



Advanced Manufacturing in Austria

Population: 8.6 million (2015 est)
GDP: \$374.2 billion (2015 est)
GDP per capita: \$43,711 (2015 est)
Currency: Euro
Language: German



Austria has one of the European Union's most prosperous economies and is home to a manufacturing sector which accounts for 18% of GDP (2014). Over 60% of its manufactured goods are exported, making Austria one of the most export-oriented countries in Europe. Austria, along with Germany, Sweden and Ireland, is a European frontrunner in the move toward advanced manufacturing, or manufacturing 4.0.

Currently, one in four Austrian manufacturers already reports a high level of digitalization throughout internal and external value chains; by 2020, 85% plan to be highly digitalized. According to a recent study based on in-depth interviews with 100 Austrian manufacturers, Austrian companies are expected to invest almost 4% of annual turnover or over \$4 billion in advanced manufacturing solutions between now and 2020. Best prospects include identification systems such as RFID, equipment for data collection and processing, and ITC programs and infrastructure that will ultimately enable self-managed production in near real time based on inputs from production, supply, and customers.

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| Socio-economic Drivers | <ul style="list-style-type: none">• When the average share of manufacturing as a percent of European GDP fell to 15% in 2012 (and down to 10% and less for some countries including the UK and France), the EU set a goal of re-industrializing in order to sustain prosperity and regain high-value employment opportunities.• Advanced manufacturing is seen as a way for high-wage countries to produce higher quality at lower cost and thus better compete with low-wage manufacturing destinations |
| Expectations | <ul style="list-style-type: none">• Companies expect to see a 20% production cost reduction through improved production and resource efficiencies• Companies see opportunities for new digitalized products and services that will provide significant additional income streams• Companies predict that within five years, over 85% of Austrian manufacturing companies will have implemented high levels of digitalization both for internal processes and b2b value chains, up from 20% (internal) and 30% (b2b) in 2015 |
| Challenges | <ul style="list-style-type: none">• Digital factories require a high initial investment• Workforce qualification is a concern• Many are concerned about cybersecurity and data privacy• The need for interoperability and lack of international standards is acting as an additional brake on investment |

Opportunities

Automotive Industry

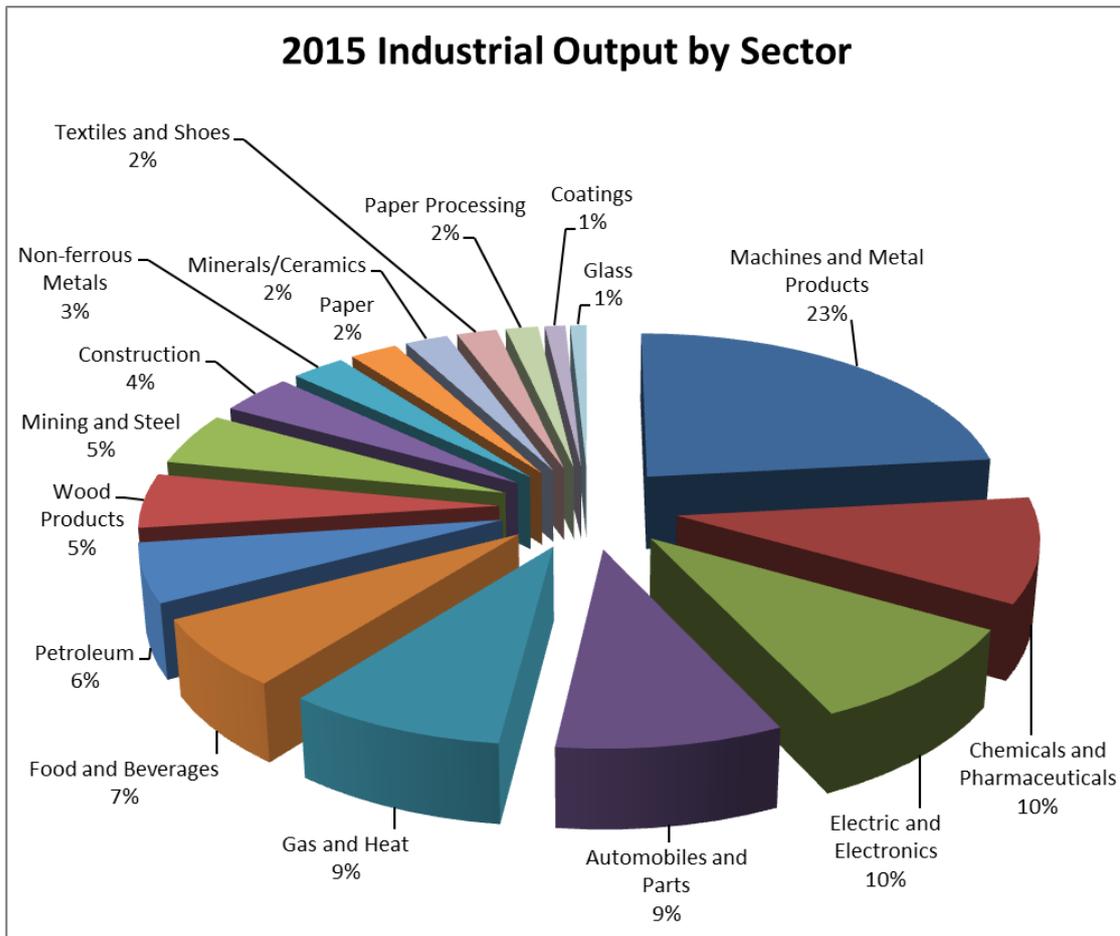
Currently only 17% of Austria’s automotive manufacturers report a high level of digitalization, but 80% plan to be highly digitalized by 2020. With a production value of \$18.4 billion (2014), and an export rate of over 90%, Austria’s automotive industry is both large and very international. Annual nominal investment in advanced manufacturing solutions: \$400 million.

Process Industries

Processing industries include chemical, pharmaceutical, plastic/rubber, and metals production and processing. This group of sectors reports an enormous gap between where they are now and where they see themselves in five years. Currently, only 10% describe their manufacturing as highly digitalized; by 2020, 85% expect to have highly digitalized processes in place. This group also projects the highest nominal annual investment, with over \$2 billion/year or 3.7% of turnover.

Mechanical Engineering and Construction

With annual production values around \$20 billion, the mechanical engineering and construction sector is also among the least digitalized. Only 22% categorize themselves as highly digitalized, yet 86% expect to adopt a high rate of advanced manufacturing by 2020. This sector reports projected spending of 4.3% of annual turnover (around \$900 million/year) in advanced manufacturing investment.



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