

Upper Austria

September 2023

1. Introduction



Upper Austria is one of the nine states of Austria and is home to the capital of Linz, the largest city in the state. The state is inhabited by 1, 525, 039 people in an area of 11.980m², making it the fourth largest Austrian state in terms of land area. Upper Austria borders Germany, Czech Republic, as well as the other Austrian states of Lower Austria, Styria, and Salzburg. It is also home to the Austrian Alps and Danube River. The Danube River serves as a transportation and trade utility as it provides a service and is a product itself for tourism purposes. Upper Austria is known for its strong industrial base as it contributes significantly to the states' economic stability. It is also recognised for its tourism sector with its rich culture and heritage, with the village of Hallstatt a UNESCO World Heritage site. In 2022, a total of 3, 375, 976m foreign travellers and 4, 588, 247m natives visited

the region's tourist attraction sites. Upper Austria's political landscape is established as a multi-party-political system, set for the Austria at large.

Table 1: General and Economic Information

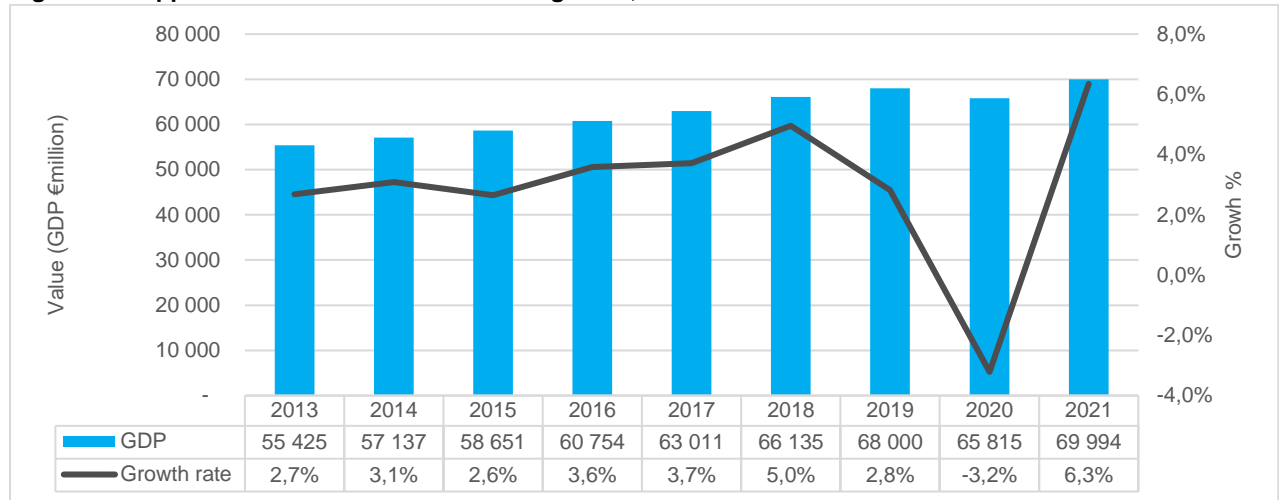
Governor	Thomas Stelzer
Capital	Linz
Population (2022)	1, 525, 039
Area	11.980 m ²
Official unemployment rate	3.7%
GDP current prices (2021)	€69 994 milion
GDP growth (2021)	6.1%
GDP per capita (2021)	€46,700.0
Export (2022)	€52.4 billion
Export Growth (2022)	22.5%
Imports (2022)	€42.1 billion
Import Growth % (2022)	21.1%

Source: US Embassy in Austria, 2023; Wirtschaftskammer Oberosterreich, 2023; Statistics Austria, 2023

2. Economic Overview

Figure 1 presents Upper Austria's Gross Domestic Product between 2013 and 2021. In 2021, Upper Austria's GDP increased by 6.3% y-o-y from €65 815m in 2020 to €69 994 in 2021.

Figure 2.1: Upper Austria's GDP and economic growth, 2013-2021



Source: Statistics Austria, 2023

Highlights of Upper Austria's key industries are provided below:

Automotive: Upper Austria is one of Europe's leading regions for lightweight construction, and metal composites. Upper Austria's established automobile cluster is home to major corporate companies like BMW's engines plant, Steyr Motors, MAN's centre of expertise and development, voestalpine, AMAG, KTM, Rosenbauer, Fronius International, Alois Pöttinger Maschinenfabrik, BRP-Rotas and Polytec Group.

Mechatronics: Upper Austria's mechatronics (comprising industrial and plant engineering) sector is one of the region's leading industries. The Mechatronics Cluster Upper Austria alone encompasses 314 companies with 59,400 employees, generating revenue of more than €12 billion. Major facilities of international companies include Siemens VAI, Engel, Rosenbauer, SKF, Stiwa Holding, B&R, Peneder, Pöttinger, SBM, Kremsmüller, Ebner Industrieofenbau, Trumpf, Keba and TGW.

Plastics: Austria's plastics processing sector's annual turnover amounts to €13bn, of which more than half are earned by Upper Austria companies. There are 220 plastic processing companies in Upper Austria. Major facilities include Borealis, Greiner, Engel, FACC, Trodat, Poloplast, SML, Haidlmair and IFW.

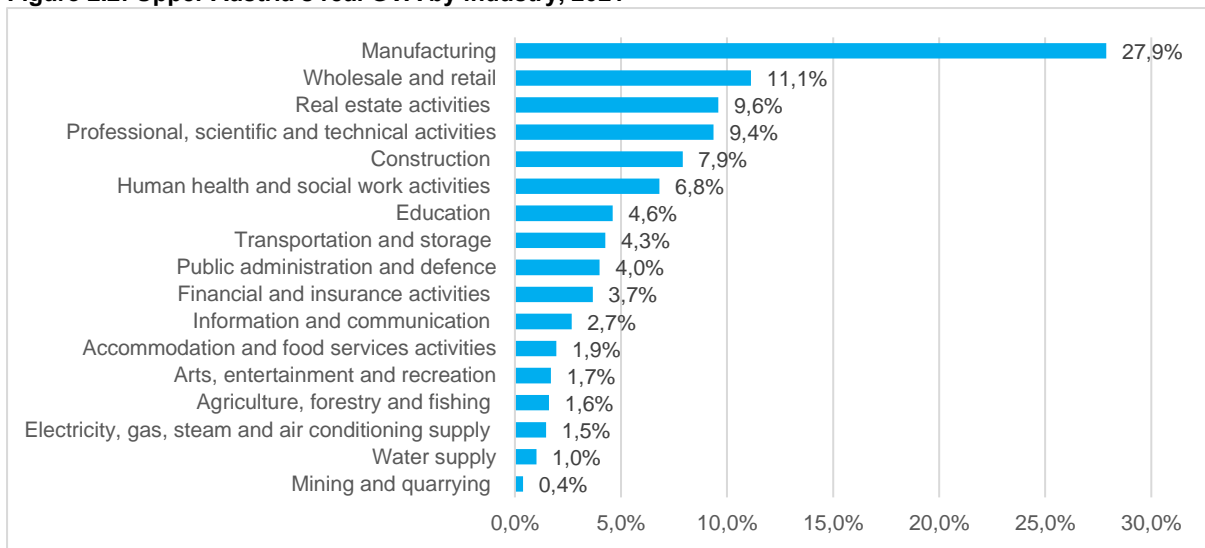
Eco-Energy: The green energy sector is a strongly growing industrial sector. Each year, some €115m is invested in eco-energy installations, achieving a turnover of €790m in the process. Among the partners of the GEC are Europe's leading manufacturers of boilers for biomass processing and solar collectors, with the manufacturers based in Upper Austria.

Environmental Technologies: Environmental technologies are by far Austria's fastest growing sector. The turnover achieved by Austria's sector has grown to EUR6bn over the last 14 years. Of the 375 environmental technologies companies in Austria, about 100 are from Upper Austria.

Source: Invest in Austria, 2023

Manufacturing was Upper Austria's top performing sector in terms of contribution to Gross value added (GVA) in 2021, with a contribution of 27.9%. Wholesale and retail followed with a contribution of 11.1%, with real estate activities in third place with a contribution of 9.6%.

Figure 2.2: Upper Austria's real GVA by industry, 2021



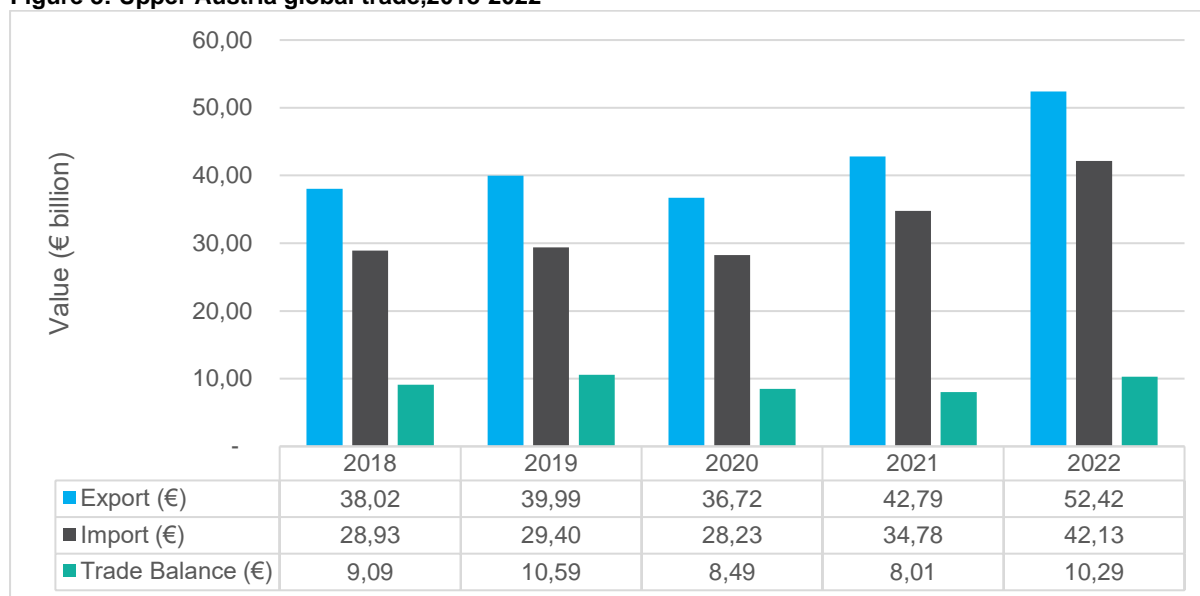
Source: Statistics Austria, 2023

3. Trade

3.1 Upper Austria's Global Trade

Figure 3 presents Upper Austria's global trade flows between 2018-2022. In 2022¹, the region's global trade exports increased by 22.5% y-o-y to a value of €52,42bn up from €42,79bn earned in 2021. Upper Austria accounted for 27% of Austria's global export earnings of €194.13bn in 2022, the highest contribution amongst all nine states. Upper Austria's imports in turn increased by 21.14% to a cost of €42.13bn in 2022, up from €38.47bn incurred in 2021, with the region accounting for 19.7% of Austria's total import costs of €213.72bn incurred in 2022.

Figure 3: Upper Austria global trade,2018-2022



Source: Statistics Austria, 2023

Upper Austria's **top export destination** markets were:

- Germany - €18.78bn
- United States of America – €3.84bn
- Italy – €3.25bn
- France - €2.17bn
- Poland - €2.17bn
- Czech Republic - €1.86bn
- Switzerland - €1.86bn
- Hungary - €1.48bn
- China - €1.29bn
- United Kingdom - €1.12bn

The **top import products** in 2022 were:

- Nuclear reactor, boilers, machinery, and mechanical appliances - €13 303bn
- Electrical machinery and equipment - €5 511bn
- Mineral fuels/oils/distillation – €4 797bn

The **top export products** in 2022 were:

- Nuclear reactor, boilers, machinery, and mechanical appliances - €7 835bn
- Electrical machinery and equipment - €4 785bn
- Mineral fuels/oils/distillation – €2 669bn

Source: Wirtschaftskammer Oberösterreich, 2023, Statistics Austria, 2023

¹ Preliminary Statistics stated by Statistics Austria.

4. Foreign Direct Investment

4.1 FDI from Upper Austria into South Africa

Between January 2003 and July 2023, Upper Austria invested ZAR173.0352 million (from 4 FDI projects) into South Africa. These projects led to the creation of 30 jobs.

Table 4: FDI projects from Upper Austria into South Africa, January 2003-July 2023

Date	Investing Company	Destination Province	Sector	Business Activity	Capex (ZARm)	Jobs
Dec 2006	Rosenbauer	Gauteng	Automotive OEM	Sales, Marketing & Support	0	0
April 2012	Voestalpine Group	Eastern Cape	Automotive components	Manufacturing	0	30
Nov 2018	Polytec Group	Eastern Cape	Plastics	Manufacturing	173.04	0
April 2020	Fronius	Gauteng	Electric components	Sales, Marketing & Support	2	0
TOTAL					173.04	30

Source: FDI intelligence, 2023

4.2 FDI from South Africa to Upper Austria

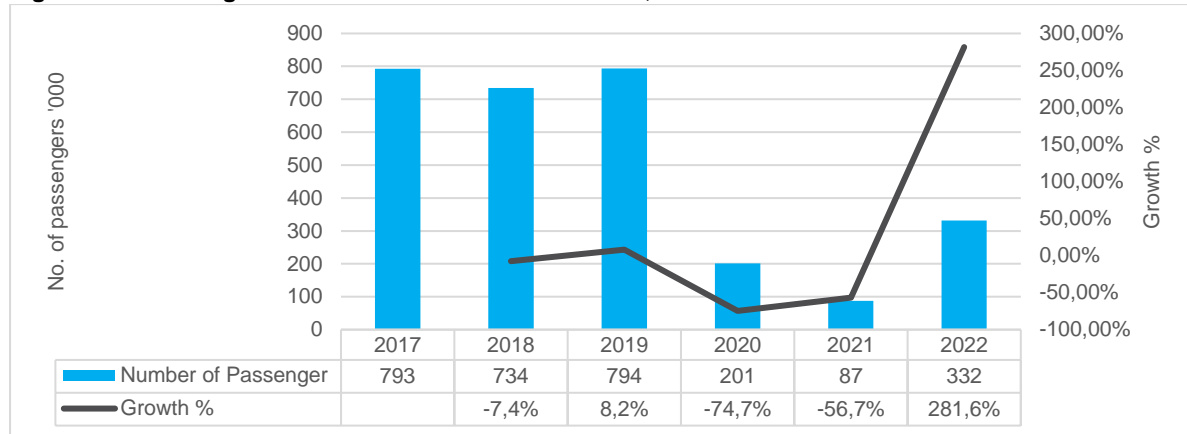
According to FDI intelligence, there is no record of outward FDI from South Africa to Upper Austria between January 2003 and July 2023.

5. Tourism

5.1 Passenger Arrivals from Linz to South Africa

Figure 5.2 shows the number of passenger arrivals from Linz to South Africa during the period 2017 to 2022. In 2022, passenger arrivals from Linz to South Africa increased by 281.6% y-o-y from just 87 arrivals in 2021 to 332 in 2022.

Figure 5.1: Passenger arrivals from Linz to South Africa, 2017-2022

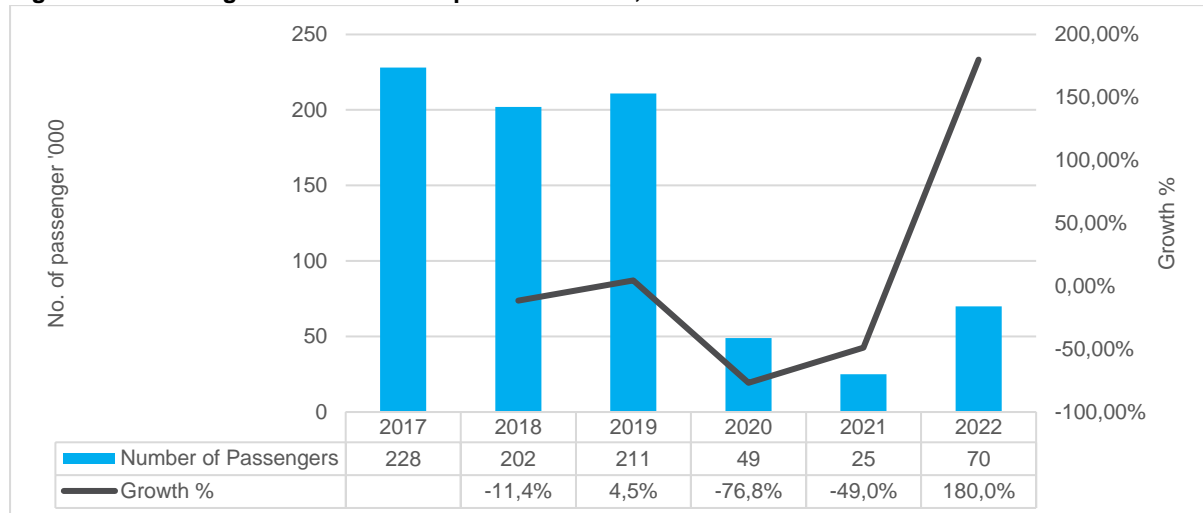


Source: OAG Aviation Worldwide, 2023

5.2 Passenger Arrivals from Cape Town to Linz

Linz welcomed 70 travellers from Cape Town in 2022, an increase of 180.0% y-o-y from the 25 passengers recorded in 2021.

Figure 5.2: Passenger Arrivals from Cape Town to Linz, 2017-2022



Source: OAG Aviation Worldwide, 2023

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