



## **Austria: Innovation Hub Right in the Heart of Europe**



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Ambassador of the Republic of Austria to Japan

As the new Ambassador of Austria to Japan I wish to send my sincere regards to the readers of the JOI Magazine.

I came to Tokyo about half a year ago. Before my arrival here I had dedicated almost my whole diplomatic career to international trading issues and the advancement of the European Union (EU).

Both international trade and the European Union, are now also reflected in my work as the Austrian Ambassador to Japan: Austria and Japan share economic relations that have always been highly beneficial for both sides and both countries have a vivid interest in maintaining a strong European Union.

### **Austria – Favorable Business Location**

Austria remains strongly committed to the European Union and the European Single Market. We push forward to promote the European idea both inside and outside of Europe, as it is the biggest peace project we have ever seen, which also brought economic wealth and prosperity to Austria.

Austria, as a dynamic business location, is located right in the heart of Europe between East and West, featuring optimal conditions. Austria's attractiveness recently has been confirmed again by the latest Global Competitiveness Report 2016-2017: This year Austria moved up four notches and is now rated 19th globally (out of 138 nations).

The Global Competitiveness Report 2016-2017 also underlines Austria's business sophistication, its innovation power, excellent infrastructure and

Austria's highly educated and motivated work force, who also often speak Eastern European languages. Due to historic reasons Austria has always maintained strong relations to South-Eastern and Eastern Europe. Therefore Austria often opens doors to growing Eastern European markets and is also more and more turning into an international business hub.

It is not only the country's political, social and economic stability and security, its highly advanced infrastructure and well-trained, motivated skilled employers which make Austria an attractive business location. Austria also has excellent, broad-based research funding and a high reliability of the energy supply.

Austria's constant craving for innovation and reforms to advance as a business location makes it a popular business hub for foreign investors. Japan, for example, shows a



strong interest in investment projects based in Austria, such as Mitsubishi Heavy Engineering Vienna, Nittoku Europe GmbH and Infosec Austria GmbH.

Japanese companies appreciate Austria as a head quarter location right in the heart of Europe, as well as an excellent location for marketing and sales. And let's not forget that Vienna is regularly rated number one of the most livable cities in the world (see worldwide Quality of Living Survey 2016, Mercer Consulting).

## Research, Innovation and Life Sciences

Austria offers new opportunities in the areas of research, innovation and life sciences: With 823 companies active in biotechnology, pharma and medical devices, life sciences are an important part of Austria's economy. Together, these companies are responsible for a turnover exceeding EUR 19.11 billion in 2014 – about 5.8% of the GDP. A number of multinational companies dealing with life sciences are headquartered in or have facilities in Austria. The biggest Japanese pharmaceutical TAKEDA is operating a production facility in Linz, Austria.

Austria's booming biotech scene is engaging in world



class cancer research and revolutionary medical engineering. These successes in life science have been made possible through strong initiatives in the research and development area, among others. Austria has a research premium of 12% and offers an optimal networking infrastructure between science and business.

## Incentives

Austria has set itself the goal to become Innovation Leader within the EU by 2020. Therefore, in November 2016, the Austrian Federal Government presented a package of measures amounting to a total volume of EUR 1 billion in order to provide further impetus to the research location Austria. On the basis of the new package of measures, the Austrian Federal Government plans to increase the research premium to 14%, introduce an employment bonus to reduce auxiliary wage costs and implement further measures designed to strengthen the business location.

In order to offer investment incentives for the year 2017, the possibility of accelerated depreciation will be created for companies with more than 250 employees. These firms will be able to claim an accelerated tax depreciation (or the option of an incremental investment tax credit) of 30%.

## Invest in Austria

Austria continues to strive for excellence in meeting the needs of foreign investors and in creating business opportunities right in the heart of Europe. As the Ambassador of Austria to Japan it is my intention to open doors to further promote a fruitful economic exchange between our two countries.

Companies which wish to establish their own business in Austria can also receive information and support at ABA – Invest in Austria. 

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