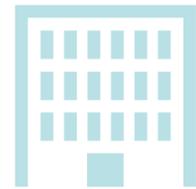


ECONOMY



221

regional headquarters of multinational companies in Vienna

Number of multinational companies with CEE headquarters in Vienna (2016).

A thriving economy, a strong and competitive international position and a pronounced focus on creative start-ups and modern technologies are the prerequisites for the development of Vienna as an innovative Smart City. The current monitoring results confirm Vienna's good performance in a number of key areas. However, with regard to the social dimension of the Smart City, they also flag up a core challenge for the coming years: integration of the growing population into the labour market.

OBJECTIVE

GDP per capita	In 2050, Vienna remains one of the ten European regions with the highest purchasing power based on per capita GDP.
Hub for headquarters	Vienna further strengthens its position as the preferred city for company headquarters in Central/South-Eastern Europe.
Business start-ups	10,000 persons per year set up an enterprise in Vienna.
Direct investments from Vienna	Direct investment flows from Vienna have doubled compared to 2013.
Direct investments into Vienna	Direct investment flows into Vienna have doubled compared to 2013.
Exports of tech. products	The share of technology-intensive products in total exports has increased to 80% by 2050 (compared to the baseline of 60% in 2012).

STATUS QUO

Vienna is currently on track to attain the majority of the objectives in the Economy field.

Between 2015 and 2016, the number of company headquarters located in Vienna grew from 214 to 221. Given the global economic environment, the functions of the Vienna-based branch offices within their respective parent groups are continually changing; generally, however, Vienna has been able to secure its position as a hub for Central and Eastern Europe. There has also been an increase in investments and enterprises established abroad by Viennese companies: just under 9,000 newly established companies in 2016 constitutes a growth of more than 300 such companies (+3.5%) in comparison to the previous year. Investments by Viennese enterprises abroad saw an increase of more than €5 billion (+5%), while investments by international enterprises in Vienna grew by an impressive €11.5 billion (+14%). Technology-intensive products as a share of total exports most recently amounted to 69.6% (2015), and as such was somewhat lower than in 2014 (-1.3 percentage points). Considering the significant increases of the previous years, however, this indicator is also on track for attainment.

By contrast, the situation regarding per capita GDP is quite different. Currently ranking in 17th place among the European regions, Vienna is not in the envisaged Top 10 position at present. This relative decline is primarily due to the comparatively strong population growth of the past few years, with which economic development could not keep pace.¹⁷



ACTION REQUIRED

In view of the continuing immigration to Vienna, increased efforts will be necessary in the coming years to promote the integration of the growing population into the labour market. Vienna's 2020 Qualification Plan is an important starting point in this regard. In order to support technological development in Vienna, close coordination is required between the city's own innovation policy (based on the "Innovative Vienna 2020" strategy) and the instruments available to promote the export activities of Viennese enterprises at federal level.

Purchasing power of selected European regions

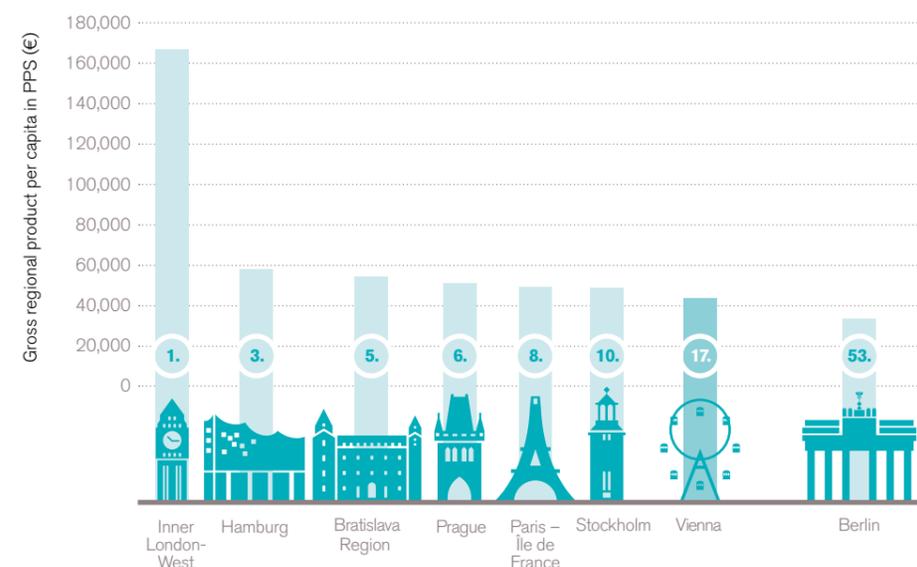


Figure 16: Comparison of the gross regional product of selected European NUTS-II regions by purchasing power standards in 2015.

Source: Eurostat.

Development of direct investment

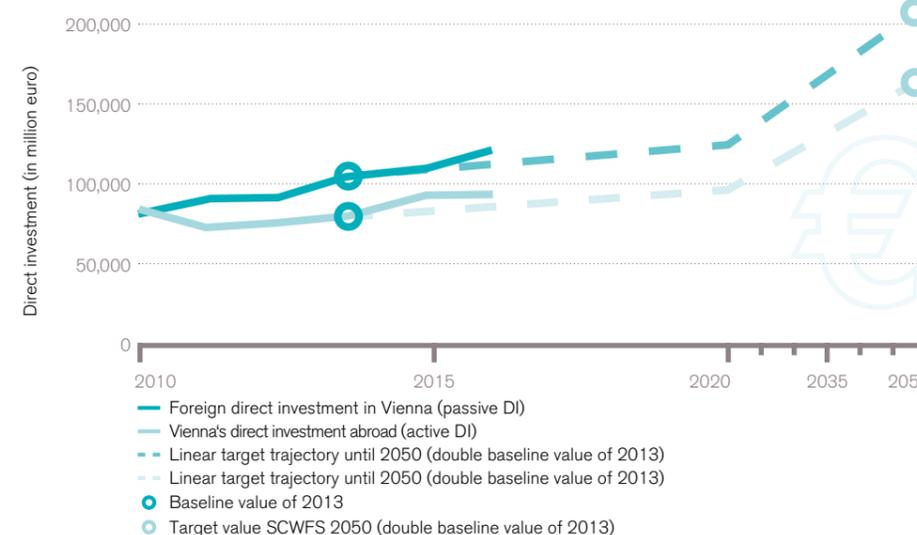


Figure 17: Development of active and passive direct investment.

Source: Austrian National Bank (ÖNB).

¹⁷ Measuring per capita GDP by purchasing power standards distorts the picture slightly, as Central/Eastern European capital regions such as Prague and Bratislava tend to be overvalued due to the enormous disparities within their countries. However, this does not change the essentially downward trend of this indicator.