



Austria – the Unknown Neighbour?

Marion Biber, Director Southern Europe

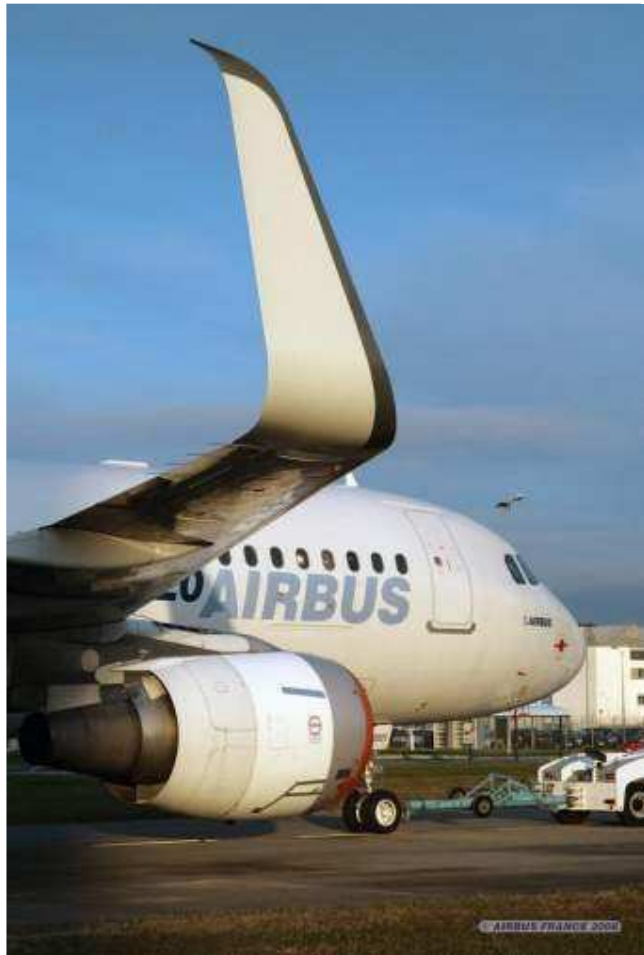
Slovenia, April 2012

ABA-Invest in Austria

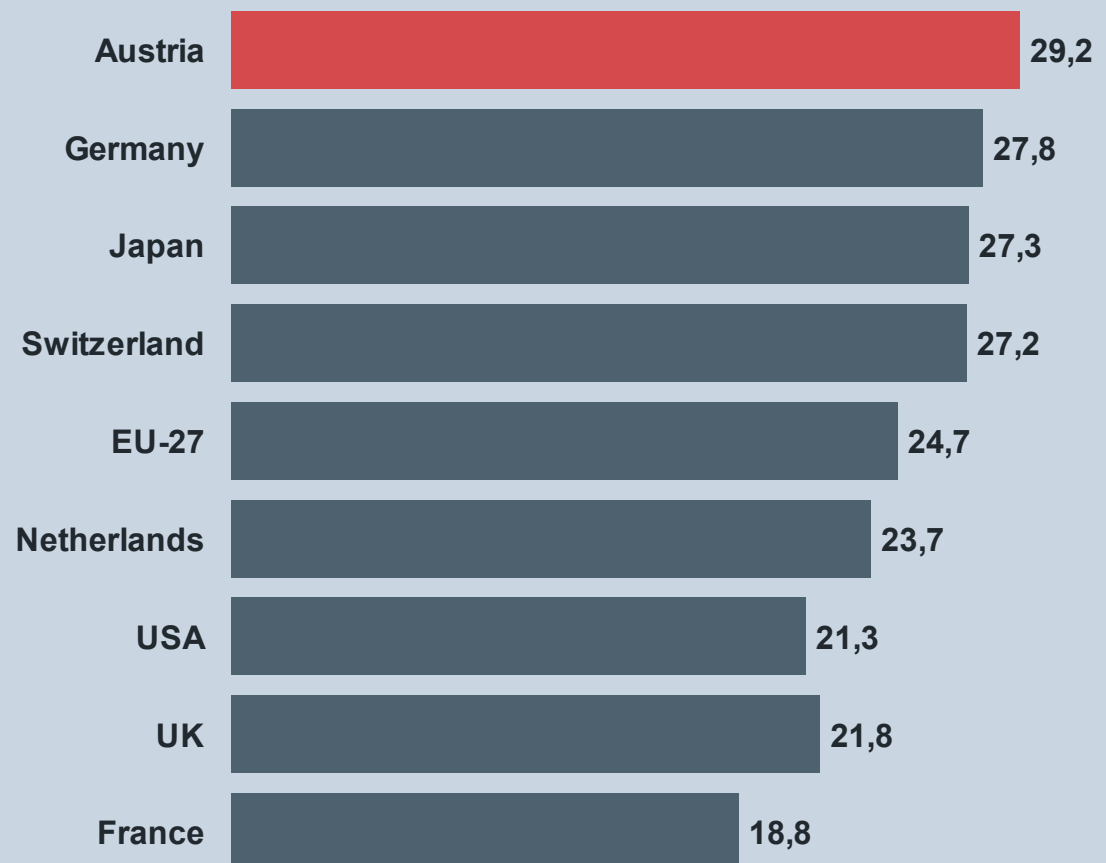
Surely you know Austria like this...



...but did you also know...



Production sectors as percentage of GDP, 2010



...did you also know ...



...and that?

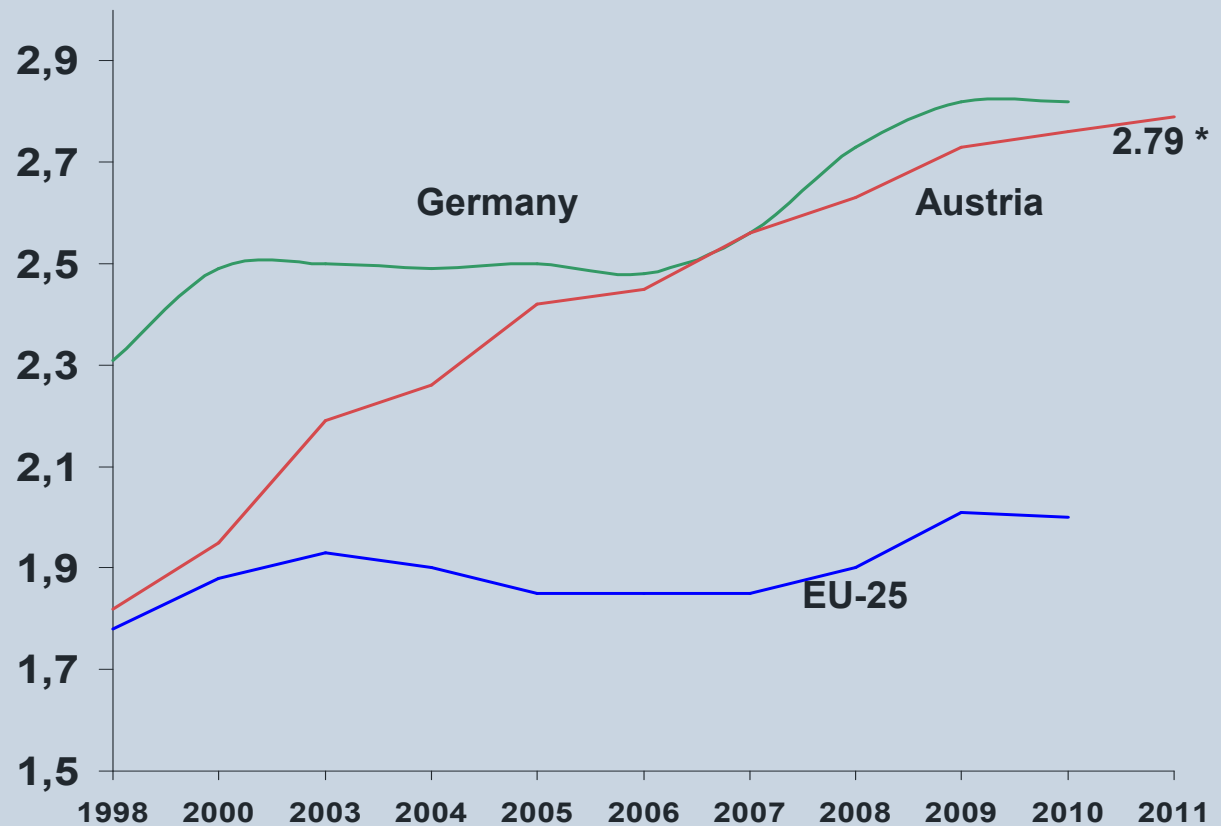


Austria's R&D expenditures grow above average



As a percentage of GDP

*Forecast 2011

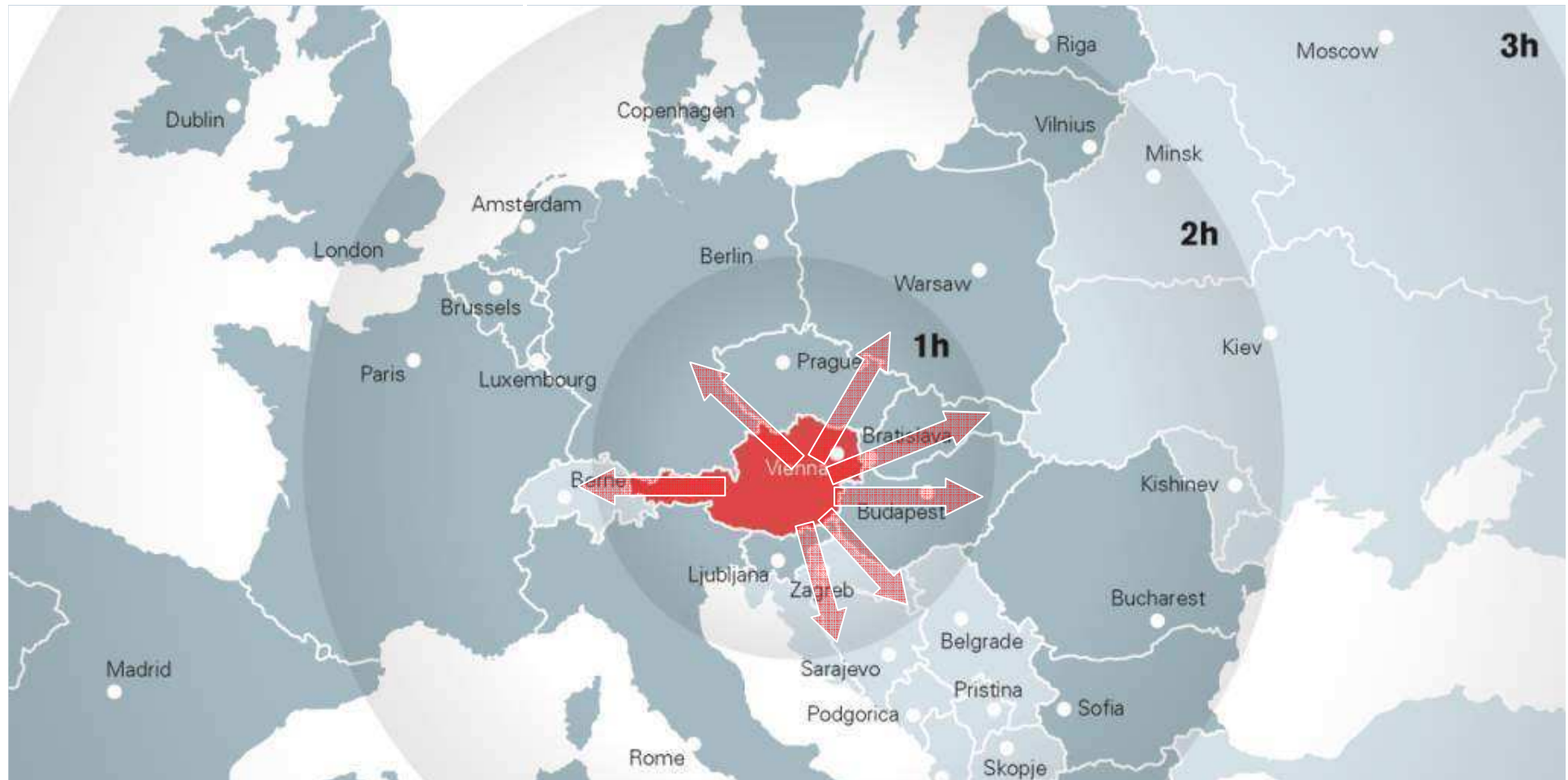


The Austrian market - small but profitable



- 8.4 million inhabitants
- 50 m. consumers within 400 km
- GDP/capita: 32,110 €
- #4 in the EU regarding purchasing power
- GDP growth 2011: 3.2%
- Inflation 2011: 3.4%

In the heart of Europe



Attractive for regional headquarters

Some 300 international companies have their CEE headquarters in Austria, for example:



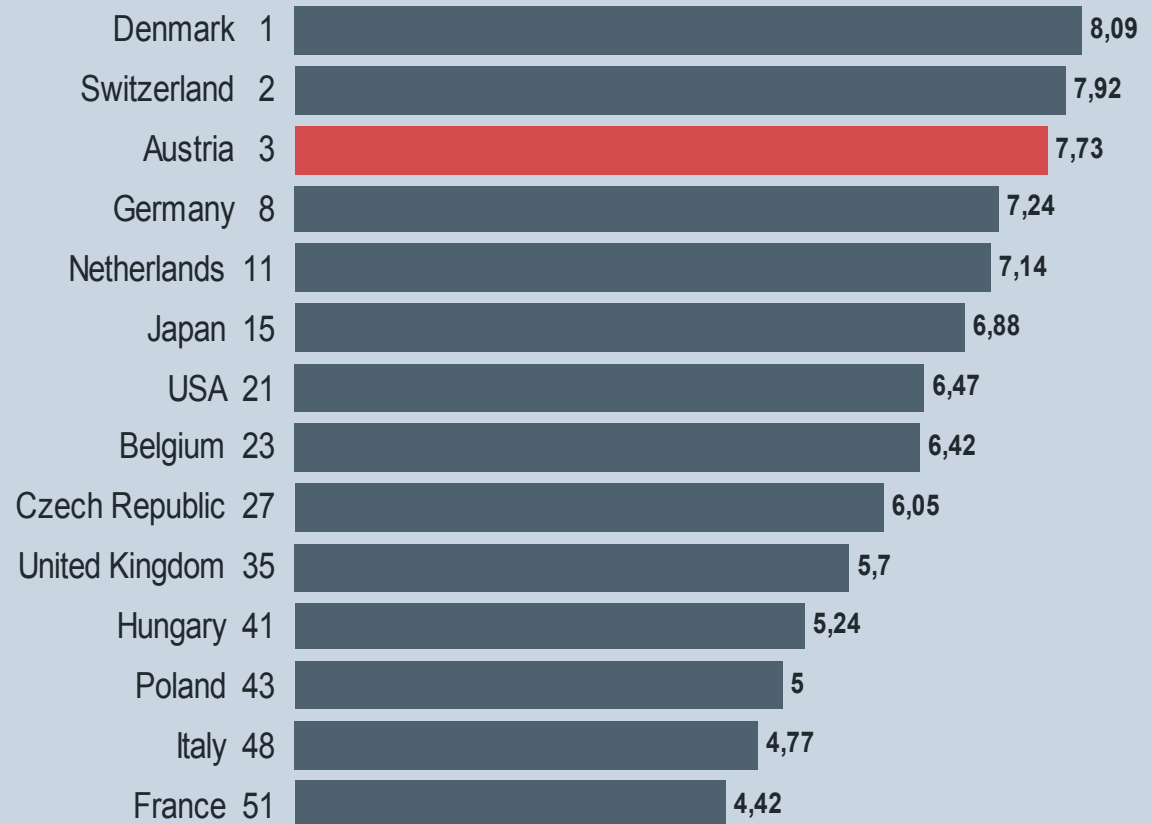
Regional
CEE HQs
examples



Motivated workforce



10=Employees identify with the company's goals



Labour law – basic information

- There is no general minimum wage, minimum wages regulated in sectoral agreements
- Wages paid 14 times per year
- Working hours: 38.5 or 40 hours / week (excluding lunch break)
- Usually 25 days vacation per year
- New system for severance payments – no need for provisions
- Employees may be dismissed without stating a cause

Labor Regulations – Changes Effective May 1, 2011

- End of the transition period for employees from the new EU Member States
- Work permit is no longer required
- Within 3 months only a registration certificate with the responsible immigration authorities must be applied for
- Employees must be employed in accordance with the minimum conditions stipulated in prevailing wage and labor regulations

Economic and social stability

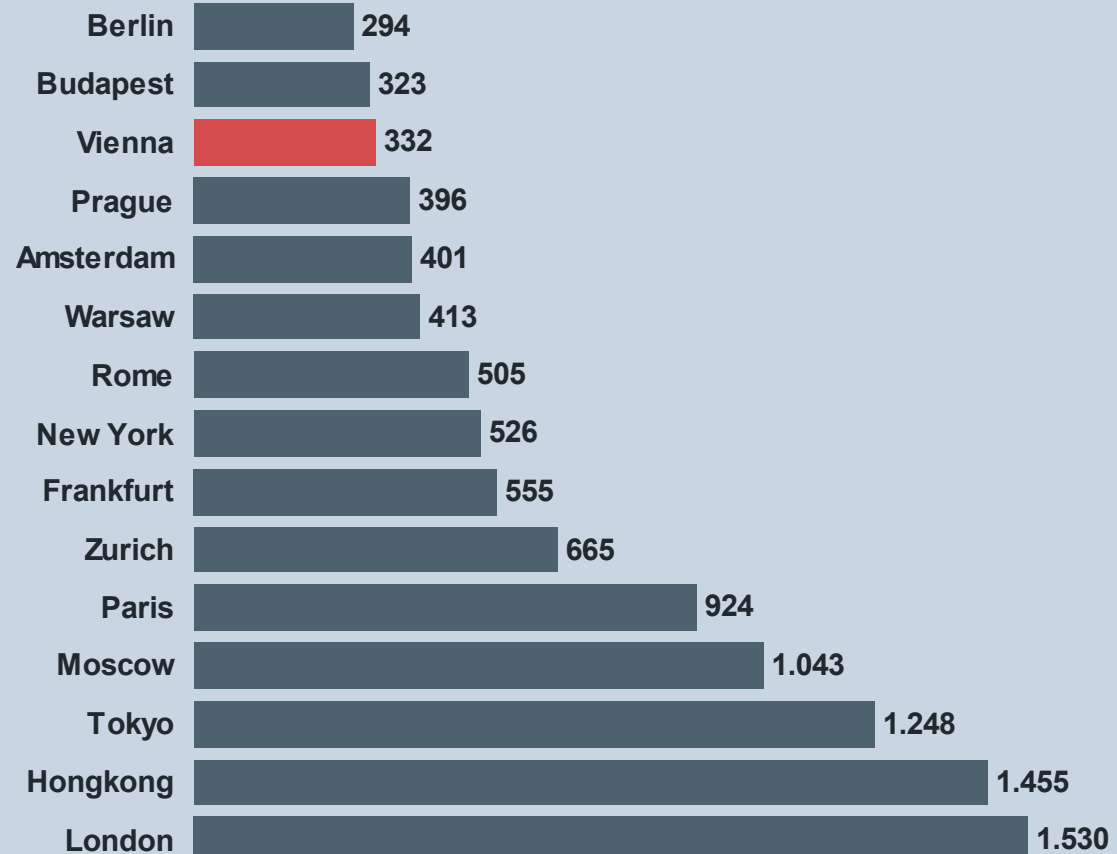


- Eurozone
- Lowest strike rate
- High level of personal security
- Reliable legal system

Competitive office rents reduce your operating costs



In Euro per m² and year



Constitution of a limited company in Austria (GmbH)

- Minimum share capital 35.000 €
- Articles of Association signed by notary deed
- Time for registration at company register appr. 2 weeks
- Cost of constitution ca. 10% of share capital
- Taxation 25%, minimum tax 1.750 €/year

Trade license

- Non-regulated (e.g. trade/commerce) or regulated trades (e.g. restaurant, construction)
- Holder of the trade licence has to be appointed
- Can also be employed (at least 20 hours/week)
- General prerequisites:
 - Over age of 18
 - Austrian or EU citizen
 - No reasons for exclusion (e.g. condemnation)
- Special prerequisites depend on activity

Investor-friendly Tax System



Corporate tax rate: 25%

Modern group taxation

Tax premium for R&D: 10%

Double taxation treaties

No „Black List“

Taxation of physical persons

AUSTRIA

EUR	%
- 11.000	0%
11.000-25.000	36,5%
25.000 – 60.000	43,2%
> 60.000	50%

SLOVENIA

EUR	%
- 7.529	16%
7.529 – 15.057	27%
>15.057	41%

Employer's cost: (gross salary*14) + appr. 30%

Taxation of physical persons – examples

Gross salary €	Net salary in Austria	Net salary in Slovenia
25.000	18.400	15.684
50.000	31.700	27.180
75.000	46.200	38.600
100.000	60.600	50.160

Incentives support your project



Examples:

- Fiscal for R&D and training of staff
- Grants/credits with low interest rates for investments in production up to 25%
- Grants/credits with low interest rates for R&D projects up to 50%

ABA-Invest in Austria



- Consulting company owned by the Ministry of Economic Affairs
- Consulting services and information for international investors - **free of charge**
- 29 employees
- International network
- Cooperation with the regions

What we can do for you ...



Consulting services – fast, non bureaucratic and free of charge

- General information on Austria as a business location
- Market data
- Legal and tax issues – contact network
- Labour laws, labour costs
- Site identification
- Information about incentives and public contributions
- Organisation of “fact finding” missions

ABA – at Your Service!



Marion BIBER
Director Southern Europe

E-Mail: m.biber@aba.gv.at
Tel: +43 1 58858 -32

www.investinaustria.at