2013

COUNTRY COMMERCIAL GUIDE

for U.S. Companies:

Doing Business in AUSTRIA

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Doing Business in Austria:

2013 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business in Austria

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Market Overview

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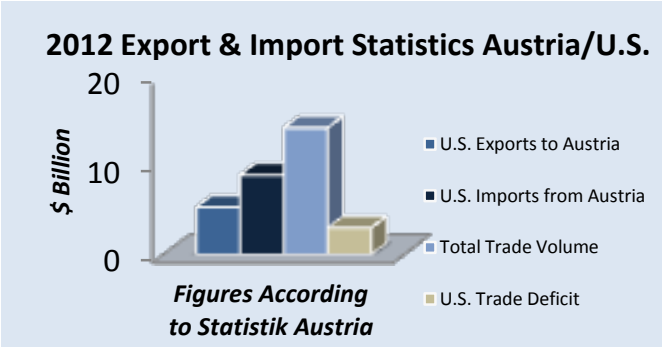
This Country Commercial Guide (CCG) presents a comprehensive look at Austria's commercial environment, including economic, political and market analysis. It is provided as a tool for U.S. companies intending to do business in Austria. The CCG is prepared annually at the U.S. Embassy in Vienna through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

Some important facts about Austria and its market:

- Population of 8.4 million – a dynamic European Union Member State.
- Austria is an attractive location for regional headquarters for U.S. firms looking to expand to Southeast Europe.
- Historical and economic ties to neighboring countries in Eastern Europe and the Balkans.
- Approximately 340 U.S. firms have subsidiaries, affiliates, franchisees, and licensees in Austria – 100 of these companies have regional responsibilities for Central and Eastern Europe, including countries in the Balkan Peninsula.
- Overall imports to Austria amounted to USD 169.2 billion (at the 2012 annual average exchange rate of USD 1.00 = EUR 0.78) in 2012 (source: Statistik Austria).
- U.S. exports to Austria amounted to USD 5.28 billion, representing an increase of 9.4% from 2011 (source: Statistik Austria). U.S. imports from Austria totaled USD 8.89 billion. (See chart below)



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

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

Market Challenges

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

Market Opportunities

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

Doing business in and from Austria presents certain advantages:

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

entering the market for the first time will benefit from the strong trading relationship already established between the two countries.

- Major Projects: Austrian electricity providers plan to invest approximately USD 19.2 billion in power generation, distribution, and efficiency upgrades between now and 2020.

Market Entry Strategy

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Best strategy for American exporters to Austria:

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

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

Fact Sheet

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The Austrian Market Fact Sheet will be made available by CS Headquarters and Office of the Chief of information Officer (OCIO)

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Chapter 2: Political and Economic Environment

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

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

Map of Austria

Source: www.austriatourism.com

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Using an Agent or Distributor

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

Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and Member State national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. In essence, 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, including the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that the Directive states that parties may not derogate certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

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

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are exempt from these regulations

because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of affecting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than EUR 50 million are considered small- and medium-sized undertakings. The EU has additionally indicated that agreements that affect less than 10% of a particular market are generally exempted as well (Commission Notice 2001/C 368/07).

Key Link:
http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf

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

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

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

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

Establishing an Office

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Establishing a business in Austria means navigating a bureaucratic maze, despite efforts by the Austrian government to reduce the paperwork involved. Some regions have moved to set up one-stop shops for entrepreneurs, but it is unclear how much of the red tape these offices can really eliminate. Austria is a highly regulated society. Most business activities in Austria are regulated and require that separate applications be made for a business license (Gewerbeschein) and for registration in the commercial register (Firmenbuch). Evidence of proficiency is required to operate most businesses. Usually a passing score on an examination or evidence of prior experience in the field is

sufficient. For business activities that do not require proof of proficiency, a business license is granted automatically upon registration of the business.

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

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

Data Privacy

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Protecting personal data privacy is very important to Austrians, both in private and public life. Unsolicited emails and phone calls are generally unwelcome. There was a strong resistance to increased transparency in the banking sector; however, Austria just announced a willingness to confirm to EU data exchange practices.

Current Situation

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

Transferring Customer Data to Countries Outside the EU

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

As a result, in 2000 the Department of Commerce and the European Commission negotiated the Safe Harbor agreement to provide U.S. companies with a simple, streamlined means of complying with the adequacy requirement. It allows U.S. companies that commit to certain data protection principles (based on the current Directive) and "self-certify" on a dedicated website to continue to receive personal data from the EU. Signing up is voluntary but the rules are binding on those who do. The ultimate means of enforcing Safe Harbor is that failure to fulfill the commitments will be actionable as an unfair and deceptive practice under Section 5 of the FTC Act or under a

concurrent Department of Transportation statute for air carriers and ticket agents. While the United States as a whole does not enjoy an adequacy finding, transfers that are covered by the Safe Harbor program do. Companies whose activities are not regulated by the FTC or DoT (e.g. banks, credit unions, savings and loan institutions, securities dealers, insurance companies, not-for-profit organizations, meat packing facilities, or telecommunications carriers) are not eligible to sign up for the Safe Harbor.

Key links:
U.S.-EU Safe Harbor Overviews
http://export.gov/safeharbor/eu/eg_main_018476.asp
http://export.gov/static/Safe%20Harbor%20and%20Cloud%20Computing%20Clarification_April%2012%202013_Latest_eg_main_060351.pdf

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

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

Transferring Customer Data to Countries Outside the EU

The EU's current data privacy legislation is undergoing review. A new commercial data protection regulation was proposed by DG Justice in January 2012 and is now being revised in the European Parliament and EU Council of Ministers. Ireland was able to make good progress while holding the rotating Presidency of the EU Council during the first six months of 2013. Lithuania will take on the Presidency as of July 2013, and its Ministry of Justice has indicated its intent to prioritize the revision of the proposed legislation. The Commission has pushed for adoption of the proposed regulation in 2014 before the European Parliament's general elections in June of that year.

If the December 2012 version of the regulation is adopted, it will impose significant requirements on European and U.S. businesses and on the way they are able to gather and utilize user data. It will also introduce substantial fines for offending companies (up to 2% of global revenue). For over two years, industry representatives have voiced their concerns to EU Institutions and Member State officials. In a Position Paper published in July 2012, the American Chamber of Commerce to the EU identified these key concerns with the proposed regulation:

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

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

Key Links:
European Commission's Justice Directorate-General:
http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm
http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm
http://ec.europa.eu/justice/data-protection/document/international-transfers/binding-corporate-rules/index_en.htm

AmChamEU position paper on the proposed regulation:
http://www.amchameu.eu/DesktopModules/Bring2mind/DMX/Download.aspx?TabId=165&Command=Core_Download&EntryId=7914&PortalId=0&TabId=165

Franchising

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Franchising as a business model is a relatively small factor in the Austrian economy compared to the United States, accounting for an estimated 5% of retail sales. Around half of the franchise businesses operating in this country are of local origin. The top foreign participant in the Austrian franchising economy is Germany, with around 25% of franchises, followed by the United States, with about 10 % of all franchises operating in Austria. Most German franchisers either set up a headquarters in Austria or franchise directly over the border, whereas most American franchisers choose to expand their operations in Austria through a master franchise partner, a solution that has had mixed results.

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally do not constrain the competitive position of U.S. businesses. The potential franchiser should take care to look not only at the EU regulations, but also at the local laws concerning franchising. More information on specific legislation can be found on the website of the European Franchise Federation: http://www.eff-franchise.com/spip.php?rubrique21

Some of the best prospects for franchising include business and personal services, schooling and training, and specialty retailing.

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

Österreichischer Franchise-Verband
Ms. Susanne Seifert
Campus 21
Liebermannstrasse A01 503
2345 Brunn am Gebirge, Austria
Phone: ++43 2236 31 11 88
Fax: ++43 2236 31 13 43
E-Mail: susanne.seifert@franchise.at
Web: http://www.franchise.at/

Direct Marketing

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Within limits set by Austrian law, telephone and direct mail solicitation are very much in evidence in Austria. Telecommunications regulations forbid most forms of e-mail direct marketing. Some U.S. companies, including Tupperware and Amway, have established themselves in the Austrian market with multi-level marketing systems. Although the EU allows the direct selling of cosmetic and dietary/food supplements, Austria currently bans such sales. The European Cosmetics Industry Association has lodged a complaint with the European Commission asking that Austria be compelled to comply with current directives.

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

Processing Customer Data

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

Distance Selling Rules

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

It can read like a set of onerous "do's" and "don'ts," but in many ways, it represents nothing more than a customer relations good practice guide with legal effect. Direct marketers must provide clear information on the identity of themselves as well as their supplier, full details on prices including delivery costs, and the period for which an offer remains valid – all of this, of course, before a contract is concluded. Customers generally

have the right to return goods without any required explanation within seven days, and retain the right to compensation for faulty goods thereafter. Similar in nature is the Doorstep Selling Directive (85/577/EEC) which is designed to protect consumers from sales occurring outside of a normal business premises (e.g., door-to-door sales) and essentially assure the fairness of resulting contracts.

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

In 2013, the EU adopted rules on Alternative Dispute Resolution which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. A specific Online Dispute Resolution Regulation will set up an EU-wide online platform to handle consumer disputes that arise from online transactions. The platform will be operational at the end of 2015.

Key Links:
Consumer Affairs Homepage: http://ec.europa.eu/consumers/index_en.htm
Consumer Rights: http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index_en.htm

Distance Selling of Financial Services

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

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

Direct Marketing over the Internet

The e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be easily accessible and clear. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must

regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below).

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

Joint Ventures/Licensing

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

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

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

Austrian Business Agency – Invest in Austria
Contact: Hans Nagl
Opernring 3
1010 Vienna, Austria
Phone: ++43 1 588 58 12
Fax: ++43 1 586 86 59
E-Mail: h.nagl@aba.gv.at
Web: http://www.aba.gv.at

For more general information on joint venture and licensing in Europe, please consult the Commerce Department's Country Commercial Guides on EU Member States: EU Member States' Country Commercial Guides

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

Selling to the Government

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

The Austrian Government adheres to the WTO (GATT) Agreement on Government Procurement. Austria's Federal Procurement Law complies with EU guidelines. Austria does not have Buy National laws, but as with any political decision, the economic impact of any new contract is taken into consideration. In addition, some major contracts are negotiated by invitation, and limited tenders and offset requirements are common in defense contracts. Interestingly, electricity providers in Austria are not compelled to issue public tenders for generation projects under an exemption to the EU regulations which was granted in July of 2008.

The EU public procurement market, including EU institutions and Member States, totals approximately EUR 1.6 billion. This market is regulated by three Directives:

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

Remedy directives cover legal means for companies who face discriminatory public procurement practices. These directives are implemented in the national procurement legislation of the EU Member States.

The U.S. and the EU 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.

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

For more information, please visit the U.S. Commercial Service at the U.S. Mission to the European Union website dedicated to EU public procurement.

Key Link:
http://export.gov/europeanunion/grantstendersandfinancing/eu-fundedprogramsgrants/index.asp

Distribution and Sales Channels

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

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

1. Vienna and vicinity: This is the business and government center and the most populous part of Austria.
2. Pre-alpine provinces: These are Styria, Lower Austria, and Upper Austria, where most industrial and agricultural production takes place.
3. Alpine provinces: These are Carinthia, Tyrol, and Salzburg, which rely heavily on tourism.
4. Vorarlberg: This province in the far western Alps on the Swiss border has a small, but wealthy population.
5. Burgenland: This province in the eastern flatlands of Austria bordered on the "iron curtain" during the Cold War and is the least developed part of the country.

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

Selling Factors/Techniques

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The traditional buyer-seller relationship in Austria may seem strange to Americans. The customer wants or needs something and is thus at a disadvantage, while the seller, who is holding the item that the customer wants, is in a position of power. Though it is true that this traditional interpersonal part of the commercial relationship is losing its hold here as the older generations move into retirement and more sophisticated communications and competition take hold, the sense that the customer is asking a favor of the seller still persists in many sectors.

Why is this information important? Because it will help U.S. firms avoid making simple mistakes when communicating with potential partners and customers. Two rules of thumb are worth remembering: First, companies should refrain from hard sell practices, which could backfire if the Austrian customer feels that the products are less desirable because the sales approach is so strong. Second, companies should stick to simple American friendliness and transparency, which usually make a good impression.

Another interesting difference in the way Austrians make purchasing decisions is the relative importance here of trust and personal relationships in informing business decisions. This means that your choice of local representative is very important, and that you should be sure to build up a personal relationship, even if it is just an occasional phone call or an invitation to come to a trade show, with your key customers.

When buying machines and equipment, Austrians will look for quality and precision over robustness and user friendliness. While Americans like a product to be tough and easy to use, Austrians want a product to be well-engineered and precise.

In addition to cultural considerations, price has become a key factor in purchasing. More and more sectors are becoming price-driven, a development that has accelerated with the globalization of the local economy. Though product quality and personal relationships still play a larger role here than in the U.S., the focus is shifting increasingly toward pricing and the bottom line.

Electronic Commerce

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In 2012, 98% of Austrian businesses with more than 10 employees used the internet, and 82% maintained a website. Around 91% of firms with more than 10 employees have a broadband connection, and 58% access the internet using a mobile PC or smart phone. Though the saturation point for internet use has arrived, there is still room for growth in broadband and mobile access, both of which jumped significantly over the past year. There are no available 2012 statistics for the number of Austrian businesses purchasing goods or services online, but they jumped from 40% in 2009 to 59% in 2011.

In 2012, 79% of all Austrian households had internet access, 72% via broadband. Of all Austrians aged 16-74, 80% report using the internet regularly and 49% report having purchased something online in the past 12 months. Interesting is the shift in what people are using to access the internet. In 2005, 85% reported using a desktop PC to access the internet. Today, 44% report using a smart phone, 36% report using a laptop/notebook, and 9% use a tablet to access the internet while on the go. Interesting is also the rise of social media: In 2012, 57% of Austrians report using social media.

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

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

In July 2003, the EU started applying Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. These rules were indefinitely extended following adoption of Directive 2008/8/EC.

U.S. businesses mainly affected by the 2003 rule change are those that are U.S. based and selling ESS to EU based, non-business customers or those businesses that are EU based and selling ESS to customers outside the EU who no longer need to charge VAT on these transactions. There are a number of compliance options for businesses. The

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

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

Trade Promotion and Advertising

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The advertising industry saw gains and losses throughout 2012, closing the year with a modest 2.7% growth rate in sum with sales of over USD 4.2 billion. The relative distribution of advertising Euros among the various media and marketing channels has been changing slowly over the past several years.

Spending Breakdown

Daily papers, regional publications, magazines, trade journals, and other print media continue to account for the lion's share of advertising spending, capturing 54% in 2012. Television advertising takes second place with just under 20% (USD 998 million), closely followed by direct mail and flyer advertising (18%). Other significant advertising channels are billboards and radio. Online advertising is growing, but still consumes only a small piece of the pie, estimated at less than 5%.

Truth in Advertising

A Consumer Forum has been established in the Austrian Economics Ministry to ensure truth in advertising. The Forum is made up of representatives of political parties, business organizations, labor unions, and business associations. A subcommittee for commercial advertising examines posters and TV, radio and newspaper ads, as well as entire sales campaigns, for their truthfulness, information value, and ethnic sensitivity. The Forum can initiate proceedings against advertisers who make false claims. Anyone transgressing established commercial usage laws may be sued. The government recently lifted the regulation that prohibited comparative advertising, thus enabling advertisers to make direct comparisons between their products and services and those of their competitors.

Trade Promotion

Annually, between 100 and 150 national and international trade fairs representing many industry sectors are organized in Austria. Most of the Austrian fairs are open to the general public and thus fulfill an advertising function. Austrian business entities generally attend the major European trade fairs, especially those in Germany. Some Austrian firms attend U.S-based trade shows and the U.S. Commercial Service encourages this by actively promoting shows under the Commerce Department's International Buyer Program.

General EU Legislation

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

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

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-style product placement on television and the three-hour/day maximum of advertising have been lifted. However, a 12-minute/hour maximum remains. Child programming will be subject to a code of conduct that will include a limit of junk food advertising to children.

Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller. (For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section below, though this Directive will be incorporated into the Consumer Rights Directive mentioned above by June 2014.)

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

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

Medicine

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC as amended by Directive 2004/27/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the

characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

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

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

Nutrition & Health Claims

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

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

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

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

Food Information to Consumers

In 2011, the EU adopted a new regulation on the provision of food information to consumers (1169/2011). The new EU labeling requirements will apply from December

13, 2014 except for the mandatory nutrition declaration which will apply from December 13, 2016.

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

Food Supplements

Directive 2002/46/EC harmonizes the rules on labeling of food supplements and introduces specific rules on vitamins and minerals in food supplements. Ingredients other than vitamins and minerals are still regulated by Member States. Although permitted in other EU Member States, Austria bans the direct sales of dietary/food supplements to consumers.

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

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

Tobacco

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed, though these are banned in many Member States. Tobacco advertising on television has been banned in the EU since the early 1990s and is governed by the Audiovisual Media Services Directive. The EU proposed a revision to the Tobacco Products Directive in 2012 with proposals to include bigger, double-sided health pictorial warnings on cigarette packages and plain packaging along with health warnings and tracking systems.

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

Pricing Return to top

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

Sales Service/Customer Support Return to top

Customer service and support in Austria is gaining attention with EU integration; however, American-style customer service and support are not standard.

One element of customer service that has improved in recent years is the basic warranty for consumer purchases, which was increased from six months to two years. At the same time, the burden of proof was reversed, and the customer is no longer required to prove that he did not break the item. Despite this change in the warranty rules, a customer who purchases a defective product cannot in most cases bring it back to the store for replacement, but instead must wait while the product is shipped for repair. Stores often impose more restrictive exchange policies for articles purchased on sale or with a credit card.

Business customers, on the other hand, demand a high level of support and most wholesalers or distributors offer excellent support. If a part on a machine breaks, the customer will demand that it be replaced or repaired within 24 hours, which may present logistical problems for smaller U.S. suppliers who cannot warehouse replacement parts in Europe. Thus we recommend that U.S. companies make sure that their prospective partners have the capacity and the intent to provide excellent customer service.

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

Product Liability

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

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

Product Safety

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

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

Legal Warranties and After Sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their

trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);
- A price reduction; or
- Rescission of the sales contract.

As of June 2014, Directive 1999/44/EC will be incorporated into the new Consumer Rights Directive previously mentioned.

Key link: http://ec.europa.eu/consumers/rights/gen_rights_en.htm

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

Protecting Your Intellectual Property

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

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

Oesterreichisches Patentamt
(Austrian Patent Office)
Dresdner Strasse 87, 1200 Vienna, Austria
Phone: ++43 1 534-24-0
Fax: ++43 1 534-24-535
E-Mail: info@patentamt.at
Web: http://www.patentamt.at

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

Oesterreichische Patentanwaltskammer
Linke Wienzeile 4/1/9 Wien
1060 Vienna, Austria
Phone: ++43 1 523 4382
Fax: ++43 1 523 4382 15
E-Mail: info@oepak.at
Web: http://www.patentanwalt.at

Protecting your Intellectual Property in the European Union

Several general principles are important for effective management of intellectual property ("IP") rights in the EU. First, it is important to have an overall strategy to protect

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

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

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

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

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

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

- Biotechnology Industry Organization (BIO)

IP Resources

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

- For information about patent, trademark, or copyright issues -- including enforcement issues in the U.S. and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at **www.StopFakes.gov**.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the U.S., contact the U.S. Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, and Russia. For details and to register, visit: **http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html**
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: **www.StopFakes.gov**. This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. For contact information, please see: http://www.uspto.gov/ip/global/attache/Attache_Contacts_2012-08.doc

Due Diligence

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

Local Professional Services

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

Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the U.S. Mission to the European Union at:
http://export.gov/europeanunion/businessserviceproviders/index.asp

Web Resources

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

Austrian Websites

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

U.S. Websites

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

EU Public Procurement
http://export.gov/europeanunion/marketresearch/eufundingandgovernmentprocurementsectors/index.asp

Local Professional Services
http://export.gov/europeanunion/businessserviceproviders/index.asp

EU Websites

Coordination of the laws of the Member States relating to self-employed commercial agents (Council Directive 86/653/EEC)

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

Agreements of Minor importance which do not appreciably restrict Competition under Article 81(1) of the Treaty establishing the European Community
http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf

Directive on Late Payment
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF

European Ombudsman
http://www.ombudsman.europa.eu/home/en/default.htm

EU's General Data Protection Directive (95/46/EC)
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1995:281:0031:0050:EN:PDF

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

Information on contracts for transferring data outside the EU
http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm

EU Data Protection Homepage
http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

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

Distance Selling of Financial Services
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:271:0016:0024:EN:PDF

E-commerce Directive (2000/31/EC)
http://ec.europa.eu/internal_market/e-commerce/index_en.htm

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

The Unfair Commercial Practices Directive
http://ec.europa.eu/consumers/rights

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

Nutrition and health claims made on foods - Regulation 1924/2006
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:012:0003:0018:EN:PDF

Regulation on Food Information to Consumers
Regulation 1169/2011

EU-27 FAIRS EU Country Report on Food and Labeling requirements
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Brussels%20USEU_EU-27_12-27-2012.pdf

Guidance document on how companies can apply for health claim authorizations

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

Health & Nutrition Claims
http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm

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

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

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

Legal Warranties and After-Sales Service
http://ec.europa.eu/consumers/rights/gen_rights_en.htm

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

Harmonization of certain aspects of Copyright and related rights in the Information Society - Copyright Directive (2001/29/EC)
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0029:EN:HTML

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

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

European Patent Office (EPO)
http://www.european-patent-office.org/

Office for Harmonization in the Internal Market (OHIM)
http:/oami.europa.eu/

World Intellectual Property Organization (WIPO) Madrid
http://www.wipo.int/madrid/en

Contact

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

Commercial Sectors

- Aircraft and Parts (AIR)
- Computer Software and Services (CSF/CSV)
- Drugs and Pharmaceuticals (DRG)
- Electric Power Equipment (ELP)
- Medical Devices (MED)
- Renewable Energy (REQ)
- Security and Safety Equipment (SEC)
- Telecommunication Services (TES)
- Travel and Tourism Services (TRA)

Agricultural Sectors

- Agricultural, Fish and Forestry Sector
- Best Products/Services
- Opportunities
- Fish and Seafood
- Wine
- Dried Fruits and Nuts
- Pet Foods
- Web Resources

Commercial Sectors

Aircraft and Parts (AIR)

Overview

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Unit: USD thousands

	2011	2012 (estimated)	2013 (estimated)	2014 (estimated)
Total Market Size	876,200	920,010	966,011	994,991
Total Local Production	40,980	43,029	45,180	46,536
Total Exports	606,691	637,026	668,877	688,943
Total Imports	1,482,891	1,557,036	1,634,888	1,683,934
Imports from the U.S.	397,627	417,508	438,276	451,425
Exchange Rate: 1 USD	€0.78	€0.78	€0.78	€0.78

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

Total Local Production: Diamond Airborne Sensing GmbH
Total Exports: Statistik Austria
Total Imports: Statistik Austria
Imports from U.S.: Statistik Austria

The Austrian market for civil aviation aircraft amounted to USD 876.2 million in 2011 and is expected to grow by 5% in 2012, while Austrian aircraft and parts imports in 2011 amounted to nearly USD 1.5 billion. With domestic-based manufacturing limited to one company, Diamond Airborne Sensing GmbH, the vast majority of the market is served by imports.

The major aircraft industry suppliers to Austria in 2011 were the United States with 29.1%, Germany with 27.0%, Canada with 10.6%, Brazil with 6.2%, and France with 1.2%.

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

Diamond Airborne Sensing, based in Wiener Neustadt, rolled out its 101 single-engine and twin-engine two-seater and four-seater propeller-driven avgas aircraft in 2011. Approximately 95% of Diamond's production is exported**.** Diamond uses diesel engines from the Austrian firms Austro Engines and Rotax. Suppliers for avionics are the U.S. firm Bendix King and Garmin.

We project an average annual growth rate of 5% for the Austrian aircraft market. It should be noted that the accuracy of estimated growth rates are problematic because of

the critical importance of government and military contracts and the possibility of large, one-time orders that greatly skew the statistics.

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

The Austrian Airlines Group (AAG) has a fleet of 7 Airbus 319, 14 Airbus 320, 3 Airbus 320-111, 3 Airbus 321-211, 2 Boeing 737-800, 6 Boeing 767-300 ER, 4 Boeing 777-200, 14 Bombardier Q400 and 15 Fokker 100 and 9 Fokker 70. AAG is a 100% subsidiary of Deutsche Lufthansa AG.

NIKI Luftfahrt GmbH (NIKI) has a fleet of 4 Embraer E190, 12 Airbus 320, 3 Airbus 319 and 4 Airbus 321. NIKI is a 100% subsidiary of Air Berlin Group.

InterSky Luftfahrt GmbH has a fleet of three Bombardier Q 300 and two ATR 72-600. The firm is headquartered in Bregenz.

Austria imported 8 twin-engine aircraft over 5.7 tons in 2012.

Austrian Airlines announced in May 2013 that it will increase its long haul capacity by leasing a Boeing 777-200 in the summer of 2014.

The principal end-users of civil aviation aircraft, parts and equipment are in the Austrian Airlines Group, Fly Niki as well as other charter airlines. Emergency medical services and the police use civilian helicopters. The market for corporate fleets and business charter operators appears saturated because of the low prices for flights available commercially. However, industry experts forecast a growth for this sector in 2012.

In the category of single-engine aircraft up to 2 tons, U.S. aircraft are dominant. A total of 706 units were registered in 2012. The largest share of this market is held by Piper, Cessna and Beech Aircraft. The only local competitor is Diamond. In 2012,102 light aircraft (up to 5.7 tons), and 331 twin-engine-aircraft over 5.7 tons, 207 twin-engine aircraft over 20 tons, and 146 helicopters were registered in Austria. The segment of single aircraft up to two tons had the highest import increase. Private Austrian pilots register their aircraft for business use to gain tax advantages. Other end-users are air taxi and charter services. Helicopters are primary owned by emergency service providers.

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

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

Defense Opportunities

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

Defense Plan

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

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

Defense Procurement Process

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

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

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

Market Access

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Doing Business in Austria

Austrians are generally well disposed toward Americans. Following a few general rules of Austrian etiquette will help maintain this positive feeling. Appointments should be

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

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

Defense Business

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

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

Sub-Sector Best Prospects

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The best sales potential during the period 2013-2014 for U.S. aircraft and equipment is expected to be for more fuel efficient jet aircraft like the Falcon, Cessna Citation and the Gulfstream to achieve operational efficiency and to meet market demand. Both the Austrian Airlines Group and the general aviation operators will be replacing some aircraft in the next few years. While the occupancy rate is still high, the yield is poor due to the high fuel costs and landing fees. However, demand for cargo aircraft is increasing. There is also a high demand for aircraft parts, avionics and engine parts.

Opportunities

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

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

Federal Economic Chamber – Aviation Department
www.luftfahrt.or.at

Vienna International Airport
www.viennaairport.com

Airport Council International
www.aci-europe.org

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

Austrian Airlines Group
www.austrian.com

Niki Luftfahrt GmbH
www.flyniki.com

Diamond Airborne Sensing GmbH
www.diamond-air.at

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Computer Software and Services (CSF/CSV)

Overview

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Unit: USD thousands

	2011	2012 (estimated)	2013 (estimated)	2014 (estimated)
Total Market Size	5,849,200	6,141,660	6,448,743	6,771,180
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	n/a	n/a	n/a	n/a
Imports from the U.S.	2,811,959	2,904,387	2,994,423	3,144,144
Exchange Rate: 1 USD	**€0.78**	**€0.78**	**€0.78**	**€0.78**

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:
Total Market Size: IDC Austria
Imports from U.S.: IDC Austria

In 2011, total packaged software sales reached approximately USD 2,081.2 million (EUR 1,623.4 million) of which application software represented USD 1,544.4 million (EUR 1,204.6 million) and systems infrastructure software represented USD 536.8 million (EUR 418.7 million).

The value of IT services totaled USD 3,768.0 million (EUR 2,939.0 million) in 2011. Of this, total operations management accounted for USD 885.0 million (EUR 690.3 million); system implementation accounted for USD 1,451.7 million (EUR 1,132.3 million); support services USD 920.4 million (EUR 717.9 million); planning USD 399.6 million (EUR 311.7 million); and IT training and education USD 111.3 million (EUR 86.8 million).

The expected annual growth rate from 2012 - 2016 for software will be 5% and 2.1% for services. In 2012, the annual growth rate is estimated at 4.2% for software and 1.3% for services.

In 2011, the Austrian IT service market expanded in U.S. dollar terms to USD 3.94 billion. Systems integration accounted for the largest share of IT services revenue (11.8%), followed by hardware support and installation (10.3%) and application consulting and customization (8.8%). Combined outsourcing comprised 44.4 % of the IT services market in 2011. Combined finance was the largest vertical market in Austria in terms of IT services spending; combined manufacturing ranked second, and combined government came third.

Industry experts forecast that cloud computing is likely to be the most important driver of IT services spending in the coming years. Austrian companies are increasingly convinced of the benefits of cloud services and they can now deal better with the potential negatives of cloud computing, such as legal and security issues surrounding public cloud provision. The cloud model is able to address demand that had not

previously been addressed and has enabled the emergence of new solutions and new players in the Austrian IT market. Since the competitive situation is changing, the telecom providers, as well as software owners, will try to gain ground in the services landscape. Also hardware vendors are attempting to add services to their products. Vendors should focus on delivering high-quality services.

Cloud Services

Industry experts distinguish between public, virtual private, and private cloud delivery in terms of market spending. The private cloud category accounted for the largest share of cloud service revenues, at 80.5%, followed by public cloud, with 19.3%, and virtual private cloud, with 0.1%.

The IaaS category accounted for the largest share (66.3%) of public cloud revenue in 2011, followed by SaaS (32.4%) and PaaS (1.3%). Subscription fees accounted for 79.5% share, while implementation and integration services accounted for 19.5% of spending.

Industry experts expect total spending on cloud services in Austria to increase 31.4% in 2012. In the long term, it is expected that cloud services in Austria will expand at a compound annual growth rate (CAGR) of 28.3% over the five-year forecast period to USD 315.2 million in 2016.

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

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

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

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

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

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

Public cloud plays a minor role in the Austrian market compared to private cloud. Many Austrian outsourcers have succeeded in transforming their datacenter/outsourcing business into private cloud services, resulting in significantly higher revenues being derived from private cloud than from public cloud in Austria.

Security Software

The security software market is evolving from a reactive antimalware execution based-implementation into a complex context aware protection mechanism. IT security coverage is becoming more complex as mobile computing is adopted by larger numbers of users and the traditional data center infrastructures are becoming blurred with the introduction of cloud, managed security services, and/ or security-as-a-service delivery options.

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

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

According to industry experts, security is a key priority for enterprises and organizations in this market and is expected to expand, at a CARG of 7% from 2011-2016. The market for security software totaled USD 101.6 million in 2011, which represents an increase of 0.45% from 2010.The estimated growth rate for 2012 is 7%.

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

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

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

Opportunities

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The best opportunities for sales of U.S. software in Austria appear to be in the internet systems engineering and applications consultancy, data bank and communications software/office automation, security, education, application development, operation management, systems integration, outsourcing, “cloud” computing, client virtualization, unified communications such as convergence of voice, video and data networks, archiving, content and document management, business intelligence and IT consulting. The primary end-users are industry, financial services, public administration, production, telecommunications, trade, health, energy, distribution and electronic banking.

Web Resources

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

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

IDC Austria
Währinger Strasse 61
1090 Vienna, Austria
Phone: ++43 1 526 73 28
Fax: ++43 1 526 73 29
Web: www.idc-austria.at

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Drugs and Pharmaceuticals (DRG)

Overview

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Unit: USD millions

	2011	2012 (estimated)	2013 (estimated)	2014 (estimated)
Total Market Size	2,529.3	2,759.7	3,048.1	3,339.1
Total Local Production	3,252.5	3,593.5	3,962.5	4,365.1
Total Exports	8,413.4	9,467.6	10,633.5	11,930.8
Total Imports	7,690.2	8,653.8	9,719.1	10,904.8
Imports from the U.S.	927,2	976,3	1,126.4	1,183.4
Exchange Rate: 1 USD	€0.78	€0.78	€0.78	€0.78

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

Total Local Production: Pharmig, Vienna, Austria and estimates
Total Exports: Pharmig, Vienna, Austria and estimates
Total Imports: Pharmig, Vienna, Austria and estimates
Imports from U.S.: Statistik Austria and estimates

An estimated annual real growth rate of 6% of total market size over the next 3 years seems realistic while U.S. imports will grow by 3-5% annually. More than half of all pharmaceuticals approved for sale in Austria are imported. The Austrian health-care system directly employs approximately 160,000 people, of which 109,000 are working in hospitals. Approximately 10,500 persons are active in the Austrian pharmaceutical industry and almost 30,000 are working in the pharmaceutical sales sector (pharmacies, etc.)

Pharmaceutical expenditures in Austria account for about 13.1% of total health care spending. Around 70% of health-care spending is publicly financed. International comparison shows that drug consumption in Austria is significantly below the European average with regard both to expenditures in Euros and to the number of packages sold. Annual per capita consumption amounts to 28 packages valued at approximately USD 532. Increased life expectancy and the growth in private health care insurance are expected to have a positive impact on the market.

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

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

Commercial Service Vienna, and the Association of Research-Based Pharmaceutical Companies (FOPI).

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

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

Products from the U.S. enjoy an excellent reputation with respect to quality and safety. The Austrian market is very receptive to U.S. imports in this field; however, U.S. exporters may find some bureaucratic hurdles. U.S. imports of drugs and pharmaceuticals rank second only to Germany in volume, and they are ahead of Switzerland, Belgium and France. The 2012 U.S. Market Share in Austria of imported pharmaceutical products was 12.7%.

Approval of Pharmaceutical Products

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

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

Reimbursement of Pharmaceuticals and Patent Issues

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

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Best prospects among American-made pharmaceuticals are: cancer medications; cardiovascular medications; pharmaceuticals for psychotherapy; AIDS medications; bio-

technologically produced medications; and vitamin and mineral combinations such as Melatonin, DHEA, and St. John's Wort. These are classified as pharmaceuticals in Austria, not as dietary supplements as they are in the U.S.

Opportunities

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

Austropharm
April 24-26, 2014; Vienna Trade Fair Grounds
www.austropharm.at

Web Resources

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AGES Österreichische Agentur für Gesundheit und Ernährungssicherheit (Austrian Agency for Health and Food Safety)
Spargelfeldstrasse 191
1220 Vienna, Austria
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Web: http://www.ages.at

Association of the Austrian Chemical Industry
Wiedner Hauptstrasse 63
1045 Vienna, Austria
Phone: ++43 05 90 900 – 3340
Fax: ++43 05 90 900 – 280
Web: http://www.fcio.at

Main Association of Austrian Social Security Organization
Kundmanngasse 21
1030 Vienna, Austria
Phone: ++43 1 71132-1120
Fax: ++43 1 71132-3785
Web: http://www.sozialversicherung.at/

Association of Pharmaceutical Enterprises – Pharmig
Garnisongasse 4/1/6
1090 Vienna, Austria
Phone: ++43 1 40 60 290-0
Fax: ++43 1 40 60 290-9
Web: http://www.pharmig.at

Austrian Chamber of Pharmacists
Spitalgasse 31
1091 Vienna, Austria
Phone: ++43 1 404 14-100
Fax: ++43 1 408 84-40
Web: http://www.apotheker.or.at

Austrian Institute for Health Management – Oebig
Stubenring 6
1010 Vienna, Austria
Phone: ++43 1 515 61-0
Fax: ++43 1 513 84 72
Web: http://www.oebig.at

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

FOPI – Association of Research-Based Pharmaceutical Companies in Austria
c/o AbbVie GmbH
Perfektastrasse 84A
1230 Vienna, Austria
Phone: ++43 1 20589-330
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Electric Power Equipment

Overview

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Unit: USD thousands

	2011	2012 (estimated)	2013 (estimated)	2014 (estimated)
Total Market Size	2,586,617	2,969,932	3,407,652	3,910,432
Total Local Production	2,807,449	3,068,542	3,347,779	3,649,080
Total Exports	2,005,321	2,191,816	2,391,271	2,606,485
Total Imports	1,784,489	2,093,206	2,451,144	2,867,838
Imports from the U.S.	19,684	22,105	24,780	27,753
Exchange Rate: 1 USD	€0.78	€0.78	€0.78	€0.78

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Exchange rate average 2012, corrected for inflation (estimates)
Data Sources:

Total Local Production: Estimate
Total Exports: Statistik Austria
Total Imports: Statistik Austria
Imports from U.S.: Statistik Austria

The electric power equipment market in Austria charted a total market size in 2011 over USD 2.9 billion. Notable is the rapid rise in imports, a 15% jump from 2010 to 2011 that we predict will continue as Austrian electricity providers invest a projected EUR 15 billion (USD 19.2 billion) in power generation, distribution, and efficiency upgrades between now and 2020. Also interesting is the low number for U.S. imports, which account for less than 1% of total import value and chart a 29% reduction between 2010 and 2011. We believe that U.S. imports are underreported, entering the market through subsidiaries and distributors in the EU. Furthermore, if U.S. exporters take advantage of the opportunities in this sector in the coming years, the share of U.S. origin electric power equipment is likely to rise significantly.

Austrian electric power generation and distribution systems are among the most reliable and environmentally friendly in Europe. According to e-control, Austria's gas and electricity regulator, there were only 48 minutes of unavailability in 2011, down from 52 minutes in 2010. Though dependence on foreign electricity is a matter of increasing concern for policy makers, the high price of domestic power generation has brought a continuous shift toward foreign-sourced electricity.

Domestically produced electricity is dominated by hydro power, which accounted for 60% of the electricity produced in Austria in 2011. The second most important source of electricity is natural gas with 19%, followed by coal, which accounted for 11%. Organics accounted for 5%, and the remaining 5% is split between alternative sources (wind, solar, small hydro) and the firing of oil derivatives at thermal generation facilities. It is interesting to note that coal use rose significantly between 2010 and 2011, from 6.7% to 11%, and natural gas as a fuel source fell from 30% to 19% of the total. These figures

support anecdotal evidence of the far-reaching impact of the U.S. shale gas revolution. Lower demand for coal in the United States brought the world price down. This, in combination with steady natural gas prices in Europe and the ineffectiveness of the EU's CO^2 cap and trade program, has created the economic impetus for coal to partially displace natural gas in the Austrian electricity mix.

According to statistics prepared by the Austrian electricity regulator e-control in December 2011, there are currently 13,827 power generation facilities in Austria, including almost 2,000 small hydro facilities, with a total installed capacity of 22,628 MW (megawatt). Here is a breakdown:

- Hydropower: 2,671 plants with a capacity of 13,200 MW
- Fossil fuels: Four coal-fired plants, 18 coal or oil derivate plants, and 64 natural gas fired plants. Together, these have a capacity of 7,079 MW
- Biomass/biogas: 103 facilities with a total capacity of 401 MW
- Other thermal facilities (including those firing a fuel mix and those that are online less than 75% of the time): 394 facilities with a total capacity of 769 MW
- Renewables: 10,573 units are run on renewable sources (including wind turbines, pv and geothermal) with a capacity of 1,179 MW
- After the Chernobyl nuclear accident, Austria passed a constitutional amendment outlawing nuclear power generation in this country. The Austrian government has further resolved to stop the import of nuclear energy by the end of 2014.

The trend shows a tremendous increase in the number of renewables units (from 5,625 in 2010 to over 10,000 in 2011) but a decrease in renewable Gigwatt hours of production (from 2,096 GWH in 2010 to 1,985 GWH in 2011). Another interesting trend is the relationship of gas to coal use. In 2010, five coal-fired plants produced 4,800 GWH; in 2011, four coal-fired plants produced 5,300 GWH. With gas we see the opposite movement. In 2010, 69 gas-fired plants produced 13,500 GWH; in 2011, 64 plants produced 11,400 GWH.

There are a total of 5.9 million electricity delivery points in Austria, of which 4.2 million correspond to private households. The largest electricity consumers are industrial entities, which account for 57% of the electricity distributed. The length of the grid is 235,654 km, including high voltage lines. Over 67% of the lines are underground. There are currently 5 transformer stations for less than 100 KV, 978 transformer stations for 100-200 KV, and 65 stations for voltage over 200 KV. 76,809 transformer stations control middle and low voltage (source: e-control 2011).

Sub-Sector Best Prospects

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There are three notable best prospect sub-sectors in Austria, namely, prospects related to the economic attractiveness of coal as a fuel source, products and services for the development of smart grids, and the upgrade/expansion of high voltage lines.

Coal

The low world price for coal, in combination with high European natural gas prices and the failure of the EU's CO^2 cap and trade program, has created the economic impetus in Austria for coal to partially displace natural gas in the electricity mix. In 2010, five coal-fired plants produced 4,800 GWH; in 2011, four coal-fired plants produced 5,300 GWH.

Coal imports from the United States rose by a whopping 62% between 2010 and 2011, from just under 540 thousand MT to over 876 thousand MT.

Smart grids

Market opportunities in Austria are largely the result of a regulation passed in April, 2012, which requires that 95% of all household and small commercial customers have a smart meter by 2019. The latest census data reports 678,000 private households in Austria, and 294,000 SMEs. In addition to the meters themselves, there is a market for associated software that ties real-time metering to monitoring, distribution, and billing systems. Another segment that is expected to become popular is energy-saving home automation.

High Voltage Lines

Electricity providers and policymakers agree that the high voltage network in Austria needs to be supplemented. Electricity providers plan to add 200 km to the 380 KV and 550 km to the 200 KV networks by 2020 at a cost of approximately EUR 6 billion (USD 7.7 billion) in order to accommodate increased EU electricity trading and the transfer and storage of renewable electricity output across the region. There are significant barriers to the construction of these lines, including massive resistance from residents and the geographical challenges of the alpine regions of the country. The "master plan" for the expansion of high voltage lines calls for construction to begin in 2015, and there are currently several environmental impact studies underway.

Opportunities

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Austria's electricity providers plan to invest over 15 billion EUR (USD 19.2 billion) between now and 2020 in upgrades to their power generation equipment, distribution network, and energy efficiency. Specifically, excellent opportunities for U.S. companies exist in these four areas:

- Coal exports, specialized products and services
- Products and equipment for the operation of coal-fired and flexible fuel power plants
- Smart grid products and equipment, including smart meters, processing systems, software, and home-automation
- High voltage lines, products, and services, including public relations and legal services

Web Resources

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E-Control GmbH
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Phone: ++43 1 24724-0
Fax: ++43 1 24724-900
Web: www.e-control.at

Oesterreichs Energie
Association of Austrian Electricity Companies
Brahmsplatz 3, Postfach 123
1041 Vienna, Austria
Phone: ++43 1 50198 0
Fax: ++43 1 505 12 18
Web: www.veoe.at

Statistik Austria
Bundesanstalt Statistik Österreich
Guglgasse 13
1110 Vienna, Austria
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Fax: ++43 1 71128-7728
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Medical Devices (MED)

Overview

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Unit: USD thousands

	2011	2012 (estimated)	2013 (estimated)	2014 (estimated)
Total Market Size	1,124,199	1,184,557	1,245,716	1,308,001
Total Local Production	815,222	858,991	903,341	948,508
Total Exports	1,182,693	1,246,192	1,310,533	1,376,060
Total Imports	1,491,670	1,571,758	1,652,908	1,735,553
Imports from the U.S.	256,168	269,922	283,858	298,051
Exchange Rate: 1 USD	€0.78	€0.78	€0.78	€0.78

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

Total Local Production: Company information and estimates
Total Exports: Statistik Austria and estimates
Total Imports: Statistik Austria and estimates
Imports from U.S.: Statistik Austria and estimates

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

In 2012, Austrian imports of medical equipment were USD 1.6 billion. For 2013 we expect these imports to show an increase to USD 1.65 billion. Total demand for medical devices in Austria added up to USD 1.2 billion, while exports of this equipment amounted to USD 1.3 billion. Austria is a transit-trade country with strong trade relationships with Central, Eastern and Southeastern Europe, as well as the Near and Middle East. Re-exporting products is quite common here; hence the volume of imports exceeds the total market. Taking into consideration these re-exports, imports are expected to increase at an average annual real growth rate of 3%. The size of the market in Austria for medical equipment should also increase by about 3% annually over the next three years.

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

Some Austrians pay premiums into a private supplementary insurance, in addition to their social security contributions. The premiums for private health insurance are calculated according to actuarial principles and are in most cases income tax-deductible. Currently, there are approximately 8-10 companies in Austria that offer private insurance. These companies provide a number of services to their subscribers, including Temporary Disability Insurance, Hospital Daily Benefit Insurance, Care Allowance Insurance, Travel Health Insurance, Hospital Expense Insurance, Outpatient Treatment Insurance, Dental Treatment, and Prosthodontics Insurance, etc. According to the Austrian Insurance Association, the increasing number of Austrians purchasing private health insurance can be attributed to the quality of the benefits and services, as well as a subscriber's ability to specifically individualize their health care plan.

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

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

Germany supplied 32% of Austria's imports of medical equipment in 2011. The United States ranked second with 17% among foreign supplier countries, followed by Switzerland with 7.6% and Japan with 3.6%. Multiple countries supply the balance.

Total Austrian imports of medical devices from the United States amounted to USD 269.9 million in 2012 and should reach USD 283.8 million in 2013. Sales of U.S.-engineered healthcare equipment are actually much higher than are reflected in official import statistics, because many products imported into Austria from Western Europe and from the Far East were made or assembled by subsidiaries of U.S. firms.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Web Resources

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

Overview

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Unit: USD thousands

	2011	2012 (estimated)	2013 (estimated)	2014 (estimated)
Total Market Size	2,472,474	2,730,907	2,992,723	3,300,333
Total Local Production	3,197,727	3,431,161	3,606,151	3,858,581
Total Exports	2,284,091	2,450,830	2,575,822	2,756,129
Total Imports	1,558,838	1,750,575	1,962,394	2,197,882
Imports from USA	25,400	28,525	31,976	35,813
Exchange Rate: 1 USD	€0.78	€0.78	€0.78	€0.78

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

Total Market Size: Estimate
Total Local Production: Estimate
Total Exports: Statistik Austria
Total Imports: Statistik Austria
Imports from USA: Statistik Austria

According to estimates by the Federal Ministry for Environmental Affairs, the renewable energy market in Austria reached a total size of over USD 7.3 billion in 2010. This figure includes investment as well as operational turnover of all renewable energy producers. Local production is significant, and Austria exports more than it imports. Austrian companies are among the world's leaders in pellets heating systems, solar thermal heating systems, PV panels, biofuel and biogas systems, waste to energy technology and district heating systems. As in most industry sectors, the lion's share of Austria's trade in renewable energy equipment occurs within the EU, with Germany leading the pack of both importers and exporters by a wide margin.

According to the latest available trade statistics, total imports as well as imports from the United States both grew significantly between 2010 and 2011. Total imports grew by 31% and imports from the U.S. by a whopping 56%, albeit from a low base. The items showing the largest growth during that time were bearings of various types and sizes as well as wind power equipment.

According to the European Union 20/20/20 energy and climate package of December, 2009, Austria is obliged to increase its share of renewables to 34% of gross consumption by 2020. In 2011, renewables (including hydro) accounted for 67% of domestic electricity production and 31% of gross domestic energy consumption. The Austrian Energy Strategy, announced in March of 2010, aims to focus on Austria's strengths in hydropower and biomass, as well as doubling the amount of wind energy from 10 to 20 PJ over the next ten years. This goal, however, is being re-evaluated in light of the price volatility of biomass source material.

Another more recent development has been the apparent realization that moving away from traditional energy sources will require a massive investment in infrastructure, including expanded and upgraded high and mid-voltage networks and solutions to reduce volatility and provide storage. Austria's electricity providers plan to invest over EUR 15 billion (USD 19.2 billion) between now and 2020 in upgrades to their power generation equipment, distribution network, and energy efficiency.

Austria is heavily dependent on foreign sources of fossil fuels, making the switch to renewables attractive from a national security standpoint. The Eurostat energy dependence rate (EDR) for Austria in 2011 was 69.3%. The average in the EU 27 is 54%. (source: Eurostat 2013)

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

One of the primary influences on alternative energy projects in Austria is the "eco-electricity" (Oekostrom) law, which lays out the level of public support for alternative power generation projects. The law has two elements: feed-in tariffs, and investment subsidies. Austrian incentives focus on wind and small hydro projects as the renewable power sources with the smallest gap between cost and market price per kilowatt/hour. Though small hydro is a difficult value proposition for U.S. exporters, wind energy projects are more easily accessible.

Feed-in tariffs are guaranteed prices for eco-electricity, in which the state pays the difference to the market price up to a cap, thus encouraging more investment in those technologies that are closest to market price. In 2012, the cap was 50 million Euros (USD 64 million). Furthermore, each source has its own piece of the tariff pie.

Here is an excerpt from the set prices:

Feed-in tariffs contained in the 2012 ecological electricity law, currently in force

Source	Tariff in EUR cent/kWh*	Duration
Wind	9.5	13 years
PV – integrated into a building	23-27	13 years
PV – free-standing	19-25	13 years
Landfill/sewage gas	5-6	13 years
Geothermal	5	13 years
Biomass (solid)	10-14.98	15 years
Biomass (liquid)	5.80-2	15 years
Biogas (agricultural waste)	7-9.50	15 years

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

Source: e-control Oekostrombericht 2012

Investment subsidies 2012 were focused on small hydro and heat/power cogeneration units. The cap for cogeneration was set at EUR 65 (USD 83) million, and for small hydro at EUR 86 (USD 103) million. The maximum subsidy is 10% of the total cost, subject to additional limits calculated on a price per kilowatt hour basis.

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Wind

Of the EUR 50 million budgeted for feed-in tariff subsidies, EUR 17.8 million (USD 22.8 million) are reserved for wind power. In addition to this sum, a one-time expenditure of EUR 80 million (USD 102 million) has been granted to finance wind projects that are in the pipeline but could not be financed under the 2010/11 cap. This is expected to bring an additional 160 MW of wind power online in the coming year. (Source: e-control Oekostrombericht 2012)

At the end of 2011, wind provided 1,883 GWh of electricity in Austria. This figure is expected to rise to 3,519 GWh in 2015 and 6,019 in 2020. This indicates demand for wind power systems, but also the equipment and technology required to manage this variable input into the grid.

Opportunities

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

- Wind energy products and equipment
- Smart grid products and equipment, including smart meters, processing systems, software, and home-automation
- High voltage lines, products, and services, including public relations and legal services

Web Resources

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Photovoltaic Association Austria
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Web: www.bv-pv.at

Austrian Wind Energy Association
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Natural Gas and District Heat Association
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Security and Safety Equipment (SEC)

Overview

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	400,006	417,206	434,312	451,684
Total Local Production	380,100	396,444	412,698	429,206
Total Exports	195,666	204,080	212,447	220,945
Total Imports	215,572	224,842	234,061	243,423
Imports from the U.S.	3,141	3,278	3,412	3,549
Exchange Rate: 1 USD	€0.78	€0.78	€0.78	€0.78

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

Total Local Production: Company information and estimates
Total Exports: Statistik Austria and estimates
Total Imports: Statistik Austria and estimates
Imports from U.S.: Statistik Austria and estimates

According to a recent report of the Austrian Ministry of Interior, the past decade has been characterized by a significant decrease in overall crime rates, though cybercrime rates saw a dramatic increase. In the year 2010 reported crime rates dropped to a number of 535,745, which represents the lowest level since 2001. A total of 540,007 crimes were reported in Austria in 2011 and therefore it represents only a slight increase of 0.8% compared with 2010. Though violent crime is relatively low in Austria, it has been slowly rising with an increase in murders and attempted murders from 162 in 2010 to 174 in 2011 at a solution rate of around 91%. The main reason for a decrease in the overall crime rate since 2001 can be attributed to a decrease in property crime. Vienna is still the region most affected by crime, followed by Lower Austria. In the past years, Vienna has become a target for burglaries and break-ins, which many Austrians attribute to the political and economic consequences of continuing integration in Europe and the subsequent increase in immigration, both legal and illegal. However, a master plan implemented in 2010 to combat the high number of burglaries seems to have had an effect: break-ins into private homes decreased by 38.6% while apartment break-ins decreased by 17.9% compared with 2009. In 2011 break-ins again decreased slightly by 0.8%. The incidents of car theft, after falling to an absolute bottom level in 2010 (5,150 reported incidents), also continued to remain low in 2011 (5,158 reported incidents).

There are indications that the low property crime rates of 2010 and 2011 may not be sustained. A dramatic rise in cybercrime, from 1,490 reported cases in 2010 to 5,100 cases in 2011, has been noted. Combating cyber and internet crime has also been cited by the Federal Police Agency as main priorities for 2012 and 2013.

A substantial increase of bank robberies was reported in 2011 and 2012, especially in the province around Vienna. In many of the cases, automated teller machines (ATM) were opened and completely destroyed.

The security market in Austria has become a growth industry with 440 firms involved in security systems, 170 firms involved in safety engineering, and 150 in providing support functions. Surveillance companies dealing with the protection of people and property, electronic monitoring, fire detection, as well as armored-car manufacture and services generate strong turnover figures. The lion's share of the surveillance business is comprised of the Austrian Security Service (2400 employees), Securitas (1350 employees), which is part of a Swedish concern, and Group4S (2300 employees), which is partly owned by a U.S. company. In 2013, the total Austrian market for safety and security equipment is estimated to be USD 434.3 million. The market is expected to grow at an estimated annual real growth rate of 2% over the next three years. Austrian imports from the United States in this sector were approximately USD 3.1 million in 2011. In 2011, Austrian import market shares for Security and Safety Equipment in Austria were as follows:

Country	*Market Share (of imports only*
Germany	42.2%
China	7.6%
Switzerland	5.7%
Italy	4.8%
Slovakia	2.6%
USA	1.5%
Japan	1.3%
Slovenia	1.2%

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

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

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

Opportunities

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

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Telecommunication (TES)

Overview

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USD Thousands

	2011	2012 (estimated)	2013 (estimated)	2014 (estimated)
Total Net Sales	5,446,710	5,530,772	5,721,180	5,838,650
Fixed Network Voice Telephony	1,234,830	1,137,820	1,148,298	1,171,264
Mobile Communications	3,531,020	3,684,478	3,837,089	3,913,831
Broadband	607,250	630,535	653,433	666,502
Leased Lines	73,610	77,939	82,360	87,053
Exchange Rate: 1 USD	€ 0.78	€ 0.78	€ 0.78	€ 0.78

Data Source:
Total Sales: RTR Telecom Regulatory Authority

In 2011, turnover in the Austrian telecommunications services market declined by 5.7 percent, after a decrease of 1.9 percent in 2010. Mobile communications (incl. mobile broadband) accounted for almost two thirds of sales, with fixed line telephony and leased lines losing market share.

The fact that turnover decreased despite robust growth rates in broadband and mobile connections is attributable to prices, which fell over recent years. In 2011, mobile broadband subscriptions increased by 16.8 percent, not far below the 18.1 percent growth registered in 2010. The bundling of services, such as selling fixed lines in conjunction with broadband connections and of course mobile subscriptions with high speed internet access, keeps exerting a significant downward pressure on prices. Recent overhauls of international roaming charges, as laid down by the EU Roaming Directive, have also dented profitability.

The Austrian telecommunications sector employed 16,000 people by the end of 2011, about 2,500 fewer than in 2005.

Mobile communications market

The number of mobile subscribers has increased dramatically over the last decade, with a market saturation (measured by active SIM cards) of 154% of the population at the end of 2011. The highly competitive nature of the market has made mobile phone contracts some of the most economical and widespread in Europe. Growth is expected to continue throughout 2012, as mobile broadband adoption keeps rising and Machine-to-Machine applications (M2M), such as traffic control systems that need to communicate, further bolster demand.

The new regulatory framework for electronic telecommunications markets, which is laid down in five directives from the European Union and was translated into Austrian national

law in the summer of 2003, aims for a harmonized regulatory policy that promotes competition within the Member States. Articles 14 through 16 of the Framework Directive are of central importance, giving a clear mandate to the national regulatory authorities (in Austria RTR GmbH) to carry out extensive market analyses at regular intervals.

Because of a shortage of frequencies, the mobile communications market, which was liberalized in 1996, has fewer players than the fixed network. Market entry for a new company is possible only if that company is granted or, since the summer of 2003, transferred frequency usage rights. The Austrian mobile market is comparatively competitive, but has shown certain signs of saturation, as reflected by the restructuring of operations by some operators and a number of takeovers in recent years.

In June 2007, the EU roaming directive came into force. The legislation aims to provide more transparency and consumer protection, capping the price operators can charge for calls, messages and mobile internet use across EU borders. The goal is to encourage cross-border competition in the mobile services sector.

The Austrian market continues to be led by Mobilkom Austria with a market share of about 40 percent, followed by T-Mobile with 31 percent, “Orange” with 18 percent, and “Hutchison” with 10 percent in 2011.

At the beginning of 2012, “Hutchison” filed for the takeover of “Orange”, in a move that will significantly alter the Austrian telecom landscape.

The Fixed Network and Leased Lines

The estimated number of authorized public fixed voice telephony operators in Austria is around 60. Of these, the five biggest players have a market share of more than 80 percent. At the beginning of market liberalization, the fixed network market opened up mainly via the carrier network operators. Relatively easy market entry with little required investment input resulted in a large number of applications for licenses. Most of the major providers are developing, or have already developed, into full service providers. In addition to providing speech, data and internet services, they are also offering server hosting, application services and mobile services. Providers that can offer a full range of products and services have the best chance of surviving in the long term.

Households had 2.1 million fixed lines in service at the end of 2011, businesses accounted for an additional 658,000. The market—the lion’s share of which is controlled by former monopolist Telekom Austria—has been more or less stagnating in recent years. In 2011, a total of 2.78 million lines were in use, not many fewer than the 2.9 million active in 2005. Yet turnover has been in steady decline. Whilst end-user fixed lines generated over EURO 1.5 billion in 2005, sales dropped to just EUR 0.9 billion in 2011. The steep fall in revenue in the face of a comparatively marginal decrease in active connections is attributable to the trend of bundling fixed line services with other products, such as TV and broadband. Whilst the number of lines in service is more or less held constant, their usage time keeps dwindling.

The leased lines and Ethernet sector, used almost exclusively by businesses, has undergone some developments in recent years. Traditional leased lines have lost a significant market share to Ethernet services, which are more flexible in terms of

bandwidth and less costly. The sector currently has 42 providers, with Telekom Austria accounting for more than half of all sales revenue.

Over the last 15 years the telecom services sector has been largely liberalized. Today it is well developed and quite competitive. Licenses are required for wire-bound public voice telephony, public offering of line leases, and wireless voice telephony. A single simple registration requirement applies to all other telecom services. The convergence of mobile phones, internet, TV, satellite, and cable offer a potential mix of new services, especially to American firms, which are experienced suppliers for many of these services.

U.S. telecom services providers present in Austria include AT&T Global Network Services, Sprint, ACN Communications services, UPC Telekabel, and Verizon.

Broadband, Mobile Broadband and the Smartphone Market

Broadband coverage stands at nearly 100 percent of all active internet connections, with mobile broadband access having made the greatest strides in recent years. Starting from a few thousand active connections in 2006, the mobile broadband market reached 1.8 million subscribers at the end of 2011, accounting for 45.3 percent of all broadband connections. DSL and cable connections together made up 53.8 percent of the total. All in all, by 2012 there were over 3.9 million active broadband connections, with the mobile service still growing at a significantly faster rate than more traditional services. In terms of European mobile broadband market penetration, Austria is currently in second place (after Finland) with 18.9% of the population having an active connection in 2011.

Along with a high rate of broadband adoption, the Austrian smartphone market is among the most developed and fastest growing in Europe. By the end of 2011, 36 percent of all active phones fell into that category, compared with just 21 percent at the beginning of the year. IOS (i.e. Apple's iPhone) led the market with a share of 41 percent, followed by Android (Google's mobile operating system) with 32 percent. Nokia, Microsoft and RIM (BlackBerry OS) registered market shares of 6, 4 and 2 percent respectively.

Consumer readiness to adopt new mobile technologies along with the highly competitive structure of the market makes Austria a good testing ground for mobile innovations.

Smartphones are used rather intensely for purposes other than making calls and sending messages. 72 percent of users report using social networks, such as Twitter and Facebook, and on average, they have 25 apps installed on their devices, 10 of which had been paid for. This indicates a significant potential for companies that work with or around the ecosystems provided by such phones.

Unsurprisingly, online data consumption has risen tremendously. In 2011, data consumption by volume increased by 75 percent. More recently, though, it has done so at the expense of "traditional" phone calls and SMS, as users increasingly turn to online services. Whereas both traditional segments are still growing, talk times seem to have stabilized over the last two years, after big increases from 2001 to 2008.

WiFi hotspots are seemingly ubiquitous in urban areas, with most fast-food and coffee chains (McDonald's, Starbucks), but also many independent bars, cafes and restaurants offering free internet access to customers.

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Smart Homes

Industry experts estimate that Smart Home revenues will grow by 12 percent annually to 2020, providing an attractive opportunity for telecom operators to expand their services and revenue streams. A Smart Home is a home or building that is equipped with a special connected platform that enables a wide array of new applications, such as home automation, home cloud, and e-Health services. Telecom operators have several competitive advantages in the Smart Home ecosystem, including their internet gateways, strong customer relationships, as well as sales and support networks.

As the Smart Home services develop, industry experts expect the market to develop according to two possible scenarios. One possibility is that the market will be aggregated into large ecosystems driven by global players, which is clearly favored by OTT players that are eager to develop solutions that bypass operators. A second possibility is that the market will remain highly fragmented with numerous heterogeneous competitors trying to capture value from the market.

Either way, telecom operators should act now to form partnerships and promote hybrid Smart Home platforms with applications close to their core business as well as other services offered by external providers. Positioning themselves well could allow them to capture a significant share of the market growth and mitigate the risk of being bypassed by OTT players.

Fixed and, especially, mobile broadband as growing sectors could also be attractive targets for investment by U.S. companies. An alternative operator or Internet Service Provider (ISP) can implement broadband access to end-users either by using self-operated access technologies such as optical fiber, power-lines, wireless networks, and cable television networks (CATV), or by resorting to the unbundled (copper) access network of Telekom Austria and purchasing bit streaming as a wholesale service. Despite the impressive rates of growth, there still exists a potential for further development of the broadband market through the use of innovative technologies and products. An example is the development of the LTE (Long-Term-Evolution) mobile broadband network, which has progressed comparatively slowly due to difficulties with the allocation of the appropriate frequencies.

Opportunities

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No information on special projects or opportunities is currently available. U.S. companies interested in investing in high speed broadband sectors can still find good opportunities in the Austrian market.

Web Resources

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The Austrian Regulatory Authority for Broadcasting and Telecommunication (RTR)
http://www.rtr.at

IDC Austria
http://www.idc.com

Statistik Austria
http://www.statistik.at

Google Mobile Planet Survey – Country Report. Executive Report (Q1 2012)
http://services.google.com/fh/files/blogs/our_mobile_planet_austria_en.pdf

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Travel and Tourism (TRA)

Overview

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Unit: Thousands

	2011	2012 (estimated)	2013 (estimated)	2014 (estimated)
Total Arrivals to the United States	179,000	190,000	198,000	204,000

Data Source:
USDOC Office of Travel and Tourism Industries

Note: The above statistics for 2012, 2013 and 2014 are unofficial projections.

Austrians took a total of 16.4 million holiday trips in 2011 as well as 3.2 million business trips. A total of 9.1 million of these trips were longer than 4 nights. A total of 8.2 million of these trips, were spent abroad (any destination). In general, Austrians prefer to spend their vacations abroad. They spent a record EUR 8.1 billion (USD 10.8 billion) traveling abroad in 2011: EUR 360 million (USD 480 million) was spent for travel to the United States. *For travel to the United States, Austrians spent approximately EUR 3,300 (USD 4,400) per trip or EUR 230 (USD 305) per night.*

*T*he United States was the most popular long-haul destinations in 2011 (meaning a destination outside Europe) for Austrian travelers. We expect the number of Austrian travelers to the United States to increase about 6% in 2012. For 2013, we expect a further 6-7% increase. Total arrivals from Austria in 2011 were 179,000. Austria ranked 32 overall for arrivals to the United States in 2011.

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

In 2011, the overall Austrian long-haul sector of the outbound market declined by 4.6%**.** There was less demand for packages offered to South East Asia, South America, Africa and the Middle East. However, the United States had an increase of 7% of visitors from Austria. The appreciation of the Euro against the U.S. dollar and attractive packages offered by tour operators stimulated long-haul travel to the United States.

Austrians who travel to the United States are generally 20-50 years of age with about 50% belonging to the upper middle class. Their length of stay in 2011 was

approximately 20 days vis-à-vis 16 days in 2010. Travel mostly takes place during June, July, August and September and during the Christmas holidays. Almost 50% of all pleasure travel takes place during the months of July and August. More than half are repeat travelers. About 78% of Austrian bookings to the United States are for pleasure, 18% for business including conference/convention. Another 4% combine business and pleasure. People from Vienna and its surrounding area account for the major part of travel to the United States.

Stiff competition among the direct service carriers Austrian Airline's Group in cooperation with United Airlines and Lufthansa (Star Alliance), Delta Airlines and Air France KLM and British Airways in cooperation with American Airlines, is expected to keep airfares attractive. The low cost carrier Air Berlin and Condor are also offering flights via hubs in Germany to several destinations in the United States. The Star Alliance group and British Airways pick up the highest number of passengers originating from Vienna across the Atlantic. A strong Euro may encourage some people to take a trip to the United States, to take advantage of the attractive packages offered by travel suppliers.

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

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

Paid vacation is generally between 5-6 weeks depending upon industry and years of service. English is widely spoken and is not generally a barrier for Austrian travel to the United States.

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

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

Given that most visitors from Austria to the United States are repeat visitors who prefer to travel independently, we expect that U.S. tour operators could profitably offer attractive fly and drive packages, short city trips for shopping and cultural events, guided tours, cruises, hotel and resort packages in lesser known areas, wilderness, river rafting or adventure trips, helicopter sight-seeing, wedding packages, etc. Educational trips/stays (e.g., language, MBA programs, pilot training) may have good potential. The

traditional golf packages offered should be expanded to areas, which are less known to Austrians, e.g., the Carolinas, Virginia and others. The market for vacation club packages and time-share condominiums still has some potential in this market.

The Visit USA Committee is a registered association in Austria. The association comprises approximately 30 members and is funded primarily by membership dues and profits generated from events. The Visit USA Committee's website is www.visit-usa.at.

Sub-Sector Best Prospects

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

Opportunities

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No information on special projects or opportunities is currently available.

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ITA Office of Travel and Tourism Industries
http://tinet.ita.doc.gov

Visit USA Committee
http://www.visit-usa.at

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Agricultural Sectors

Agricultural, Fish and Forestry Sector

Overview

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	10,517,441	11,200,644	11,190,000	11,590,000
Total Local Production	11,551,282	11,790,000	12,100,000	12,340,000
Total Exports	17,532,422	16,444,293	17,550,000	17,800,000
Total Imports	16,498,581	15,854,937	16,640,000	17,050,000
Imports from the U.S.	107,034	103,296	112,000	117,000
Exchange Rate: 1 USD	€0.78	€0.78	€0.78	€0.78

- *Source: Global Trade Atlas; Statistik Austria; Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft; Euromonitor, FAS estimates*
- *Note: The above statistics are unofficial estimates*

In 2012, Austria's total agriculture, fish and forestry imports were USD 15.9 billion and exports were USD 16.4 billion. In total, 84% of all imported agricultural products came from the EU and 74% of all exported goods were delivered to EU Member States. Austria's most important agricultural trading partners are Germany and Italy. (Source: Global Trade Atlas)

Austria imported USD 103.3 million worth of U.S. agricultural, fishery and forestry products. Official import numbers do not include significant and steadily growing transshipments of U.S. products from other EU countries. (Source: Global Trade Atlas)

Austrian consumer food and beverages expenditures have grown steadily in recent years. Growth of consumer expenditures on food and non-alcoholic beverages between 2008 and 2012 is estimated at 7.8%. In the light of the weaker economy, consumers tend to shift towards non-discretionary spending and lower priced products. The forecast for Austrian consumer expenditures on food and beverages (non-alcoholic and alcoholic including tobacco) in 2012 is at USD 3,453 per capita, which is just over 13% of total consumer expenditures. The share of food and beverage expenditures is fairly stable. (Source: Euromonitor).

When responding to polls, Austrian consumers usually express a preference for high quality foods; however, when it comes to actually buying patterns, price appears to be the major purchasing factor for a majority of the population. One result of the global economic difficulties is that average Austrian consumers are tending to buy lower-priced brands and products. This may change again with the recovering economy. However, for special events, most people, even those in a low income bracket, are willing to spend more for "exclusive" products. In addition, the higher income and gourmet market segments (which regularly buy high priced foods) are growing.

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

Biotech products (also called GMOs) have a very negative image among the Austrian public and will not be found in Austrian retail stores. A counterpoint to the negative view of biotech crops and food products is Austria's growing market for organic agricultural products. In 2011, estimated food retail organic sales were at USD 2.3 billion, which is an increase of 7.8% compared to the previous year. In 2011, 7.4% of all fresh food purchases in Austria were organic.

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

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

Best Products / Services

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Although foods and beverages from Austria, Germany, and other EU countries dominate Austrian retail shelf space, there are good market opportunities for U.S. products, particularly at the upper end of the market. Consumer-oriented food and beverage products remain the most important agricultural imports from the United States. In 2012, the consumer oriented sector accounted for 55% of total agricultural, fish and forestry imports from the United States worth USD 56.8 million. (Source: Global Trade Atlas).

Organic Food Certification and Labeling

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

Opportunities

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

Fish and Seafood

Overview

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	442,646	419,080	430,200	442,500
Total Local Production	19,600	19,950	20,200	20,500
Total Exports	36,616	40,506	40,000	41,000
Total Imports	459,680	439,636	450,000	463,000
Imports from the U.S.	5,285	1,982	4,200	4,600
Exchange Rate: 1 USD	€0.78	€0.78	€0.78	€0.78

- *Source: Global Trade Atlas; Statistik Austria; Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft; Euromonitor, FAS estimates*
- *Note: The above statistics are unofficial estimates*

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

Consumption of seafood is rising. The reason for the general upward trend is the rising standard of living, health awareness, and the growing number of restaurants serving seafood. Austrian per capita consumption of fish rose from 6 kg in 2003 to almost 7.6 kg in 2011.

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

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

Wine

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	848,238	754,952	855,000	872,000
Total Local Production	770,513	655,000	775,000	790,000
Total Exports	177,575	174,759	180,000	183,000
Total Imports	255,300	274,711	260,000	265,000
Imports from the U.S.	5,196	4,817	5,300	5,400
Exchange Rate: 1 USD	€0.78	€0.78	€0.78	€0.78

- *Sources: Global Trade Atlas; Statistik Austria; Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft; Euromonitor*
- *Note: The above statistics are unofficial estimates*

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

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

Austria has traditionally a high share of domestic wine consumption. However, good prospects exist for "new world wines," including those from the United States. In 2010, the United States was the sixth most important supplier of wine (by value) to Austria. U.S. wine sales have increased, including at discounter retailers carrying inexpensive U.S. wines. Demand for good quality, inexpensive U.S. wine priced from USD 5 to USD 10 a bottle is rising. The main competitors for U.S. wines are Chilean and Australian wines.

Dried Fruits and Nuts

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	127,204	109,739	126,400	128,600
Total Local Production	6,100	6,250	6,400	6,600
Total Exports	47,921	50,263	50,000	50,000
Total Imports	169,025	153,752	170,000	172,000
Imports from the U.S.	15,962	12,712	16,000	16,500
Exchange Rate: 1 USD	€0.78	€0.78	€0.78	€0.78

- *Sources: Global Trade Atlas; Statistik Austria; Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft; Euromonitor*
- *Note: The above statistics are unofficial estimates*

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

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

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

Pet Foods

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	444,599	472,699	479,000	485,000
Total Local Production	415,000	425,000	430,000	435,000
Total Exports	168,767	212,446	216,000	220,000
Total Imports	198,366	260,145	265,000	270,000
Imports from the U.S.	2,338	2,114	2,400	4,480
Exchange Rate: 1 USD	€0.78	€0.78	€0.78	€0.78

- *Sources: Global Trade Atlas; Statistik Austria; Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft; Euromonitor*
- *Note: The above statistics are unofficial estimates*

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

Austria produces about 90% of the domestic consumption of dog and cat food. However, there are good market opportunities for prime quality, organic and nutritional pet food products. As consumers seek healthier lifestyles for themselves, many seek the same for their pets. The human trend towards eating more natural and organic foods is being emulated in pet foods; for example, there is an increase in organic pet food sales of pet vitamins and supplements.

Web Resources

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Chapter 5: Trade Regulations, Customs and Standards

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- Import Requirements and Documentation
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Import Tariffs

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

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

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

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

Trade Barriers

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

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

Information on agricultural trade barriers can be found at the following website: http://www.fas.usda.gov/posthome/useu/

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

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

Import Requirements and Documentation

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

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

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

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

The import of war material requires a license and individual approval of each shipment. The licensing authority responsible for these products is the Austrian Ministry of the Interior (http://www.bmi.gv.at). Austria is not a NATO member. U.S. companies exporting to Austria should consult U.S. export control regulations well before shipping products to

Austria. The U.S. Bureau of Industry and Security website can be found here: http://www.bis.doc.gov/

Import Documentation

The Single Administrative Document

The official model for written declarations to customs is the Single Administrative Document (SAD). Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. Goods are covered by a Summary Declaration which is filed once the items have been presented to customs officials. The customs authorities may, however, allow a period for filing the Declaration which cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The Summary Declaration is filed by:

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

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

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

More information on the SAD can be found at:
http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/sad/

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

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

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

The Modernized Customs Code (MCC) of the European Union is expected to be fully in place by June 2013. Some facets of the MCC have already been implemented including EU wide Economic Operators Registration and Identification (EORI) numbers. The MCC replaces existing Regulation 2913/92 and simplifies various procedures such as introducing a paperless environment, centralized clearance, and more. Check the EU's Customs website periodically for updates:
http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/community_code/index_en.htm

New U.S. - EU Mutual Recognition Arrangement (MRA)

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

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

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

Additional information on the MRA can be found at:
http://www.cbp.gov/linkhandler/cgov/trade/cargo_security/ctpat/ctpat_program_information/international_efforts/eu_faq.ctt/eu_faq.pdf

Batteries

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

REACH

REACH, "Registration, Evaluation and Authorization and Restriction of Chemicals", is the system for controlling chemicals in the EU and it came into force in 2007 (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by this policy. REACH requires chemicals produced or imported into the EU in volumes above 1 ton per year to be registered with a central database handled by the European Chemicals Agency (ECHA). Information on a chemical's properties, its uses and safe ways of handling are part of the registration process. This year's registration deadline was **May 31, 2013**: http://echa.europa.eu/web/guest/reach-2013. U.S. companies without a presence in Europe cannot register directly and must have their chemicals registered through their importer or EU-based 'Only Representative of non-EU manufacturer'. A list of Only Representatives (ORs) can be found on the website of the U.S. Mission to the EU: http://export.gov/europeanunion/reachclp/index.asp

Material Safety Data Sheets (MSDS) must be updated to be REACH compliant. For more information, see the guidance on the compilation of safety data sheets: http://echa.europa.eu/documents/10162/17235/sds_en.pdf

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

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

WEEE Directive

EU rules on Waste Electrical and Electronic Equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters to register the products with a national

WEEE authority or arrange for this to be done by a local partner. The WEEE Directive was revised on July 4, 2012. The revised WEEE Directive expands the scope of products covered to include all electrical and electronic equipment. The expanded scope will apply from August 14, 2018. U.S. exporters seeking more information on the WEEE Directive should visit: http://export.gov/europeanunion/weeerohs/index.asp

RoHS

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

Cosmetics Regulation

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

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

For more general information, see:
http://export.gov/europeanunion/accessingeumarketsinkeyindustrysectors/eg_eu_044318.asp

Agricultural Documentation

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

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU, but the harmonization process is not complete. During this transition period, certain Member State import requirements

continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements can be found at the following website: http://www.fas.usda.gov/posthome/Useu/certificates-overview.html

Sanitary Certificates (Fisheries)

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

With the implementation of the second Hygiene Package, aquaculture products coming from the United States must be accompanied by a public health certificate according to Commission Decision 2006/199/EC and the animal health attestation included in the new fishery products certificate, covered by Regulation (EC) 1012/2012. This animal health attestation is not required in the case of live bivalve mollusks intended for immediate human consumption (retail).

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

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

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

U.S. Export Controls

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

Austria is a member of the Australia Group, the Missile Technology Control Regime, the Nuclear Supplier Group, and the Wassenaar Arrangement. For more information about export licensing, please visit the Bureau of Industry and Security: http://www.bis.doc.gov

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

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

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. These are posted at:
http://www.bis.doc.gov/enforcement/redflags.htm

Also, BIS has "Know Your Customer" guidance at:
http://www.bis.doc.gov/Enforcement/knowcust.htm

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at 1(800) 424-2980, or via the confidential lead page at: https://www.bis.doc.gov/forms/eeleadsntips.html

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS web.

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

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

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

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars can be found at: https://www.bis.doc.gov/seminarsandtraining/index.htm

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

Temporary Entry

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

In the case of a commodity that is imported on a temporary basis to be used and returned (such as machinery), a compensatory levy of 3% per month applies if the commodity would be dutiable if imported permanently into Austria. If replacement parts for warranty or non-warranty repairs of a product are brought into Austria on a temporary base and the products are re-exported after repair, no duties and taxes will be charged for this transaction. This would be handled by the Carnet ATA in the so-called excise bond procedure. For more details concerning the Carnet ATA, please consult the following websites:

- http://portal.wko.at/wk/format_liste_folder.wk?SbID=234&TtID=11&BrID=0&DstID=0&AngId=1
- http://www.atacarnet.com/

Labeling and Marking Requirements

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

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

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

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

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

Prohibited and Restricted Imports

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

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

CITES Convention on International Trade of Endangered Species
PROHI Import Suspension
RSTR Import Restriction

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

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

Customs Regulations and Contact Information

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

For further information please contact:

Tariff Information	
Zolldokumentationsstelle Villach	
Via phone: Monday–Friday from 6:00 am to 10:00 pm (CET)	Phone: ++43 1 514 33-564 053 E-Mail: post.425-ztv.zaktn@bmf.gv.at

Hauptzollamt Wien	
Central Customs Office	
	Schnirchgasse 9, 1030 Vienna, Austria Phone: ++43 1 74 0 76 Web: http://www.bmf.gv.at

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

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

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

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

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

Homepage of Customs and Taxation Union Directorate (TAXUD) Website

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

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

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

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

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

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

The EU imports in excess of 2 trillion euro worth of goods. It is important that the value of such commerce is accurately measured for the purposes of:

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

These objectives are met using a single instrument - the rules on customs value. The EU applies an internationally accepted concept of 'customs value'.

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

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

Contact Information for national customs authorities:
http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm

Standards

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Overview

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

National Standards

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

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

European Union standards created under the New Approach are harmonized across the 27 EU Member States and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. For a list of new approach legislation, go to http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm. The concept of new approach legislation is likely to disappear as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a kind of blueprint for existing and future CE marking legislation. Since 2010/2011 existing legislation has been reviewed to bring them in line with the NLF concepts.

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

Agricultural Standards

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

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website:
http://www.fas.usda.gov/posthome/useu/about.html

Standards Organizations

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Following is the Austrian Organization that develops standards:

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

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

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

NIST Notify U.S. Service

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

EU standards setting is a process based on consensus initiated by Industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

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

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

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the Member States, which have "mirror committees" that monitor and participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual

Member States standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. The Commission also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical legislation. Mandates – or requests for standards - can be checked on line at: http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

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

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN's "sectors" page provides an overview by sector and/or technical committee whereas CENELEC offers the possibility to search its database. ETSI's portal (http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

With the need to adapt more quickly to market needs, European standards organizations have been looking for "new deliverables" which are standard-like products delivered in a shorter timeframe. While few of these "new deliverables" have been linked to EU legislation, expectations are that they will eventually serve as the basis for EU-wide standards.

Key Link: http://www.cen.eu/cenorm/products/cwa/index.asp

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

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

Conformity Assessment

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

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

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification systems are the Keymark, the CENCER mark, and CEN workshop agreements (CWA) Certification Rules. CENELEC has its own initiative. ETSI does not offer conformity assessment services.

Product Certification

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To sell products in the EU market of 27 Member States – soon 28 - as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

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

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

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back

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

The most important testing organization in Austria is:

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

Accreditation

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

"European Accreditation" (http://www.european-accreditation.org) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible with EN45003 or ISO/IEC Guide 58.

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

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

The Austrian Accreditation Body:

Bundesministerium für Wirtschaft, Familie und Jugend	
Austrian Federal Ministry of Economy, Family and Youth	
	Abteilung I/12 Stubenring 1, 1010 Vienna, Austria Contact: Dipl. Ing. Guenter P. Friers Phone: ++43 1 711 00-82 48 Fax: ++43 1 714 35 82 E-Mail: guenter.friers@bmwfj.gv.at Web: akkreditierung@bmwfj.gv.at

Publication of Technical Regulations

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The Official Journal is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees, and more:

(http://eur-lex.europa.eu/JOIndex.do?ihmlang=en). It lists the standards reference numbers linked to legislation (http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm).

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

Labeling and Marking Requirements

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

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

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

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

The Eco-label

The EU eco-label is a voluntary label which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently 30 different product groups, and approximately 1300 licenses have been awarded for several hundred products.

Applications to display the eco-label should be directed to the competency body of the Member State in which the product is sold. The application fee will be somewhere between EUR 300 and EUR 1300 depending on the tests required to verify if the product is eligible. The eco-label also carries an annual fee equal to 0.15% of the annual volume of sales of the product range within the European community. However, the minimum annual fee is currently set at EUR 500 and maximum EUR 25,000.

There are plans to significantly reform the eco-label in the near future, reducing the application and annual fees and expanding the product ranges significantly. It is also possible that future eligibility criteria may take into account carbon emissions.

Key Link: Eco-label Home Page

Trade Agreements

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

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

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

Web Resources

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EU Websites

Online customs tariff database (TARIC):
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

The Modernized Community Customs Code MCCC):
http://europa.eu/legislation_summaries/customs/do0001_en.htm

ECHA:
http://echa.europa.eu

Taxation and Customs Union:
http://ec.europa.eu/taxation_customs/customs/index_en.htm

Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32005R0648:en:HTML

Electronic Customs Initiative: Decision N° 70/2008/EC:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF

Modernized Community Customs Code Regulation (EC) 450/2008):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF

Legislation related to the Electronic Customs Initiative:
http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

International Level

What is Customs Valuation?
http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/european/index_en.htm

Customs and Security: Two communications and a proposal for amending the Community Customs Code
http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

Establishing the Community Customs Code: Regulation (EC) n° 648/2005 of 13 April 2005
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32005R0648:en:HTML

Pre Arrival/Pre Departure Declarations:
http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/prearrival_predeparture/index_en.htm

AEO: Authorized Economic Operator
http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm

Contact Information at National Customs Authorities:
http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm

New Approach Legislation:
http://ec.europa.eu/enterprise/policies/european-standards/documents/harmonised-standards-legislation/list-references/index_en.htm

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

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

CEN, European Committee for Standardization, handling all other standards:
http://www.cen.eu/cenorm/homepage.htm

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

http://ec.europa.eu/enterprise/policies/european-standards/index_en.htm

http://ec.europa.eu/enterprise/standards_policy/mandates/database/index.cfm?fuseaction=txtSearch.main&CFID=34648468&CFTOKEN=6ef965fc96926526-52EF213E-DE68-5C5C-981D1CB14CA6CF99&jsessionid=f412d234ecac366e803c2593f323e576c666TR

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

CEN – Sector Fora:
http://www.cen.eu/cenorm/sectors/index.asp

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

Mutual Recognition Agreements (MRAs):
http://ec.europa.eu/enterprise/policies/single-market-goods/international-aspects/mutual-recognition-agreement/usa/index_en.htm

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

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

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

What's New
http://ec.europa.eu/enterprise/policies/european-standards/news/index_en.htm

National technical Regulations
http://ec.europa.eu/enterprise/tris/index_en.htm

NIST - Notify U.S.:
http://www.nist.gov/index.html

Metrology, Pre-Packaging – Pack Size:
http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/documents/pack-sizes/

European Union Eco-label Homepage:
http://ec.europa.eu/comm/environment/ecolabel/index_en.htm

Eco-Label Catalogue:
http://ec.europa.eu/ecat/

U.S. Websites

National Trade Estimate Report on Foreign Trade Barriers:
http://www.ustr.gov/about-us/press-office/reports-and-publications/2009/2009-national-trade-estimate-report-foreign-trad

Agricultural Trade Barriers:
http://www.fas.usda.gov/posthome/Useu/

Trade Compliance Center:
http://www.trade.gov/tcc

U.S. Mission to the European Union:
http://useu.usmission.gov/

The New EU Battery Directive:
http://www.buyusainfo.net/docs/x_8086174.pdf

The Latest on REACH:
http://export.gov/europeanunion/reachclp/index.asp

WEEE and RoHS in the EU:
http://export.gov/europeanunion/weeerohs/index.asp

Overview of EU Certificates:
http://www.fas.usda.gov/posthome/useu/certificates-overview.html

Center for Food Safety and Applied Nutrition
http://www.fda.gov/Food/default.htm

EU Marking, Labeling and Packaging – An Overview
http://www.buyusainfo.net/docs/x_4171929.pdf

The European Union Eco-Label:
http://buyusainfo.net/docs/x_4284752.pdf

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

Additional Information

U.S. Commercial Service Austria
Boltzmanngasse 16
1091 Vienna, Austria
Phone: ++43 1 313 39-0
Fax: ++43 1 310 6917
E-Mail: office.vienna@.gov
Web: http://export.gov/austria/contactus/index.asp

U.S Mission to the EU - Foreign Commercial Service
Rue Zinner 13
B-1000 Brussels, Belgium
Fax: ++32 2 513 1228
Web: http://www.buyusa.gov/europeanunion

Contacts:

Mr. William Thorn – Standards Attaché
Phone: ++32 2 811 5034
E-Mail:william.thorn@trade.gov

CEN- European Committee for Standardization
Rue de Stassart 36, B-1050 Brussels, Belgium
Phone: ++32 2 550 08 25-550 08 11
Fax: ++32 2 550 08 19
Web: http://www.cen.eu/cenorm/index.htm

CENELEC – European Committee for Electrotechnical Standardization
Rue de Stassart 35
B-1050 Brussels, Belgium
Phone: ++32 2 519 68 71
Fax: ++32 2 519 69 19
Web: http://www.cenelec.org

Contact

U.S. Commercial Service Vienna, Austria
Manfred Weinschenk, Senior Commercial Advisor
E-Mail: manfred.weinschenk@trade.gov
Phone: ++43 1 313 39 Ext: 2285

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Chapter 6: Investment Climate

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Introduction

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Economic conditions in Austria -- particularly those relevant to foreign investors – continue to remain favorable. As a small and highly internationalized economy, Austria was affected by the global economic downturn in 2009, but recovered swiftly in 2010 and 2011. In 2012 Austria's economy grew only 0.6%, due mainly to economic problems in the eurozone. For 2013 and 2014, gradual revival with growth of about 1.0% and 1.8%, respectively, are expected. In line with its EU neighbors, Austria's economy generally is on a lower growth path than before the 2008-2009 financial/economic crisis. The Austrian government's crisis response led to an increase in public debt, but helped maintain employment during the downturn. While Austria's fiscal position still compares favorably to that of other eurozone members, fiscal vulnerabilities remain and require consolidation.

Some 340 U.S. companies have invested in Austria; many have expanded their original investment over time. European Union (EU) enlargements in 2004 and 2007 strengthened Austria's attractiveness as an investment location by increasing access to markets in Eastern Europe, but expansion also bolstered Austria's competitors in that region, most of which are now EU members. Border controls between Austria and all of its eight neighboring countries were lifted under the EU's Schengen area agreement. Due to their proximity, Budapest, Prague, and Bratislava now compete directly with Vienna for foreign investors. To maintain long-term competitiveness, Austria is working

to enhance its role as a hub for business in Central, Eastern, and Southeastern Europe (CESEE), further improve inadequate transport links to CESEE neighbors, ease regulatory red tape, and promote language capabilities.

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

Openness to, and Restrictions upon, Foreign Investment Return to top

Government attitude towards foreign private investment

The grand coalition of the center-left Social Democratic Party (SPO) and the center-right People's Party (OVP), which has been in power for five years and faces national elections in late 2013, has generally pursued policies designed to attract investors, including foreign investors. Observers do not expect Austria's openness to foreign direct investment to change under any new government.

Fiscal consolidation was initiated in 2012 and will be an economic policy priority for the next several years. Austerity measures are not expected to have a negative impact on the climate for foreign investors, because they primarily affect the pension and health care systems, state-owned enterprises and provincial budgets, and tax measures focus on real estate transactions, financial transactions, and high incomes. As a result of the 2012-2016 austerity package and a legal debt cap (which is designed to limit Austria's federal budget deficit to 0.35% of GDP by 2017), the 2013 total public sector deficit is predicted to be 2.3% of GDP (down from 3.1% in 2012). The 2013 total public sector debt ratio of 75.4% of GDP is expected to start declining in 2014. A series of elections in 2013, including national elections in the fall, will test the government’s adherence to the austerity path and its seriousness about budget consolidation.

To restore Austria’s economy to pre-crisis growth levels, the government will need to continue fiscal consolidation efforts. It will also need to consider additional structural reforms, particularly in the areas of pension and health systems, school and university education, inter-governmental fiscal relations, streamlining bureaucracy, and tax reform. The OECD has suggested that Austria abolish self-imposed regulations and licensing requirements in the service sector.

Liberalization and deregulation in the telecom sector has resulted in low prices for business services, particularly for mobile telephony and broadband services. Likewise, liberalization and deregulation in the energy sector has lowered business costs. However, remaining barriers to entry in utility markets have resulted in only limited competition. Such barriers include the requirement that federal or local governments own at least 50% of energy distribution companies, the market shares of incumbent providers (the three largest suppliers have two-thirds of the retail market), and an unwillingness of consumers to switch providers.

Austria welcomes foreign direct investment that does not have a negative impact on the environment. Austrian authorities particularly welcome investments that create new jobs in high technology fields, promote capital-intensive industries, and have links to R&D activities, for which special tax incentives are available. Austria remains a high-tax country with a heavy personal income tax burden, however a relatively low 25% corporate tax rate makes Austria attractive as a business headquarters location.

Because of tax base adjustments, experts estimate the effective corporate tax burden at no more than 22%. Austria also offers a highly favorable framework for group taxation, unique in Europe, which allows business to offset profits and losses of group operations (requiring direct or indirect participation of more than 50%, but no other financial, economic, or organizational integration) in Austria and abroad. This group taxation system offers interesting opportunities for U.S. investors, in particular joint-venture structures, M&A transactions, headquarter companies, and simple holding companies without active business, which can also benefit from group taxation. Austria's corporate tax rate and group taxation rules make it competitive vis-à-vis its EU neighbors. Austria currently has no wealth tax, net worth tax, trade tax, nor inheritance/gift tax (only a reporting requirement). The center-left Social Democratic Party (SPO) has supported property and inheritance taxes.

There are no sectoral or geographic restrictions on foreign investment. In some regions, the government offers special facilities and services ("cluster packages") to foreign investors. For example, these can include incentives for automotive producers and manufacturers of integrated circuits, silicon, other high-tech products and environmental technologies. Austria offers financial and tax incentives (within EU competition policy limits) to firms undertaking projects in economically underdeveloped areas on Austria's eastern and southern borders. In most of these areas, eligibility for co-financing subsidies under EU regional and cross-border programs has declined under the EU's 2007-2013 financial framework from EUR 2 billion to EUR 1.3 billion and are expected to be further reduced as of 2014.

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

The Austrian judicial system upholds the sanctity of contracts.

Investor surveys and international rankings consistently award Austria high marks for political stability, quality of life (Mercer’s 2012 Quality of Living Index continues to rank Vienna the top location to reside in the world), and personal security (incidents of violent crime are low in Austria and Vienna, but property crime remains an issue). Surveys also praise business, trade, investment, and financial freedoms, as well as the rule of law, social security and health infrastructure, the skills and motivation of Austrian labor, and its productivity and quality. Austria receives lower marks for economic growth, taxes, a high cost of living, the lack of risk capital financing, low innovation dynamics, the size of the public sector, and regulatory red tape (particularly when starting a business).

The 2012 Index of Economic Freedom of The Heritage Foundation/Wall Street Journal ranks Austria twenty-eighth worldwide and fourteenth among the 43 European countries – down several ranks from 2011 because of rising government spending and the absence of major regulatory reforms. The World Bank’s Ease of Doing Business Index 2013 ranks Austria twenty-ninth (by comparison, the United States was fourth), up three spots from 2012. The International Institute for Management Development’s (IMD) 2012 World Competitiveness Scoreboard ranks Austria number twenty-one. The Swiss Economic Institute (KOF) Index of Globalization ranks Austria fourth out of 208

countries, reflecting Austria's high degree of economic, social, and political integration within the European Union and with non-EU countries in Eastern Europe.

Measure	Year	Ranking
TI Corruption Index	2012	25
Heritage Economic Freedom	2012	28
World Bank Doing Business	2013	29
IMD World Competitiveness Scoreboard	2012	21
KOF's Globalization Index	2012	4
WEF's Global Competitiveness Index	2012-2013	16
WEF'S Availability of Latest Technologies Index	2012-2013	13

Acquisitions, mergers, takeovers, cartels

Austria's Anti-Trust Act is in line with European Community anti-trust regulations, which take precedence over national regulations in cases spanning Austria and other EU Member States. The Austrian Anti-Trust Act prohibits cartels, any competitive restrictions, and abuse of a dominant market position. - The independent Federal Competition Authority (FCA) and the Federal Cartel Prosecutor (FCP) are responsible for administering anti-trust laws. The FCA has limited resources and has not been overly active in recent years. Companies must inform the FCA about mergers and acquisitions (M&A). Special M&A regulations apply to media enterprises. The cartel court is competent to decide M&A notifications from the FCA or the FCP. For violations of anti-trust regulations, the cartel court can impose fines of up to the equivalent of 10% of a company's annual worldwide sales. An independent energy regulator separately examines antitrust concerns in the energy sector, but must also submit cases to the cartel court. A recent Anti-Trust Act amendment will sharpen oversight of enterprises with a dominant market position and facilitate action damage claims.

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

Screening mechanisms

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

Privatizations

The government has not privatized any public enterprises since 2007, except for the sale of the indebted Austrian Airlines to German Lufthansa. Austrian public opinion remains skeptical towards privatization, and the senior coalition partner (the Social Democratic SPOe) is on record opposing additional privatizations. The current government program does not identify any public enterprises for privatization, a commitment that is unlikely to change significantly during the next government. In past privatizations, foreign and domestic investors received equal treatment. Despite a historical government preference for having domestic shareholders retain a blocking minority, foreign investors have successfully gained full control of enterprises in strategic sectors of the Austrian economy, including telecoms, banking, power generation, and infrastructure.

Treatment of Foreign investors

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

Investment incentives

Since 2007, Austria has had less access to funds from various EU structural and cohesion programs (primarily regional competitiveness and employment programs). Austrian federal, state, and local governments continue to provide financial incentives to promote investment. Incentives under these programs are equally available to domestic and foreign investors, and include tax incentives, preferential loans, loan guarantees, and grants. Most of these incentives are available only if the investment meets specified criteria including employment creation and use of high technology. Tax allowances for advanced employee training and R&D expenditures are also available. Austria Wirtschaftsservice is the government's provider of financial incentives. Further information on targeted investment incentives (German language only) is available at http://www.awsg.at.

Conversion and Transfer Policies

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Austria has no restrictions on cross-border capital transactions, including the repatriation of profits and proceeds from the sale of an investment, for non-residents and residents. The Euro, a freely convertible currency and the only legal tender in Austria and 16 other Euro-zone member countries, shields investors from exchange rate risks within the Euro-zone.

Expropriation and Compensation

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

Dispute Settlement

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The Austrian legal system provides an effective means for protecting property and contractual rights of nationals and foreigners. Austria's civil courts enforce property and contractual rights and do not discriminate against foreign investors. Austrian courts, like those in many other countries, operate slowly and a losing party can delay execution of a judgment by appealing.

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

Performance Requirements and Incentives

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There are virtually no restrictions on foreign investment in Austria and foreign investors receive national treatment in general. The Austrian government may impose performance requirements when foreign investors seek financial or other assistance from the government, although there are no performance requirements to gain access to tax incentives. There is no requirement that nationals hold shares in foreign investments or for technology transfer.

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

The United States and Austria are signatories to a 1931 bilateral Treaty of Friendship, Commerce, and Consular Rights. Effective July 1, 2011, Austria changed its migration policy and introduced a new points based immigration scheme to attract skilled workers and specialists in individual sectors. The annual quota for managerial positions has been replaced with a more open system designed to react flexibly to rising demand in different occupations. Under the new “Red-White-Red” (RWR) model, managers and key personnel/professionals are assessed on a points system based on qualification, education, age, and language skills. The RWR program is available to highly qualified individuals, qualified specialists/craftsmen in certain understaffed professions (qualified labor and registered nurse jobs), and key personnel/professionals. Applicants need to have an offer of employment to apply for the RWR program. Highly qualified individuals have an additional requirement to apply locally, in Austria. Because of this, highly qualified applicants may first apply for a six-month job seeker visa at the competent Austrian Embassy/Consulate abroad. This visa ensures that they will have adequate time to complete the in person RWR card application (a three-month ’visa-waived” stay in Austria may not be enough). While principal applicants are exempt from any language requirement, family members must submit proof of basic language proficiency

when first applying for residence permits. U.S. citizens comprised the fourth-largest group of non-EU nationals qualifying for the program.

Right to Private Ownership and Establishment

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

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

Protection of Property Rights

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

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

Austria's Copyright Act is in conformity with EU directives on intellectual property rights and grants the author the exclusive rights to publish, distribute, copy, adapt, translate, and broadcast his/her work. The law also regulates copyrights of digital media (restrictions to private copies), works on the Internet, protection of computer programs, and related damage compensation. Infringement proceedings, however, can be time-consuming and costly. Film and music industry representatives are in a legal dispute with Internet providers to block access to pirated audiovisual products over the Internet. In line with EU requirements, Austria also has a law against trade in counterfeit articles.

In 2011, Austrian customs authorities confiscated pirated goods worth EUR 5.3 million (USD 6.8 million).

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

Transparency of Regulatory System

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

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

The government applies tax and labor laws uniformly, as well as health and safety standards. The government does not influence the allocation of investments among sectors.

Efficient Capital Markets and Portfolio Investment

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Austria has modern and sophisticated financial markets. All financial instruments are available. Foreign investors have access to the Austrian market without restrictions. Austria has a highly developed banking system with worldwide correspondent banks, and representative offices and branches in the United States and other major financial centers. Large Austrian banks also have extensive networks in Central, Eastern, and Southeastern Europe (CESEE) countries and the countries of the former Soviet Union. Due to U.S. tax reporting requirements, some private banks do not accept personal accounts from U.S. citizens, though locally incorporated businesses belonging to U.S. investors have not reported problems in this regard.

Assets of Austria's five largest banking groups (Erste Group, Bank Austria, Raiffeisen Zentralbank with Raiffeisen Bank International, BAWAG P.S.K. Bank, and Raiffeisen-landesbank Oberoesterreich) totaled approximately EUR 662 billion (USD 848 billion) in 2012, representing 66% of Austria's banking sector assets. All five banks are considered "system-relevant" ("too big to fail"). Several banks are currently restructuring and downsizing.

Regulators and criminal investigators have dealt with several major financial sector fraud and mismanagement cases in the past five years, the largest of which resulted in the

nationalization of Kommunalkredit bank in 2008 and the Hypo Group Alpe Adria banking group in 2009, and partial nationalization of Volksbanken AG in 2012. Austria's bank supervision system provides for dual-oversight with supervisory roles for both the Austrian National Bank (OeNB) and the Financial Market Authority (FMA). Eight Austrian banks with assets in excess of EUR 30 billion (USD 38.4 billion) will be subject to the Euro-zone's new single supervisory mechanism.

The Vienna Stock Exchange (VSE) is a small exchange of regional importance. Since the market has few listings, little liquidity, and is dominated by a few blue chips, the VSE tends to overreact to international trends. In past years, VSE activity has languished due to the delisting of several prominent companies and a lack of IPOs. The VSE (like the exchanges of Budapest, Ljubljana, and Prague) is a subsidiary of the Vienna-based CEE Stock Exchange Group (CEESEG AG). The group accounts for half of total market capitalization and two-thirds of equity trading volume in CESEE, making it the largest stock exchange group in the region.

Criminal penalties apply to insider trading, money laundering (including self-laundering), and terrorist financing. The FMA (similar to the U.S. Securities and Exchange Commission) and the OeNB are responsible for policing irregularities on the stock exchange and for supervising banks, insurance companies, securities markets, and pension funds. Austria's Anti-Money Laundering/Combating Terrorist Financing (AML/CTF) regime is generally in line with Financial Action Task Force standards. The Stock Corporation Act no longer allows bearer shares for companies listed on a recognized stock exchange.

Austria's venture capital market is small and underdeveloped. In 2011, funds raised dropped 7% to EUR 249 million (USD 319 million). The volume of private equity and venture capital raised in Austria during 2002-2011 was EUR 2.5 billion (USD 3.2 billion).

Austrian accounting regulations provide U.S. investors with improved and internationally standardized financial information. In line with pertinent EU regulations, listed companies must prepare their consolidated financial statements according to the International Financial Reporting Standards (IAS/IFRS) system.

Competition from State Owned Enterprises

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

Since many public enterprises are outsourced and organized as stock corporations, senior management usually does not report directly to a minister but to a board.

However, the government often appoints management and board members, who usually have strong political affiliations.

Austria does not have a sovereign wealth fund.

Corporate Social Responsibility

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In past years, awareness of corporate social responsibility (CSR) has risen among Austrian producers and consumers. Major Austrian companies follow generally accepted CSR principles and publish a CSR chapter in their annual reports. Many also provide information on their health, safety, security, and environmental activities. CSR Europe (the leading European business network for CSR) has a local partner organization respACT (short for "responsible action"), founded in 2005 to promote CSR in Austria.

Political Violence

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

Corruption

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Transparency International's (TI) 2012 Corruption Perceptions Index ranked Austria 25th - down nine ranks from 2011. Several prominent new cases involving government and business corruption were made public and investigated in the past year. Nevertheless, U.S. firms have not identified corruption as an impediment to investment in Austria.

Corruption cases are routinely reported in the media. Legal proceedings in corruption cases are slow and enforcement, although improving, is still an area of intense public scrutiny. A parliamentary committee created in October 2011 to investigate corruption charges against former government officials and managers of government-affiliated companies exposed unethical behavior and collusion. The committee concluded work in October. The public prosecutor investigated corruption charges against former ministers and the chancellor. Several investigations were ongoing, and a trial against a former minister started in November. Watchdog groups such as Transparency International are active, but play no formal role in investigations.

Corruption provisions in Austria's Criminal Code cover managers of Austrian public enterprises, civil servants and other officials (those with functions in legislation, administration, or justice on behalf of Austria, in a foreign country, or an international organization), representatives of public companies, and as of January 2013 also members of Parliament, government members, and mayors. The term "corruption" includes: active and passive bribery; illicit intervention; abuse of office; and accepting consideration. It can sometimes include a private manager's fraud, embezzlement, breach of trust, or accepting consideration. Criminal penalties for corruption include imprisonment of up to 10 years for all parties involved. By law, bribery payments are not tax deductible for companies making them. A separate law, the Law on Responsibility of Associations, deals with criminal responsibility for legal entities and partnerships. The law covers all criminal offenses, including corruption, money laundering, and serious tax offenses that are subject to the Tax Offences Act, and fines can be as much as EUR 1.8 million (USD 2.3 million). Austria has a special public prosecutor's office with Austrian-

wide authority for corruption cases. As of January 1, 2013, a new Lobbying Act introduced binding rules of conduct for lobbying and requires domestic and foreign organizations to register with the Austrian Ministry of Justice. A law on financing of political parties requires disclosure of donations exceeding EUR 3,500 (USD 4,480).

Austria has ratified the United Nations Convention against Corruption (UNCAC), the OECD Anti-Bribery Convention, the Council of Europe's Civil Law Convention on Corruption, and has signed -- but not ratified -- the Criminal Law Convention on Corruption. Austria is a member of the Group of States against Corruption (GRECO) within the Council of Europe and hosts the International Anti-Corruption Academy (IACA).

Bilateral Investment Agreements

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

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

The United States and Austria are parties to a bilateral double taxation convention covering income and corporate taxes, which went into effect on February 1, 1998. Another bilateral double taxation convention (covering estates, inheritances, gifts and generation-skipping transfers) has been in effect since 1982. Austria and the United States do not have a bilateral investment treaty.

OPIC and Other Investment Insurance Programs

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

Labor

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Austria has a highly educated, disciplined, and productive labor force of approximately 4.3 million, of whom 3.7 million are employees and 600,000 are self-employed or farmers. Austria's labor market is more rigid than that of the United States, but more flexible than in some other European counties. In line with EU regulations, free

movement of labor from all member countries is allowed, except for labor from Bulgaria and Romania until 2014.

Austria's labor market policy, including programs to subsidize reduced working hour during the crisis, has successfully maintained unemployment to levels among the lowest in the European Union. The unemployment rates of 4.4% in 2010, 4.2% in 2011, and 4.3% in 2012, in all three years were the lowest in the EU-27. Unemployment may increase somewhat in 2013 and 2014 because of the weak economy, but should not exceed 4.6%. Youth unemployment is less of a problem in Austria than other EU Member States.

In general, skilled labor is available in sufficient numbers. However, regional shortages of highly specialized laborers in specific sectors, such as systems administration, metalworking, healthcare, and tourism, may occur. Starting in 2015, demographic factors will cause the number of domestic labor market entrants to fall short of those retiring, indicating a need for additional immigration. A medium-term issue is the growing number of low-qualified school leavers – 15% of the 15-year olds leave school with only lower secondary education.

Compulsory Austrian social insurance is comprised of health insurance, old-age pension insurance, unemployment insurance, and accident insurance. Employers and employees contribute a percentage of total monthly earnings to a compulsory social insurance fund. Austrian laws closely regulate terms of employment including working hours, minimum vacation time, holidays, maternity leave, statutory separation notice, severance pay, protection against dismissal, and an option for part-time work for parents with children under the age of seven. Problem areas are increasing deficits in the pension and health insurance systems, the shortage of personnel to care for the increasing number of elderly and escalating costs for long-term care.

Labor-management relations are relatively harmonious in Austria, which has a low incidence of industrial unrest. No major work stoppages have occurred since 2005. Approximately 35% of the work force belongs to a union.

Collective bargaining revolves mainly around wages and fringe benefits. Approximately 80% of the labor force works under a collective bargaining agreement. All collective bargaining agreements now provide for a minimum wage of EUR 1,000 (USD 1,285) per month. The law provides for a maximum workweek of 40 hours, but collective bargaining agreements also give more than half of all employees 38- or 38.5-hour workweeks. Regulations to increase flexibility in work hours allow firms to increase the maximum regular time from 40 hours to 50 hours per week with overtime. In special cases work hours can be increased to a maximum of 60 hours per week, including overtime, for a maximum of 24 weeks annually. Responsibility for agreements on flextime or reduced workweeks is at the company level. Austrian employees are generally entitled to five weeks of paid vacation (and an additional week after 25 years in the workforce). The rate of absence due to illness/injury averages 13 workdays annually.

Foreign-Trade Zones/Free Ports

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Austria has no foreign trade zones.

Foreign Direct Investment Statistics

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According to the Austrian National Bank, the value of FDI stock in Austria was approximately EUR 118 billion (USD 151 billion) at the end of 2011 and by end-June 2012, equal to 38% of GDP.

In 2011, U.S. investment accounted for 13.0% of total FDI in Austria.

At EUR 16 billion (USD 21 billion), new Austrian direct investment abroad in 2011 returned to pre-crisis levels. The value of Austrian direct investment stock abroad was nearly EUR 154 billion (USD 197 billion) at the end of 2011 and an estimated EUR 159 billion (USD 204 billion) by end-June 2012.

Note: Figures converted at the 2012 annual average exchange rate of USD 1.00 = EUR 0.78.

Austria's International Investment Position

Year	2010		2011		2012	
	EUR billion	USD billion	EUR billion	USD billion	EUR billion	USD billion
FDI in Austria	118.6	152.1	118.3	151.7	117.9	151.2
Austrian FDI Abroad	132.4	169.7	153.6	196.9	158.9	203.7

Note: 2012 figures are half-year, preliminary figures.
Source: Austrian National Bank.

FDI in Austria – Source Country Breakdown 2011

Source Country	Share of Total (in%)
U.S.	13.0
Germany	26.1
Italy	14.1
Switzerland/Liechtenstein	7.7
Russia	4.8
Netherlands	4.2
Middle East	4.0
France	3.7
U.K.	3.4
All other countries	19.0

Source: Austrian National Bank.

Austrian FDI Abroad – By Destination Country (2011)

Destination Country / Region	Share of Total (in%)
U.S.	3.5
Germany	15.2
Czech Republic	7.1
Netherlands	6.2
Hungary	5.6
Romania	5.5
Russia	4.7
Croatia	4.6
Slovakia	3.6
Turkey	3.5
U.K.	3.0
Bulgaria	3.0
Switzerland/Liechtenstein	2.9
Poland	2.4
Italy	2.3
All other countries	26.9

Source: Austrian National Bank

List of Major Foreign Investors

Some 340 U.S. firms hold investments in Austria, which range from sales offices to major production facilities. The following is a partial list of U.S. firms holding major investments in Austria.

- American Express Bank Ltd.
- Baxter International Inc.
- Capital Research and Management Company
- Cerberus Capital Management
- Cisco Systems, Inc.
- Citibank Overseas Investment Corp.
- The Coca-Cola Company
- CSC Computer Sciences Corporation
- Deloitte & Touche LLP
- Eaton Corp.
- Electronic Data Systems Corp.
- General Electric Company
- General Motors Corp.
- Harman International Industries Inc.
- Hewlett-Packard Company
- Honeywell Inc.
- IBM World Trade Corp.
- ITT Fluid Technology Corp.
- Johnson & Johnson Int.
- Johnson Controls Inc.
- Kraft Foods International, Inc.
- Lear Corporation
- Lem Dyn Amp
- McDonald's Corporation
- Marriott International, Inc.
- Mars Inc.
- MeadWestVaco Corp.
- Merck & Co., Inc.
- Modine USA
- One Equity Partners
- Otis Elevator Company.
- Pioneer Hi-Bred International Inc.
- PricewaterhouseCoopers LLP
- PQ International Inc.
- Quintiles Transnational Corp.

- Schindler Elevator Corp.
- Starwood Hotels and Resorts Worldwide, Inc.
- Toys "R" Us, Inc.
- UGI Corporation
- United Global Com, Inc.
- Unysis Corporation
- Verizon Information Services Inc.
- Western Union
- Worthington Cylinder Corp.
- York International
- Xerox Corporation

The following is a brief list of firms, headquartered in countries other than the United States, holding major investments in Austria.

- Alcatel Holding, Netherlands
- Allianz AG, Germany
- Amer, Finland
- Asea Brown Boveri, Switzerland
- Assicurazioni Generali, Italy
- Axel Springer Verlag, Germany
- Banco Santander, Spain
- BASF, Germany
- Bayer AG, Germany
- Bayerische Motorenwerke (BMW), Germany
- Bombardier, Canada
- Bosch Robert AG, Germany
- Borealis, Denmark
- BP Amoco, UK
- Criteria CaixaCorp., Spain
- DaimlerChrysler, Germany Detergenta Investment, Germany
- Deutsche Lufthansa, Germany
- Deutsche Telekom, Germany
- DM Drogerie Markt, Germany
- Electricite de France, France
- Electrolux, Sweden
- Eni/Agip, Italy
- Epcos AG, Germany
- Ericsson, Sweden
- Flextronics International, Singapore
- Fomento de Construcctiones & Contratas, Spain
- Heineken, Netherlands
- H&M, Netherlands
- Infineon, Netherlands
- Japan Tobacco, Japan
- Kone Corp., Finland
- Koramic, Belgium
- Liebherr, Switzerland
- Magna International, Canada
- MAN, Germany
- Metro, Germany
- Mondi Europe, Luxembourg and UK
- Nestle S.A., Switzerland
- NKT Cables, Denmark
- Novartis, Switzerland
- Nycomed Holding, Denmark
- Philips, Netherlands
- Plus Warenhandel, Germany
- RENO, Germany
- REWE, Germany
- RWE, Germany
- Sanfoi-Aventis, France
- Sappi Ltd., South Africa
- Shell Petroleum N.V., Netherlands
- Siemens, Germany
- Smurfit Group, Ireland
- Solvay et Cie, Belgium
- Sony, Japan
- Sueddeutscher Verlag, Germany
- Svenska Cellulosa Ab (SCA), Sweden
- Unibail-Rodamco, France/Netherlands
- UniCredit Group, Italy
- Unilever N.V., Netherlands
- Voith, Germany
- Westdeutsche Allgemeine Zeitung (WAZ), Germany
- Wolong Holding Group Co. Ltd., China
- Xi'an Aircraft Industry (Group) Company Ltd., China

Web Resources

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Austria Wirtschaftsservice – the government's "one-stop shop" institution providing financial incentives.

Web: http://www.awsg.at/Content.Node/

Contact

U.S. Embassy Vienna, Austria
Economic/Political Section
Helmut Janota, Senior Economic Adviser
E-Mail: JanotaHX@state.gov
Phone: ++43 1 313 39 Ext: 2387

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Chapter 7: Trade and Project Financing

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- How Does the Banking System Operate
- Foreign-Exchange Controls
- U.S. Banks and Local Correspondent Banks
- Project Financing
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How Do I Get Paid (Methods of Payment)

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

How Does the Banking System Operate

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

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

Impact of the Global Financial Crisis

Austrian banks were spared immediate fallout of the subprime crisis, but they suffered indirectly from the worldwide financial crisis through higher refinancing costs and credit scarcity, and later, due to their strong focus on CESEE/FSU countries. The large Austrian banks active in CESEE/FSU have suffered loan losses, but overall performed better than expected in 2009 – 2011. Driven by one-off effects, the profitability of Austrian banks actually improved in 2012 and despite renewed significant renewed write

downs in CESEE, major Austrian banks active in CESEE showed higher profits than in 2011. Profits from CESEE operations are essential for overall results and CESEE operations continue to be a key profit driver for Austrian banks

The Austrian banks appear to be sufficiently capitalized, and have comparatively low exposure to the highly indebted Euro countries (Greece, Ireland, Portugal). Following European Council decisions of October 2011, which required Austrian banks with significant cross-border business to reach a benchmark of 9% core tier 1 capital ratio by mid-2012, and the Austrian regulator's additional requirement to implement Basel III capital rules by January 2013, banks have increased their capital buffers, actually exceeding supervisory authorities' minimum requirements. Regulators have also implemented measures to strengthen the Austrian banks' traditional retail banking business model in CESEE/FSU, which, among other features, includes limiting future credit growth to 110% of local refinancing. Austrian financial regulators recommend banks strengthen their equity base further with a view to 2017, when state aid capital comes due.

Austrian banks view the situation in CESEE/FSU as difficult but manageable and remain committed to the region, but they are rethinking their strategies in light of continued eurozone instability and the financial crisis' fallout in neighboring economies. Still, the banks see substantial growth potential in the area and the possibility to generate above-EU average growth in banking volumes and profitability. The Euro-zone crisis has impacted the CESEE/FSU region, which has experienced an economic slowdown, capital outflows, tense equity markets, limited credit, tighter lending conditions and strong deleveraging pressure from banks. In response to these strains, the Austrian and several CESEE bank regulators have tightened liquidity provisions. Exposure of Austrian banks to CESEE is significant, but broadly diversified in the region, with more than 70% of the exposure held in EU Member States. Despite their activities in CESEE countries, Austrian banks' total international exposure (125% of GDP) is still relatively low compared to other European countries.

Financing Trade and Investment in Central and Eastern Europe

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

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

Foreign-Exchange Controls Return to top

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

U.S. Banks and Local Correspondent Banks

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Branches / Subsidiaries of U.S. Banks in Austria	
American Express Bank Ltd. TRS	
Commercial & Private Banking	Kärntnerstrasse 21-23, 1015 Vienna, Austria Phone: ++43 1 515 67-0 Fax: ++43 1 515 67-15 Web: http://www.americanexpress.com/austria/homepage.shtml
Citibank International PLC, Austria Branch	
Corporate & Investment Banking (no retail services)	Kärntnerring 11-13, 1010 Vienna, Austria Phone: ++43 1 717 17-0 Fax: ++43 1 712 97 07 Web: http://www.citigroup.com
Western Union International Bank	
Consumer Financial Services	Maderstrasse 1, 1040 Vienna, Austria Phone: ++43 1 506 17 120 Fax: ++43 1 506 17 897 Web: http://www.westernunionbank.com
Austrian Banks with Subsidiaries in the United States	
Erste Bank der österreichischen Sparkassen AG	
In Austria:	Erste Bank / Sparkasse Graben 21 1010 Vienna, Austria Phone: ++43 05 0100 - 10100 Fax: ++43 05 0100 9 - 10100 E-Mail: service@s-servicecenter.at Web: http://www.sparkasse.at/erstebank-en/ Swift Code / BIC: GIBAATWW, Bank Code: 20111
In the United States:	Erste Group 280 Park Ave # 32W New York, NY 10017, USA Phone: (212) 984-5600
Raiffeisen Bank International AG	
In Austria:	Am Stadtpark 9 1030 Vienna, Austria Phone:++43 1 71707-0 Fax:++43 1 71707-1715 Web: http://www.raiffeisen.at
In the United States:	RB International Finance (USA) LLC 1133 Avenue of the Americas, 16th Floor

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

Project Financing

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EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and infrastructure projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). From a commercial perspective, these initiatives create significant market opportunities for U.S. businesses, U.S.-based suppliers, and subcontractors.

The EU supports projects within its Member States, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU

provides assistance to accession countries in Eastern and Southern Europe, Iceland and Turkey, as well as some of the former Soviet republics.

The European Union provides project financing through grants from the European Commission and loans from the European Investment Bank. Grants from the Structural Funds are distributed through the Member States' national and regional authorities, and are only available for projects in the 27 EU Member States. All grants for projects in non-EU countries are managed through the EuropeAid Cooperation agency in conjunction with various European Commission departments, called "Directorates-General."

The CSEU Tenders Database

The U.S. Commercial Service at the U.S. Mission to the European Union offers a tool on its website to help U.S.-based companies identify European public procurement opportunities. The database features all current public procurement tenders issued by all national and regional public authorities in the 27 Member States of the European Union, plus four other European countries, and that are open to U.S.-based firms under the terms of the Government Procurement Agreement (GPA) implemented in 1995. The database is updated twice weekly and is easy to Use with a range of search options, including approximately 20 Industry sectors. The database also contains tenders for public procurement contracts relating to structural funds. Readers may access the database at
http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/index.asp

EU Structural Funds

The EU Structural Funds, including the European Regional Development Fund, were created in 1975 to assist economically depressed regions of the European Union that required industrial restructuring. The EU earmarked EUR 308 billion for projects under the Structural Funds and the Cohesion Fund programs for the 2007-2013 period for the EU-27. In addition to funding economic development projects proposed by Member States or local authorities, EU Structural Funds also support specialized projects promoting EU socioeconomic objectives. Member states negotiate regional and "sectoral" programs with officials from the regional policy Directorate-General at the European Commission. For information on approved programs that will result in future project proposals, please visit:
http://ec.europa.eu/regional_policy/atlas2007/index_en.htm

For projects financed through the Structural Funds, Member State officials are the key decision-makers. They assess the needs of their country; investigate projects; evaluate bids; and award contracts. To become familiar with available financial support programs in the Member States, it is advisable for would-be contractors to meet with local officials to discuss local needs.

Tenders issued by Member States' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation if they meet the EU minimum contract value requirement for the eligible sector. Below this threshold, tender procedures are subject to national procurement legislation. There are no overt prohibitions against the participation of U.S. companies, either as developers or

concessionaires of projects supported partially by the Structural Funds, or as bidders on subsequent public tenders related to such projects, but it is advisable to team up with a local partner. All Structural Fund projects are co-financed by national authorities and most may also qualify for a loan from the European Investment Bank. The private sector is also involved in project financing. For more information on these programs, please see the market research section on the website of the U.S. Mission to the EU: http://export.gov/europeanunion/marketresearch/index.asp

The Cohesion Fund

The Cohesion Fund is another instrument of EU structural policy. Its EUR 61.5 billion (2007-2013) budget seeks to improve cohesion within the EU by funding transport infrastructure and environmental projects in Portugal, Spain, Greece and the twelve new (since 2004) EU Member States from Central and Eastern Europe. These projects are generally co-financed by national authorities, the European Investment Bank, and the private sector.

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

Other EU Grants for Member States

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

External Assistance Grants

The EuropeAid Cooperation Office is the European Commission agency in charge of managing the EU's external aid programs. This agency is responsible for the management of the entire project cycle, from identification to evaluation, while the Directorates-General in charge of External Relations and Development, are responsible for the drafting of multi-annual programs. The EuropeAid website offers extensive information on the range of grant programs, the kind of projects that are eligible, as well as manuals to help interested parties understand the relevant contract law. However, participation to calls for tender for contracts financed by EuropeAid is reserved for enterprises located in the EU Member States and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. But consultants of U.S. nationality employed by a European firm are allowed to form part of a bidding team. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.

Key Link: http://ec.europa.eu/europeaid/index_en.htm

All tenders related to EU-funded programs outside the territory of the European Union (including the accession countries) are located on the EuropeAid Cooperation Office website: http://ec.europa.eu/europeaid/work/funding/index_en.htm

Two new sets of programs have been approved for the financing period 2007-2013., The EU provides specific Pre-Accession financial assistance to the accession candidate countries that seek to join the EU through the “Instrument for Pre-accession Assistance” (IPA). Also, the European Neighborhood and Partnership Instrument (ENPI) will provide assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU.

IPA replaces the following programs: PHARE (Poland and Hungary Assistance for Restructuring of the Economy), ISPA (Instrument for Structural Pre-Accession financing transport and environment projects), SAPARD (projects in the agriculture sector), CARDS (aid to southern Balkans) and the Turkey Facility Fund. IPA focuses on priorities linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by accession candidate countries as a precondition to accession), i.e., building up the administrative and institutional capacities and financing investments designed to help them comply with European Commission law. IPA will also finance projects destined to countries that are potential candidate countries, especially in the Balkans. The budget of IPA for 2007-2013 is EUR 11.4 billion.

Key Links:
http://ec.europa.eu/enlargement/index_en.htm
http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/index_en.htm

ENPI: replaces the former TACIS and MEDA programs. The European Neighborhood Policy program covers the EU’s neighbors to the east and along the southern and eastern shores of the Mediterranean i.e. Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Syria, Tunisia and Ukraine. ENPI budget is EUR 11.9 billion for 2007-2013.

Key Link: http://ec.europa.eu/world/enp/index_en.htm

Loans from European Investment Bank

Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As the EIB's lending practices evolved over the years, it became highly competent in assessing, reviewing and monitoring projects. As a non-profit banking institution, the EIB offers cost-competitive, long-term lending in Europe. Best known for its project financial and economic analysis, the Bank makes loans to both private and public EU-based borrowers for projects in all sectors of the economy, such as telecommunications, transport, energy infrastructure and environment.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Central, Eastern and Southeastern Europe; Latin America; and Pacific and Caribbean states). In 2009, the EIB approved loans for projects worth EUR 103 billion, of which around 9% was approved for projects outside the EU. The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research and industrial manufacturing to help those countries prepare for eventual EU membership.

Projects financed by the EIB must contribute to the socioeconomic objectives set out by the European Union, such as fostering the development of less favored regions;

improving European transport and telecommunication infrastructure; protecting the environment; supporting the activities of SMEs; assisting urban renewal; and, generally promoting growth, competitiveness and employment in Europe. The EIB has created a list of projects to be considered for approval and posted the list on its website. As such, the EIB website is a source of intelligence on upcoming tenders related to EIB-financed projects: http://www.eib.org/projects/pipeline/index.htm

The EIB presents attractive business opportunities to U.S. businesses. EIB lending rates are lower than most other commercial rates. Like all EIB customers, however, U.S. firms must apply the loan proceeds to a project that contributes to the European objectives cited above.

The U.S. Mission to the European Union in Brussels has developed a database to help U.S.-based companies bid on EIB public procurement contracts in non-EU countries. The EIB-financed contracts that are open to U.S.-based companies are featured in this database. All the tenders in this database are extracted from the EU's Official Journal. The EIB database contains on average 50 to 100 tenders and is updated twice per week.

Key Link:
http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/index.asp

Web Resources

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Austrian Websites

Austrian Central Bank:
http://www.oenb.at/en/welcome_to_the_oenb.jsp

Austrian Control Bank:
http://www.oekb.at/en/about-oekb/pages/default.aspx

Austrian Financial Market Authority:
http://www.fma.gv.at/cms/site/EN/index.html

Austrian Federal Financing Agency:
http://www.oebfa.co.at/e/index.htm

EU Websites

Future project proposals:
http://ec.europa.eu/regional_policy/atlas2007/fiche_index_en.htm

The EU regional policies, the EU Structural and Cohesion Funds:
http://ec.europa.eu/regional_policy/index_en.htm

EU Grants and Loans index:
http://ec.europa.eu/grants/index_en.htm

EuropeAid Co-operation Office:
http://ec.europa.eu/europeaid/index_en.htm

IPA:
http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/index_en.htm

The European Investment Bank:
http://www.eib.org

EIB-financed projects:
http://www.eib.org/projects/index.htm?lang=-en

U.S. Websites

CSEU Tender Database:
http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/index.asp

Market research section on the website of the U.S. Mission to the EU:
http://export.gov/mrktresearch/index.asp

European Union Tenders Database:
http://export.gov/europeanunion/grantstendersandfinancing/cseutendersdatabase/

Export-Import Bank of the United States:
http://www.exim.gov

Country Limitation Schedule:
http://www.exim.gov/tools/countrylimitationschedule/

SBA's Office of International Trade:
http://www.sba.gov/oit/

USDA Commodity Credit Corporation:
https://www.fsa.usda.gov/FSA/webapp?area=about&subject=landing&topic=sao-cc

Contact

U.S. Commercial Service Vienna, Austria
Marta Haustein, Commercial Specialist
E-Mail: marta.haustein@trade.gov
Phone: ++43 1 313 39 Ext: 2205

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Business Customs

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Business practice and etiquette in Austria are similar to American customs; however, there are some important differences. For example, it is worth noting the relatively formal environment in which business is generally conducted in Austria. When making appointments with prospective buyers or clients it is customary to make initial contact well in advance, either in writing or by phone, and to offer to meet on the business premises of the person in question. Another manifestation of Austrian formality is the widespread use of titles, be they in recognition of a university degree, a position in a firm, or in the government. The most common titles are "Doktor" (abbreviated form: “Dr.”; a university degree similar to the U.S. Doctorate), "Magister" (abbreviated form: “Mag.”; similar to the U.S. Master of Arts), "Diplom-Ingenieur" (abbreviated form: “DI” or “Dipl. Ing.”; similar to the U.S. Master of Science), and “Ingenieur” (abbreviated form: “Ing.”; literally meaning ‘Engineer”). The use of titles adheres to a system and it is not uncommon for one to have several titles, in which case the highest title will come first, i.e. Dr. Mag. Schmidt or Dr. Dipl. Ing. Steinbock. In addition to Austrian titles, academic degrees which were previously only seen in the English speaking world are being increasingly awarded by Austrian universities. Therefore, titles such as B.A., M.A. and M.B.A may not necessarily mean that the individual has studied in an English speaking country. However, these titles will come after one’s name.

At a function, Austrians would prefer to have the host introduce them to the other guests rather than to introduce themselves. When Austrians do introduce themselves, they usually just give their family name. First names may or may not come later in a relationship. Although first names are used immediately in social situations in the United States, with many employees calling their bosses by their first names, this is not done in Austria. There are, of course, exceptions, particularly among the younger generation. The newcomer should take his or her cue from the people around them.

Austrians shake hands whenever they greet or leave acquaintances; this is done with everyone in a group. A woman offers her hand first to the man, and the older person to the younger. Handshakes are firm and accompanied by direct eye contact. It is considered rude to have one’s hands in one’s pockets while being introduced or while

talking to anyone. Also, Americans inexperienced in negotiations and discussions with Austrians may at first find some Austrians overly direct in initial meetings; however, one should keep in mind that directness is seen in the same light as honesty in Austria.

The traditional buyer-seller relationship in Austria may seem strange to Americans. The customer wants or needs something and is thus at a disadvantage, while the seller, who is holding the item that the customer wants, is in a position of power. Though it is true that this traditional interpersonal part of the commercial relationship is losing its hold here as the older generations move into retirement and more sophisticated communications and competition take hold, the sense that the customer is asking a favor of the seller still persists in many sectors.

Why is this information important? Because it will help U.S. firms avoid making simple mistakes when communicating with potential partners and customers. Two rules of thumb are worth remembering: First, companies should refrain from hard sell practices, which could backfire if the Austrian customer feels that the products are less desirable because the sales approach is so strong. And second, companies should stick to simple American friendliness and transparency, which usually make a good impression.

Another interesting difference in the way Austrians make purchasing decisions is the relative importance here of preciseness. While Americans like a product to be tough and easy to use, Austrians want a product to be perfectly engineered and very precise.

In addition to cultural considerations, price has become a key factor in purchasing. More and more sectors are now price-driven, a development that has accelerated with the globalization of the local economy. Where product quality and personal relationships once played a larger role in purchasing decisions, the focus has shifted increasingly to pricing and the bottom line.

Overall, Austrians are generally well disposed towards the United States and Americans. Showing understanding for the Austrian way of doing things will prove rewarding.

Travel Advisory

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There are no general travel advisories specifically for Austria.

Travel warnings are issued when the U.S. State Department recommends that citizens either avoid travelling altogether, or exercise various cautions, when visiting a specific country. Countries where this is recommended will have a travel warning as well as Consular Information Sheets. These sheets are available for every country of the world and can be found online at http://travel.state.gov/travel

In addition, travelers can refer to the U.S. Department of State's pamphlet, A SAFE TRIP ABROAD, for ways to promote a trouble-free trip. The pamphlet is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. This document can also be viewed online at
http://travel.state.gov/travel/tips/safety/safety_1747.html

Austria is a predominantly mountainous, landlocked central European country, with an area of 32,378 mi² (83,859 km²) and a population of 8.4 million. It is divided into nine federal provinces: Wien (Vienna), Niederösterreich (Lower Austria), Burgenland,

Steiermark (Styria), Oberösterreich (Upper Austria), Salzburg, Kärnten (Carinthia), Tirol (Tyrol) and Vorarlberg. For a map of Austria and its 9 provinces, please see Chapter 2 of this Country Commercial Guide.

The climate varies considerably from the Alpine region to the eastern plain. Summers can be hot, humid and long; cold winters bring snow and ice.

Electrical Voltage

The European standard is 230 volts/50 cycles. All 110 or 120 volt U.S. appliances will need a transformer. Clocks and other appliances that require 60 cycle current will not function properly, even with a transformer. Austria uses a plug with two small and elongated round prongs. More exact information can be found here: Electrical Plug/Outlet and Voltage Information for Austria (Republik Österreich): Adaptelec.com, International Electrical Specialists. Adapters and converters for small appliances are available at luggage or travel stores and at Radio Shack in the United States and can also be found quite easily at any electronic store in Austria.

Safety

Although statistics show crime has risen in recent years, Vienna is often cited as one of the safest cities in Europe, and Austria is considered one of the safest countries in the world. Violent crime in Austria is very rare. The most worrisome crime in urban areas is having one's pocket picked or purse stolen. As in any big city, the visitor should take care when walking alone, avoiding dark and isolated places. For the most part, the visitor will be safe any time of the day or night.

There are three separate emergency numbers, all of which are free of charge:

- Fire ("Feuerwehr"): 122
- Police ("Polizei"): 133
- Ambulance ("Rettung"): 144

Arrival At VIE Vienna International Airport

Vienna International Airport, also called Schwechat International, is located about 12 miles east of Vienna near the town of Schwechat. It is a short 20 to 30 minute ride by taxi, bus, or train from the airport to the city center. An airport bus is probably the easiest and most efficient means of public transportation to get from the airport to your hotel. A shuttle bus departs every 20 or 30 minutes from the lower level of the airport, with 4 buses, one of each stopping at *Schwedenplatz, Kaisermühlen VIC & Kagraner Platz,* at train stations *Wien Meidling & Westbahnhof*, and a bus runs to the neighboring town of Baden. More exact information can be found at ÖBB-Postbus GmbH: Vienna AirportLines. Tickets can be bought on the bus for EUR 8 one-way (EUR 13 round trip). There is also the S-7 *Schnellbahn* (train) that runs from *Wien Nord,* via *Wien Mitte*, to Vienna International Airport and back, about every half hour. The trip takes 30 minutes and costs EUR 6. Tickets must be bought at one of the available ticket machines in the station before boarding the train.

The City Airport Train (CAT) is an express train service to and from "*Wien Mitte*". The ride lasts 16 minutes and costs EUR 11 one-way (EUR 17 round trip) for adults and children above 14. Children below 14 are free of charge. Trains leave every 30 minutes. Luggage can be checked for certain carriers at the train station at *Wien Mitte*. Further information on CAT: CAT - City Airport Train.

Additional information on how to get to and from the airport is available on the following websites:

- http://www.viennaairport.com
- http://www.schnellbahn-wien.at/

Tourist information is available in the arrival area of Vienna International Airport, as well as at train stations. The Vienna Tourist Information Office is located behind the State Opera House at Kärntner Strasse 38 in the 1st district. There is also a City Information Office at the City Hall (*Rathaus*).

The currency used in Austria is the Euro (EUR) and Euro Cents (1 Euro = 100 cents).

The Austrian National Tourist Office in North America conducts nationwide and regional promotions and co-op marketing programs, and offers numerous support services. Details are available on their website: http://www.austria.info/us

Business travelers to Austria seeking appointments with U.S. Embassy Vienna officials should contact the U.S. Commercial Service Vienna well in advance, as visitors are accepted on an appointment basis only. Please feel free to contact the U.S. Commercial Service at the American Embassy in Vienna:

The U.S. Commercial Service in Vienna, Austria
Phone: ++43 1 313 39 0 Fax: ++43 1 310 69 17 E-Mail: office.vienna@trade.gov Web: http://export.gov/austria or http://buyusa.gov/austria

Visa Requirements

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A visa is not required for U.S. citizens who wish to stay in Austria for up to two three-month periods during one calendar year. At the conclusion of the six-month stay, the visitor must leave the country. The exception is if he or she has already submitted the paperwork for and received a residence permit.

For further detailed information, visitors should consult the website of the Consular Section of the U.S. Embassy in Vienna: http://austria.usembassy.gov/cons_index.html

U.S. companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: http://travel.state.gov/visa/

Telecommunications

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Telecommunications services are reliable in Austria. The phone system is fully automated, and direct dialing is available to most countries in the world at varying international rates. The system was for many years monopolized by the government-owned and operated company Telekom Austria. A few years ago the government deregulated the system and several new companies entered the market. While the government remains a Telekom shareholder, the company has no special protected status.

Public telephone booths are becoming less common as almost every Austrian older than ten has a mobile phone. However, a public phone is available in most post offices. You can use coins or a pre-paid calling card (*Telefonwertkarte*). The card can be bought at post offices, supermarkets or tobacco shops (*Trafik*).

Direct Long Distance Calls

To make a direct call outside Austria, the caller should first dial "00" and then the country code (e.g. 001 for the United States and Canada), the area or city code, and finally the phone number. International country codes are listed at the front of the white pages in the Vienna telephone book. The country names in the telephone book are in German. Area codes for major cities within the specific countries are also listed. The list also provides the time difference (*Zeitunterschied*) given in hours between Austria and the destination country. For credit card calls, the caller should dial 0802 34 56 or 0800 287 874 21 (toll-free). For long distance information, he should call 11 88 77 for Austria, Germany and the EU countries, and countries bordering Austria. For other countries, the caller should call 0900 11 88 77. The Herold Business Data AG also provides online telephone information for Austria: http://www.herold.at/telefonbuch/

Internet Calling

For inexpensive Internet phone service, the caller should consult the following websites:

- http://www.skype.com
- http://www.iconnecthere.com

Cell Phones

Cell phones are called "*Handys*" in the German-speaking areas of Europe. Austria uses the GSM standard for its cellular service. Unless the visitor is in a very remote area, he will most likely have coverage. A tri-frequency cell phone will provide service in Austria and the United States. Drivers are not allowed to drive and use a hand-held cell phone at the same time. If caught without a hands-free system (*Freisprechanlage*), the driver will be fined. During traffic jams, drivers are exempt from this law.

The following cell phone service providers / networks are used in Austria:

A1 (Telekom Austria)	http://www.a1.net
Orange	http://www.orange.at
Tele-ring	http://www.telering.at
T-Mobile	http://www.t-mobile.at
Drei	http://www.drei.at
Bob	http://bob.at/

Internet

Visitors to Austria can also use numerous Internet Cafés throughout the country. The visitor should check with the hotel receptionist or the yellow pages of the local telephone directory for Internet Café locations.

Transportation

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Direct flights connect Vienna to several U.S. cities. Austria's modern highways link most cities, and numerous border crossings into neighboring countries are easily accessible. Unlike highways in America, Austrian highways do not indicate their route through direction, i.e. I-95N or Rt. 30W, but rather which major cities it runs towards, i.e. A9 Salzburg or A4 Bratislava. Air travel connections between major cities in Austria and in the region are available and frequent, and land travel by train or bus is comfortable and reliable. Travelers can save money by using second class, which most travelers consider adequate and comfortable. If extensive travel is planned, Austrian and European wide rail passes may be the best value. The Austrian Railpass offers three days of unlimited travel in a 15-day period and includes some major shipping lines. For those including Austria on a multi-nation itinerary, Eurailpasses are honored in 18 countries. For people wanting unlimited travel, the Eurail ticket provides the option to travel in and between 27 countries in Europe. For detailed rail information as well as purchases of rail tickets, call:

- DER Rail: ++43 708 692-6300 or
- Rail Europe:++43 877-257-2887 (between 9am and 8.30 pm EST Monday-Friday),
- or visit their website: http://www.raileurope.com

For travel itineraries, train schedules and prices for rail trips within Austria (and to some neighboring countries) please visit the Austrian Railways' website (*Österreichische Bundesbahnen, ÖBB*): http://www.oebb.at/en/index.jsp.

A cheaper way to travel within Austria is by using the *Westbahn*. The *Westbahn* started operating on December 2011 and offers rail trips within Austria at reasonable prices. For more information and/or ticketing, visit their website: https://westbahn.at/en

Toll stickers (*Vignette*) are required on all vehicles on Austria's major highways. They can be obtained from the Austrian Automobile Clubs as well as at post offices, gasoline stations and borders. The following fees apply:

	Means of Transportation		
Validity	*Private Car*	*Motor Home (weighing up to 3.5 tons)*	*Motorcycle*
1 year	EUR 80.60	EUR 80.60	EUR 32.10
2 months	EUR 24.20	EUR 24.20	EUR 12.10
10 days	EUR 8.30	EUR 8.30	EUR 4.80

Stickers must be applied on the upper middle or left side of the windshield in cars and on motorcycles on any good visible part. Motorists who do not possess the appropriate sticker are subject to a fine. Cars rented in neighboring countries may or may not be equipped with the sticker, so travelers should remember to obtain one from their car rental agency.

Contact information for the Austrian Automobile Clubs:

ÖAMTC
Phone: ++43 1 71199-0 (information) and ++43 1 120 (24-hour road service) Web: http://www.oeamtc.at
ARBÖ
Phone: ++43 1 891 21-0 (information) and ++43 1 123 (24-hour road service) Web: http://www.arboe.at

All of the major ***car rental companies*** can be found at the Vienna International Airport. Some also have offices in the city of Vienna and throughout the country.

In Vienna, districts 1-9, 12, 14-17 and 20 are so-called "*Kurzparkzonen*" - Short Time Parking Zones. On weekends and public holidays, parking is free. Monday through Friday the parking time is limited to 2 hours from 9:00 am to 10:00 pm in the above districts. The same system is used in many other Austrian cities. To use Short Time Parking Zones, tickets have to be displayed on the dashboard. They can be purchased at tobacco shops or banks. Throughout the provinces, regulations for short time parking vary and other methods are used. Numerous cities have pay meters, and some use cardboard clocks indicating arrival and departure time, which must be displayed on the car dashboard. The City of Vienna is presently considering an enlargement of the existing Short Time Parking Zones.

Public transportation is excellent throughout the country, and particularly good in larger cities. In Vienna, a public transportation ticket is valid on any form of public transportation – *U-Bahn, Schnellbahn*, trams, or buses, even within the same trip. The honor system is used here; however, periodic checks by controllers, potential embarrassment and the hefty fine dissuade most people from riding without a ticket. Tickets can be bought in advance (less expensive) at "*Vorverkaufsstellen*", ticket machines, and from tobacco shops. Trams and buses have integrated machines. There are single tickets, 24-hour and 72-hour tickets, 8-day tickets, weekly and monthly travel passes, and annual travel passes. Information is available online: Wiener Linien or one could visit Wiener Linien Ticket Prices for details on different kinds of public

transportation tickets, and please also see Wiener Linien Maps for public transportation maps within Vienna.

Language

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For a traveler, it is no problem to get around the country with little or no knowledge of the German language. Many Austrians speak English (mandatory in school) and are quite willing to help.

Health

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Emergency Numbers

Emergency numbers in Austria are as follows:

- Fire Department – 122
- Police – 133
- Ambulance – 144
- Poison Information Hotline – 1 406 43 43
- Emergency Doctor – 141
- Mountain Rescue - 140

Water

It is not only safe but also recommended to drink Vienna's water from the tap. It comes from alpine springs and is very refreshing. However, the water supply is not fluoridated. This is true throughout Austria.

Public Hospitals

Travelers needing to consult a doctor should check with the receptionist at their hotel or make use of the yellow pages of the local telephone directory.

Emergency room service is not offered at private hospitals, but only at public facilities, and there is often more than one emergency room in a hospital managing different types of problems and age groups. The ambulance may be instructed to transport an individual to a specific center. Private citizens are not usually permitted to drive up to the ambulance entrance in their own car. For urgent assistance, the individual should call an ambulance.

Allgemeines Krankenhaus der Stadt Wien (AKH)
Währinger Guertel 18-20, 1090 Vienna, Austria Phone: ++43 1 404 00-0 Phone of Children's Clinic: ++43 1 404 00-3232 Fax: ++43 1 404 00-1212 Web: http://www.akhwien.at

Wilhelminenspital der Stadt Wien
Montleartstrasse 37, 1160 Vienna, Austria Phone: ++43 1 491 50-0 Phone of Children's Clinic: ++43 1 491 50-2924 Fax: ++43 1 491 50-1009 Web: http://www.wienkav.at/kav/wil/

Dental Emergencies

The weekend edition of the Viennese daily newspapers lists the on-call dentists and dental surgeons available for dental emergencies (*Zahnärzte und Dentisten*) under the heading "*Notdienst*". Also available is the Dental University Clinic:

Dental University Clinic (Zahnklinik)
Waehringer Strasse 25 a, 1090 Vienna, Austria Phone: ++43 1 40 070 2000 E-Mail: aufnahme-zmk@meduniwien.ac.at Web: http://www.meduniwien.ac.at/zahnklinik/

American physicians expect their patients to ask lots of questions and seek explanations as partners in health care. This is not as common in Austria as in the U.S.

Pharmacies in Austria are not open 24 hours a day. They usually have hours from 8:00am through 6:00pm, and on Saturday from 8:00am through 12:00noon. There is a rotating schedule of pharmacies that provide services after these hours, and their location will be posted at the entrance to a closed pharmacy. You may also look up the Austrian pharmacies' weekend schedule online (province by province) by putting your address into this website's search engine: http://www.apotheker.or.at

Local Time, Business Hours, and Holidays Return to top

Central European Time is used in Austria. There is a time difference of +6 hours between Vienna and New York City, except for a few weeks in the spring and fall when European and American daylight savings times differ. Austrians use the 24-hour clock. For example, 5 p.m. is written as "17:00 Uhr". Variations may be: 17 U, 17.00, 17h or 17h00. Times (especially in movie and theater listings) are distinctly Austrian: ¼ 4 = 3:15, ½ 4 = 3:30, ¾ 4 = 3:45, and so on. Austria follows European Daylight Savings Time, which begins the last Sunday in March and end on the last Sunday of October.

The following holidays will be observed in Austria in calendar year **2012** (If "U.S." is indicated in the column on the right, the respective holiday is also celebrated by the official American community in Austria):

January 1	*New Year's Day*	Austria & U.S.
January 6	*Epiphany*	Austria
January 21	*Martin Luther King's Birthday (3rd Monday in January)*	U.S.
February 18	*Presidents' Day Washington's Birthday (3rd Monday in February)*	U.S.
March 29	*Good Friday*	Austria
March 31	*Easter Sunday*	Austria & U.S.
April 1	*Easter Monday*	Austria
May 1	*Labor Day*	Austria
May 9	*Ascension Day*	Austria
May 19	*Whitsunday*	Austria
May 20	*Whitmonday*	Austria
May 27	*Memorial Day (last Monday in May)*	U.S.
May 30	*Corpus Christi Day*	Austria
July 4	*Independence Day*	U.S.
August 15	*Assumption Day*	Austria
September 2	*Labor Day (1st Monday in September)*	U.S.
October 14	*Columbus Day (2nd Monday in October)*	U.S.
October 26	*Austrian National Day*	Austria
November 1	*All Saints' Day*	Austria
November 11	*Veteran's Day*	U.S.
November 28	*Thanksgiving*	U.S.
December 8	*Immaculate Conception*	Austria
December 25	*Christmas Day*	Austria & U.S.
December 26	*St. Stephen's Day*	Austria

Business visitors should note that the Austrian vacation season is in July and August, and that many decision-makers take extended vacations during that time – sometimes four weeks or more. Business visits or events are not recommended during these two months. Appointments may also be difficult to make during the traditional Christmas break (December 20 – January 6). Many offices and businesses are closed Friday afternoons, reflecting the widely implemented 38.5-hour work week.

Temporary Entry of Materials and Personal Belongings

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Computers Used for Business Purposes

When entering Austria, visitors should go through Customs, declare their laptop or notebook, and state that it is used for doing business only (e.g. for PowerPoint presentations). It is advisable to have the value of the electronic equipment (evidenced on a copy of the invoice) available. The visitor will be issued a Customs paper called "*Verwendungsschein*", which will also include the visitor's departure date (there is an upper limit of 12 months). When leaving Austria, the visitor should go through Customs again for a checkout. Although this is the existing regulation, it is not widely observed according to our knowledge.

Web Resources

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U.S. State Department Travel Warning:
http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html

Safe Trip Abroad Pamphlet:
http://travel.state.gov/travel/tips/safety/safety_1747.html

The U.S. Commercial Service in Vienna, Austria:
http://www.export.gov/austria
http://www.buyusa.gov/austria/en

Vienna International Airport:
http://www.viennaairport.com

Schnellbahn Vienna:
http://www.schnellbahn-wien.at

Vienna City Airport Train (CAT):
http://www.cityairporttrain.com/

Austrian National Tourist Office:
http://www.austria.info/us

Austrian Trade Portal: Travelling to Austria:
http://www.advantageaustria.org/us/zentral/about_austria/reisen-nach-oesterreich.en.jsp

U.S. Embassy Visa Information:
http://austria.usembassy.gov/cons_index.html

State Department Visa Website:
http://travel.state.gov/visa/visa_1750.html

Online Telephone Information in Austria:
http://www.herold.at/telefonbuch/

Internet Phone Service:
http://www.skype.com

Internet Phone Service:
http://www.iconnecthere.com

Cell Phone Service:
http://www.a1.net

Cell Phone Service:
http://www.orange.at

Cell Phone Service:
http://www.telering.at

Cell Phone Service:
http://www.t-mobile.at

Cell Phone Service:
http://www.drei.at

Cell Phone Service:
http://www.bob.at

Rail Europe:
http://www.raileurope.com

Austrian Railways:
http://www.oebb.at/en/index.jsp

Westbahn:
https://westbahn.at/en

Austrian Automobile Club:
http://www.oeamtc.at

Austrian Automobile Club:
http://www.arboe.at

Public Transportation Information in Vienna:
http://www.wienerlinien.at

Vienna University Hospital:
http://www.akhwien.at/

Wilhelminen Hospital Vienna:
http://www.wienkav.at/kav/wil/

Rudolfinerhaus Private Hospital Vienna:
http://www.rudolfinerhaus.at/en.html

Dental University Clinic:
http://www.meduniwien.ac.at/zahnklinik/

Contact

U.S. Commercial Service Vienna, Austria
Jacquelline Viduya, Commercial Assistant
E-Mail: jacquelline.viduya@trade.gov
Phone: ++43 1 313 39 Ext: 2297

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Chapter 9: Contacts, Market Research and Trade Events

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- Trade Events

Contacts

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United States Government Agencies in Austria:	
The U.S. Commercial Service - Austria	
	The U.S. Commercial Service at the American Embassy, Austria Boltzmanngasse 16, 1090 Vienna, Austria Phone: ++43 1 313 39 2297 Fax: ++43 1 310 69 17 E-Mail: office.vienna@trade.gov Web: http://www.buyusa.gov/austria/en, http://www.export.gov/austria/ and http://www.trade.gov/cs
Please use the following mailing address for mail sent from the United States:	The U.S. Commercial Service Vienna 9900 Vienna Place Washington, D.C., 20521-9900
The United States Embassy in Austria	
	United States Embassy in Austria Boltzmanngasse 16, 1090 Vienna, Austria Phone: ++43 1 313 39-0 Fax: ++43 1 310 69 17 E-Mail: embassy@usembassy.at C:\Documents and Settings\Jacquelline Viduya\Local Settings\Temporary Internet Files\Intern Kurt Gutshall\CCG\austrianembassy@washington.nu Web: http://austria.usembassy.gov
Please use the following mailing address for mail sent from the United States:	The U.S. Commercial Service Vienna 9900 Vienna Place Washington, D.C., 20521-9900
Austrian Government Agencies:	
Embassy of Austria in the United States	
Press and Information Service:	3524 International Court N.W. Washington, DC 20008-3027, USA

	Phone: (202) 895-6700 Fax: (202) 895-6750 E-Mail: austroinfo@austria.org Web: http://www.austria.org/ and http://www.austrianinformation.org/
Consular Section:	Phone: (202) 895-6711 Fax: (202) 895-6773 E-Mail: consularsection@austria.org
Austria's Official Consultant for Foreign Investment:	
ABA - Invest in Austria, the Foreign Investment Promotion Agency of the Austrian government, is the international investor's first business address in Austria providing free-of-charge support and assistance to foreign investors planning business establishments or acquisitions in Austria.	
ABA – Invest in Austria	
In the United States:	ABA – Invest in Austria 120 West 45th Street, 9th floor New York, NY 10036, USA Phone: ++1 212-398 1221 Fax: ++1 212 398 1511 E-Mail: office-usa@aba.gv.at Web: http://aba.gv.at/
In Austria:	ABA – Invest in Austria Opernring 3 1010 Vienna, Austria Phone: ++43 1 588 58-0 Fax: ++43 1 586 86-59 E-Mail: office@aba.gv.at
Austrian Federal Ministries:	
Federal Ministry of Economy, Family and Youth	
	Stubenring 1 1011 Vienna, Austria Phone: ++43 1 711 00-0 Fax: ++43 1 713 79 95 E-Mail: service@bmwfj.gv.at Web: http://www.en.bmwfj.gv.at
Federal Ministry of Agriculture, Forestry, Environment and Water Management	
	Stubenring 1 1011 Vienna, Austria Phone: ++43 1 711 00-0

	Fax: ++43 1 513 16 79-9900 E-Mail: service@lebensministerium.at Web: http://www.lebensministerium.at/en.html
The Austrian Trade Association in the United States:	
The Austrian Trade Commission operates offices in the U.S. at the below listed locations. The following phone number can be used for all Austrian Trade Delegates in the United States: ***1-800-VIP-AHST***	
The Austrian Trade Commission	
New York:	Austrian Trade Commission, New York 120 West 45th Street, 9th Floor New York, NY 10036, USA Phone: (212) 421 52 50 Fax: (212) 421 52 51 E-Mail: newyork@advantageaustria.org Web: http://www.advantageaustria.org/us/
Washington, D.C.:	Austrian Embassy/Commercial Section, Washington, D.C. 818 18th Street, Suite 500, N.W. Washington, D.C. 20006, USA Phone: (202) 537 50 47 Fax: (202) 537 50 48 E-Mail: washington@advantageaustria.org Web: http://www.advantageaustria.org/us/
Illinois:	Austrian Trade Commission, Illinois 500 North Michigan Avenue, Suite 1950 Chicago, IL 60611-3722, USA Phone: (312) 644 55 56 Fax: (312) 644 65 26 E-Mail: chicago@advantageaustria.org Web: http://www.advantageaustria.org/us/
California:	Austrian Trade Commission, California 11601 Wilshire Blvd., Suite 2420 Los Angeles, CA 90025, USA Phone: (310) 477 99 88 Fax: (310) 477 16 43 E-Mail: losangeles@advantageaustria.org Web: http://www.advantageaustria.org/us/

Chambers of Commerce	
American Chamber of Commerce in Austria	
	Porzellangasse 35 1090 Vienna, Austria Phone: ++43 1 319 57 51 Phone: ++43 1 319 57 51 15 E-Mail: office@amcham.at Web: http://www.amcham.at
Wirtschaftskammer Österreich (Austrian Federal Economic Chamber, North America Desk):	
	Wiedner Hauptstrasse 63 1040 Vienna, Austria Phone: ++43 05 90 900-4181 Fax: ++43 5 90 900-114181 E-Mail: awo.amerika@wko.at Web: http://wko.at/awo/ or http://portal.wko.at
U.S. Austrian Chamber of Commerce, Inc.	
	165 West 46th Street, Suite 1113 New York, NY, 10036, USA Phone: (212) 819-0117 E-Mail: office@usaustrianchamber.org Web: http://www.usaustrianchamber.com/
Austrian Associations	
Pharmaceutical Industry	
Oesterreichische Apothekerkammer *(Austrian Pharmacists' Association)*	Spitalgasse 31, Postfach 87 1090 Vienna, Austria Phone: ++43 1 404 14-100 Fax: ++43 1 408 84 40 E-Mail: info@apotheker.or.at Web: http://www.apotheker.or.at/
Forum der forschenden pharmazeutischen Industrie – FOPI *(Association of the research-based Pharmaceutical Industry)*	c/o AbbVie GmbH Perfektastrasse 84 A 1230 Vienna, Austria Phone: ++43 1 205 89-340 Fax: ++43 1 970 75-10 E-Mail: office@fopi.at Web: http://www.fopi.at/

Pharmig - Verband der pharmazeutischen Industrie Oesterreichs *(Austrian Association of the Pharmaceutical Industry)*	Garnisongasse 4/1/6 1090 Vienna, Austria Phone: ++43 1 40 60 290 Fax: ++43 1 40 60 290 – 9 E-Mail: office@pharmig.at Web: http://www.pharmig.at
Dental Industry	
Oesterreichische Zahnärztekammer *(National Dental Association, Vienna)*	Kohlmarkt 11/6 1010 Vienna, Austria Phone: ++43 05 05 11 Fax: ++43 05 05 11-1167 E-Mail: office@zahnaerztekammer.at Web: http://www.zahnaerztekammer.at/
Medical Industry	
Oesterreichische Aerztekammer *(Austrian Medical Association; International Office)*	Weihburggasse 10-12 1010 Vienna, Austria Phone: ++43 1 51406-0 Fax: ++43 1 51406-42 E-Mail: post@aerztekammer.at Web: http://www.aerztekammer.at
Electric / Electronic Industry	
FEEI - Fachverband der Elektro- und Elektronikindustrie *(Association of the Electric and Electronic Industry in Austria)*	Mariahilfer Strasse 37-39 1060 Vienna, Austria Phone: ++43 1 588 39-0 Fax: ++43 1 586 69 71 E-Mail: info@feei.at Web: http://www.feei.at/en/home/
IT-Sector / Computer Industry	
ADV - Arbeitsgemeinschaft fuer Datenverarbeitung *(Austrian Association for Electronic Data Processing)*	Trattnerhof 2 1010 Vienna, Austria Phone: ++43 1 533 09 13 Fax: ++43 1 533 09 13-77 E-Mail: office@adv.at Web: http://www.adv.at
OCG - *Oesterreichische Computer Gesellschaft* *(Austrian Computer Society)*	Wollzeile 1 - 3 1010 Vienna, Austria Phone: ++43 1 5120235-0 Fax: ++43 1 5120235-9 E-Mail: info@ocg.at Web: http://www.ocg.at

Environmental Technology	
OEGUT - Oesterreichische Gesellschaft fuer Umwelt und Technik *(Austrian Association for Environment and Technology)*	Hollandstrasse 10/46 1020 Vienna, Austria Phone: ++43 1 315 63 93 Fax: ++43 1 315 63 93-22 E-Mail: office@oegut.at Web: http://www.oegut.at/en
Austrian Commercial Banks / Branch Offices of Austrian Banks in the U.S.	
Bank Austria (Member of UniCredit Group)	
In Austria:	Bank Austria, UniCredit Group Schottengasse 6 - 8 1010 Vienna, Austria Phone: ++43 050505-25 E-Mail: info@unicreditgroup.at Web: http://www.bankaustria.at/en/ Swift: BKAUATWW Bank Austria's Bank Code: 12000
In the United States:	HVB Capital Markets, Inc., New York 150 East 42nd Street New York, NY 10017, USA Mag. Helmut Kratky Phone: (212) 672 5851 Fax: (212) 672 5529 E-Mail: helmut.kratky.ny@unicredit.eu Business Activities: Corporate Banking
Erste Bank der Oesterreichischen Sparkassen AG (Erste Bank Oesterreich)	
In Austria:	Erste Bank / Sparkasse Graben 21 1010 Vienna, Austria Phone: ++43 05 0100 - 10100 Fax: ++43 05 0100 9 - 10100 E-Mail: service@s-servicecenter.at Web: http://www.sparkasse.at/erstebank-en/ Swift Code / BIC: GIBAATWW, Bank Code: 20111
In the United States:	Erste Group 280 Park Ave # 32W New York, NY 10017, USA Phone: (212) 984-5600

Raiffeisen Zentralbank Oesterreich AG	
In Austria:	Raiffeisen Zentralbank Oesterreich AG Am Stadtpark 9, 1030 Vienna, Austria Phone: ++43 1 26216-0 Fax: ++43 1 26216-1715 Web: http://www.rzb.at/ Swift Code: RZBA AT WW, Bank Code: 31000
In the United States:	RB International Finance (USA) LLC 1133 Avenue of the Americas, 16th Floor New York, NY 10036, USA Phone: (212) 845-4100 Fax: (212) 944-2093 Web: http://www.rzbfinance.com/
BAWAG P.S.K. - Bank fuer Arbeit und Wirtschaft und Oesterreichische Postsparkasse AG (owned by Cerberus Capital Management)	
In Austria: ***NO*** *branch office in the U.S.*	BAWAG P.S.K. Georg-Coch-Platz 2, 1018 Vienna, Austria Phone: ++43 05 99 05 E-Mail: kundenservice@bawagpsk.com Web: http://www.bawagpsk.com/ Swift Codes: BAWAATWW and OPSKATWW Bank Codes: 14000 and 60000
U.S.-Based Associations	
The associations listed below represent some of the industries offering the best prospects for U.S. products and services in Austria. This should not be considered a conclusive list of all trade associations. These associations do not have offices in Austria. For an extensive listing of International Trade Associations, please visit the website of the Federation of International Trade Associations (FITA) at: http://www.fita.org	
Medical Technology Industry	
Advanced Medical Technology Association	701 Pennsylvania Ave, N.W., Suite 800 Washington, D.C. 20004-2654, USA Phone: (202) 783-8700 Fax: (202) 783-8750 E-Mail: info@advamed.org Web: http://www.advamed.org/

Electronics Industry	
TechAmerica	
Santa Clara, CA:	TechAmerica Silicon Valley/Northern CA Commercial Development (CA), 5201 Great America Parkway #400 Santa Clara, CA 95054, USA Phone: (202) 682 9110
Washington, D.C.:	TechAmerica Headquarters 601 Pennsylvania Avenue NW Suite 600, North Building Washington, D.C. 20004, USA Phone: (202) 682 9110 Fax: (202) 682 9111 E-Mail: database@techamerica.org Web: http://www.techamerica.org/
Dental Industry Association	
Dental Trade Alliance	4350 N. Fairfax Drive, Suite 220 Arlington, Virginia 22203, USA Phone: (703) 379-7755 Fax: (703) 931-9429 E-Mail: info@dentaltradealliance.org Web: http://www.dentaltradealliance.org/
Environmental Industry Associations:	
NSWMA - National Solid Wastes Management Association –	4301 Connecticut Avenue, NW, Suite 300 Washington, D.C. 20008-2304, USA Phone: (202) 244-4700 Fax: (202) 966-4824 Web: http://www.environmentalistseveryday.org http://www.environmentalistseveryday.org/nswma
WASTEC - Waste Equipment Technology Association	4301 Connecticut Avenue, NW, Suite 300 Washington, D.C. 20008-2304, USA Phone: (202) 244-4700 Fax: (202) 966-4824 Web: http://www.environmentalistseveryday.org/wastec

Electrical Industry	
NEMA - National Electrical Manufacturers Association	1300 North 17th Street, Suite 1752 Rosslyn, Virginia 22209, USA Phone: (703) 841-3200 Fax: (703) 841-5900 Web: http://www.nema.org/
Telecommunications Industry	
TIA - Telecommunications Industry Association (Headquarters)	1320 N. Courthouse Rd., Suite 200 Arlington, VA 22201 Phone: (703) 907 7700 Fax: (703) 907 7727 Web: http://www.tiaonline.org/
Washington-Based U.S. Government Contacts	
Trade Information Center in Washington, D.C.	
	Phone: 800-872-8723 (1-800-USA-TRAD(E)) Fax: (202) 482 44 73 E-Mail: tic@trade.gov Web: http://www.export.gov
U.S. Department of Commerce	
	The U.S. Department of Commerce International Trade Administration Mr. Alexander Gorshenin, M.B.A. (Desk Officer for Austria and Germany) 1401 Constitution Avenue, N.W. Washington, D.C. 20230, USA Phone: (202) 482 24 34 E-Mail: alexander.gorshenin@trade.gov Web: http://www.commerce.gov/
U.S. Department of Agriculture	
	The U.S. Department of Agriculture Foreign Agriculture Service Office of Country and Regional Affairs (OCRA) Europe Division Ms. Sharynne Nenon, Director Room 5527 – S Washington, D.C. 20250, USA Phone: (202) 720 1330 Fax: (202) 690 0876

	E-Mail: sharynne.nenon@fas.usda.gov Web: http://www.fas.usda.gov

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: http://www.export.gov/mrktresearch/index.asp and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

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Please click on the link below for information on upcoming trade events.

http://www.export.gov/tradeevents/index.asp
http://export.gov/austria/tradeevents/index.asp

Contact

U.S. Commercial Service Vienna, Austria
Manfred Weinschenk, Senior Commercial Advisor
E-Mail: manfred.weinschenk@trade.gov
Phone: ++43 1 313 39 Ext: 2285

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully**, **connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E).**

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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