



European  
Investment  
Bank

*The EU bank*



**Austria**

## EIBIS 2016

EIB Group Survey on  
Investment and  
Investment Finance 2016

Country Overview

## EIB Group Survey on Investment and Investment Finance Country Overview: Austria

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### About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment and Investment Finance is a unique, EU-wide, annual survey of 12,500 firms. It collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face. Using a stratified sampling methodology, EIBIS is representative across all 28 member States of the EU, as well as for firm size classes (micro to large) and 4 main sectors. It is designed to build a panel of observations to support time series analysis, observations that can also be linked to firm balance sheet and profit and loss data. EIBIS has been developed and is managed by the Economics Department of the EIB, with support to development and implementation by Ipsos MORI. For more information see: <http://www.eib.org/eibis>.

### About this publication

This Country Overview is one of a series covering each of the 28 EU Member States, plus an EU-wide overview. These are intended to provide an accessible snapshot of the data. For the purpose of these publications, data is weighted by value-added to better reflect the contribution of different firms to economic output. Contact: [eibis@eib.org](mailto:eibis@eib.org).

### About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The Department, a team of 30 economists, is headed by Debora Revoltella, Director of Economics.

### Main contributors to this publication

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### Disclaimer

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

### About Ipsos Public Affairs

Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organizations. Its c.200 research staff in London and Brussels focus on public service and policy issues. Each has expertise in a particular part of the public sector, ensuring we have a detailed understanding of specific sectors and policy challenges. This, combined with our methodological and communications expertise, helps ensure that our research makes a difference for decision makers and communities.

# EIBIS 2016 – COUNTRY OVERVIEW

## Austria

The annual EIB Group Survey on Investment and Investment Finance (EIBIS) is an EU-wide survey of 12 500 firms that gathers quantitative information on investment activities by both SMEs and larger corporates, their financing requirements and the difficulties they face.

As the EU bank, the EIB Group responds to the need to accelerate investment to strengthen job creation and long-term competitiveness and sustainability across all 28 EU member States. EIBIS helps the EIB to contribute to a policy

response that properly addresses the needs of businesses, promoting investment.

This country overview presents selected findings based on telephone interviews with 477 firms in Austria in 2016 (July–October). **Note:** The results are weighted by value-added, reflecting firms' contribution to the economy.

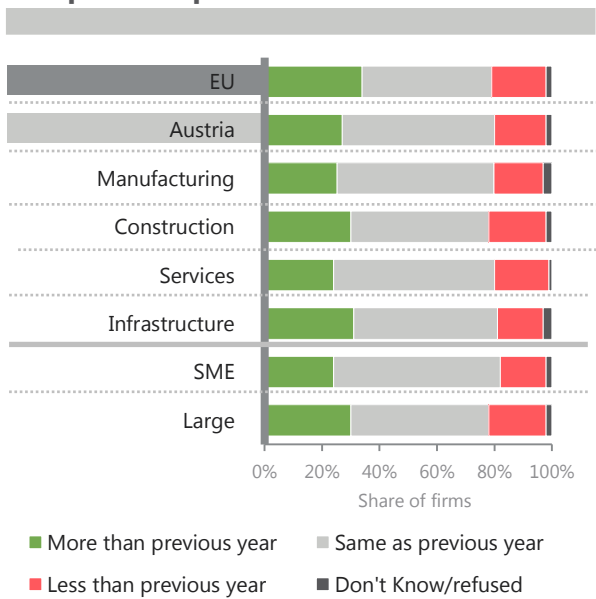
### Key results

<b>Investment outlook:</b>	<b>High investment, expanding:</b> 86% of firms invested in the last financial year. 72% of firms plan to invest at least as much as last year in the current year, and 34% expect an increase compared with 25% expecting to reduce their investment. Firms in Austria rank among the highest in the EU in terms of their proportions of machinery and equipment owned that is state-of-the-art and commercial building stock that meets high energy efficiency standards.
<b>Investment activity:</b>	<b>49% of investment was in machinery and equipment</b> in the last financial year. 46% of firms prioritise investing in replacement in the next 3 years. 16% of firms invested in another country, one of the highest shares in the EU.
<b>Investment gap:</b>	<b>87% firms invested about the right amount</b> over the last three years. Austria has the lowest share of firms in the EU who believe they invested too little in that time.
<b>Investment barriers:</b>	<b>Political and regulatory climate is the main barrier to investment.</b> On balance, the political and regulatory climate has been more detrimental to investment in Austria than the EU average, and was a particular barrier for firms that say they invested too little. Business and labour market regulations and skill mismatches are the most common barriers to investment in the short-term.
<b>External finance:</b>	<b>Majority of firms are satisfied with various aspects of external finance:</b> Overall 6% of firms consider themselves to be finance constrained, similar to the EU average.
<b>Firm performance:</b>	<b>Firms have significantly higher productivity compared to the EU average.</b> Job creation has been stagnant.

# INVESTMENT DYNAMICS

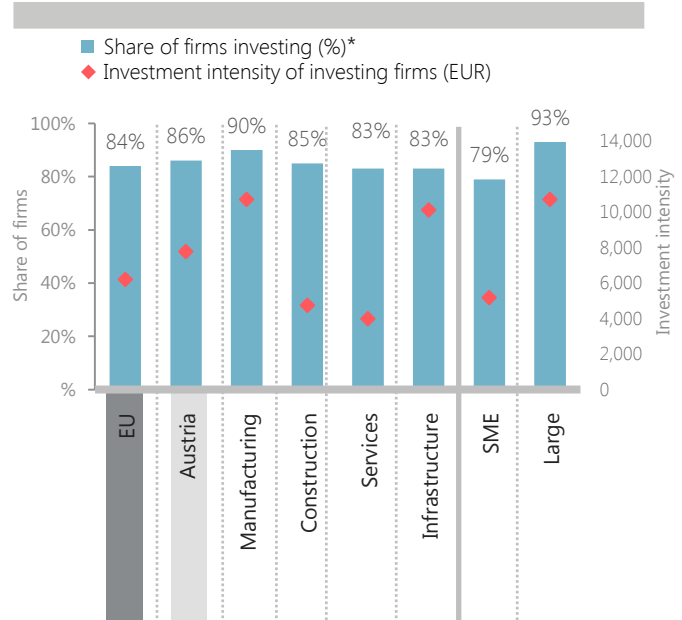
- A high share of firms in Austria invested last year, and the investment intensity was among the highest in the EU. Overall 90% of firms in manufacturing and 93% of large firms in Austria invested last year.
- Domestic demand has strengthened recently, including a recovery in investment. Household mortgage borrowing and residential construction investment activity has picked up. Infrastructure investment has remained broadly stable over recent years.

## Investment activity in last financial year compared to previous



**Base:** All firms who invested in the last financial year  
**Q.** Overall was this more, less or about the same amount of investment as in the previous year?

## Investment activity in last financial year

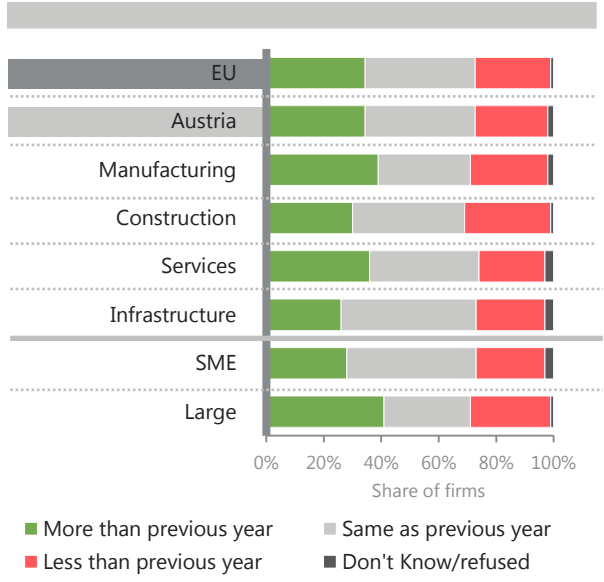


**Base:** All firms (excluding don't know/refused responses)  
 \*The blue bars indicate the proportion of firms who have invested in the last financial year.  
 A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities.  
 Investment intensity is the median investment per employee of investing firms.

- More than half (53%) of firms in Austria invested the same amount in the last financial year compared to the previous year. Only 27% of firms invested more than in the previous year, below the EU average, but the proportion of firms reducing their investment is in line with the EU as a whole.
- Differences by size or sector of firm are not large enough to be statistically significant.

- One in three firms (34%), both in Austria and in the EU as a whole, expect their investment to increase in the current financial year, an improvement in Austria from the year before. The share of firms expecting to reduce their investment in the current year in Austria (25%) is also similar to the EU overall (26%).
- Large firms in Austria are more likely than SMEs to expect to increase investment in the current financial year.

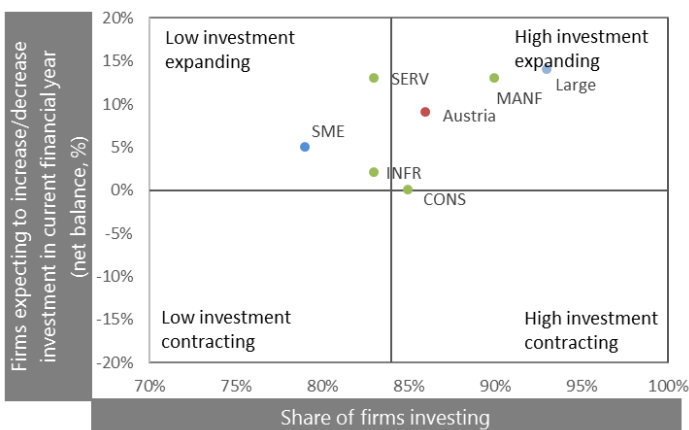
### Expected investment in current financial year compared to last one



**Base:** All firms

Data is derived from two questions: firms who had invested in the last financial year were asked if they expect to invest more, around the same amount or less than last year; firms who had not invested in the last financial year were asked if they had already invested, or expect to invest in the current year

### Investment cycle



**Base:** All firms

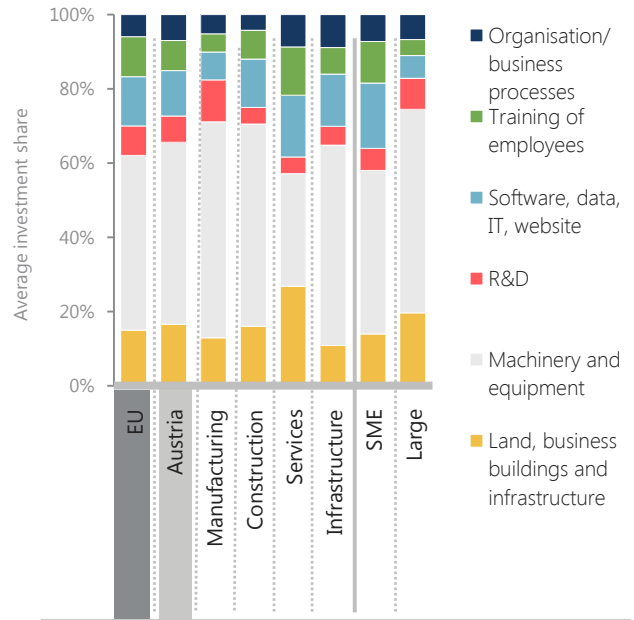
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500.

- Most firms in Austria are placed in the high and expanding investment phase of the investment cycle.

# INVESTMENT ACTIVITY

- Most investment activity in Austria in the last financial year was in machinery and equipment (49%), followed by land, business buildings and infrastructure (17%). The pattern is broadly similar to the EU as a whole.
- Services firms in Austria invest more than average in land, business buildings and infrastructure, as well in training of employees.

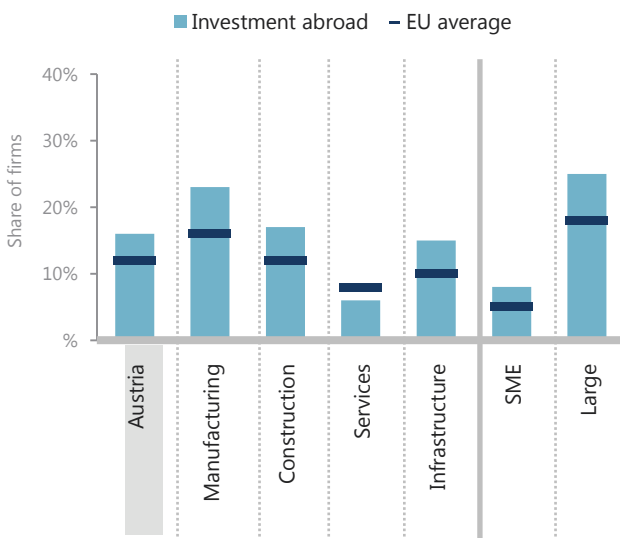
## Investment areas



**Base:** All firms who have invested in the last financial year (excluding don't know/refused responses)

**Q:** In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

## Investment abroad

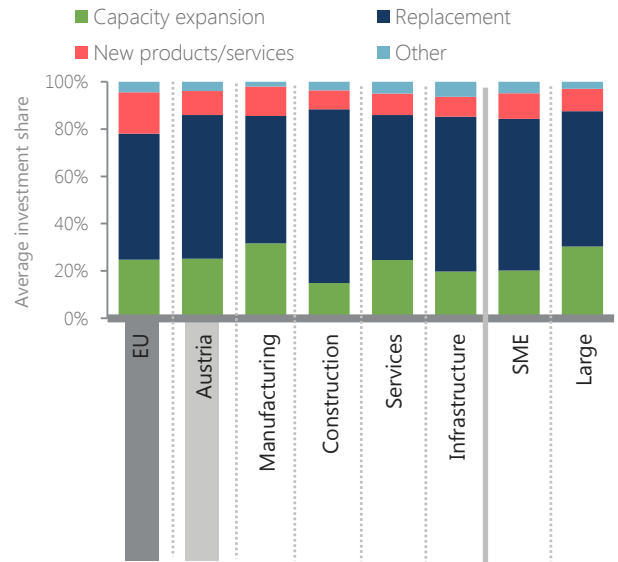


**Base:** All firms who invested in the last financial year  
**Q:** In the last financial year, has your company invested in another country?

- Overall 16% of firms in Austria have invested in another country, one of the highest shares in the EU.
- The international investment behaviour of Austrian firms reflects the fact that Austria is a relatively capital rich economy, with persistent current account surpluses and a strengthening international investment position.

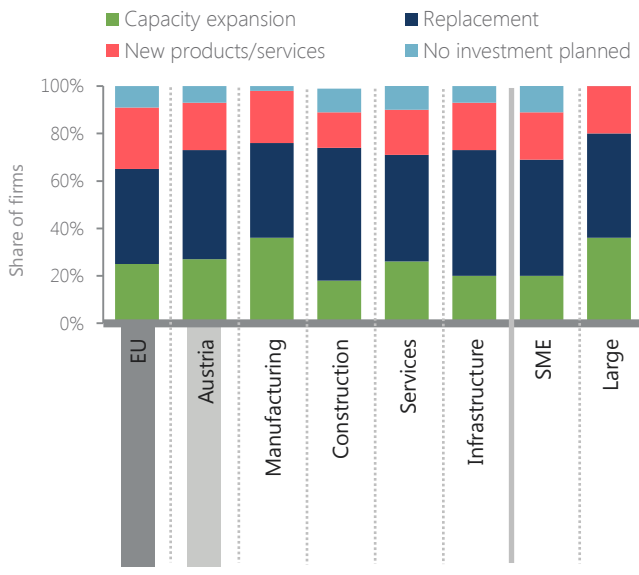
- A majority of investment in Austria in the last financial year was driven by the need to replace existing buildings, machinery, equipment and IT, which at a 61% share of total investment was above the EU average. Investment in new products/services lagged behind the EU as a whole.
- Replacement was highest in the construction sector in Austria. Large firms were more likely than SMEs to invest in capacity expansion.

### Purpose of investment in last financial year



**Base:** All firms who invested in the last financial year (excluding don't know/refused responses)  
 Q. What proportion of total investment was for (a) replacing existing buildings, machinery, equipment, IT (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

### Future investment priorities



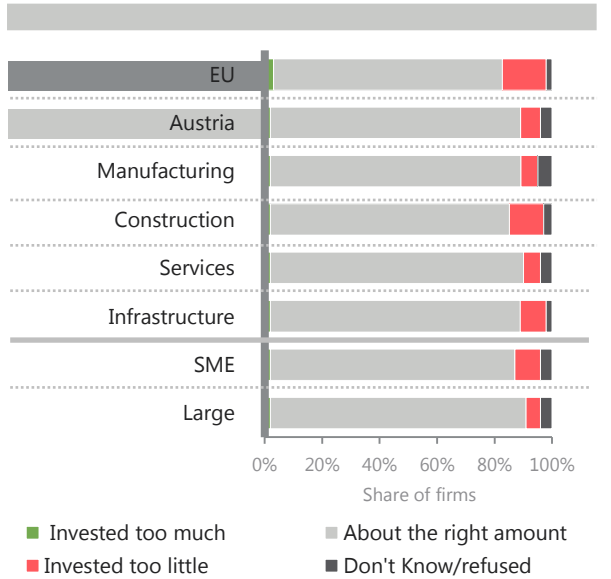
**Base:** All firms (excluding don't know/refused responses)  
 Q. Looking ahead to the next 3 years, which of the following is your investment priority (a) replacing existing buildings, machinery, equipment, IT (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

- For 46% of all firms in Austria and for 56% of firms in construction sector that plan to invest in the next three years, the priority is replacing existing buildings, machinery, equipment and IT.
- Manufacturing firms and large firms in Austria are more likely than others to prioritise capacity expansion.

# INVESTMENT NEEDS

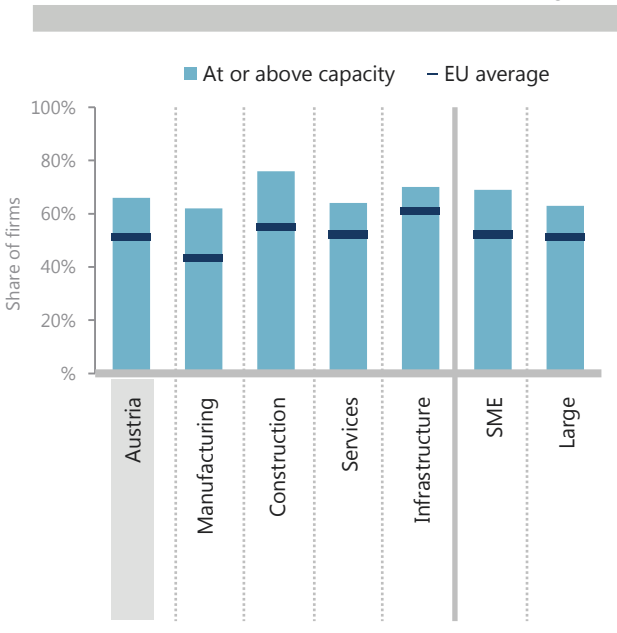
- Overall 87% of firms in Austria believe their investment over the last three years was about the right amount – the highest share in the EU.
- At just 7%, Austria has the lowest share of firms in EU who believe that they invested too little over the last three years.

## Perceived investment gap



**Base:** All firms (excluding 'Company didn't exist three years ago' responses)  
 Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount to ensure the success of your business going forward?

## Share of firms at or above full capacity



- Two in three firms in Austria (66%) report operating above or at maximum capacity in the last financial year – the third highest share in the EU as a whole.
- 76% of construction firms, 62% of manufacturing firms, and 69% of SMEs in Austria report to be operating at or above full capacity, significantly higher than the equivalent EU averages.

**Base:** All firms (data not shown for those operating somewhat or substantially below full capacity)

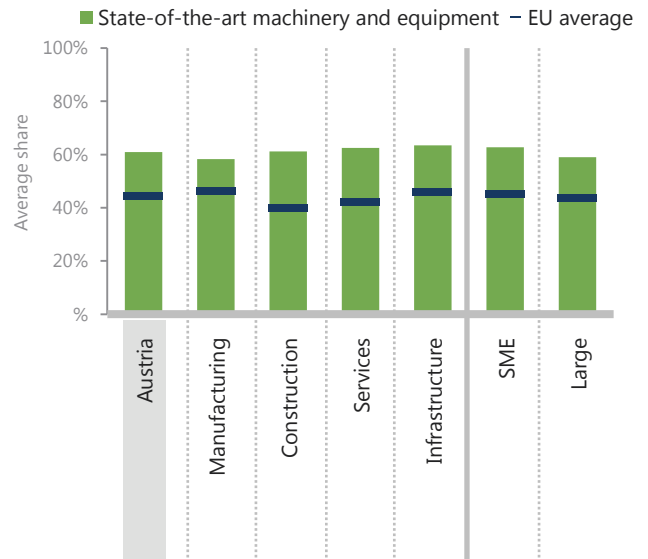
Full capacity is the maximum capacity attainable under normal conditions e.g., company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable under normal circumstances?



- Firms in Austria consider 61% of the machinery and equipment they own to be state-of-the-art, versus 44% for EU firms overall.
- Austria ranks second highest in the EU in terms of the average share of the state-of-the-art machinery and equipment.

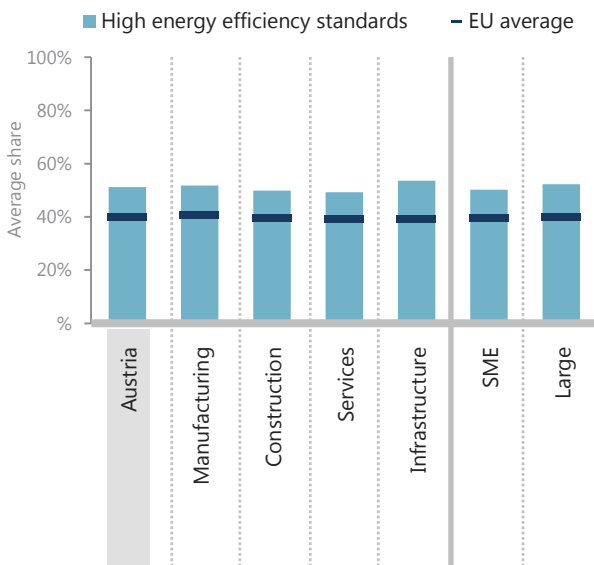
### Average share of state-of-the-art machinery and equipment



**Base:** All firms

Q. What proportion, if any, of your machinery and equipment, including ICT, would you say is state-of-the-art?

### Average share of building stock meeting high energy efficiency standards



**Base:** All firms

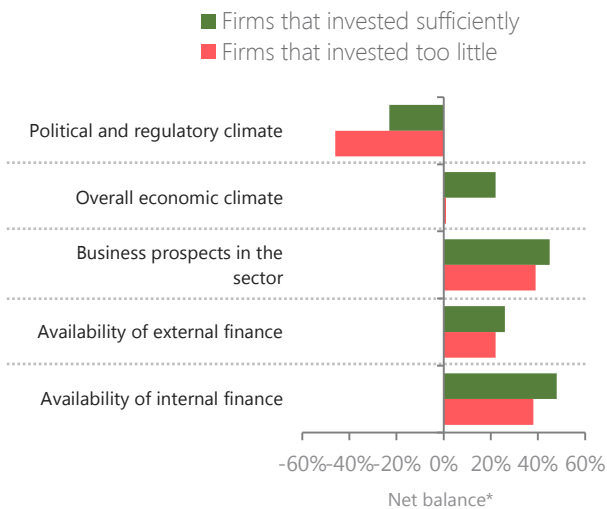
Q. What proportion, if any, of your commercial building stock satisfies high or highest energy efficiency standards?

- On average, firms in Austria say 51% of their building stock satisfies high energy efficiency standards, compared to the EU average of 40%.
- Austria ranks third highest in the EU as a whole in terms of the energy efficiency standards of the commercial building stock.

# INVESTMENT CONSTRAINTS

- The political and regulatory climate is cited as the main barrier to implementing planned investment in Austria.
- On the other hand, sector business prospects and the availability of internal finance are on balance the most positive influences on investment.
- Availability of external finance is on net balance less positive in Austria than for the EU as a whole.

## Short term influences by investment performance

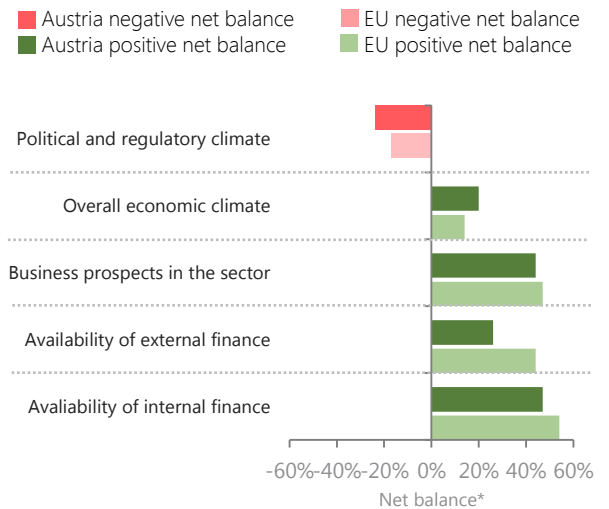


**Base:** All firms who have planned to invest in the current financial year and who invested too much, about the right amount or too little in the last financial year (excluding don't know/refused/company didn't exist three years ago responses)

Q. How do each of the following affect your ability to carry out your planned investment. Does it affect it positively or negatively, or make no difference at all?

\* Net balance is the share of firms seeing a positive effect minus the share of firms seeing a negative effect

## Short term influences on investment



**Base:** All firms who have planned to invest in the current financial year

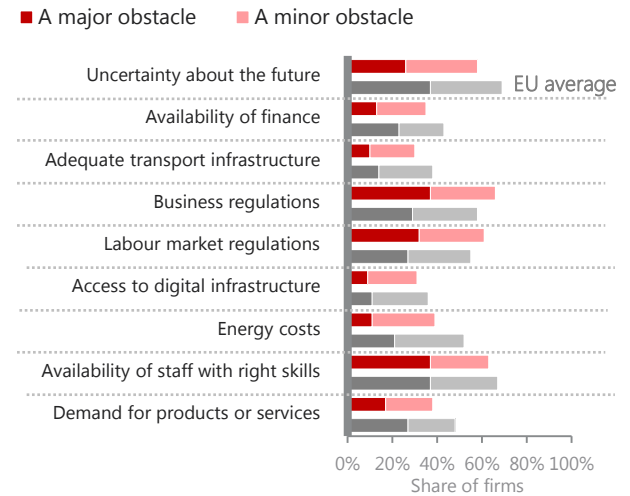
Q. How do each of the following affect your ability to carry out your planned investment. Does it affect it positively or negatively, or make no difference at all?

\* Net balance is the share of firms seeing a positive effect minus the share of firms seeing a negative effect

- On balance, the political and regulatory climate has been a particularly negative influence for firms in Austria that consider they invested too little in the last financial year.
- Firms that invested too little are also less positive than firms that invested sufficiently about other potential influences on their investment.

- Firms in Austria consider business and labour market regulations, availability of staff with the right skills and uncertainty about the future as the main structural barriers to investment over the longer-term. More firms in Austria than the EU average regard business and labour market regulations as a major obstacle to investment, which may also indicate a relatively high administrative burden on Austrian companies.

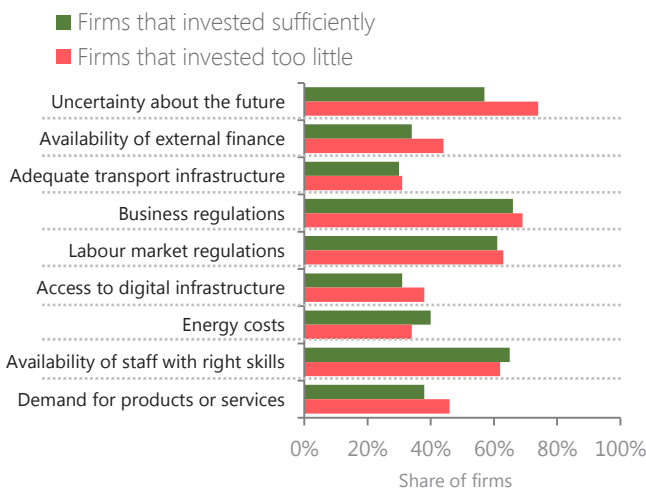
## Long term barriers to investment



**Base:** All firms (data not shown for those who said not an obstacle at all/don't know/refused)

Q. Thinking about your investment activities in Austria, to what extent is each of the following an obstacle? Is a major obstacle, a minor obstacle or not an obstacle at all?

## Long term barriers by investment performance



**Base:** All firms who invested too much, about the right amount or too little in the last financial year (excluding don't know/refused/company didn't exist three years ago responses), data shown for firms who said each was a major or minor obstacle

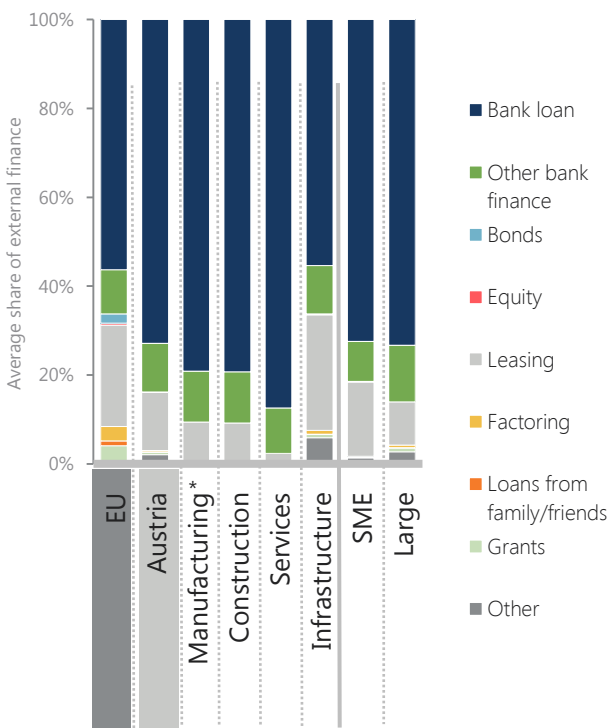
Q. Thinking about your investment activities in Austria, to what extent is each of the following an obstacle? Is a major obstacle, a minor obstacle or not an obstacle at all?

- For firms that report their investment to be below their needs, the main obstacle is uncertainty about the future, followed by business and labour market regulations and availability of staff with the right skills.

# INVESTMENT FINANCE

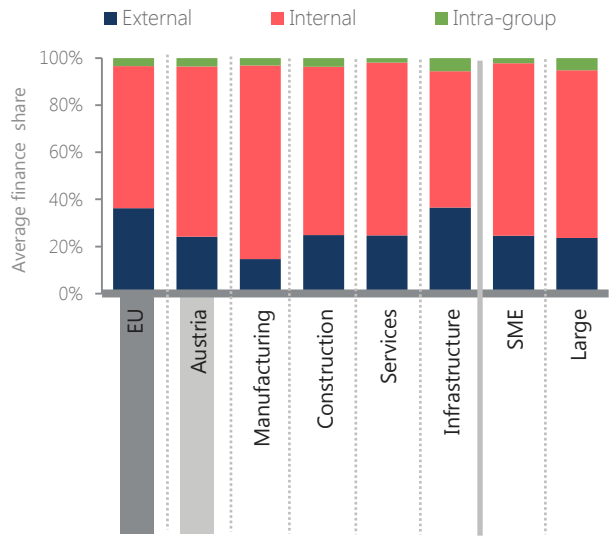
- Firms in Austria rely to a large extent on internal funds to finance their investment activities (a 72% share, compared to 60% for the EU as a whole). In the manufacturing sector, the share of finance accounted for by internal finance amounts to 82%.
- Bank loans are the most common source of external finance, particularly for services but less so for infrastructure.
- Satisfaction with all aspects of external finance is fairly high in Austria.

## Type of external finance used for investment activities



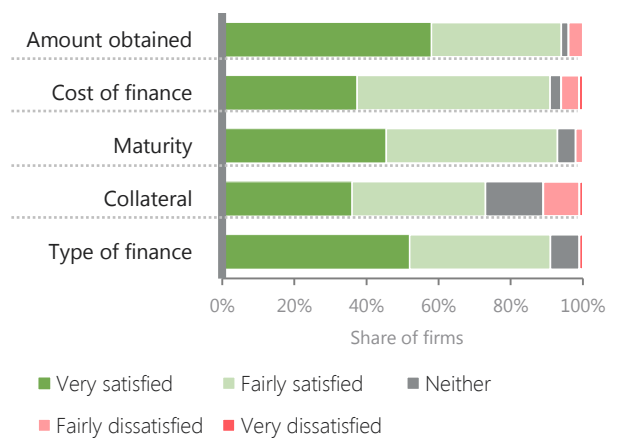
**Base:** All firms who used external finance in the last financial year (excluding don't know/refused responses)  
**Q:** Approximately what proportion of your external finance does each of the following represent?  
 \*Caution very small base size less than 30

## Source of investment finance



**Base:** All firms who invested in the last financial year (excluding don't know/refused responses)  
**Q:** Approximately what proportion of your investment in the last financial year was financed by each of the following?

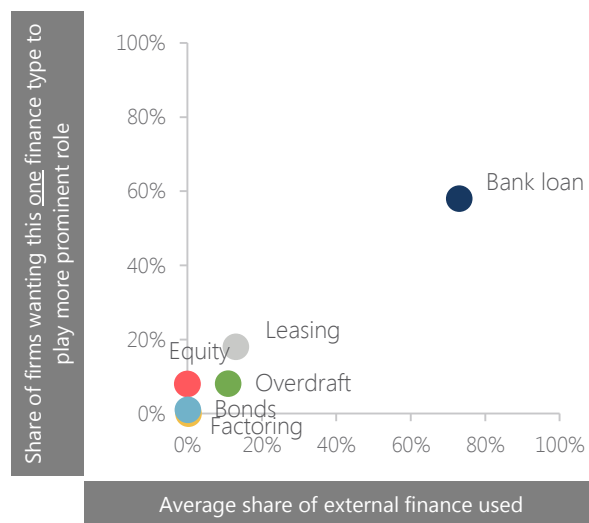
## Satisfaction with external finance



**Base:** All firms who used external finance in the last financial year (excluding don't know/refused responses)  
**Q:** How satisfied or dissatisfied are you with ...?

- Overall firms in Austria want more of the type of external finance they are already using, in particular bank loans.

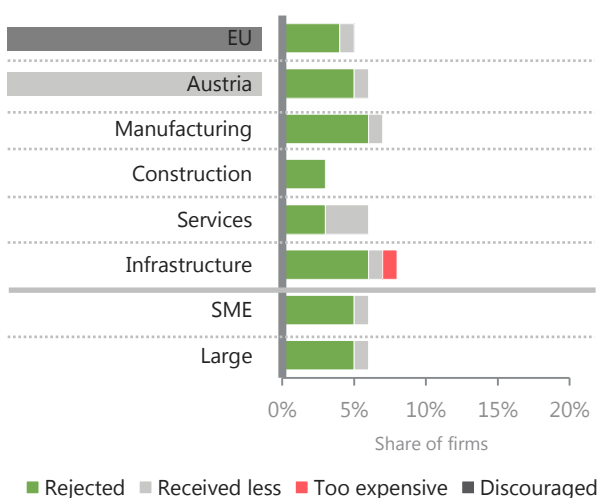
### Types of finance used versus the one type of finance firms want to use more



**Base:** All firms who used external finance in the last financial year (excluding don't know/refused responses)

Data is derived from two questions: firms were first asked about the types of external finance used in the last financial year and then which one type of external finance they would want to have a more prominent role over the next 3 years

### Share of finance constrained firms

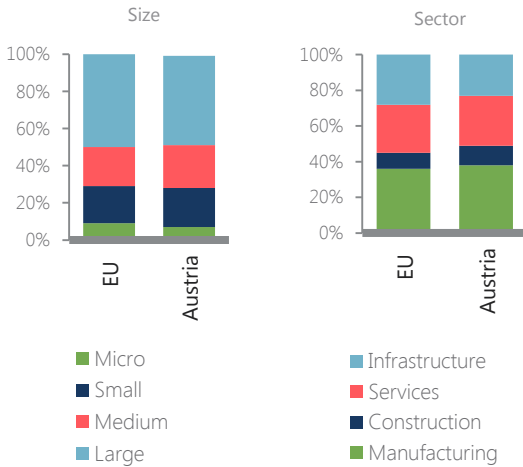


**Base:** All firms  
Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

- 6% of Austrian firms can be considered finance constrained, compared to 5% across the EU as a whole.
- The proportion of finance constrained firms is highest in the infrastructure and manufacturing sectors.

# PROFILE OF FIRMS

## Contribution to Value-Added

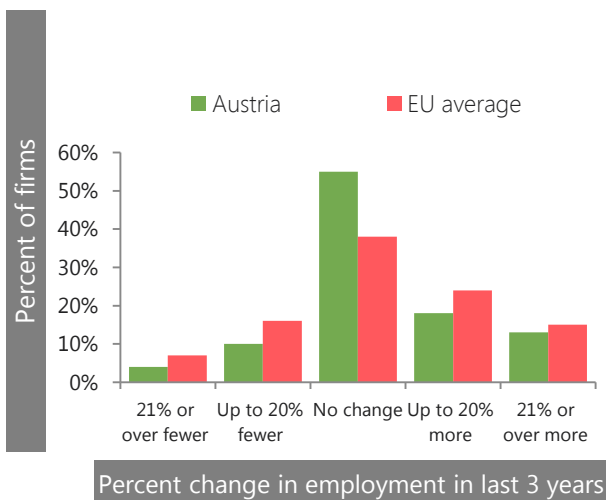


**Base:** All firms

The charts reflect the relative contribution to value-added by firms belonging to a particular size class / sector in the population of firms considered. That is, all firms with 5 or more employees active in the sectors covered by the survey. Micro: 5-9 employees; Small: 10-49; Medium: 50-249; Large: 250+.

- The manufacturing sector has the largest share of contribution to value-added in Austria and the EU.
- Job creation has been relatively stagnant compared to the EU average – the majority of firms exhibit no employment change
- Firms in Austria in aggregate have among the highest shares of firms in the top two EU productivity quantiles. In particular, almost 33% of Austrian manufacturing firms and 28% of services firms fall into the top EU (sector specific) productivity quantiles.

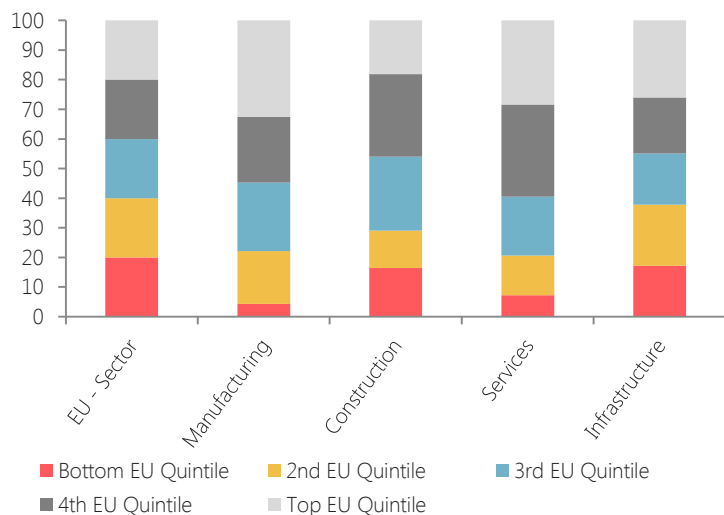
## Employment dynamics in last 3 years



**Base:** All firms (excluding don't know, refused and missing responses)

Q. Thinking about the number of people employed by your company, by how much has it changed in the last 3 years?

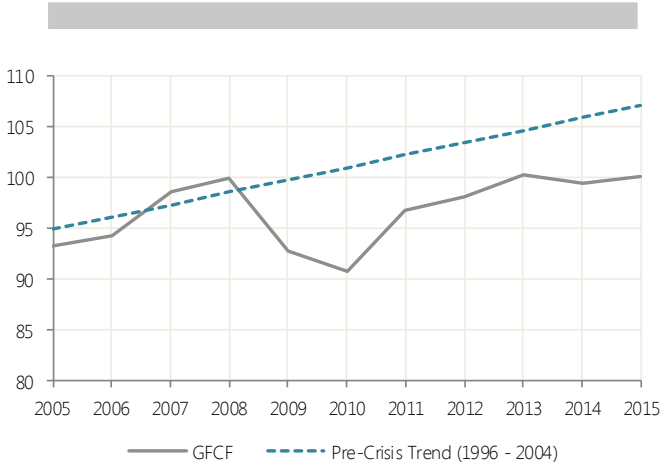
## Distribution of firms by productivity class



Share of firms by productivity class (Total Factor Productivity). Productivity classes are sector specific; they are defined on the basis of the entire EU sample (for a particular sector).

# MACROECONOMIC INVESTMENT CONTEXT

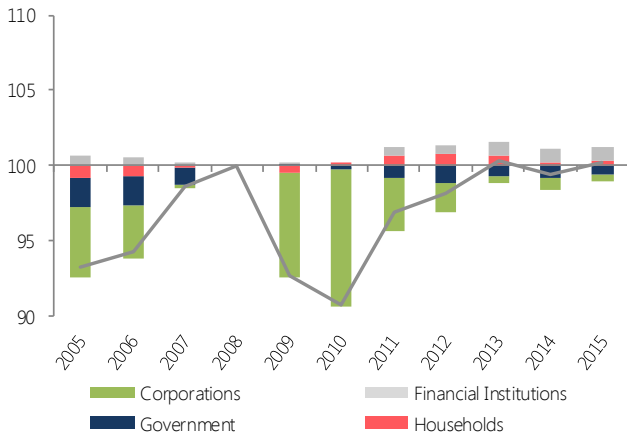
## Investment Dynamics over time



The graph shows the evolution of total Gross Fixed Capital Formation. (in real terms); against the series 'pre-crisis trend'. The data has been indexed to equal 100 in 2008. Source: Eurostat.

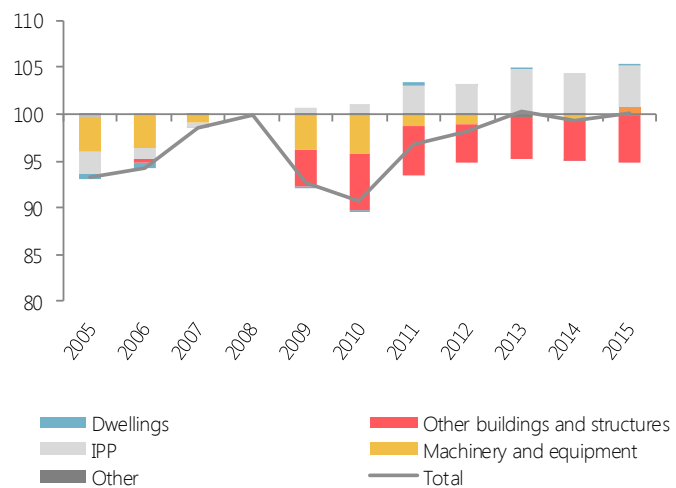
- Gross fixed capital formation has already reached the pre-crisis level, but is still lagging behind the level that would have been achieved with the pre-crisis trend growth rate.
- Corporate investment contributed the most to the investment slump during the crisis, although it has almost fully recovered by now.
- Intellectual property products, a large part of which is R&D, have contributed positively to the recovery of real investment.

## Investment Dynamics by Institutional Sector



The graph shows the evolution of total Gross Fixed Capital Formation. (in real terms); by institutional sector. The data has been indexed to equal 100 in 2008. Source: Eurostat.

## Investment Dynamics by Asset Class



The graph shows the evolution of total Gross Fixed Capital Formation. (in real terms); by asset class. The data has been indexed to equal 100 in 2008. Source: Eurostat.

# EIBIS 2016 – COUNTRY TECHNICAL DETAILS

The final data are based on a sample, rather than the entire population of firms in Austria, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

## Approximate sampling tolerances applicable to percentages at or near these levels

	EU	Austria	Manu- facturing	Cons- truction	Services	Infras- tructure	SME	Large	EU vs Country	Manufacturing vs Construction	SME vs Large
	(12483)	(477)	(118)	(120)	(120)	(119)	(358)	(119)	(12483 vs 477)	(118 vs 120)	(358 vs 119)
10% or 90%	1.0%	2.7%	4.8%	5.4%	5.3%	5.0%	2.9%	4.6%	2.8%	7.2%	5.4%
30% or 70%	1.5%	4.1%	7.4%	8.2%	8.0%	7.6%	4.4%	7.1%	4.4%	11.0%	8.3%
50%	1.7%	4.5%	8.1%	8.9%	8.8%	8.3%	4.8%	7.7%	4.8%	12.0%	9.1%

## Glossary

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Productivity	Total factor productivity is a measure of how efficiently a firm is converting inputs (capital and labor) into output (value-added). It is estimated by means of a country-by-country regression analysis (with industry dummies).
Manufacturing sector	Based on the NACE classification of economic activities, firms in group C (manufacturing).
Construction sector	Based on the NACE classification of economic activities, firms in group F (construction).
Services sector	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
Infrastructure sector	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.



# EIBIS 2016 – COUNTRY TECHNICAL DETAILS

## Base sizes

Base definition and page reference	EU	Austria	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p. 6, p. 7, p. 9, p. 11, p. 12, p. 13	12483	477	118	120	120	119	358	119
All firms (excluding don't know/refused responses), p. 2	11838	412	99	105	104	104	316	96
All firms (excluding those who have no investment planned/don't know/refused responses), p. 5	12159	443	105	115	113	110	333	110
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	12453	476	118	120	119	119	357	119
All firms (excluding don't know, refused and missing responses), p. 13	12162	463	110	119	117	117	353	110
All firms who invested in the last financial year, p. 2	12281	436	109	110	106	111	327	109
All firms who invested in the last financial year, p. 4	10881	377	96	91	95	95	277	100
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4	10060	315	70	76	83	86	241	74
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5	9682	327	83	83	76	85	242	85
All firms who invested in the last financial year (excluding don't know/refused responses), p. 10	9093	310	72	82	73	83	238	72
All firms who have planned to invest in the current financial year and who invested too much, about the right amount or too little in the last financial year (excluding don't know/refused/company didn't exist three years ago responses), p. 8	10536	410	N/A	N/A	N/A	N/A	N/A	N/A
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 10, p. 11	4344	131	23	30	31	47	92	39

## Percentage rounding

Percentage with value of less than 0.5 but greater than zero has not been displayed in the charts.










**European  
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*The EU bank*

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