

* Logistics: Just in Time

Dynamic Business Location

The Austrian business location stands out in international comparison. Companies profit from a good business environment, qualified employees and a modern infrastructure.



Austria ranks among the most prosperous and innovative countries in the European Union, and has more effectively coped with the economically turbulent period prevailing since 2008 than most other European nations. The business location scores points thanks to its modern infrastructure, top-notch technologies, well-educated and highly-motivated employees, and also offers a high reliability of energy supplies in addition to political, social and economic stability. Moreover, Austria is the ideal base for ensuring market access to the dynamic markets of South East and Eastern Europe.

A high quality infrastructure comprises the heart of a flourishing economic system. Austria not only boasts an optimal transportation mix and the European airport offering the most flight destinations to Eastern Europe, but also an outstanding logistics infrastructure. In spite of this good positioning, we are continually working on creating even better conditions on behalf of companies. In this spirit we would like to welcome you to Austria.

Reinhold Mitterlehner

Federal Minister of Science,
Research and Economy

Content

- 3 Austria = Eastern Europe Specialist
- 4 Top Notch Logistics Hub
- 5 Infrastructure at Its Very Best
- 8 Business-driven Research
- 9 Global Firms Manage Logistics from Austria
- 11 Systematic Approach to Service

Austria = Eastern Europe Specialist

Perfect location for logistics and distribution centers

Modern logistics location. Austria stands out due to its historically evolved role as a bridgehead to South East and Eastern Europe and its high quality logistics infrastructure. At the beginning of 2014 Deutsche Lufthansa relocated its distribution center for Eastern Europe from Budapest to Vienna, and the logistics specialist DAHMS solutions selected Austria as the hub of its new e-commerce logistics center from which it supplies online retailers throughout Europe. The two firms followed the example of numerous international companies such as Volvo, REWE, Fresenius Kabi and Charles Vögele which have selected Austria to be their distribution centers and logistics interfaces.

Top grades for Austria's infrastructure. The "International Business Compass 2014" of BDO and the Hamburg Institute of International Economics (HWWI) praises Austria's high logistics competence. The World Economic Forum (WEF) ranks Austria among the top ten (8th) and particularly emphasizes the quality of its electricity supply (4th globally), roads (6th) and railway network (12th). Moreover, the Global Competitiveness Report 2014 published by the Swiss management institute IMD says Austria's infrastructure demonstrates a high level of efficiency (12th globally) and is subject to continuous improvement (14th), which, amongst other factors, is being driven by the Infrastructure Framework Program 2014-2019.

All advantages at a glance. Logistics and infrastructure are decisive factors in selecting a business location. Austria offers the ideal prerequisites for globally operating companies:

- Central location in the heart of Europe
- High level of logistics competence
- Bridgehead function to South East and Eastern Europe
- Eastern European know-how of service providers and employees
- Efficient airports and leading East-West interface in European air traffic
- Low rental prices for storage space
- Excellent interaction of the various means of transport – intermodal terminals ensure the ideal combination of road, rail and waterway traffic
- Modal split above the EU average – 37% of goods are transported by the railway system
- 15 track border crossings with access to seven neighboring markets
- Connection to the North Sea and the Black Sea (Danube), to the Near East and Asia (hinterland hubs for Adriatic ports)
- Highly qualified logistics managers and specialized employees

Top Notch Logistics Hub

Austria offers a perfect business environment

The Alpine Republic of Austria – as the center of trading routes between East, West, North and South – boasts a dense infrastructure network for all means of transport with transport hubs in Vienna, Linz, Wels, Krems, Graz, Salzburg, Innsbruck, Villach, Klagenfurt and Bregenz.

Logistics competence. The infrastructure of Austria's logistics industry features modern terminals with high rack warehouses, ample freight handling facilities and good transport links. It goes without saying that the country offers a first-class communications infrastructure with broadband connections, nationwide mobile phone coverage and outstanding opportunities to conduct business electronically.

Highest level of efficiency at reasonable prices. Rental prices for storage space in Austria have tended to decline in recent years, according to the real estate company CB Richard Ellis, and now range from 4-5 euros per square meter. This compares favorably with prices in neighboring Eastern European countries.

In 2013, approximately 505 million tons of goods were transported in Austria, of which 325 million tons were trucked on the country's roadways and 95 million by the railway system. A further 11 million tons of freight were transported by ship, and 74 million tons via pipelines as well as 185,000 tons by air.



Prof. Martin Tschandl
FH JOANNEUM
University of Applied Sciences

“The well-trained specialized logistics employees comprise an immensely important success factor. Great importance is attached to qualifications in Austria at all educational levels up to logistics-oriented studies at universities (e.g. Steyr, Vienna, Leoben, Kapfenberg). The broad range of issues they deal with helps corporate networks to optimize tasks decisive for success, such as sales planning, procurement, storage optimization, production planning and management, transport logistics and supply chain management.”

Infrastructure at Its Very Best

Intermodal terminals link roads, railways and waterways

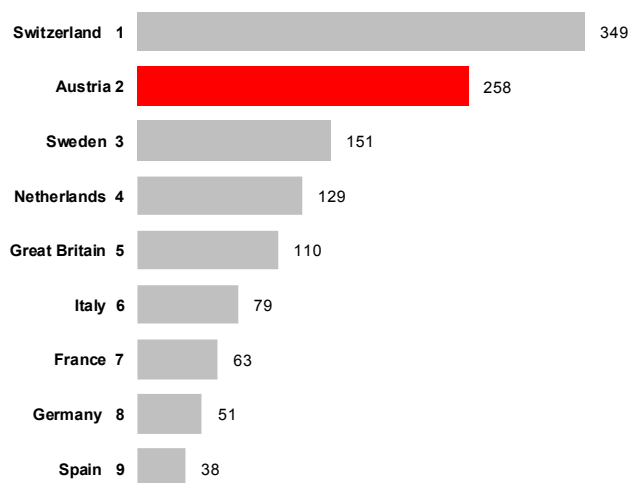
Austria features an excellent network of transport system and transshipment hubs. Inland ports on the Danube with a connection to the North Sea and the Black Sea, railway links to the large Adriatic ports, Vienna as the interface for air freight, especially to South East and Eastern Europe, and the excellent interaction of all these modes of transport provide the ideal pre-requisites for modern business. On balance, Austria has 26 intermodal terminals which ensure the optimal combination of road, rail and waterway traffic. Four further large rail terminals located in Wolfurt, Wörgl, Wels and Vienna will be expanded by 2017 at a cost of EUR 390 million.

Investments in the future. Ongoing investments safeguard Austria's long-term competitive advantages, and thus those of the companies operating here. The infrastructure offensive of the Austrian Government is being determinedly continued as demonstrated by the Infrastructure Framework Program 2014-2019, which involves investments of EUR 13.2 billion.

Austria is focusing on sustainability when it comes to optimizing its transport mix. 59% of goods are transported on the country's roads, 37% by the railways and 4% via waterway. On average, only 18% of all goods are transported by train in the EU. Austria is striving to attain a modal split of 40%. Austria ranks among the European frontrunners when it comes to investments in its railway infrastructure, which amount to EUR 258 per capita.

Railway Infrastructure Leaders

Per capita public investments in 2012 in EUR



Source: Pro-Rail Alliance on the basis of data supplied by BMVBS (Germany), VöV (Switzerland), BMVIT (Austria), SCl Verkehr GmbH

Fast trains

On a per capita basis, Austria's highly developed railway system, encompassing 5,651 km, is far above the EU average. In addition, 15 rail border crossings provide quick access to seven markets directly bordering on Austria: the Czech Republic, Slovakia, Hungary, Slovenia, Italy, Switzerland and Germany.

Rail Cargo Austria operates six transshipment stations in Vienna, Wels, Villach, Wolfurt and St. Michael. Another ten transshipment stations such as the **Container-Terminal Salzburg** are operated by private companies. The National Intermodal Network Austria (NINA) of Rail Cargo Austria links the busiest terminals in Austria with each other through its Wels hub. Thus **NINA** ensures that the terminals in Bludenz, Enns, Graz, Hall, Kapfenberg, Krems, Linz, Salzburg, St. Michael, Villach, Wels, Vienna and Wolfurt are linked.

→ www.railcargo.at

Cargo Center Graz: The Graz-Werndorf Freight Terminal assumes the role of a distribution center for the South East European region. International transport companies can make use of more than 130,000 m² of warehousing space. About 350 trucks and a total of 10-12 trains transporting more than 3,500 tons of freight are dispatched every day.

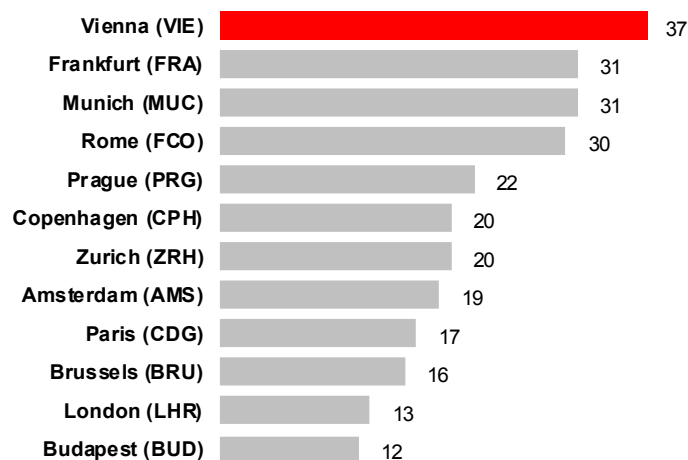
→ www.cargo-center-graz.at

Efficient air logistics in the heart of Europe

Vienna Airport is the leading East-West interface in European air traffic, offering a route network with flights to **37 destinations** in 23 Central and Eastern European countries, and 537 departures to the region each week. Vienna Airport is the ideal cargo partner in the heart of Europe for many companies, with 240 global destinations and 2,500 scheduled flights per week. All in all, six international airports operate in Austria.

Vienna takes off

Number of destinations in Central and Eastern Europe



Source: Vienna International Airport, 02/2014

A hundred freight shippers and logistics groups are currently capitalizing on the facilities available at VIE. A highly advanced Air Cargo Center (ACC) offers a perfect infrastructure to companies leasing space there. The value of locating around VIE is growing increasing thanks to its growing traffic, potential synergies with the companies already in the immediate area and its close proximity to the Danube port Albaner Hafen. In an international comparison, Vienna Airport offers relatively favorable terms and conditions for renting offices and warehouse space.

Direct water route – Transport links to the Asian growth markets

Strategically located along the Rhine-Main-Danube Canal, the most direct route between the North and Black Seas, Austria offers four ports in Vienna, Linz, Enns and Krems. The total cargo handled by Austria's harbour facilities along the Danube amounted to 11 billion tons in 2013. On the basis of investments totalling to EUR 95 million, the Port of Vienna is emerging as one of the most efficient hubs for the handling of goods in Central and South Eastern Europe by 2015. A total of 120 companies operate at the Port of Vienna Logistics Center. The Port of Vienna has achieved rapid growth transshipping 400,000 containers annually. Two container trains travel from Vienna to Koper each day thanks to the Port of Vienna's partnership with the "Luka Koper" harbor in Slovenia on the Mediterranean Sea, cutting seven days off freight transports to the Far East.

Inland hub for Adriatic ports: The federal province of Carinthia is the logistics interface in the Alpine-Adriatic region. A cooperation agreement with the so-called NAPA harbors, including Venice, Trieste, Ravenna, Koper and Rijeka, links the Baltic-Adriatic Axis. The southern ports serve as a gateway to the Middle and Far East, and reduce the transport distance by about 3,700 kilometers compared to the northern ports. The federal province of Carinthia offers the perfect infrastructure to optimally process the increased demand for goods to be shipped to Asian markets. The logistics center ALPLOG Carinthia at F rnitz near Villach aims at implementing a dry port concept. This serves as an inland transport hub, bundling transport flows to and from Adriatic ports.



"Managing logistics for Eastern Europe is cheaper from Vienna than from Prague or Budapest. And there is a frequent service each week to nearly every Eastern European destination from Vienna."

Business-driven Research

Business and research work side by side

Cluster and networks support companies and act as key service and contact points, for example to identify potential cost savings in the logistics process. The Logistics Cluster in Lower Austria or the Association for Network Logistics link the business and scientific communities.

Techbase Vienna. A highly-modern technology center for research and development in the field of transportation, logistics and renewable energy has been established in Vienna. Techbase Vienna's tenants will include the Austrian Research and Testing Center Arsenal, the Automotive Cluster Vienna Region (ACVR), as well as two universities of applied sciences degree programs in the fields of transportation and logistics.

→ www.techbase.at

V-Research Center. Long-term support for business research is the mission of the VResearch Center for Tribotronics and Technical Logistics GmbH in Vorarlberg. The range of services includes commissioned research and development, the coordination of joint business R&D projects and the expansion of know-how in next generation specialty fields.

→ www.v-research.at

University of Applied Sciences Upper Austria. One of the largest logistics competence centers links education, research and practice. Some 300 students complete Bachelor's or Master's courses. More than 80 research projects per year build a bridge between business and research.

→ www.logistikum.at

Highly qualified logistics managers with specialized training as well as specialists in the fields of IT, organization and telecommunications are available in sufficient numbers to international companies in Austria. This is ensured by university-level education, for example in Vienna, Steyr, Kapfenberg, Leoben and Linz, a logistics MBA from Danube University Krems as well as several courses of study at universities of applied sciences. The Master's study program in supply chain management at the Vienna University of Economics and Business is one of the best in the world according to the Eduniversal Best Masters Ranking 2012.



"Because 'logistics is people,' Austria offers outstanding training, from vocational programs in logistics to unique universities and schools of applied sciences, ensuring a large pool of skilled staff and a decided competitive advantage."

Global Firms Manage Logistics from Austria

International companies take advantage of its central location

Austria scores well with international companies due to its outstanding infrastructure as well as its unique Eastern European competence of Austrian employees and service providers. Austria's historically evolved role as a logistics bridgehead to the markets of Central and Eastern Europe is of particular importance.

Austria is a coveted logistics location for multinational companies

Company/Country	Business operations in Austria	Internet
REWE International / Germany	Manages logistics for 7 CEE countries with 3,600 stores from Austria	www.rewe-group.at
Arvato (Bertelsmann) / Germany	Logistics and repair center for mobile telephony, responsible for Croatia, Romania, Slovenia, Slovakia and Bulgaria	www.arvatohightech.com
Escada / Germany	Sole logistics center in the world	www.escada-logistik.com
Lufthansa / Germany	Relocated CEE distribution center from Budapest to Vienna in 2014	www.lufthansa.com
Charles Vögele / Switzerland	One of its two global logistics centers is located in Graz	www.charles-voegele.at
Burton / USA	European logistics center in Innsbruck	www.burton.com
Armada Ski / USA	European logistics center in Innsbruck	www.armadaskis.com
SCOTT Sports SA / USA	Logistics hub Innsbruck	www.scott-sports.com/at/de/
DB Schenker / Germany	Regional Head Office for South East Europe, responsible for 14 CEE and SEE markets	www.schenker.at
Kuehne + Nagel / Switzerland	Responsibility for 12 CEE and SEE countries	www.kuehne-nagel.at
Fresenius Kabi / Germany	Logistics interface for CEE markets	www.fresenius-kabi.at
Volvo Cars / Sweden	Central spare parts warehouse for neighboring CEE markets, delivery within 24 hours	www.volvocars.com/at
PSA Peugeot Citroën / France	Logistics center and central storage facility in Spillern for 800 car dealers in CEE and Austria	www.citroen.at
MKC Logistics / Korea	The logistics service provider coordinates business in the Czech Republic, Poland and Slovakia from Austria	www.mkc-logistics.com



Klaus Lippstreu of DB Schenker names the following decisive factors driving his company's choice of Austria as a base for operations:

- Vienna's optimal connections to all transportation carriers.
- Vienna International Airport's positioning as the perfect East-West hub.
- The superb rail and highway network connections to Eastern Europe.
- Vienna's unique infrastructure supporting warehouse space.
- Small goods distribution: many freight companies offer shipments from Vienna to Eastern Europe, many of them daily.
- Specific training programs ensure the availability of qualified personnel.

The most important logistics providers

Company	Branch offices	Internet
Austrian Post	Nationwide	www.post.at
Rail Cargo Austria (RCA)	16 terminals for intermodal transport, 14 logistics centers	www.railcargo.at
Lkw Walter	Vienna/Tyrol, Europe, CIS and the Middle East	www.lkw-walter.at
Schenker & Co.	12 in Austria	www.schenker.at
Kühne & Nagel Eastern Europa	12 in Austria	www.kn-portal.com
Gebrüder Weiss	162 worldwide, of which 30 in Austria	www.gw-world.com
Cargo Partner	100 worldwide; 18% of employees in Austria, 44% in Eastern Europe	www.cargo-partner.com
JCL	60 worldwide	www.jcl-logistics.com

Source: Trend 500

The Best Contact Partner for Business Location Issues

As a consulting company set up by the Republic of Austria, ABA-Invest in Austria (ABA) is the top choice of international investors

- **Experienced investment consultants** personally serve you and provide all the necessary contacts required in Austria. Contact us when you start to consider expanding so that we can provide you with optimal support.
- ABA-Invest in Austria offers **customized information** on Austria as a business location – sectors, technologies and markets, political and economic conditions.
- We are happy to advise you on important issues relating to **site selection** such as labor and tax regulations, incentives or real estate prices.
- Employees of ABA-Invest in Austria assist and support you in **handling formalities** such as applying for public funding or operating licenses – also in cooperation with the regional investment promotion agencies in the federal provinces.
- ABA-Invest in Austria also provides extensive services to support expansion investments **after project completion**.
- **Award-winning ABA.** ABA-Invest in Austria has won several awards for its consulting services: World's Best Investment Promotion Agency, World Bank Benchmarking (2009); Global Leader in Online Investment Promotion, World Bank Benchmarking (2012); Second-Best Investment Promotion Agency and third-place award for its program to strengthen Austria as a headquarters location, FDI World Forum (2013).

ABA – Invest in Austria

Opernring 3
A-1010 Vienna
Tel.: +43-1-588 58-0
Fax: +43-1-586 86 59
E-Mail: office@aba.gv.at

Internet:

www.investinaustria.at
www.investinaustria.cn
www.investinaustria.jp
www.investinaustria.ru