the customs duty. The value of imported goods is one of three 'elements of taxation' that provides the basis for assessment of the customs debt (the amount of customs duty that has to be paid). The other two elements are the origin of the goods and the customs tariff. For more details, please see U.S. Commercial Service's [Commercial Guide for the European Union](#) and the EU resource on tax and customs procedures at: [EU Customs Procedures](#).

Standards for Trade

Austria is a member of the Europe Union and adheres to EU Standards requirements. Products tested and certified in the United States to U.S. regulations and 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 Directives as well as to possible additional national requirements. EU legislation and standards are harmonized across the Member States and European Economic Area countries to allow for the free flow of goods. For detailed information on harmonized trade standards, see the U.S. Commercial Service's [Commercial Guide for the European Union](#).

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. "Notify U.S." (www.nist.gov/notifyus) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Contact Information

U.S. Commercial Service – U.S. Mission to the EU

Flavie Guerin, Standards Specialist
E-mail: Flavie.Guerin@trade.gov
Direct Dial: +32 2 811 56 82

European Union

[CEN- European Committee for Standardization](#)

Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.550.08.11
Fax: 32.2.550.08.19

[CENELES- European Committee for Electrotechnical Standardization](#)

Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.519.68.71
Fax: 32.2.519.69.15

[ETSI- European Telecommunications Standards Institute](#)

Route des Lucioles 650
Sophia Antipolis
F-06560 Valbonne France
Tel: 33.4.92.94.42.00
Fax: 33.4.93.65.47.16

[SBS- Small Business Standards](#)

4, Rue Jacques de Lalaing
B-1040 Brussels
Tel: 32.2.285.07.27 Fax : +32-2/230.78.61

[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

[ECOS- European Environmental Citizens Organization for Standardization](#)

Rue d'Edimbourg 26
B – 1050 Brussels, Belgium
Tel: 32.2.894.46.68
Fax: 32.2.894.46.10

[EOTA- European Organization for Technical Assessment](#)

Avenue des Arts 40
B – 1040 Brussels, Belgium
Tel: 32.2.502.69.00
Fax: 32.2.502.38.14

Trade Agreements

For a list of trade agreements with the EU and its Member States, please see the [list of EU Trade Agreements](#).

Licensing Requirements for Professional Services

Licensing requirements for professional services in Austria are much broader than in the United States, and include most trades. The process of obtaining a professional license is simpler for citizens of the EU, the European Economic Area (EEA) and Swiss citizens. Foreign nationals (non- EU/EEA/Swiss citizens) must first meet the legal requirements of residing and of starting a business in Austria. In addition to a minimum age requirement, the person

must be a resident, may not have any outstanding criminal proceedings, and must fulfill the legal qualifications for regulated trades/professions. Once these requirements are met, a business license can be requested through the Austrian Economic Chamber (WKO-Wirtschaftskammer).

The [complete WKO list of regulated trades](#) (in German) is long and covers everything from electricians to consultants to hair dressers. Some professionals, including physicians, lawyers and pharmacists, are licensed by individual professional chambers. The recognition of a foreign degree varies significantly from profession to profession.

The European Commission Directive 2005/36 outlines recognition procedures for professional qualifications and licenses obtained in one Member State for the purposes of access and pursuit of regulated professions in another Member State.

Recognition of qualifications for academic purposes in the higher education sector, including graduation certificates are subject to the Lisbon Recognition Convention. The ENIC-NARIC network (European Network of Information Centres/National Academic Recognition Information Centres) provides advice on cross-border recognition of these qualifications. Recognition may be assessed by the receiving educational provider or employer in cases where there is a common understanding of the level, content, and quality of the qualification.

The “Your Europe” website maintains a webpage dedicated to help citizens identify regulated professions and the necessary documentation for [Recognition of Professional Qualifications](#) in each Member State.

Selling U.S. Products and Services

Distribution & Sales Channels

Overview

Austria ranked #1 in the World Bank's Doing Business Report 2020 for "Trading Across Borders", demonstrating the country's highly efficient documentary compliance, border compliance and domestic transportation within the overall process of exporting or importing goods shipments. Main routes for imports into Austria are by air (33%), road (31%) and sea (30%), with the main seaports being Rotterdam, Koper (Slovenia), Antwerp, and Hamburg.

Using an Agent or Distributor

Qualified Austrian agents and distributors exist 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 seeking 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 deviate from certain requirements. Accordingly, the inclusion of a clause specifying that an alternate body of law be applied in the event of a dispute, will likely be ruled invalid by European courts. For details please review this EU Directive on self-employed commercial agents at:

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

Establishing an Office

The Austrian government's official investment promotion agency, "Austrian Business Agency (ABA)" <https://investinaustria.at> offers complimentary information and expert advice on all subjects related to opening an office or a production facility in Austria. ABA can also provide information on Austrian government programs to facilitate new investments and R&D especially in priority industries such as life sciences and technology. ABA's Americas Director Michaela Laussegger can be reached at: m.laussegger@aba.gv.at.

In addition, each of the Austrian provinces maintain official investment offices. 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.virtualvienna.net/>

The Austrian government has progressed somewhat in streamlining its complex and cumbersome requirements for business licenses and permits. According to the World Bank, 21 days are required to start a business in Austria, almost twice the EU average. The Austrian government established a "one-stop shop" for business permits, but this does not facilitate services related to securing plant construction or building permits. All licensed businesses in Austria (including foreign-owned enterprises) must be members of Austria's Economic Chamber (WKO – Wirtschaftskammer Österreich) <https://www.wko.at/> and pay compulsory dues.

Franchising

Franchises represent only 5% of Austrian retail sales. Approximately 480 franchise systems with over 11,700 locations currently operate in Austria. According to 2019 Austrian Franchise Association, the net turnover for franchises in Austria totaled approximately \$10.3 billion, a 11% increase over 2018. Around 67% of franchise businesses operating in Austria are of local origin. The top foreign participants in the Austrian franchising economy are German companies, with around 17% of franchises, followed by the United States and Canada combined with about 7% of franchises, and 7% from the rest of the world. Most German franchises either set up a headquarters in Austria or franchise directly over the border. Most U.S. franchisers, on the other hand, choose to expand their operations in Austria through a master franchise partner, an approach that is not as well received in the market.

U.S. businesses pursuing franchise opportunities within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. Many Austrian business and consumer trends begin in Germany; therefore, establishing a U.S. franchise first in Germany before expanding to Austria can be a solid strategy. EU franchise regulations are fairly broad and can be found at [European Franchise Federation website](#). While there is no specific Austrian franchise law, existing commercial laws can affect franchise business, and agreements should detail the rights and obligations of the franchise partners including: contract period, trademark law and competition law, location, marketing strategy and franchise fees. In addition, mandatory legal provisions such as anti-trust law should be considered.

The Austrian Franchise Association (Österreichischer Franchise-Verband) <http://www.franchise.at/> maintains an informative website, and co-organizes seminars as well as an annual trade show: Austrian Franchise Show in July, which for 2020 was virtual. Details are at: www.franchise-messe.at The European Franchise Federation is the leading advocate for the franchise industry in Europe: <http://www.eff-franchise.com/>

Direct Marketing

Austrian law prohibits most forms of direct marketing. Prior consent is required from the individual or business being contacted. Even those who consented can withdraw their approval at any time. Furthermore, electronic communications must contain certain elements, such as information about how to opt-out and the sender's identity. A more thorough review of the regulations can be found on the Austrian Regulatory Authority for Broadcasting and Telecommunications website: <https://www.rtr.at/en>.

Austrian laws are being updated to fully meet the requirements of the EU General Data Protection Regulation (GDPR), privacy legislation implemented in May 2018 that affects all sectors and types of companies. The GDPR replaces the previous EU data protection Directive 1995/46 and requires businesses to inform consumers that they are collecting personal data. In addition, companies must have a legal basis to process and retain the data. For details on the GDPR and EU regulations regarding direct marketing, please consult the [U.S. Commercial European Union Country Commercial Guide](#)

Joint Ventures/Licensing

Joint ventures and licensed production arrangements in Austria can be an attractive strategy for U.S. firms looking for partners in Europe. Austria is an EU member country that is well located in the heart of Central and Eastern European markets, with convenient transportation routes to most European destinations, and high-quality labor and production. Joint ventures can be formed as a company, partnership, or other legal entity.

Austrian companies are receptive to licensing arrangements, especially as a source of new technology. Royalty and license fee payments can be freely transferred. Details on intellectual property protection in Austria can be found in the U.S. Department of State's Investment Climate Statement for Austria at: <https://www.state.gov/investment-climate-statements/>. In addition to the assistance offered by the U.S. Commercial Service in Austria, U.S. firms seeking joint venture or license partners in Austria receive valuable information and support from the Austrian Government's investment organization, the Austrian Business Agency at <https://investinaustria.at> ABA's Americas Director Michaela Laussegger can be reached at: m.laussegger@aba.gv.at.

Express Delivery

Express delivery is widely available and the well-known multinational service providers including Federal Express, UPS, DHL, as well as the Austrian post office all offer reliable service.

Due Diligence

The Austrian economy is highly regulated, which means that controls exist against fraud; however, they do not stop all fraudulent activity. Due diligence is important in Austria, as it is everywhere. 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 Austria, as well as, through private sector resources.

eCommerce

Austria ranks 13th among 28 EU countries in internet use at 86% of the population according to the 2020 European Commission's Digital Economy and Society Index (DESI). Among these 7.6 million users, 72% (almost 5.5 million) shop on-line with leading purchase categories of clothing/sporting goods, electronics/media, publications/ebooks, and household items.

eCommerce News Europe estimated that in 2019, the average annual spending per online shopper in Austria was \$2,000, resulting in around \$6 billion in revenue. Growing Austrian on-line shopping trends include use of smart phones and on-line purchases with local pick up points that save on shipping cost and allow convenient pick up times. An estimated two-thirds of in-person retail shopping decisions are influenced by digital advertising and eCommerce.

In 2019, eCommerce was already expected to grow at a 16% compound annual growth rate through 2021, according to eCommerce Europe, when it was further stimulated by the 2020 COVID-19 pandemic. Consumers were limited to supermarket and pharmacy shopping during the spring 2020 stay-at-home order, and even afterwards have been slow in returning to physical stores. Older consumers needed to become more digitally savvy eCommerce consumers to access certain products. Austrian eCommerce revenue growth in 2020 has been most driven by increases in food and personal care products (+26.7%), followed by furniture and appliances (+14.6%), according to Statista.com. The full impact of the virus on Europe will be more visible in 2021, according to eCommerce Europe.

The leading on-line retail markets in Austria for 2019 were: amazon.de (\$810 million), tchibo/eduscho.at (\$294 million), Unito group - universal.at quelle.at ottoversand.at (\$281 million) and zalando.at (\$270 million). A local online shopping platform called "shopping.at" also gained popularity during the COVID-19 pandemic as the demand for wider variety of available products increased.

The preferred methods of payments for online shopping in Austria are debit and credit cards (28%), followed closely by both bank transfers (27%) and e-Wallet (27%). In addition to online retailers providing delivery, many are also opting for online orders or purchase from retailers, then picking up products in person.

Austria's transportation infrastructure is sophisticated, thus allowing for ease of delivery including in rural regions where one-third of the population lives. Major international logistics firms such as LKW Walter Group, Schenker & Co AG and Kuehne + Nagel AG have bases in Austria. In 2018, Amazon opened its first fulfilment center in Lower Austria and added a second one in Vienna in August 2020.

The Austrian Retail Association (Handelsverband) offers services and events to encourage ecommerce growth, including the upcoming virtual [eCommerce Day](#) in September 2020.

The European Commission has been monitoring the digital progress of the EU Member State's through its Digital Economy and Society Index (DESI) reports since 2014. The 2020 report includes a European-level analysis of broadband connectivity, digital skills, internet use, digitization of businesses, digital public services, emerging technologies, cyber security, ICT sector and R&D spending. The COVID-19 pandemic has shown how important digital assets have become to the economy and how networks and connectivity have allowed daily work to continue. Details about Austria's digital infrastructure and capacities can be found at: https://ec.europa.eu/newsroom/dac/document.cfm?doc_id=66906

Data Privacy under the guidelines of the EU's General Data Protection Regulation and VAT considerations should be examined when establishing a eCommerce sales channel for Austria. The EU's VAT system is semi-harmonized. While guidelines are established at the EU level, the implementation of VAT policy is the prerogative of each Member State. The EU VAT Directive allows Member States to apply a minimum 15% VAT rate, with some exceptions. For details on the GDPR and EU eCommerce Directives, please consult the [U.S. Commercial European Union Country Commercial Guide](#) and [Commercial Service experts at the U.S. Mission to the EU](#).

Selling Factors & Techniques

Trade Promotion and Advertising

Spending on advertising in Austria totaled \$6.9 billion in 2019, a growth of 4% over 2018. The lion's share went to print media and television followed by digital advertising. The strongest growth, however, came from non-traditional advertising such as sponsorships, social media, movie theaters, and outdoor options. U.S. companies' Austrian business partners are best positioned to recommend most successful promotion and advertising strategies customized to the specific product or service and business targets.

Pricing

Austrian cost of living ranks at around the highest 30% range among European Union countries. Given the relatively high salaries and social infrastructure in Austria, citizens generally enjoy a comfortable lifestyle. Austria's hourly labor costs of \$41 per hour ranks 8th highest in the EU, including 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. Some products have a lower VAT of 10%, including books, newspapers, food products and some pharmaceuticals. Special taxes are levied on luxury goods, fuel, drinks, tobacco, and other items. These costs and taxes should be considered when pricing products for sale in Austria.

Sales Service/Customer Support

Business customers demand a high level of support and most wholesalers or distributors offer excellent customer service. Timely service and maintenance capacities are important selling factors. U.S. companies should ensure that their prospective partners have the capacity and the intent to provide service and replacement part warehousing capacities.

Local Professional Services

The same type of professional services available in other highly developed market economies are readily available in Austria. In addition, regional EU 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>.

Principal Business Associations

Many of Austria's leading business associations both at the federal and the provincial level are associated with political parties. The most important associations are the Federal Economic Chamber (WKO - Wirtschaftskammer Österreich) and the Federation of Austrian Industries (Industriellenvereinigung).

The WKO is a semi-official organization that most Austrian businesses are required to join and to which they pay membership fees. It is associated with Austria's center-right People's Party (OeVP), which nominates its leadership. The WKO advises the government on legislation that will impact business, and acts as the official representative of the business community for wage negotiations with official labor unions. They have offices throughout Austria and the world, with a broad scope of activity including the formulation of business certification requirements and export promotion. Website: www.wko.at

The Federation of Austrian Industries, also associated with the conservative People's Party, represents the interests of manufacturing industry. This group differs from the WKO in that it has no official status, and membership of almost 5,000 industrial companies is voluntary. Website: www.iv-net.at

Additional associations represent industries, professions, and labor organizations.

The American Chamber of Commerce in Austria membership of approximately 300 companies includes around 100 U.S. subsidiaries doing business in Austria. Website: www.amcham.at

Limitations on Selling U.S. Products and Services

None.

Trade Financing

Methods of Payment:

It is common practice in Austria to require either payment in advance (at least partial), 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. Once the relationship with a customer is established, open account and extended terms will be expected. As Austria is an advanced industrialized 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. 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. For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at <https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters>.

Banking Systems:

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. Austrian banks also have significant networks in Central, Eastern, and Southeastern Europe, as well as Russia and former Soviet Union countries. U.S. financial institutions operating in Austria include: American Express, Citibank, and Western Union.

Austrian banks offer a wide range of credit and financial instruments. General financing to establish foreign operations in Austria is readily available. Foreign firms enjoy access to Austrian credit and capital markets without restriction. Austrian banks with global operations regularly work with larger U.S. corporations; however, smaller U.S. entities often have trouble conducting banking activities since many local banks are hesitant to serve clients from the United States due to strict reporting requirements, including those required under the U.S. government requirements including the Foreign Account Tax Compliance Act (FATCA).

Austria is part of the EU's Single Supervisory Mechanism (SSM), Single Resolution Mechanism (SRM) and Deposit Guarantee Scheme (DGS). Currently, eight Austrian banks fall under the SSM and are therefore jointly managed by the ECB and national supervisory bodies. The SRM complements the SSM in cases of likely bank failure, ensuring an orderly resolution with minimal costs to taxpayers and the economy through setting up and executing resolution plans. The DGS guarantees that depositors will be reimbursed up to EUR 100,000 in case of bank failure and is aimed at ensuring financial stability by preventing panic withdrawals.

Foreign Exchange Controls: Austria has a fully liberalized foreign exchange regime.

U.S. Banks and Local Correspondent Banks:

Branches/Subsidiaries of U.S. Banks in Austria

American Express Bank Ltd. TRS <https://www.americanexpress.com/at/>

Citibank Europe plc, Austria Branch <http://www.citigroup.com>

Western Union International Bank <http://www.westernunionbank.com>

Austrian banks with Subsidiaries in the U.S.

Erste Bank <http://www.sparkasse.at/erstebank-en/>

Raiffeisen Bank International <http://usa.rbinternational.com/>

Bank Austria (UniCredit) <http://www.bankaustria.at/en/>

BAWAG PSK <http://www.bawagpsk.com/>

Protecting Intellectual Property

U.S. companies should carefully consider several general principles for effective protection of their intellectual property. For background, please link to our article on [Protecting Intellectual Property](#) and [Stopfakes.gov](#) or contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov.

Details on intellectual property protection in Austria is addressed within the U.S. Department of State *Investment Climate Statement* at the [Investment Climate Statement website](#).

For guidance on intellectual property protection in the EU, the U.S. Patent and Trademark office IP Attache, U.S. Mission to the European Union can be reached at: +32 2 811 5303 with further office contact and related resources at: www.uspto.gov/ip-policy/ip-attache-program/regions/european-union

Selling to the Public Sector

The Austrian government's central procurement agency (Bundesbeschaffung GmbH - BBG) was established in June 2001 and operates in compliance with EU legislation. The agency is run as a limited liability company, independent of the federal budget, but owned by the Austrian Ministry of Finance. More information is available online at the BBG website: www.bbg.gv.at/en/

Procurements valued at under €100,000 (approximately \$110,000) are not subject to tendering regulations and can be purchased directly. The purchase of items valued between €100,000 and €414,000 are subject to Austrian procurement regulations as outlined on the BBG website. Purchases of goods or services worth more than €414,000 (approximately \$560,000) must be tendered through the EU. These are published on the TED database: <http://ted.europa.eu/TED/main/HomePage.do>

Though government procurement regulations are generally transparent and carefully followed, tender specifications are often developed in cooperation with long-time consultants or trusted vendors and as a result are often custom-tailored to describe a particular product. For this reason, U.S. firms interested in government tenders in Austria are strongly recommended to have a presence in country, either directly or through a local partner, in order to build relationships of trust with potential clients.

For detailed information governing the public procurement market in the EU please see the EU single market public procurement website at: <http://ec.europa.eu/growth/single-market/public-procurement> and the [U.S. Commercial European Union Country Commercial Guide](#).

The U.S. and the European Community 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.

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult [Advocacy for Foreign Government Contracts](#) for additional information.

Business Travel

Business Customs

Business practice and etiquette is similar in Austria and the United States; however, there are some important differences. First, 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, whether in recognition of a university degree, a position in a firm, or in the government. Finally, remember that Austrians place a high value on a personal relationship as a precursor to a business relationship.

Travel Advisory

Due to the global health pandemic travel restrictions, potential U.S. travelers to Austria should carefully review the most recent Austrian entry regulations at: <https://www.austria.info/en/service-and-facts/coronavirus-information#border-controls>

All U.S. citizens are also strongly advised to consult with State Department travel advisory information prior to any international travel at: <https://travel.state.gov/>. Specific details about travel to Austria is also available at the U.S. Embassy Austria website: <https://at.usembassy.gov/COVID-19-information-february-25-2020/>

Visa Requirements

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.

U.S. companies that require travel by foreign businesspersons to the United States should have their contacts consult their closest U.S. Embassy for visa travel guidance.

U.S. companies that require travel of foreign businesspersons to the United States are advised that security evaluations are handled via an interagency process. Visa applicants should go to the following link(s): [State Department Visa Website](#)

For Austria, details are at: <https://at.usembassy.gov/>

Currency

The currency used in Austria is the euro (EUR). Credit and debit cards are widely accepted, though there may be some establishments that choose to accept cash only. For official business payment transactions many still prefer traditional bank transfers over credit and debit cards. Checks are not common in Austria.

To tip servers in bars and restaurants, customers traditionally round up small totals to the nearest euro. (E.g. Paying EUR 8.00 for a EUR 7.70 meal is completely acceptable.) Even on large bills, the tip does not need to exceed ten percent of the sub-total.

Telecommunications/Electronics

Telecommunications services are reliable in Austria and internet access is widely available. The phone system is fully automated, and direct dialing is available to most countries in the world at varying international rates. Pre-paid SIM cards are available at mobile shops, post offices, bookstores, tobacco shops and supermarkets. Most of the offered rates include European and international calls as well as internet data. Portable Wifi devices with unlimited internet data can also be purchased at mobile shops. Austria uses the GSM standard for its cellular service. A tri-frequency cell phone will provide service in Austria and the United States.

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 the phone number. For credit card calls, the caller should dial 0802 34 56 or 0800 287 874 21 (toll-free). For long distance information, he or she 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/>

Austria uses the EU standard 230 volts/50 Hz power sockets. Adapters can be found in airports, train stations, and electronic shops throughout Austria. Although some modern appliances can work with both U.S. and European voltages, any U.S. appliances compatible with only U.S. voltages (110 or 120 volts) will need a voltage converter to prevent a burn-out.

Transportation

Direct flights connect Vienna to several U.S. cities primarily through Austrian Airlines (Star Alliance), with many other routes through other European cities. Austria's modern highways link most cities, and numerous border crossings into neighboring countries are easily accessible. Austrian Railways (Österreichische Bundesbahnen, ÖBB) offers domestic and international rail trips. Private rail service Westbahn offers rail trips within Austria and to Munich Germany.

For travel itineraries, train schedules, and prices please visit:

ÖBB website: <http://www.oebb.at/en>

Westbahn website: <https://westbahn.at/en>

Language

Though German is the official language, most Austrians speak at least a little English.

Health and Safety

Vienna is one of the safest cities in Europe and the world. Violent crime in Austria is rare. Pickpocketing and purse-stealing are the most frequent crimes in urban areas. As in any big city, visitors should take care when walking alone to avoid dark and isolated places.

Medical care is widely available throughout the whole country and doctors usually speak English. Visitors are encouraged to consult with their own medical insurance company prior to travelling to Austria to determine medical insurance eligibility or if supplemental medical insurance is necessary for travel. 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 numbers in Austria are as follows:

Fire (“Feuerwehr”): 122

Police (“Polizei”): 133

Ambulance (“Rettung”): 144

Poison Information Hotline – 1 406 43 43

Emergency Doctor – 141

Mountain Rescue - 140

Local Time, Business Hours and Holidays

Central European Time (CET) 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.” Austria follows European Daylight Savings Time, which begins the last Sunday in March, and ends on the last Sunday of October. Austrian official holidays are listed at:

<http://www.austria.info/en/service-and-facts/about-austria/holidays-daylight-savings-time>

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. Appointments may also be difficult to make during Christmas break (December 20 – January 6). Many offices are closed Friday afternoons, reflecting the widely implemented 38.5-hour work week.

Temporary Entry of Materials or Personal Belongings

When entering Austria, business visitors should declare valuables. It is advisable to have a copy of the invoice available. The visitor will be issued a Customs document called a “Verwendungsschein,” which will also include the visitor’s departure date. When leaving Austria, the visitor should go through Customs again for a checkout.

Investment Climate Statement (ICS)

The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State's [Investment Climate Statement](#) website.

Political Environment

For background information on the political and economic environment of the country, please click on the link to the U.S. Department of State [Countries & Areas](#) website.