

#Study

Transatlantic economic relations

The importance of transatlantic economic and trade relations
between the US and Austria

January 2023

 **accenture**


AmCham Austria

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Background and objectives of the study

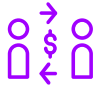


- Stable economic relations between two or more partner countries and free trade are important factors for successful cooperation and for increasing the prosperity of the parties involved.
- In times of high uncertainty and in crises, it is more important than ever to maintain stable relationships between economic partners.
- Apart from its European partners, the US has become one of Austria's most important trading and economic partners.
- One in every €14 in exports is now generated by the export of goods to the US.
- Meanwhile, free trade must be defended every day in order to counter protectionist trends.
- Against this backdrop, the American Chamber of Commerce, together with Accenture, published a study last year that demonstrates the importance of transatlantic economic relations through facts and figures.
- The aim of this study is to provide an update on the previous year's figures and key results, to document possible trends and developments, and to examine two current key topics – “The importance of resilient supply chains” and “The role of the US in venture capital financing.”

Key results at a glance



The US is Austria's **third-largest trading partner** – in 2021, more than €11 billion were exported to the US, equal to 6.7% of all goods exported.



The **low fluctuation in trade activity** (both imports and exports) contributes significantly to **stable economic relations** – especially in **key technologies**. The share of exports of high-tech goods ranges from 60% to 70%.



Austrian companies have gained a stronger foothold in the US market in recent years and have expanded local facilities. The **total sum invested** in 2021 amounted to almost **€14 billion**.



2.6% of GDP is attributable to the value-added network of the **top 50 US companies in Austria**, which corresponds to over 130,000 jobs. The economic contribution of US companies to the Austrian economy is increasing.



The **favorable economic relations** between the US and Austria **contribute significantly to the stability of supply chains**, particularly in the industrial sector. US intermediate inputs for the Austrian economy have more than tripled since 1990; **Austrian intermediate inputs for the US economy have increased more than fivefold**.



The US plays a **decisive role as a venture capital investor in Austrian start-ups**, particularly in the capital-intensive later-stage funding rounds.



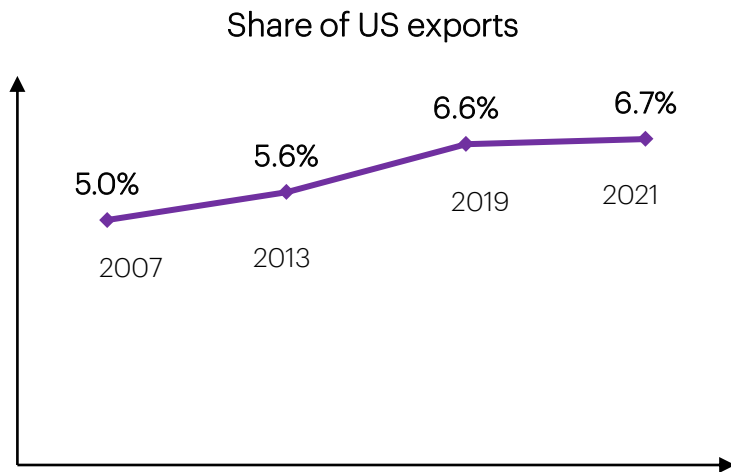
1 | Transatlantic trade and capital flows

Status quo and development



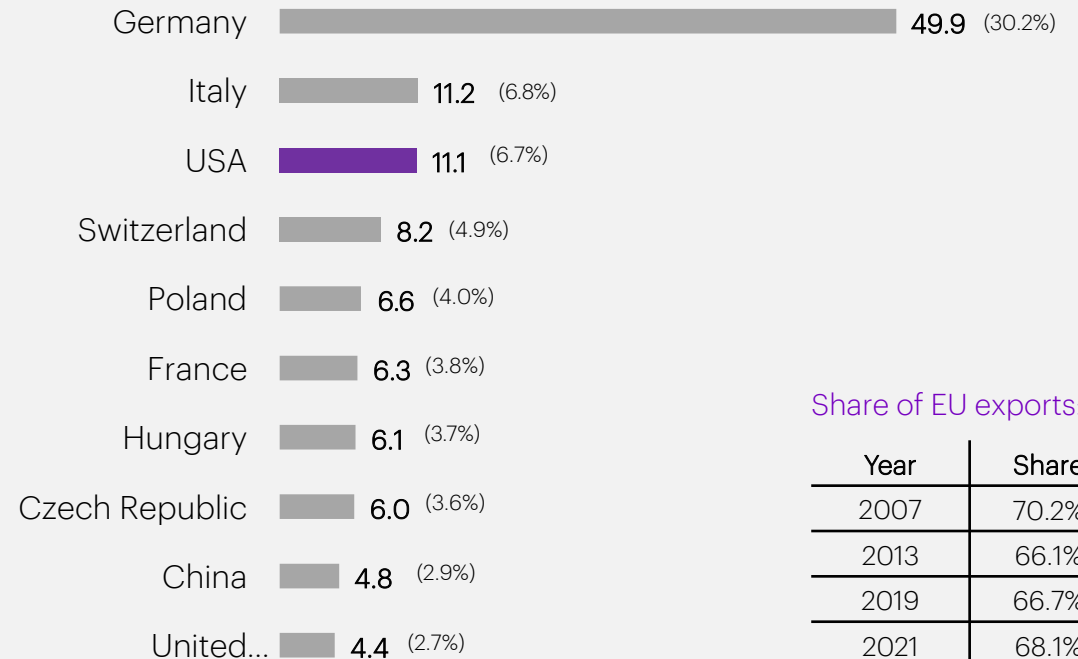
The US is Austria's third-largest trading partner – and the share in exports is rising

- In 2021, Austrian companies exported goods worth €11.1 billion to the US.
- This equals a share of 6.7% of all Austrian exports.
- The US has become the third-largest target market for Austria and is continuing to increase in importance – i.e., both the volumes exported and the share of exports (see figure below) are rising.



Top 10 export countries

Exports of goods 2021, in billion euros (share of total exports)



Share of EU exports:

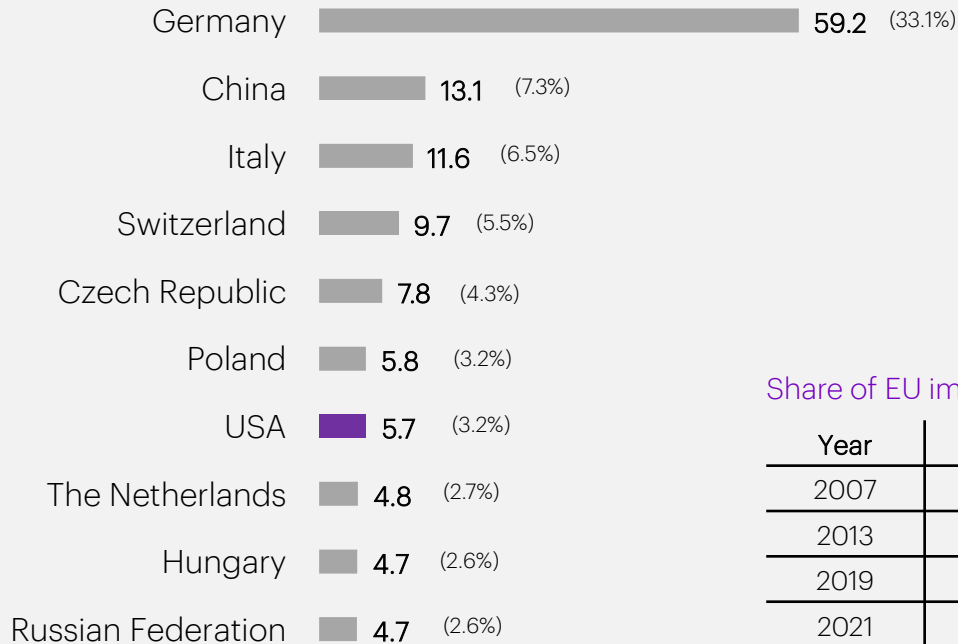
Year	Share
2007	70.2%
2013	66.1%
2019	66.7%
2021	68.1%

Source: Statistics Austria, Accenture Research.

The US is an important country of origin for goods imported to Austria

Top 10 import countries

Imports of goods 2021, in billion euros (share of total imports)



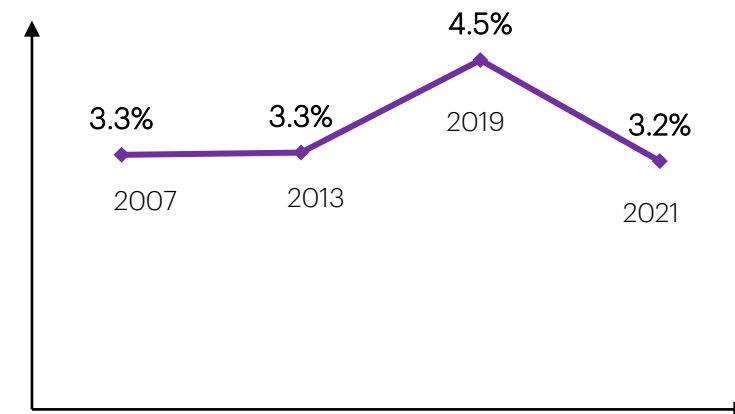
Share of EU imports:

Year	Share
2007	73.1%
2013	69.7%
2019	68.3%
2021	66.7%

Source: Statistics Austria, Accenture Research.

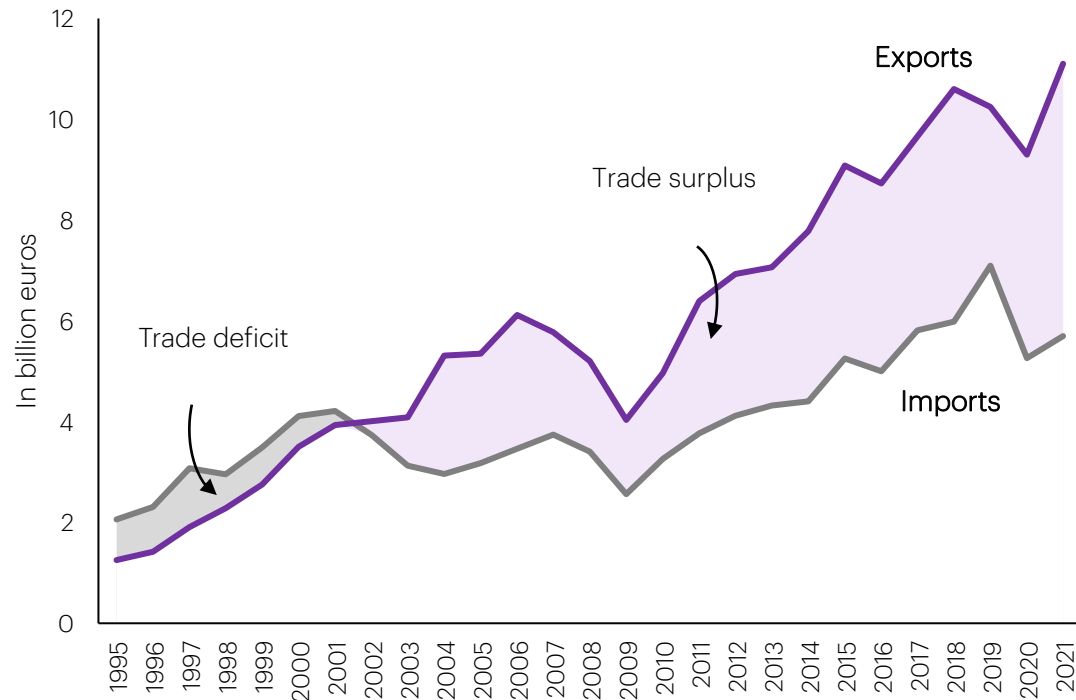
- In 2021, goods worth €5.7 billion were imported from the US to Austria.
- This means that 3.2% of all Austrian imports come from the US; the EU accounts for 66.7% of all goods – which shows a slight downward trend.
- In 2021, the US ranked 7th among the most important countries of origin for imported goods – in 2019, it ranked 4th with a share of 4.5% (see figure below).

Share of US imports



The US is an important destination for exported goods, with a positive trade balance

Development of trade flows of goods between the US and Austria, from Austria's point of view



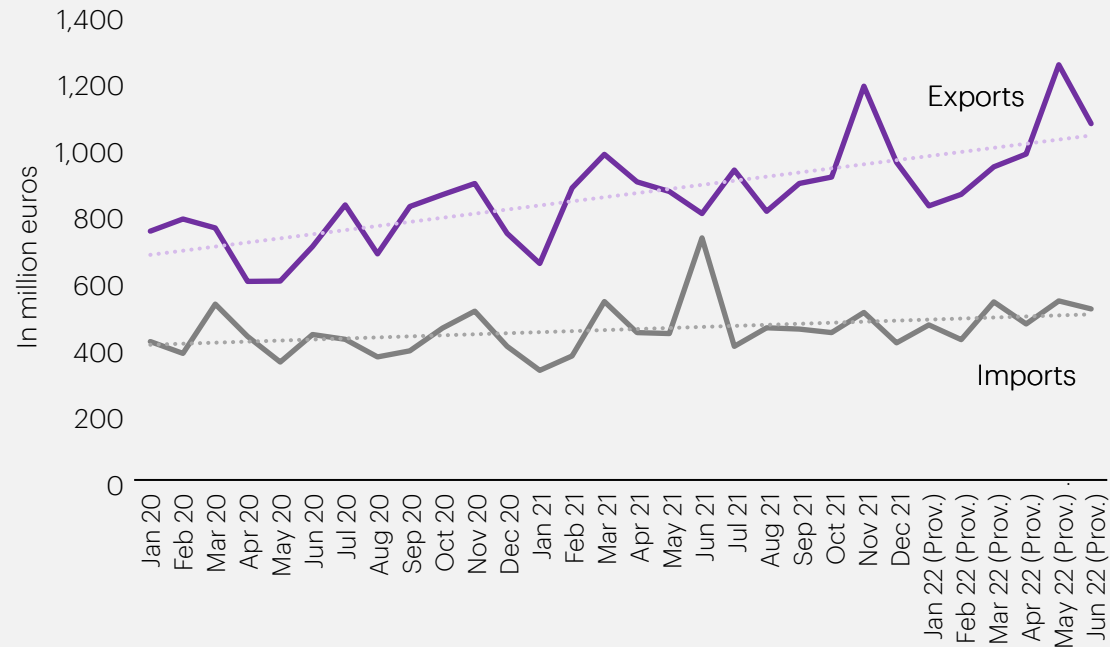
Source: Statistics Austria, Accenture Research.

- The US has become a very important destination for exports from Austrian companies.
- In 2021, goods worth a total of €11.1 billion were exported to the US. In 1995, this figure stood at €1.2 billion and has since been rising continuously.
- Exports have increased by 217.3% since 2000, and by 153.8% since 2009.
- Imports from US companies have also increased continuously, but less dynamically compared to exports. In 2021, the total value of imported goods from the US amounted to €5.7 billion.
- Since 2002, Austria has therefore recorded a trade surplus, meaning it exports more goods to the US than it imports.

Trade relations with the US are resilient to crises – exports have even increased

Fluctuation of trade flows of goods

Short-term imports and exports from and to the US, from Austria's point of view



Source: Statistics Austria, Accenture Research.

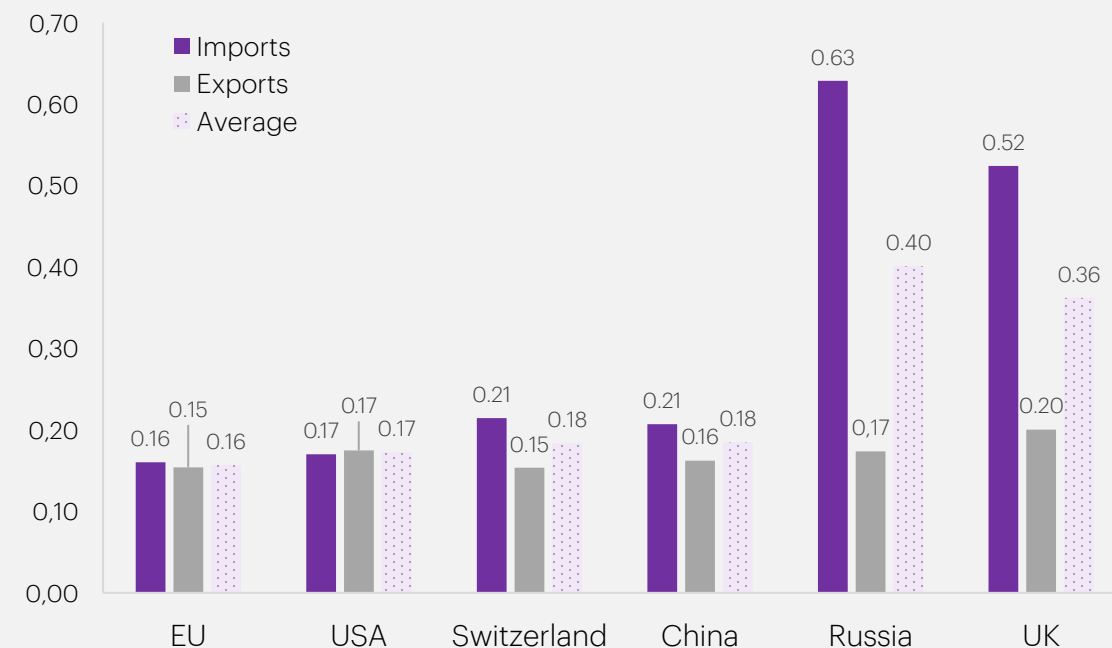
- With the exception of seasonal fluctuations, trade relations with the US have been extremely stable in recent years – as the analysis of monthly data shows.
- The total volume of imports ranges between €400 and €500 million per month – and the trend is stable.
- The total volume of exports fluctuates between €600 and €1,200 million per month. There has been a positive and increasing trend in exports over the past two years.
- As a result, the US as a target market for Austrian goods is not only resilient to crises, but its significance has increased despite the global economic challenges of recent years.

Consistency in trade relations contributes to stability in times of crisis

- In times of crisis, continuity in foreign trade provides stability in the economy and in companies.
- In recent months, Austria has been able to benefit from this stability with many of its main trading partners, as shown when evaluating the fluctuation in the trade of goods.
- Trade within the EU, with the US, Switzerland, and China has proved to be a particularly stable anchor. With Russia, the emerging problems and sanctions have caused significant disruption to imports. This also applies to imports from the United Kingdom.
- As the largest trading partner outside of Europe, economic relations with the US thus contribute to economic stability in Austria.

Fluctuation in trade of goods

Fluctuation Index¹ for export and import of goods, selected countries, Jan 2020 to Jun 2022



Source: Statistics Austria, Accenture Research.

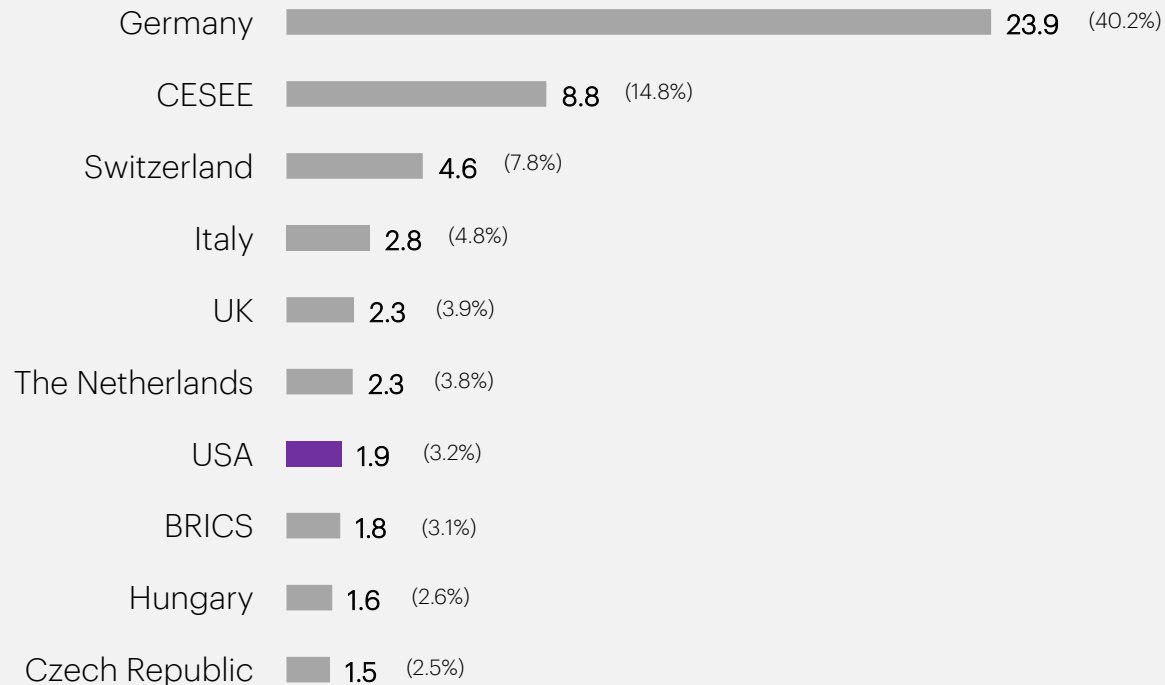


¹ The “coefficient of variation” was used as a measure for determining the fluctuation. This is calculated from the standard deviation by the mean value and represents the relative deviation (scattering) from the mean value. The lower this value, the lower the variation around the mean value (i.e., the fluctuation in monthly trading).

The US is the most important target market for Austrian exports of services outside Europe

Top 10 export countries

Service exports 2021, in billion euros (share of total exports)



Source: OeNB, Accenture Research.

- In 2021, Austria exported a total value of €1.9 billion in services to the US.
- With a share of 3.2%, the US is a major target market for Austrian companies when it comes to exporting services.
- In the list of top export destinations, the US ranks 7th among the most important target markets for Austrian exports of services.

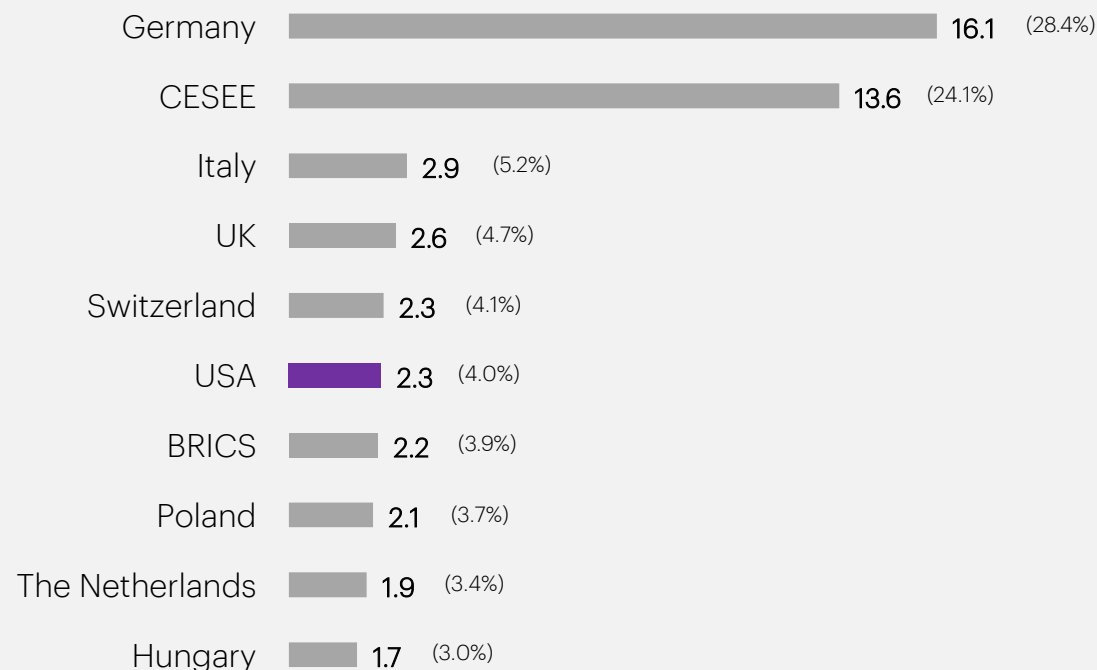


Austria imports services worth over €2 billion from the US

- In 2021, services worth €2.3 billion were imported from the US to Austria – this represents 4% of all imports of services.
- The US is thus also an important trading partner for Austria in the field of services.
- The US ranks 6th among the top countries for imports of services.

Top 10 import countries

Service imports 2021, in billion euros (share of total imports)

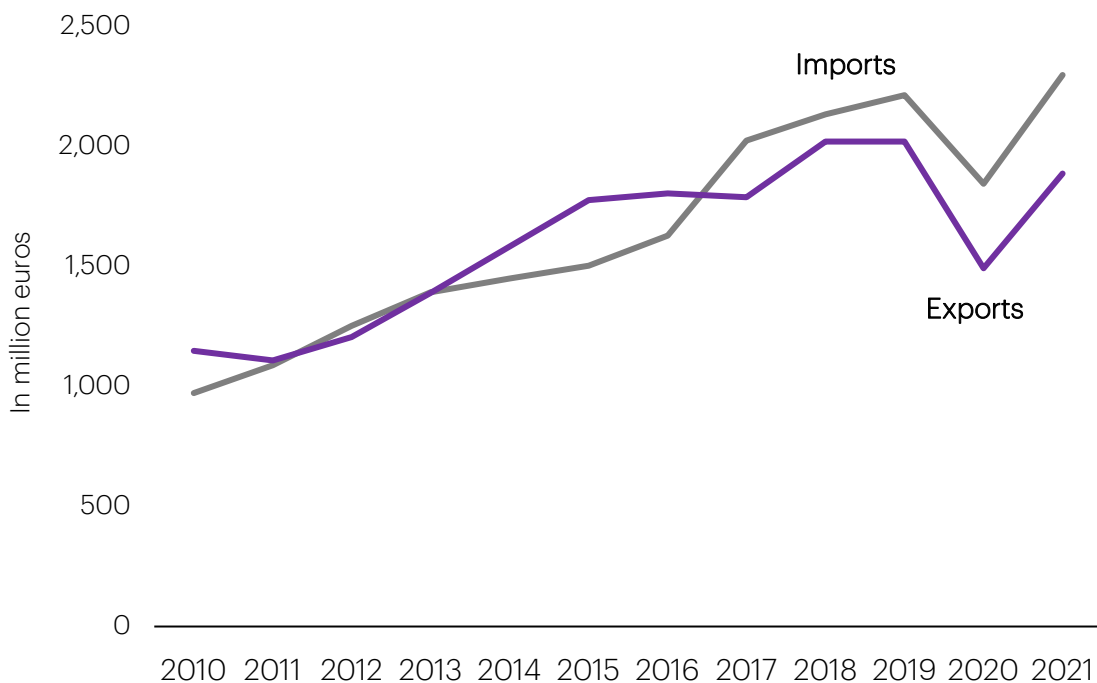


Source: OeNB, Accenture Research.



The importance of the exchange of services with the US has increased in recent years

Development of trade flows of services between the US and Austria, from Austria's point of view



Source: OeNB, Accenture Research.

- The importance of the US as a trading partner for the exchange of services has increased steadily in recent years.
- Since 2010, imports of services have increased by a total of 136.4%, which means they have increased by an average of 12.4% per year.
- Exports of services have increased by 64.3% since 2010, which means they have increased by an average of 5.8% per year.
- This makes Austria a net importer of services from the US, i.e., Austria imports more services from the US than it exports. The difference in the balance of trade is mainly due to financial services, as well as legal and business services.

The top goods and services in transatlantic trade between the US and Austria

Import of goods from the US



Products	Value in million euros	Change 2020–2021	Dynamics
Pharmaceutical products	1,501.6	23.6%	+++
Machines and equipment	731.6	10.5%	++
Vehicles and supplies	721.0	5.3%	+
Optical devices	524.6	5.9%	+
Chemical products	410.5	140.0%	+++

Export of goods to the US



Products	Value in million euros	Change 2020–2021	Dynamics
Machines and equipment	2,933.7	29.0%	+++
Vehicles and supplies	1,444.3	22.6%	+++
Pharmaceutical products	879.0	10.8%	++
Electrical machines	834.7	8.3%	+
Beverages and alcohol	786.4	-24.6%	--

Source: Statistics Austria, Accenture Research.

Import of services from the US



Services	Value in million euros	Change 2020–2021	Dynamics
R&D, legal, and business services	1,083	34.5%	+++
Transportation	354	21.6%	+++
ICT services	315	16.2%	++
Financial services	216	20.0%	++
Fees for contract processing	124	77.1%	+++

Export of services to the US



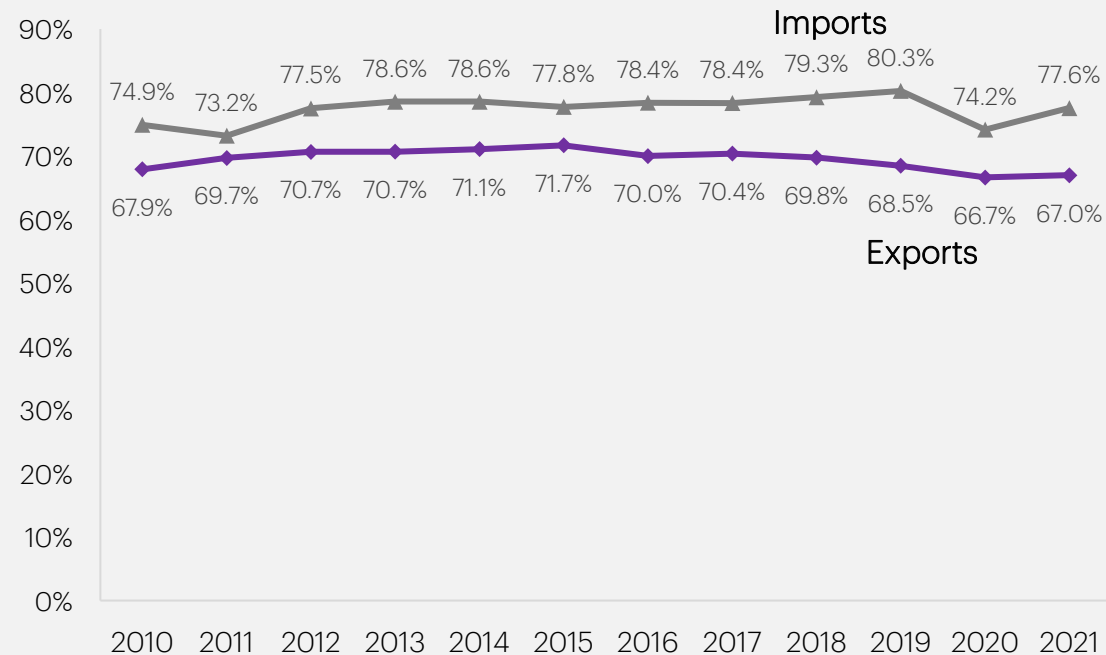
Services	Value in million euros	Change 2020–2021	Dynamics
R&D, legal, and business services	658	27.0%	+++
ICT services	502	38.3%	+++
Transportation	302	26.9%	+++
Patents, licenses, and franchises	239	16.6%	++
Travel	91	1.1%	+

Source: OeNB, Accenture Research.

Both sides of the Atlantic benefit from trading in key technologies

Trade in high-tech goods

Share in % of total trade in goods with the US



Source: Statistics Austria, Accenture Research.

- Trading key technologies with the US is of critical importance for trade relations.
- The share of high-tech imports from the US has ranged between 70% and 80% in recent years, reaching 77.6% in 2021.
- The share of Austria's high-tech exports to the US has ranged between 60% and 70% in recent years, reaching 67.0% in 2021.

High-tech goods include:



Chemical products



Pharmaceutical products



Aeronautical and spacecraft



Optical devices



Machines and mechanical parts



Electronic devices



Weapons



Rail vehicles and tracks



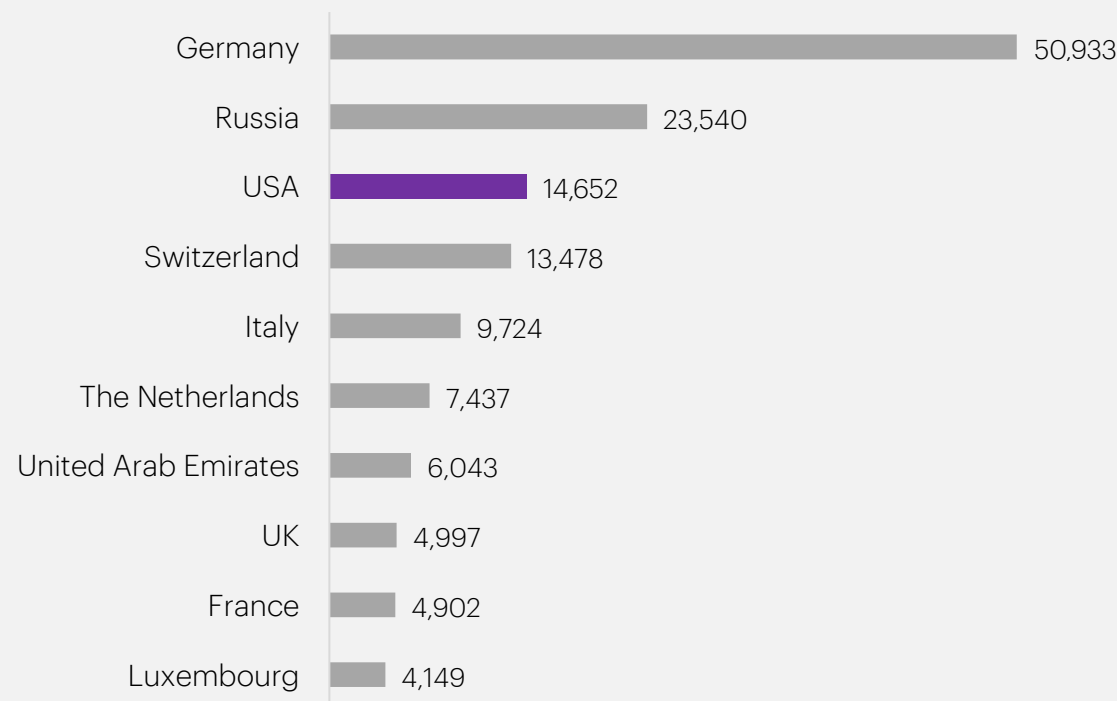
Vehicles and automotive parts

The US is Austria's third-largest investor – with an investment volume of almost €15 billion

- The US is the third-largest investor for Austria, behind Germany and Russia.
- The portfolio of foreign direct investments (FDI) from the US amounted to €14.7 billion in 2021.
- This corresponds to a share of 8.4% of all FDIs.
- However, the relative importance of the US as an investor has declined – in 2009, the share of US FDIs in Austria stood at 12.2%.

Top 10 investors

Foreign direct investments, passive, in million euros, 2021



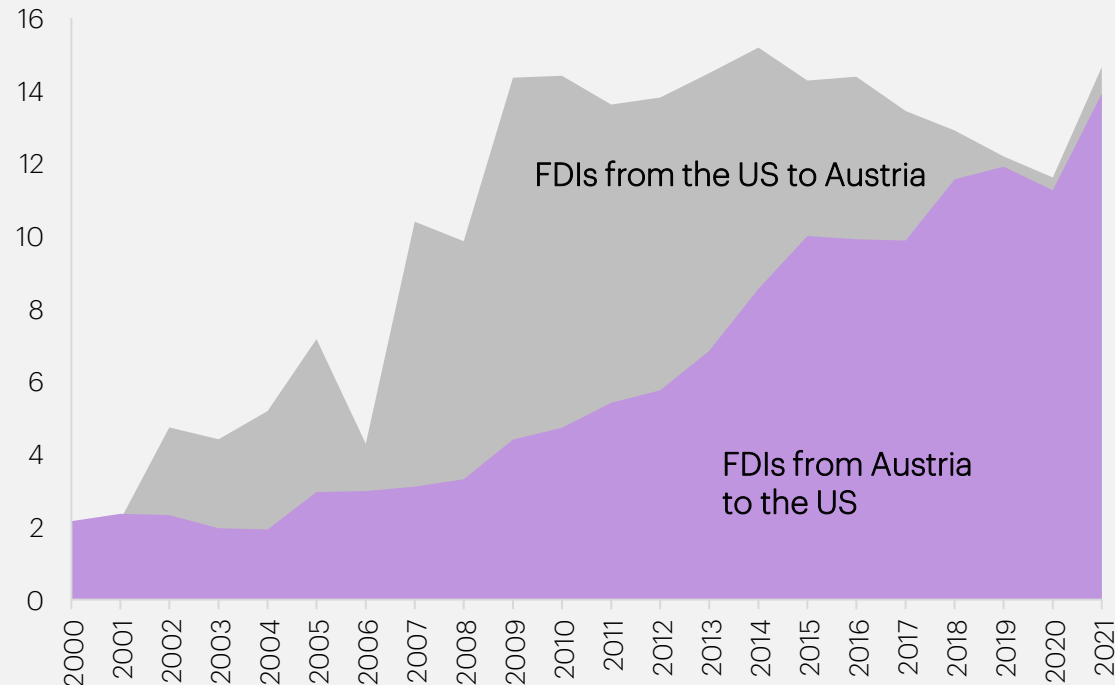
Source: OeNB, Accenture Research.



The US has become an important investment market for Austrian companies

Capital stock into and out of the US

Foreign direct investments, active and passive, in billion euros



Source: OeNB, Accenture Research.

- The portfolio of Austrian investments in the US has been growing steadily for many years. While Austrian FDIs in the US stood at €4.7 billion in 2010, they had reached €13.9 billion by 2021.
- The US has thus not only become an important sales market for Austrian companies, but increasingly also an important investment market. This is reflected in, for example, the establishment of production facilities in the US.
- The US capital stock in Austria peaked at €15.2 billion in 2014 and has since declined steadily, implying that American investors have withdrawn capital from Austria (FDI stock 2020: €11.6 billion). In 2021, FDI stocks from the US rose again to €14.6 billion.

2 | US companies in Austria

Significance and economic contribution



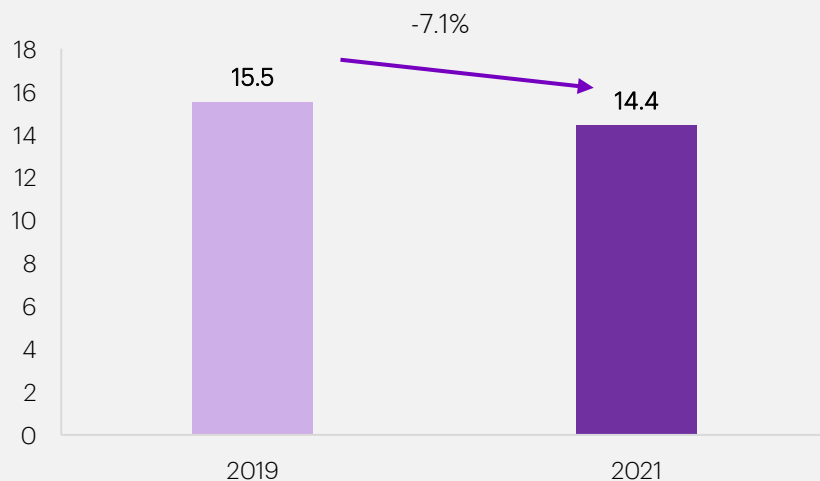
The top 50 US companies generated around €14.4 billion in revenue in Austria in 2021

Top 50 US companies in Austria

Revenue of the companies' headquarters in Austria, 2021

Revenue: €14.4 billion

Corresponds to 1.8% of total revenue in Austria



Source: Capital IQ, Statistics Austria, Accenture Research.
¹ Estimate

- €14.4 billion in revenue was generated by the top 50 US companies in Austria in 2021, representing approximately 1.8% of total revenue.
- The impact on the labor market is estimated at 69,000 employees.
- Compared to last year's study using data from 2019 (and also affected by the COVID-19 pandemic), a decline in the contribution of US companies to the Austrian economy in the amount of €1.1 billion can be detected.

The biggest US companies in Austria include:

- Herba Chemosan
- Innio Jenbacher
- Philip Morris Austria
- McDonald's
- Ford Motor Company Austria
- Tech Data Service GmbH
- Pfizer Corporation Austria
- Microsoft Österreich
- IBM Österreich
- Sky Österreich
- Tesla Motors Austria
- Amazon Österreich
- HP Austria
- Jet Tankstellen Österreich



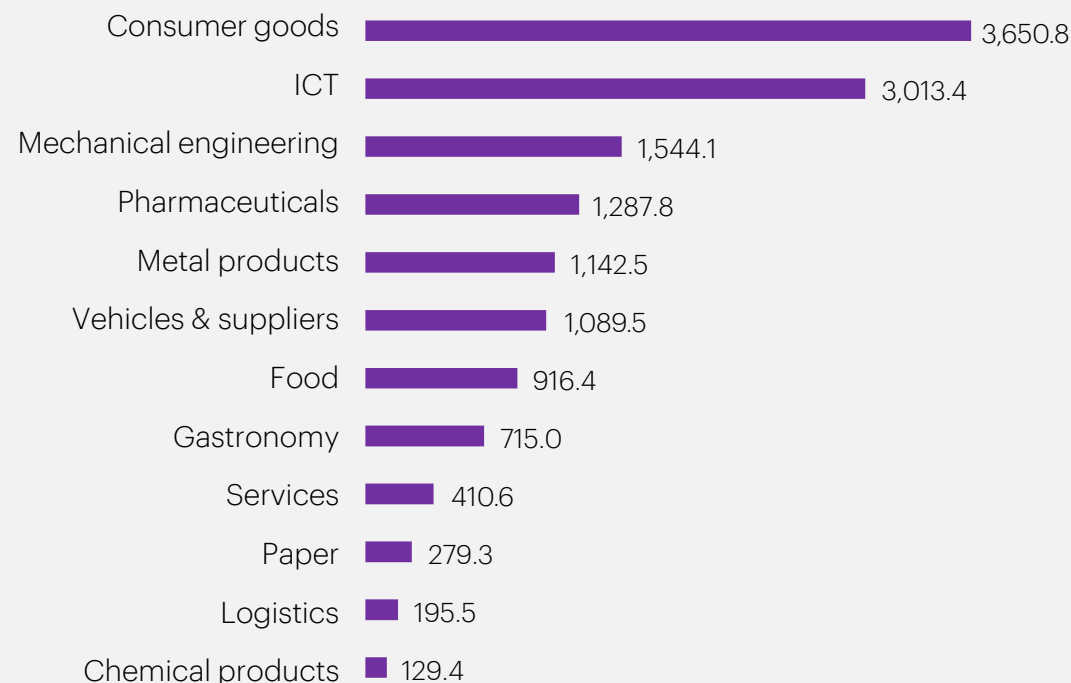
Note: Revenue of the US subsidiary with registered office of the legal entity in Austria – export data of the parent company is not taken into account.

US companies from the consumer goods and ICT sectors of great importance in Austria

- A look at the breakdown of revenue from the top 50 US companies in Austria by sector allows us to assess the sectors in which US companies are most active in Austria.
- US companies in the consumer goods and ICT sectors are the most important. These companies generate a total of €3.7 billion and €3 billion respectively on the Austrian market.
- These are followed by the sectors of mechanical engineering, pharmaceuticals, and metal products.
- The industry structure of US companies in Austria has changed very little compared to last year's study, if at all. Only the pharmaceuticals sector has slightly gained importance due to the pandemic; chemical products have slightly declined in importance.

Industry breakdown of the top 50 US companies

Revenue of the top 50 in Austria by industry, in million euros, 2021

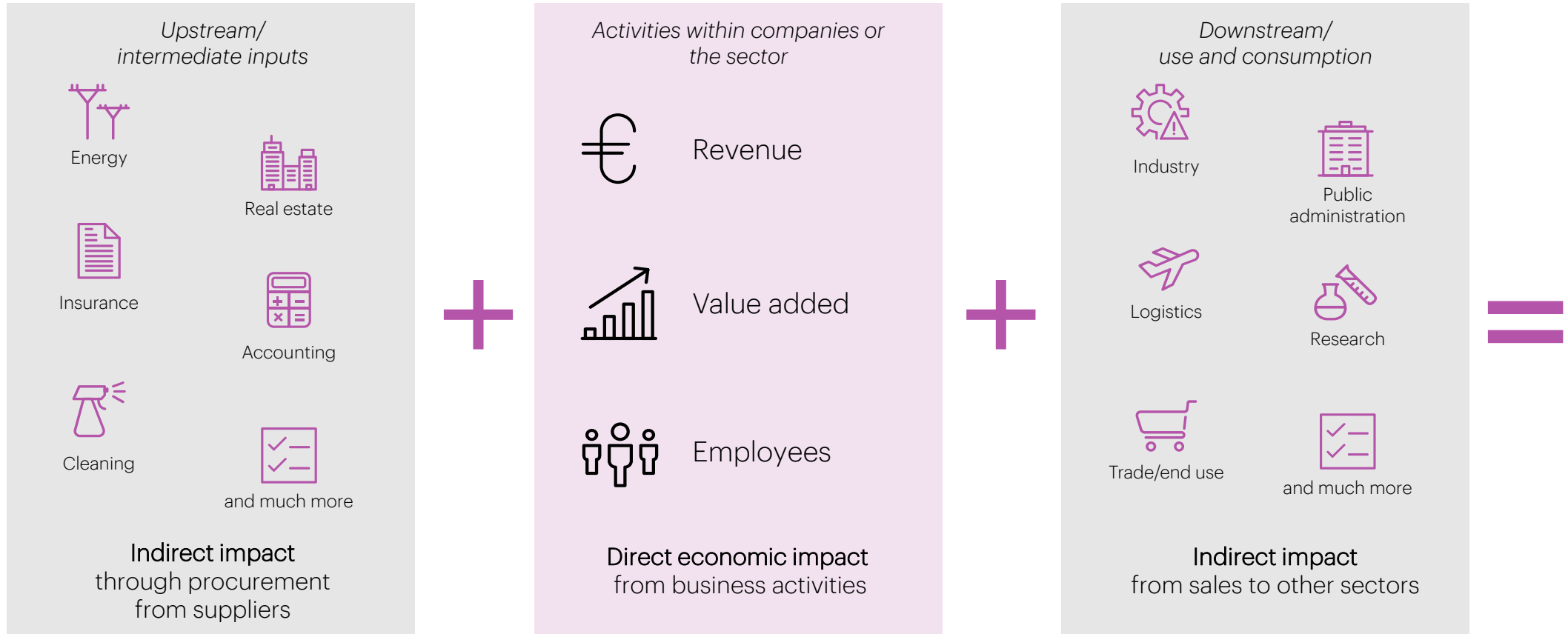


Source: Accenture Research.



Note: Revenue of the US subsidiary with registered office of the legal entity in Austria – export data of the parent company are not taken into account.

The economic contribution of companies or a sector has a direct and indirect impact



∑ Overall impact → Economic contribution:

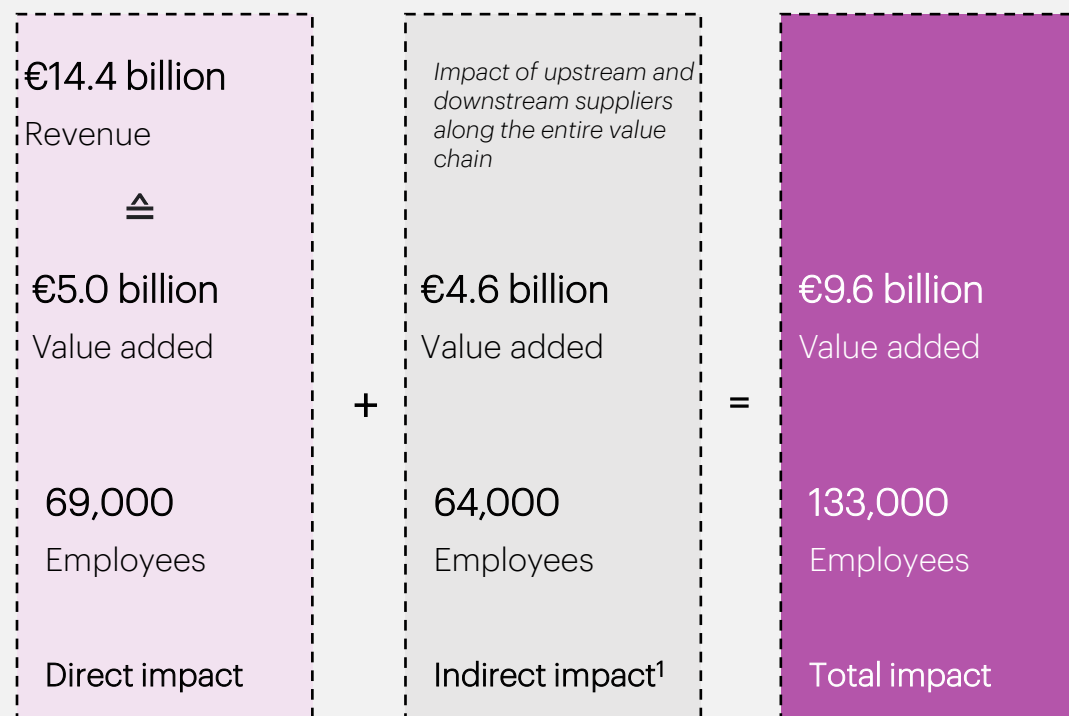
- GDP
- Employment
- Taxes



2.6% of GDP is attributable to the value-added network of the top 50 US companies in Austria

Economic contribution of the top 50 US companies

Total impact, 2021



Source: Accenture Research.

2.6% of GDP

The total value added contribution (direct and indirect impact) of the top 50 US companies in Austria amounts to €9.6 billion, which equals a gross domestic product of €10.7 billion.

133,000 employees

A total of 133,000 employees can be attributed to the top 50 US companies in Austria (69,000 directly and another 64,000 through suppliers). This represents 3.1% of all employees in Austria.

€4.7 billion in taxes and levies

The top 50 US companies in Austria account for approximately €4.7 billion in taxes and levies. This is due to wage-related taxes and levies (directly and indirectly through suppliers) as well as other tax payments.



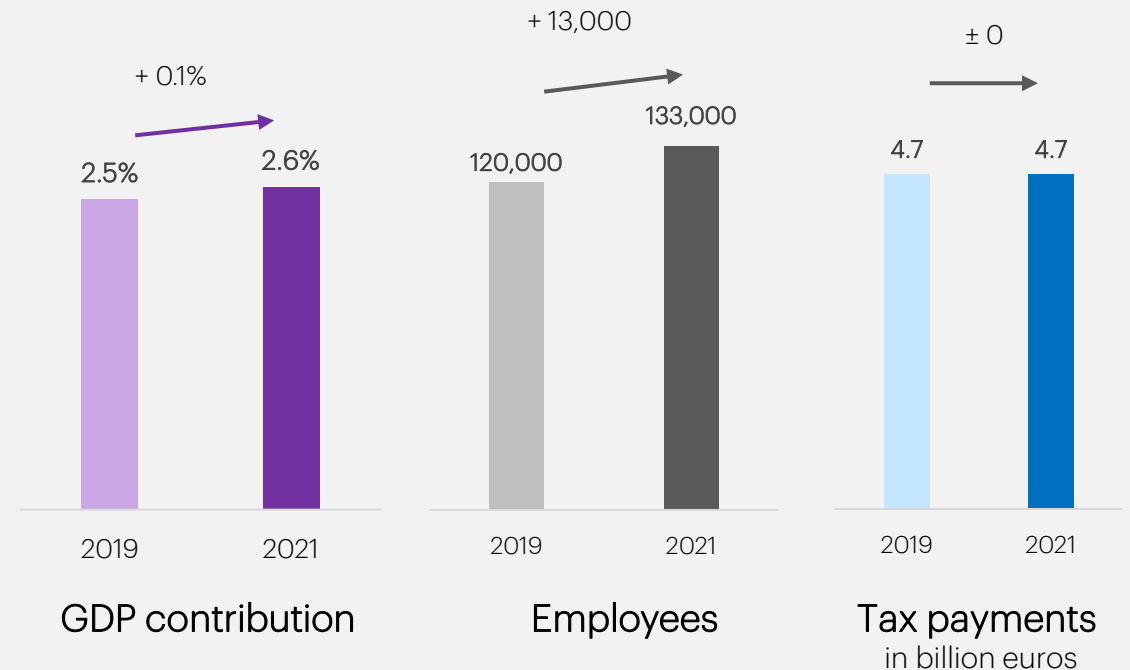
¹ Methodology: The sector-specific value added multipliers from the input/output table of Statistics Austria were used (pro rata) to calculate the indirect value added impact.

The economic contribution of US companies in Austria is increasing

- The economic contribution generated directly and indirectly by the top 50 US companies headquartered in Austria has increased since last year's study using data from 2019.
- The total contribution to GDP in 2019 was 2.5% and increased to 2.6% in 2021.
- The overall contribution to employment has also increased. In 2019, 120,000 employees were included in the value-added network of the top 50 US companies in Austria, compared to 133,000 in 2021.
- The tax revenue attributable to the top 50 US companies amounts to approximately €4.7 billion in both years.

Economic contribution of the top 50 US companies

Development of overall impact, 2019–2021

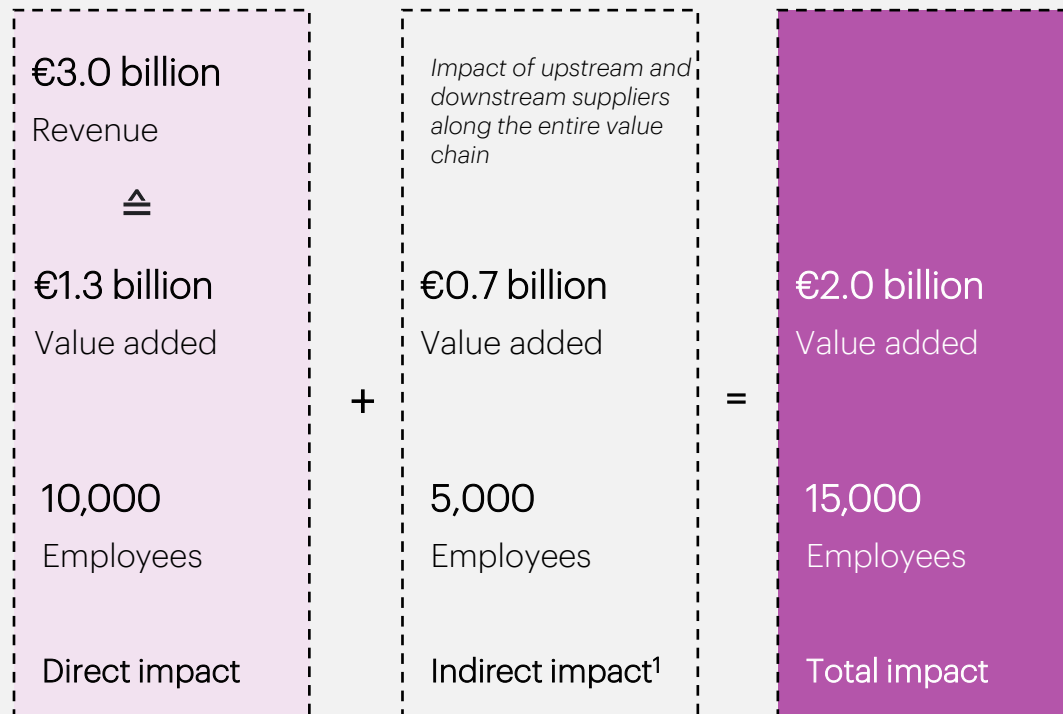


Source: Accenture Research.



€2 billion value added by IT companies from the US

Economic contribution of the ICT sector* Overall impact, 2021



Source: Accenture Research.

€2.0 billion contribution to value added

The total value added contribution (direct and indirect impact) of the top 50 US companies in Austria in the ICT sector amounted to €2.0 billion in 2021.

15,000 employees

In total, the top 50 US companies in Austria create jobs for 15,000 employees in the ICT sector (10,000 directly and another 5,000 through suppliers).

21% contribution from ICT companies

ICT companies account for around 21% of the overall economic impact of the top 50 US companies in Austria. This equals the value of last year's study.

¹ Methodology: The sector-specific value added multipliers from the input/output table of Statistics Austria were used (pro rata) to calculate the indirect value added impact.

* Of the top 50 companies: EMC Computer Systems Austria GmbH, Microsoft Österreich GmbH, Tech Data Austria GmbH, IBM Österreich Internationale Büromaschinen GmbH, Arrow ECS Internet Security AG, Sky Österreich Fernsehen GmbH, Hewlett-Packard Gesellschaft mbH, HP Austria GmbH



3 | Austrian companies in the US

Significance and economic contribution



Leading Austrian companies are represented in the US market

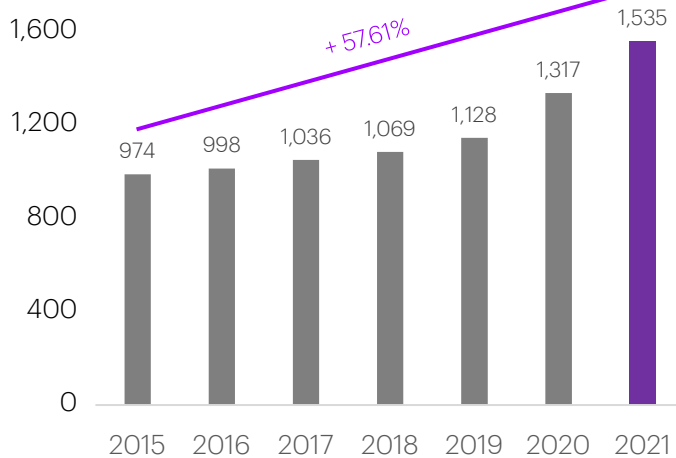
Austrian companies with the highest revenue in the US

	Andritz		Voestalpine
	ALPLA Group		Plansee Group
	Wienerberger		Ring International Holding
	RHI Magnesita		Swarovski
	Rosenbauer International		Red Bull

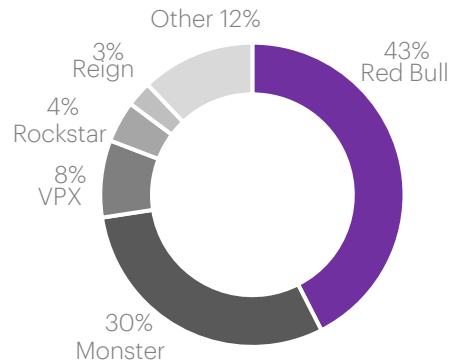
The top 10 Austrian companies by revenue account for almost 10,000 jobs in the US.

In 2019, beverage manufacturer Red Bull successfully expanded into the US market with the construction of a production and bottling plant. By 2021, the company had managed to generate more than €280 million in profit in the US market and is now strengthening its local presence by establishing a distribution center.

Sales development in million euros



Energy drinks US market share



North Carolina distribution center

- Together with Rauch North America Inc., a subsidiary of Rauch Fruchtsäfte GmbH & Co OG, Red Bull plans to build an additional production facility in the US state of North Carolina by 2027, investing **€650 million**.
- Red Bull's distribution center, which covers approximately 5.6 hectares, is expected to create 90 jobs.

Production and bottling plant in Arizona

- In 2019, Red Bull, Rauch (through the joint venture RRB Beverage Operating), and can manufacturer Ball had already invested **€227 million** in establishing a production and bottling plant in Arizona.
- The 6.5-hectare site employs 140 people.



“As a company, we are currently experiencing regional growth in the US in line with our strategy and with sustainable potential; but even based on my own personal experience, I can only encourage Austrian companies to establish and expand transatlantic business activities. In light of political and social developments, having a presence in the US market is particularly important. A favorable entrepreneurial climate, a positive attitude toward rewarding performance, and legal certainty are just some examples of essential, positive factors in favor of the location.”

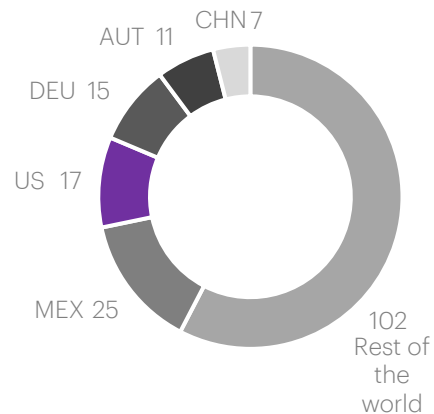
Wolfgang Litzlbauer
CEO, Umdasch Group AG

The Austrian ALPLA Group is an international company specialized in the production and recycling of plastic packaging. Since 2001, ALPLA has been present in the US via ALPLA Inc.. The Vorarlberg-based company has since opened 17 US locations and employs more than 1,400 people. As a result, ALPLA holds the second-largest share of its production sites worldwide in the US. The Atlanta, GA site is also home to one of seven Technical Centers worldwide.

Locations in the US



Locations worldwide (177)



Utah production site

- In 2018, ALPLA opened two new sites in the US, one of which was in Utah with 11,100 m² (approx. 120,000 square feet) and around 40 employees.
- The investment amounted to **€8 million**.

Pennsylvania production site

- This 15,000 m² (approx. 161,400 square foot) site was also completed in 2018, creating 59 jobs.
- The total investment amounted to **€15 million**.

Ohio production site

- The production plant has been operating since 2019 and employs around 50 people.
- Approximately **€21 million** was invested.

4 | Supply chain resilience

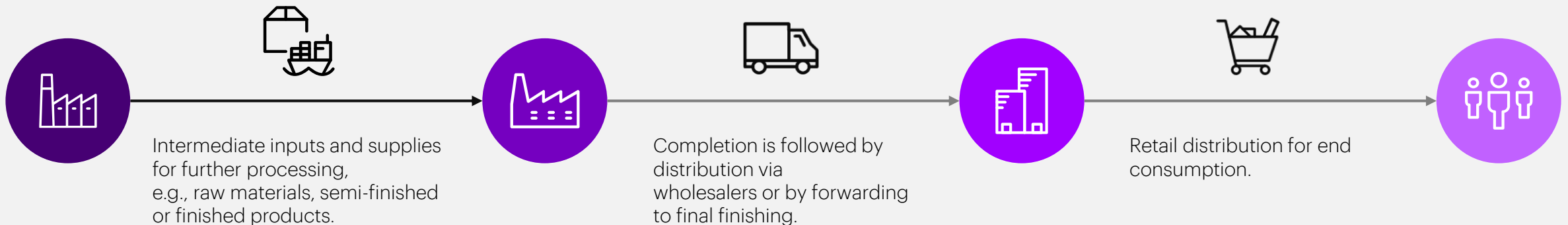
Contribution of transatlantic economic relations to resilient supply chains



Resilient supply chains are crucial for the functioning of production processes

- ∞ Supply chains are part of a modern production-, trade-, and value-creation process based on the division of labor.
- ∞ If a link (e.g., a supplier or logistics company) fails, the entire supply chain is disrupted.
- ∞ Therefore, in a modern economy, favorable trade and economic relations with all of the individual links in the supply chain are imperative.
- ∞ The current crises and uncertainties have made the value of stable supply chains even more evident.

The supply chain as part of a production network



Note: Schematic or exemplary representation

Numerous factors are threatening the resilience of global supply chains

Extreme weather conditions

More and more frequent weather and climate disasters of various kinds are causing a continuous increase in economic damage that amounts to billions of euros.

Geopolitical circumstances

Armed conflict is taking place in Europe. The risk of geo-economic confrontations has been ranked among the most serious of the next ten years by a World Economic Forum survey.

Global cyberattacks

Although 75% of experts identify cybersecurity as a priority, only 16% of companies consider themselves sufficiently prepared to fight cyber threats.

Financial crisis

Central banks are repeatedly raising interest rates to combat rising inflation; additional public debt incurred during the COVID-19 pandemic could exacerbate the crisis.

Tariffs

Recent violations of US trade laws and increases in tariffs on US exports highlight existing international trade conflicts.

Health threats

COVID-19 illustrates a pattern of increasingly frequent epidemics associated with globalization, urbanization, and climate change.

Surges and shifts in demand

Even a tweet or viral video can create unforeseen spikes in demand; capitalizing on such opportunities requires good agility along the supply chain.

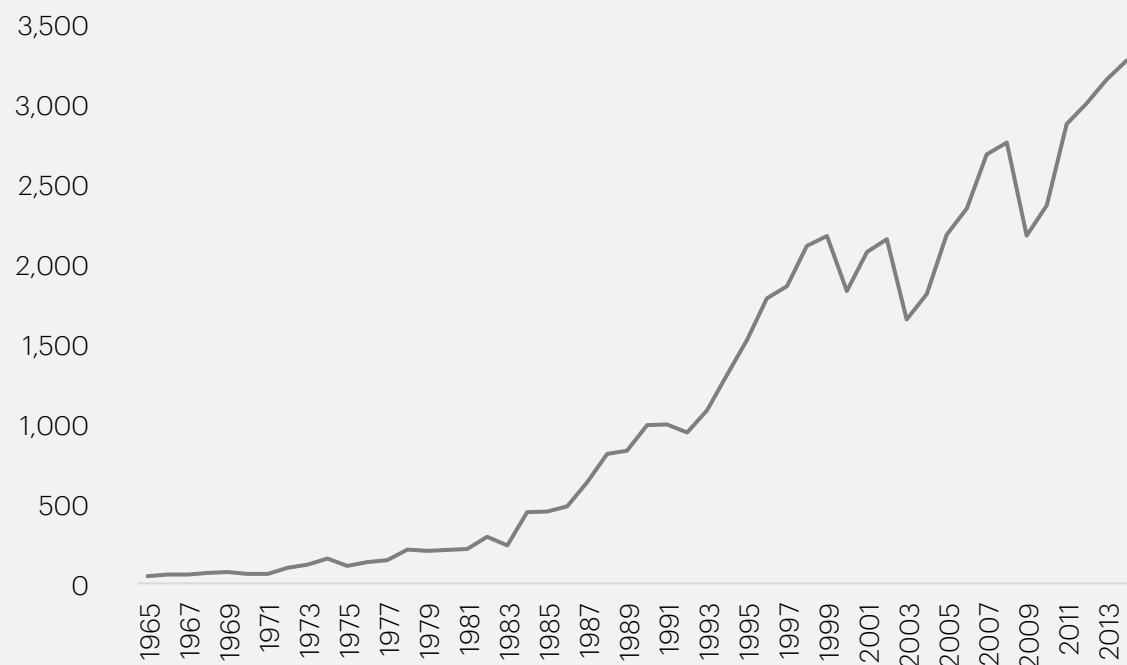
Labor market stability

Labor shortages have already led to temporary production stoppages in several sectors in many economies; the supply of food was also affected during COVID-19.

The volume of intermediate inputs from the US has more than tripled in the past two decades

Intermediate inputs from the US to the Austrian economy

Inputs from the US to Austria for further processing, 1965–2014, in million US dollars



Source: WIOD¹, Accenture Research.

- The importance of US intermediate inputs for the Austrian economy has increased substantially in recent decades.
- In 2014, \$3.2 billion of intermediate inputs was supplied from the US for further processing in Austria. In 1990, this figure was just \$980 million, showing that the figure tripled in just two decades.
- This means that approximately 2.5% of all inputs purchased by Austria comes from the US.
- Economic ties with the US are thus of increasing importance for numerous goods that are further processed along the supply chains in Austria.



¹ The World Input-Output Database (WIOD) was a project that brought together the national input-output tables of the largest economies (most recently 43 countries were included) to form a global table (link: www.wiod.org). This allowed the worldwide wholesale flows and structural relationships to be presented and analyzed. The database has not been updated since the last table in 2014.



“Stable, well-coordinated partnerships like the US-Austrian trade relationship provide the agility needed in the event of supply chain and demand disruptions. In the spirit of achieving more resilient supply chains, we therefore support further efforts to create good transatlantic cooperation.”

Nicole Schlautmann

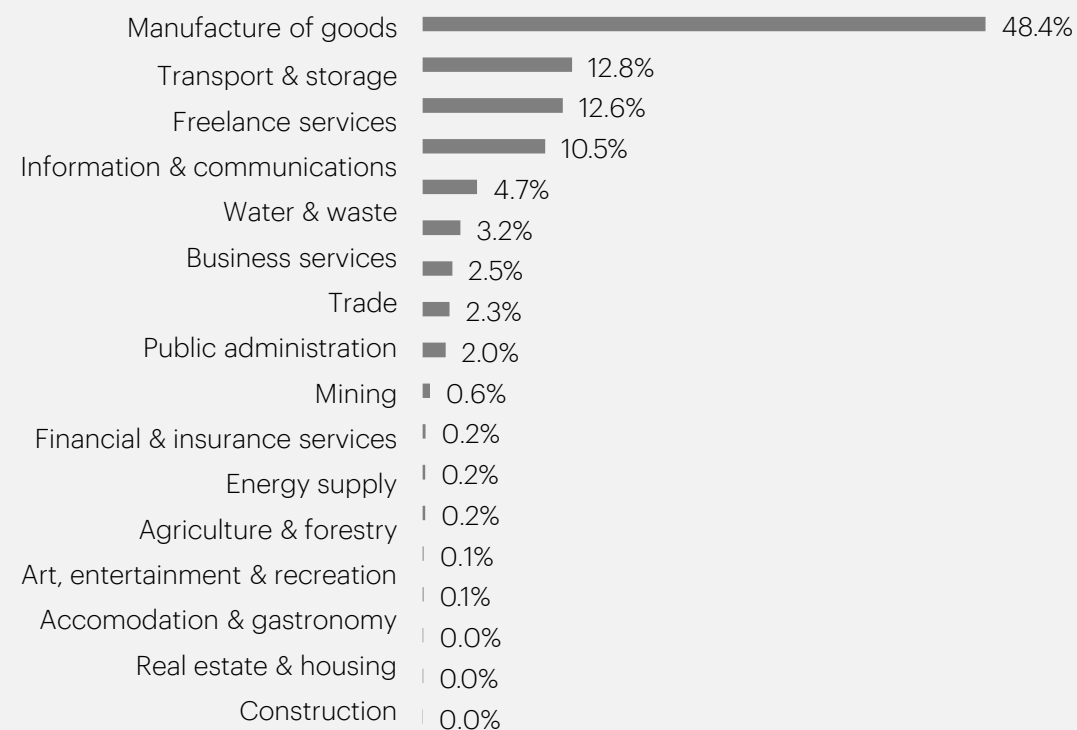
Country Manager, Pfizer Corporation Austria

Austria procures intermediate inputs from the US primarily for the domestic manufacturing industry

- US supplies are mainly used for industrial processing. Every second intermediate input purchased by Austria from the US is used for further processing in the domestic industry.
- US intermediate inputs are procured primarily for the pharmaceutical and chemical industries in Austria.
- Other industries where the US supply network is of particularly high relevance include:
 - Transport/logistics
 - Freelance services
 - Information and communications (ICT sector)
- This analysis shows that global supply chains, especially those associated with the US, are of utmost relevance to large, high-value-added sectors of the Austrian economy.
- The stability of these supply chains, of the inputs and supplies, is vital for the smooth functioning of Austrian manufacturing and production.

Intermediate input from the US for the Austrian economy

Industry split for intermediate input from the US, share in %, 2014



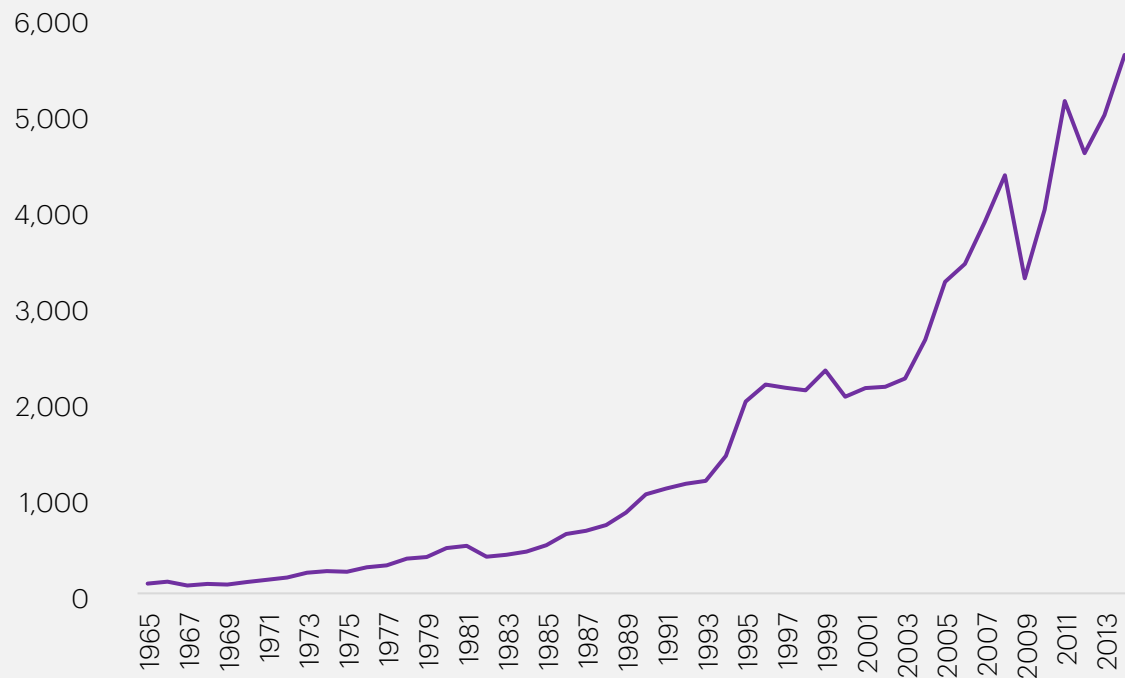
Source: WIOD, Accenture Research.



Austria has become an important supplier to the US economy

Intermediate input from Austria for the US economy

Inputs from Austria to the US for further processing, 1965–2014, in million US dollars



Source: WIOD, Accenture Research.

- The importance of Austrian intermediate inputs to the US economy has also increased significantly in recent decades.
- In 2014, \$5.7 billion of intermediate inputs were shipped from Austria to the US for further processing. In 1990, the figure was just \$1.0 billion. This represents a fivefold increase in just two decades.
- In total, about 0.04% of all intermediate inputs purchased by the US come from Austria, and the share has grown steadily in recent years.
- In relative terms, the intermediate inputs supplied by Austria appear negligible for the US, but they are pivotal to the functioning of individual sectors (see analysis on page 38).





“In general, we consider the US-Austrian trade relations to be good. The capacity limits reached in the ports and for hinterland transportation currently represent a bottleneck for logistics on both sides. Easing the strict US import/security regulations would be helpful, as these cause additional downstream delays at sea- and airports for our customers and thus put strain on the costs and stability of the supply chains.”

Wolfram Senger-Weiss

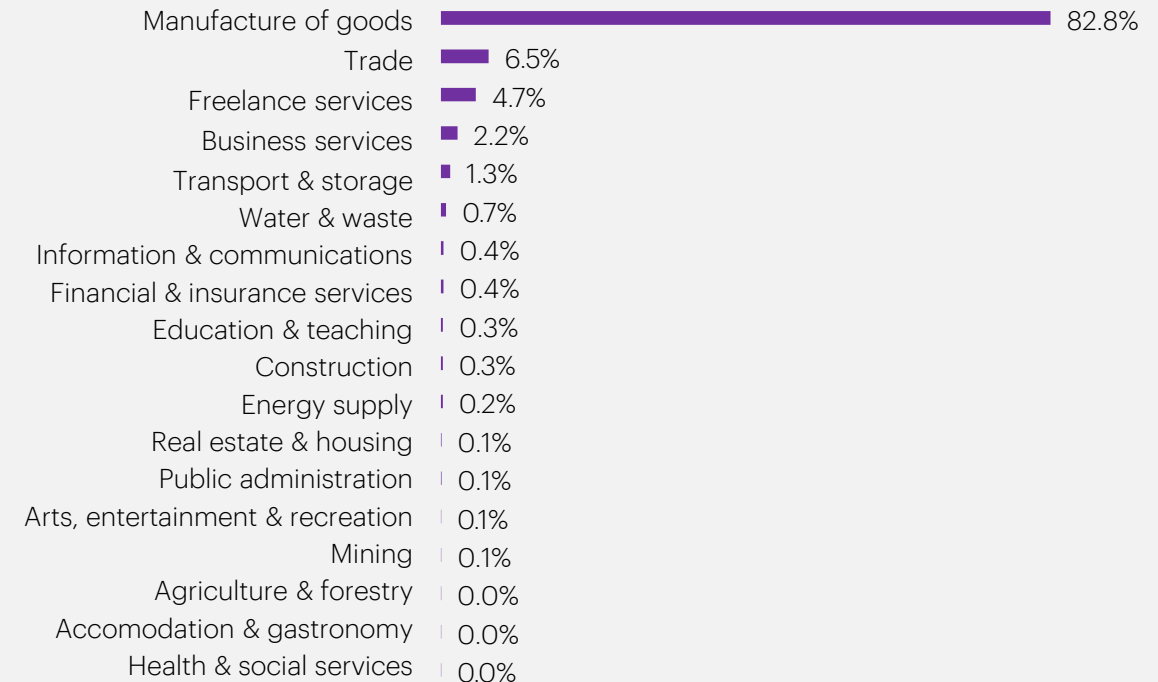
CEO, Gebrüder Weiss

Austrian supplies are of key importance, especially for the US automotive industry

- Supplies from Austria are used almost exclusively for industrial processing in the US. More than 80% of Austrian intermediate inputs are used for industrial processing.
- Austrian supplies are primarily needed for the chemical industry and the automotive sector.
- Other industries for which there is a supply network from Austria are:
 - Trade
 - Freelance services
- This analysis shows that in the global supply chain network, Austrian supplies are also of central importance for the US economy, especially for specific industry segments.

Intermediate inputs from Austria for the US economy

Industry split for intermediate inputs from Austria, share in %, 2014



Source: WIOD, Accenture Research.



5 | Important financing partner

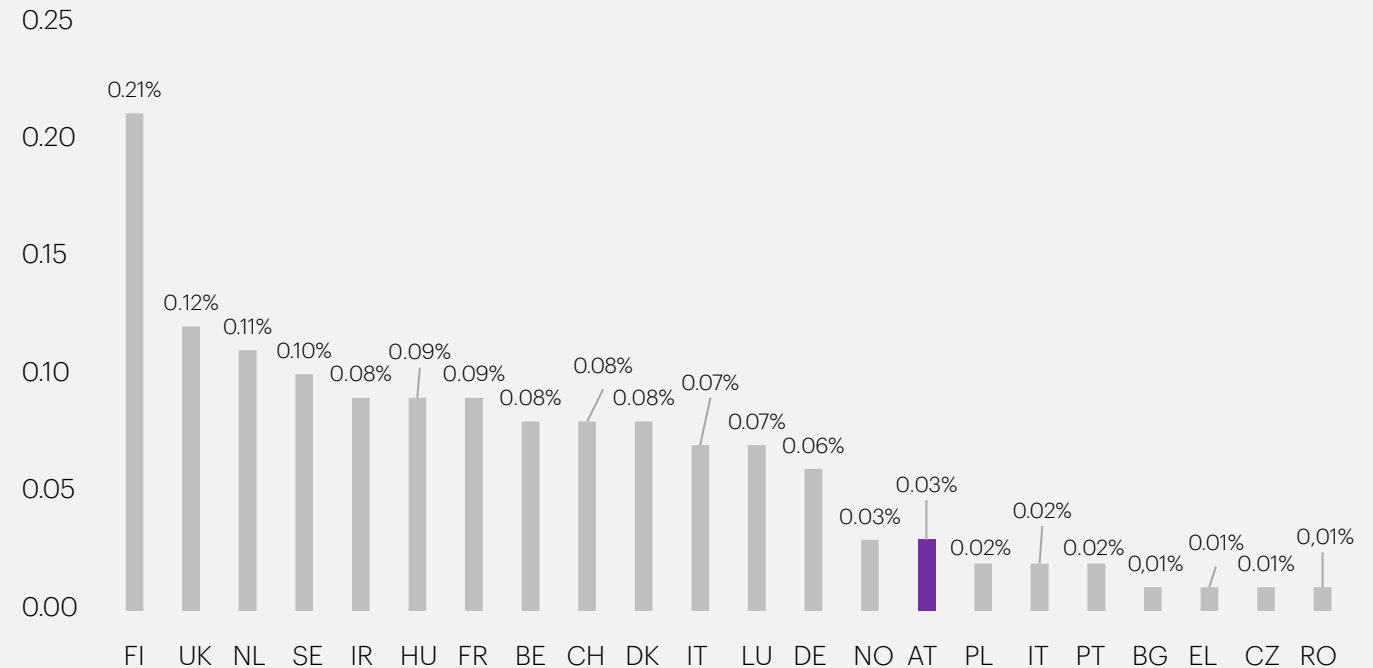
Contribution of US venture capital to Austrian start-ups



While the significance of venture capital in Austria is below average, it is substantial for start-ups

- The importance of venture capital (VC) for corporate financing in Austria is below average compared to the rest of Europe.
- Only about 0.03% of the gross domestic product (GDP) is gained from VC investments in Austria every year.
- However, with a volume of just over €100 million, these funds are of key importance, particularly for founders, start-ups, or young companies.
- 15–20% of investments made by start-ups are financed via venture capital.

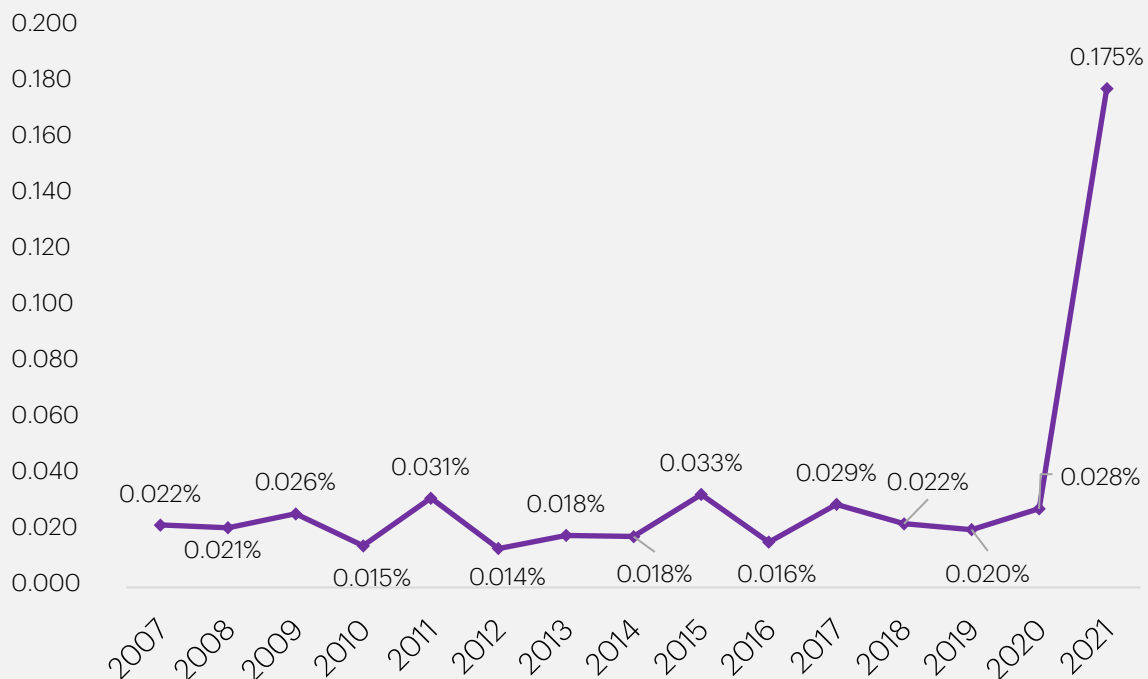
International comparison of venture capital volume
VC investments as % of GDP, selected European countries, 2020



Share of venture capital investments in Austria around 0.03% of GDP – 2021 was an exception

Venture capital investments in Austria

Development of investment volume in % of GDP



Source: OECD.

- Over the past two decades, the share of venture capital investments in Austria has on average been in the range of 0.02% to 0.03% of GDP.
- This corresponds to about €80 million to €120 million.
- In 2021, the share of VC investments was 0.175% of GDP.
- The increase from 2020 to 2021 is predominantly due to the capital expansion of the two unicorns Bitpanda and GoStudent.
- It remains to be seen to what extent the year 2021 represents a one-off or whether the VC market in Austria will also gain in importance in the long term.

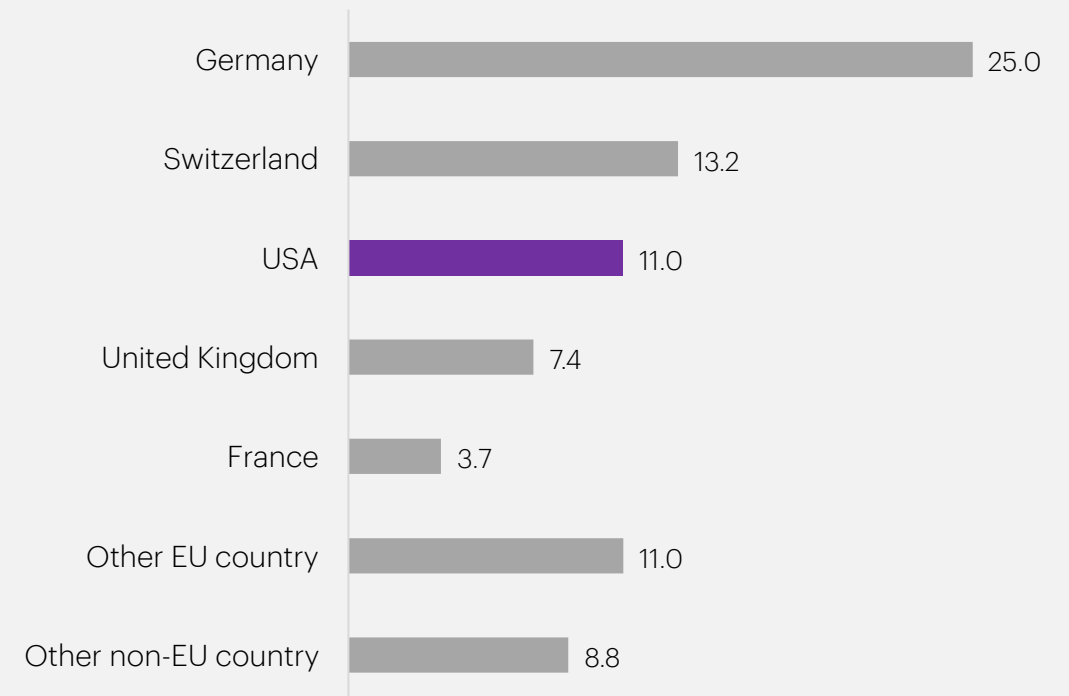


The US is the biggest non-European venture capital investor in Austria

- More than 80% of all start-ups have Austrian VC investors.
- In terms of foreign venture capital, the largest investors come from Germany, Switzerland, and the US.
- 11% of all start-ups in Austria receive VC from an investor in the US.
- Thus, it can be said that after European investors, the US is the biggest provider of capital for Austrian start-ups.
- For larger investment volumes and later financing stages (scale-up phases) in particular, US investors play a significant role.

Countries of origin of foreign venture capital

Share of start-ups with VC from the respective country, in %, 2018



Source: Statista.





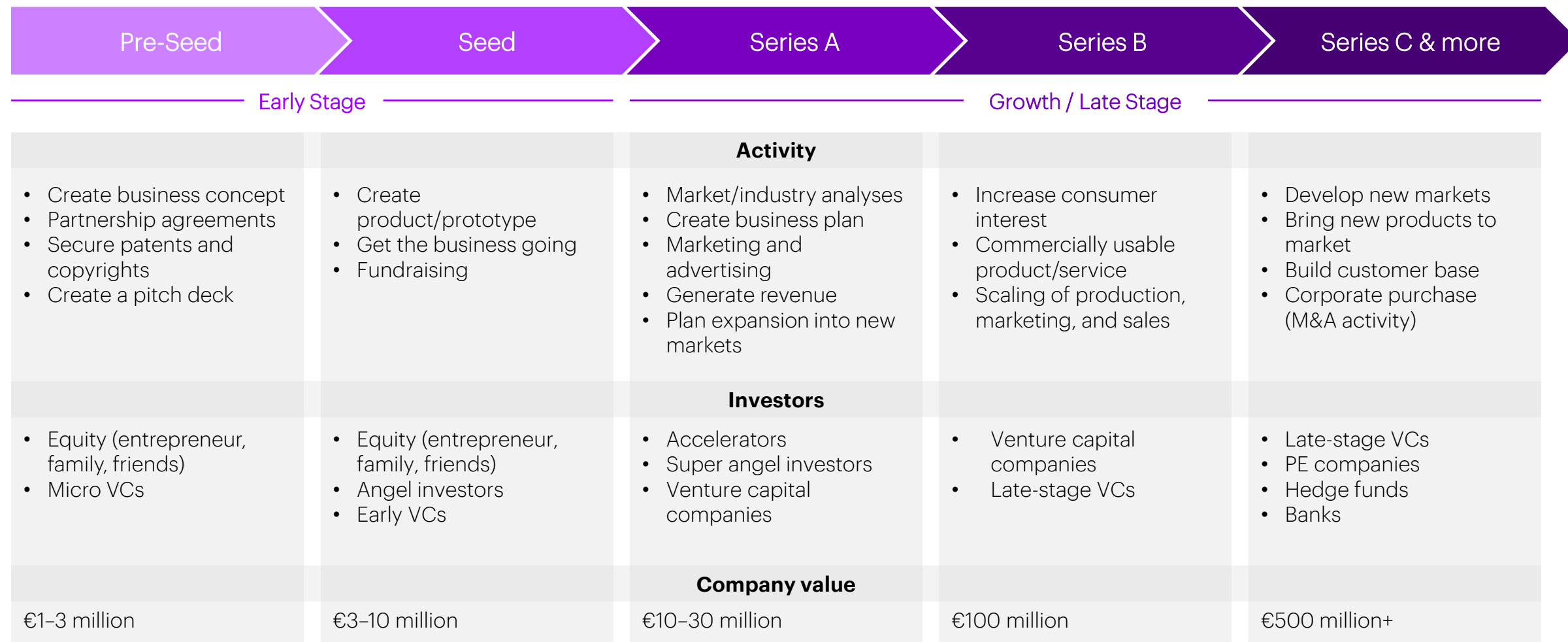
“The domestic availability of seed funding for Austrian start-ups is good. However, in the advanced growth phases with higher-value funding rounds, venture capital from the US becomes critical for success. Beyond financing aspects, access to the large US sales market, its human capital, and know-how play an important role here.”

Klaus Hölbling

Managing Director, AlixPartners

Later-stage financing rounds involve higher investment volumes and access to new markets

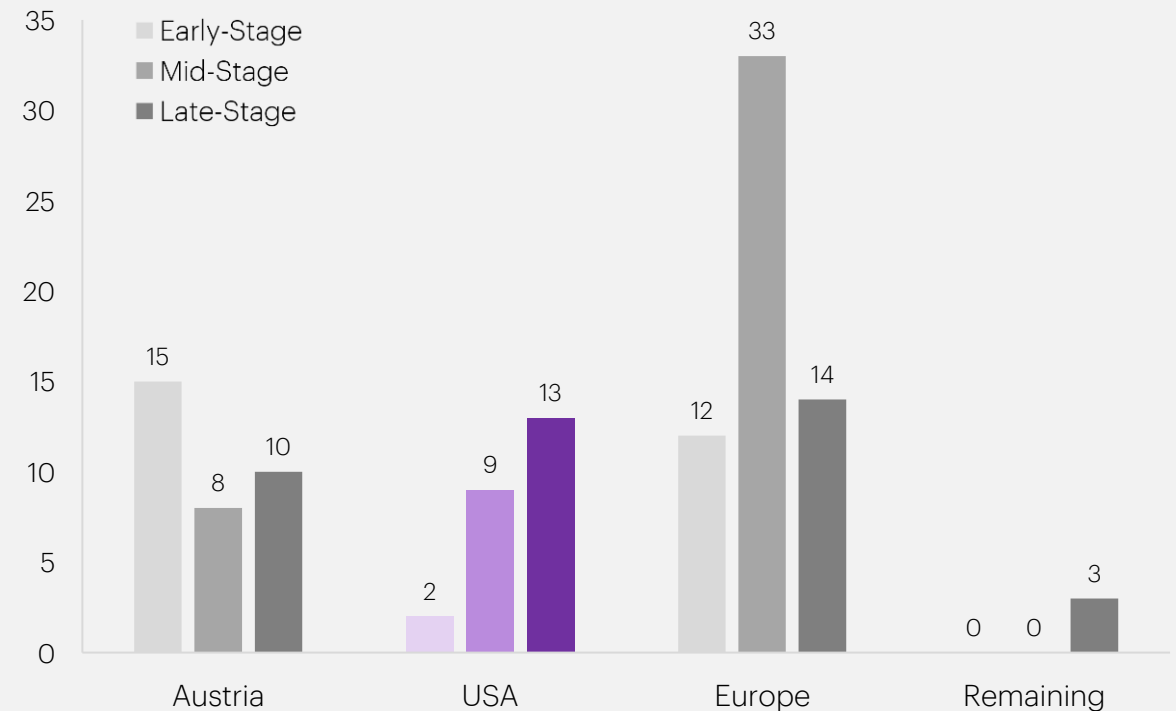
Venture capital financing stages



US investors are important for later financing rounds for Austrian start-ups in particular

- As an analysis of the highest financing volumes in 2020–2021 shows, investors from Austria or Europe are of highest significance for start-ups in the early stage.
- In the early stage, Austrian investors were involved in 15 cases, twelve investors were from elsewhere in Europe, and two were from the US.
- The importance of US investors for Austrian start-up financing increases in later financing phases. In the mid-stage phase there were nine US investors, and in the late-stage phase there were 13.
- In the late-stage phase, US investors are involved in almost every third financing operation.
- While no conclusions can be drawn from the available data about the distribution of investment volumes by origin, generally we can assume that the investment volumes are larger in later financing rounds.

Origin of start-up investors in each financing phase
Number of financing operations per phase, top start-ups 2020–2021¹



Source: CapitalIQ. | Note: Early-Stage = Pre-Seed, Seed, Venture; Mid-Stage = Series A+B; Late-Stage = Series C+D, Growth



¹ Selection of start-ups with the highest investment volumes of the last two years: Bitpanda GmbH, GoStudent GmbH, TTTech Auto GmbH, Adverity GmbH, PSPDFKit GmbH, Storebox Holding GmbH, Refurbed GmbH, Tractive GmbH, USound GmbH, Nuki Home Solutions GmbH, NEOOM AG, Blockpit GmbH, TriLite Technologies GmbH, Enspired GmbH



“Austrian start-ups prove time and time again that they can become international players – probably also because of the high funding rate for (high-)tech start-ups and innovation. If they seek US investors in early funding rounds, this is often with the aim of leveraging strategic networking opportunities – especially when striving for entry to the US market. In the opposite direction, investments in Austrian start-ups are particularly interesting for US companies because of the know-how that can be acquired.”

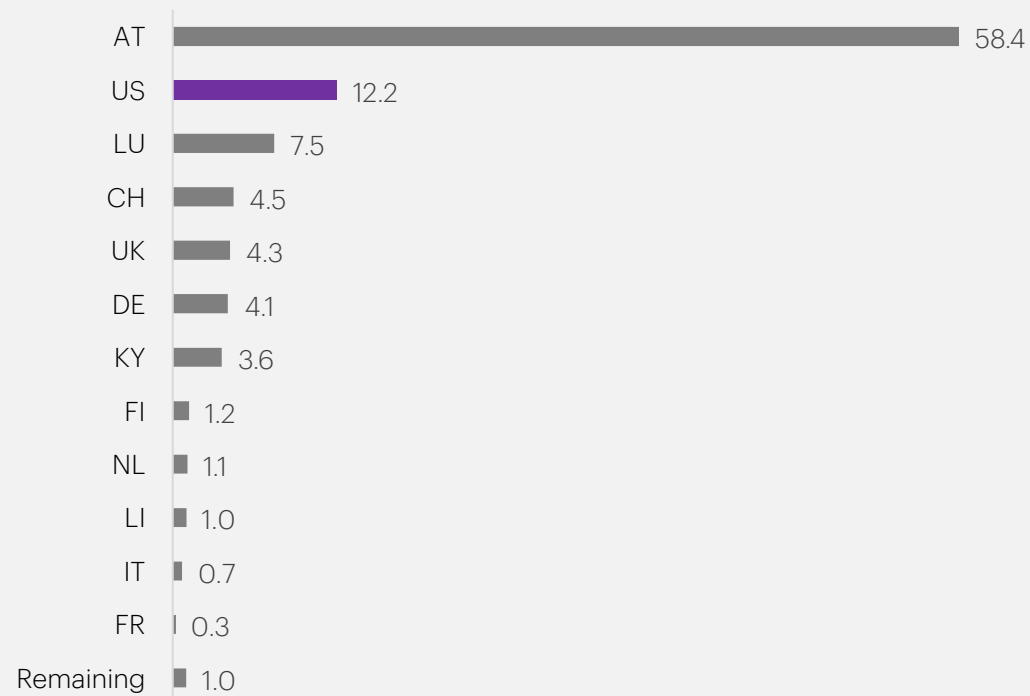
Linda Villarreal-Paierl

CEO, Paierl Consulting Beteiligungs-GmbH

US investors hold the second-largest number of shares in Austria's top 8 start-ups

Countries of origin of start-up investments in Austria

Average shares in %, top start-ups 2020-2021¹



Source: CapitalIQ, Accenture Research.

- Austrian investors hold an average share of 58.4% in the eight Austrian start-ups considered here.
- This means that Austrian VC investors hold by far the largest share.
- The second biggest partners for Austrian start-ups are VC investors from the US. Their average share in the start-ups considered here is 12.2%.
- VC investors from Luxembourg, Switzerland, the United Kingdom, and Germany also have substantial stakes in Austrian start-ups.



¹ Selection of start-ups with the highest investment volumes of the last two years: Bitpanda GmbH, GoStudent GmbH, Adverity GmbH, Storebox Holding GmbH, Refurbed GmbH, USound GmbH, Nuki Home Solutions GmbH, NEOOM AG

Company profile

GoStudent GmbH

GoStudent GmbH

Date and location founded	01/2016; 1020 Vienna
Employees	2,000+ staff / 20,000+ tutors
Locations	24 countries (including AT, DE, FR, ES, US)
Latest valuation	€3.0 billion (01/2022)
Major investors	Prosus, SoftBank, Left Lane Capital, DN Capital, Coatue, and DST Global
Business activity	Digital learning platform for online tutoring of students in selected subjects performed by tutors. Tuition is provided via the platform as a fee-based individual course.

Financing

Phase	Investment	US investors involved
Pre-seed 09/2016	€0.2 million	n/a
Venture 07/2018	€2.0 million	n/a
Series A 06/2020	€13.3 million	Left Lane Capital
Series B 03/2021	€70 million	Coatue Management, Left Lane Capital
Series C 06/2021	€205 million	Dragoneer Investment Group, Coatue Mgmt, Left Lane Cap.
Series D 01/2022	€300 million	Coatue Mgmt, Left Lane Cap., Dragoneer Investment Group

Three of the 13 investors in the education-tech company are from Austria, and another three are from the US.

Company profile

Adverity GmbH

Adverity GmbH

Date and location founded	02/2016; 1010 Vienna
Employees	300+ staff
Locations	3 countries (AT, UK, and US)
Latest valuation	n/a
Major investors	SVF II Motion Subco, Sapphire Ventures, Mangrove Investments
Business activity	Cloud-based analytics platform that enables companies to improve their marketing performance through data-driven marketing.

Financing

Phase	Investment	US investors involved
Series A 04/2018	€3.2 million	n/a
Series B 03/2019	€11 million	Sapphire Ventures
Series C 04/2020	€30 million	SAP.iO Fund, Sapphire Ventures
Series D 08/2021	€102 million	Sapphire Ventures

Two of the ten participating investors in the analytics company are from the US – three are from Austria.

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