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19 CONCLUDING SUMMARY
The development of the global economy has been keeping us on edge for several years and continues to be a source of concern and anxiety about the future. In terms of prosperity and quality of life, however, our province has achieved a heretofore unforeseen level. First of all, we must be thankful for what we have achieved thus far. Booms in the economic growth that are assuredly necessary for the further development of any province or state cannot be expected to occur at all times, even though this was often the case in past years. The fact that the prognoses for growth may be more conservative, however, must not become a reason for unease and resignation. Lower Austria has gone through hard times before in the past few decades and has not only managed to overcome them, but has always emerged stronger than before. Together with the innovative businesses and with our support, the industrious people in our province will also master these current economically challenging times. Lower Austria will remain a prime business location and continue to grow as such. In Lower Austria, businesses ought to find ideal framework conditions for their development and ability to compete. Among other things, these include the entire spectrum of relevant infrastructures ranging from services to financial support. The province will continue to be a strong partner and take the necessary measures for the further optimization of these framework conditions.

DR. ERWIN PRÖLL
Governor

Owing to global economic interdependencies, the Lower Austrian economy is influenced by international developments now more than ever before. This is good news when trends are positive, but a source of concern when negative influences hinder growth and competitive ability. The regional economic policy offers the opportunity to react to changing economic framework conditions in a flexible, timely, and efficient manner. With the “Economic Strategy 2015” adopted in 2010, we have already shown that the negative impacts of the international financial and economic crisis can be mitigated with the instruments contained therein. Examples of positive signals include record volumes in both exports and business establishments. Our goal is to continue strengthening the competitive ability of the Lower Austrian economy and to be the driving force of growth in Austria. To this end, it is of paramount importance that energy and resources be allocated to areas where the greatest leverage effects are achievable and where the opportunities for development and successful competition are especially good. In the “Economic Strategy Lower Austria 2020”, we defined four core strategies, which each contain a set of fields of action that, when implemented, should advance the Lower Austrian economy in the areas of corporate success, growth dynamics, attractive business sites, and marketing. I am convinced that by working side by side with the businesses and the movers of the economy, we shall achieve these goals within the next few years.

DR. IN PETRA BOHUSLAV
Provincial Commissioner of Economics, Tourism, and Sports
ECONOMIC STRATEGY
LOWER AUSTRIA 2020

BACKGROUND

The last Economic Strategy Lower Austria, which was adopted in 2010, focused on the strategic areas of innovation/technology, market development, qualification, cooperation, establishment of businesses, and sustainability. In the 2010 to 2015 period, a large number of innovative instruments were created and measures and activities implemented in keeping with the goals and strategic focuses defined in the Strategy. Despite challenging framework conditions, the Lower Austrian economy was able to stay on the growth track during this period. The province still has an efficient and robust economic structure. With a ca. 50 billion euro gross regional product, Lower Austria makes up 15.8% of the national economy of Austria. In the wake of the economic and financial crisis that broke out in 2008, the global economy became characterized by heterogeneous developments. Stable, sustainable economic growth on a global level has yet to be achieved in the 2010 to 2015 period. Uncertainty and challenging framework conditions still prevail. The prospects for economic growth are predicted to remain subdued for the European region. Given this background, it is all the more important for regional economic policies to generate impetus and remain focused on maintaining the competitive ability of their economies. For this reason we took pains to examine the defined economic strategy closely and revise it according to the current challenges and opportunities, and to define suitable goals, instruments, and measures that will keep the Lower Austrian economy on the growth track.

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ACTION RADIUS OF THE ECONOMIC STRATEGY AND INTERFACES

The economic strategy of the province of Lower Austria serves as a foundation for the activities and measures of the business areas of the Lower Austrian Ministry of Economic Affairs. These include in particular: the Department of Economics, Tourism, and Technology of the Office of the Provincial Government of Lower Austria, the Business Agency of Lower Austria ecoplus Niederösterreich Wirtschaftsagentur GmbH, the Regional Innovation and Start-up Centers of Lower Austria RIZ Regionale Innovationszentren Niederösterreich GmbH, the official tourism and marketing organization of Lower Austria Niederösterreich Werbung GmbH, the financing pillar N.vest and its downstream subsidiaries NÖBEG, tecnet, and accent.

This strategy also serves as a template for the numerous cooperative projects with intermediaries, for example the Technology and Innovation Partners (TIP) with the Chamber of Commerce of Lower Austria or the industrial policy action program Industriepolitisches Maßnahmenprogramm – Initiativen 2013–2016 with the Federation of Austrian Industry Lower Austria (Industriellenvereinigung Niederösterreich). The strategy in turn incorporates the considerations and plans of these relevant partner organizations.
IN THE SCOPE OF THE DEVELOPMENT PROCESS, EMPHASIS WAS PLACED ON THE NEEDS AND CHALLENGES OF THE ECONOMY AND THE BUSINESSES.

THE FOLLOWING WERE INCORPORATED:

• Results of the discussions with business owners
• Results of the business needs survey
• “Examination of key economic strategies” (Prüfung wirtschaftspolitischer Kernstrategien) expert report (economica – Institut für Wirtschaftsforschung)
• Comparative analysis of competing regions, in particular other Austrian provinces and regions in Central and Eastern Europe
• Current observations and policies for sub-sectors of the Lower Austrian economy and the Lower Austrian Ministry of Economic Affairs
• Industriepolitisches Maßnahmenprogramm - Initiativen 2013-2016 (Strategic concept of the Federation of Austrian Industry Lower Austria, jointly drafted by the Province of Lower Austria and the Chamber of Commerce of Lower Austria)
• Current economic reports and action recommendations in the scope of routine discussions concerning the economy
• Findings from the business meetings of the representatives of the Lower Austrian Ministry of Economic Affairs and of the Chamber of Commerce of Lower Austria and the Federation of Austrian Industry Lower Austria
• Continuous monitoring and evaluation system in the Ministry of Economic Affairs
STRENGTHS

• The Lower Austrian economy possesses a broad spectrum of products and large portions of the value chains can be covered by businesses in Lower Austria.
• In terms of their export activity, Lower Austrian businesses profit immensely from the opening of the east and the expansion of the EU.
• The technopoles represent an important instrument for the establishment of new companies and the creation of new jobs.
• As a business location, Lower Austria has a number of attractive factors such as the availability of land, transportation routes, and human resources in its favor.
• The links with the greater metropolitan area of Vienna offer much development potential.

WEAKNESSES

• Compared to Lower Austria’s share of the population, the percentage of inventors in the province has been disproportionately low in the last ten years.
• The geographic location as well as the structural changes in recent years continue to have varying regional impacts on infrastructural framework and accessibility, growth potential, and population development.
• Demographic change and emigration are leading to challenging framework conditions on the regional level.
OBSERVATIONS ON THE STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS RELEVANT TO THE ECONOMY OF LOWER AUSTRIA

OPPORTUNITIES

- Development of new export markets in the scope of globalization and transfer of the strengths of the existing export structures to non-EU member states and focus on states with high potential for growth.
- Goal-oriented development of R&D sites in Lower Austria through focused measures such as upgrading of technology skills and the establishment of R&D sites.
- Intensification of collaboration through the use of existing networks and innovation cooperations: Vienna, Upper Austria, Burgenland, Styria, as well as Upper Bavaria, Stuttgart, Tübingen, Düsseldorf, and Cologne, which are also regions that have a high regional network density with Lower Austria.
- Development of as complete as possible value chains by promoting upstream and downstream supply and service links.

THREATS

- Product portfolio in businesses too small, thus creating dependency on just one or only a few clients.
- Finishing of commodities and raw materials outsourced to other regions (just supplying raw materials generates little value added).
- Altered framework conditions in the financial sector, last but not least due to the most recent financial crisis (Basel III). This may lead to funding and liquidity bottlenecks, especially for small and medium-sized businesses (SMBs).
Elements of the Economic Strategy

Vision

Lower Austria sees itself as a territory for entrepreneurs. In Lower Austria, businesses can expect to encounter ideal framework conditions for their development and ability to compete. This includes the entire spectrum of relevant infrastructures ranging from the supply of services to financial support. Sustainable economic and business growth is the basic prerequisite for a continuing improvement of the quality of life over the long term. Lower Austria is therefore striving to become a competitive entrepreneurial territory that contributes to the maintenance and further improvement of the high quality of life of its citizens.

Entrepreneurial Territory Lower Austria. Proper Growth. Better Living.

Lower Austria is creating a unique combination of economic strength and quality of life from which both people and businesses will benefit equally. Future-oriented. Sustainable. Together.

Economic Goals

A series of economic goals were defined for the orientation and focusing of all of the province’s economic measures. The defined overall economic goals are as follows:

- Lower Austria is the Driving Force of Growth in Eastern Austria
- Lower Austria Creates High Quality, Professional Jobs
- The Development of Lower Austria as an Attractive Business Site Will Continue

In recent years, Lower Austria has been able to achieve economic growth surpassing the national average. There was growth in exports, employment, tourism overnight stays, and in other areas as well. We need to continue on this path. Efforts to increase the number of jobs and the overall number of employed persons, with a main focus on high quality jobs (including professionals), will continue. As a business site, Lower Austria has much to offer. The favorable site factors need to be communicated more effectively on both national and international levels and thus continue promoting new settlements of companies, the founding of new companies, and investments.
New developments and approaches often require strength, courage, perseverance, and put a strain on the financial means of individual businesses. The Ministry of Economic Affairs will make a conscious effort to seek out new opportunities and possibilities for businesses and will actively provide impetus and set priorities through future-oriented pilot projects and programs.

For uniting strengths, generating new ideas, and devising solutions, cooperation becomes a key success factor. For this reason, contacts with strategic cooperation partners will be sought and strengthened on the regional (e.g., institutions in Vienna) and transregional (e.g., Danube region) levels.

Successful businesses not only provide society with products and services, but also with jobs, innovations, and both social and regional stability. In order to exert a positive influence on these factors, companies will be supported in the development and implementation of resource-conserving and socially responsible economies.

Current and future businesses in Lower Austria are the clients. For their sake, we shall continue improving and optimizing the framework conditions in the province, eliminate hurdles and barriers, and upgrade the services of the province.

The producing sector in industry and commerce makes a major contribution to the strength of the economy in Lower Austria. This sector accounts for 35% of all employed persons and 45% of the value creation of the market-oriented economy in Lower Austria, exceeding the Austrian national average in each case. In order to continue improving the ability to compete, especially for the producing economy, an effort must be made to keep Lower Austria attractive as a business site and develop it further. This approach will be put into practice through various fields of action in the following core strategies: “Sustainable Business Success and Internationalization”, “Research, Development, and Marketing” and “Attractive Business Sites”. These core strategies contain sets of measures with the aim of maintaining and further developing Lower Austria as a production site. Furthermore, there will also be positive effects on the framework conditions relevant to production.
CORE STRATEGIES
AND FIELDS OF ACTION

- SUSTAINABLE BUSINESS SUCCESS AND INTERNATIONALIZATION
- RESEARCH, DEVELOPMENT & MARKET IMPLEMENTATION
- ATTRACTIVE BUSINESS SITES
- START-UPS WITH GROWTH DYNAMICS

FOR THE FUTURE, FOUR CORE STRATEGIES WILL BE DEFINED AS DRIVERS FOR COMPETITIVE ABILITY AND FURTHER DEVELOPMENT OF THE BUSINESS SITE LOWER AUSTRIA:
In keeping with the vision “Entrepreneurial Territory Lower Austria – Proper growth. Better living.”, this core strategy focuses on supporting companies in their sustainable growth and in their internationalization activities. Appropriate financing mechanisms will be used to counteract the bottleneck factors that have arisen from new framework conditions in the financial sector (Basel III). This should make growth projects possible. Sustainable corporate development will be supported by promoting and backing process and productivity optimization. Aid in finding business opportunities and marketing partners will be offered as part of the counseling and support provided to potential exporting operations. Businesses will also receive assistance in establishing sites in the area and with expansion projects.

ESSENTIAL FIELDS OF ACTION IN THIS CORE STRATEGY ARE:

- **FUNDING AND SUPPORT FOR GROWTH PROJECTS**
- **PROMOTION OF STRATEGIC AND SUSTAINABLE CORPORATE DEVELOPMENT AND EFFICIENT USE OF RESOURCES**
- **DEVELOPMENT AND BACKING OF PROCESS AND PRODUCTIVITY OPTIMIZATION**
- **IDENTIFICATION, COUNSELLING, AND BACKING OF POTENTIAL EXPORTERS**
- **PROMOTION OF INVESTMENTS BY AREAS OF FOCUS**
- **ASSISTANCE WITH SITE ESTABLISHMENT AND EXPANSION PROJECTS**
- **LIABILITIES AND PARTICIPATING INTERESTS FOR INVESTMENTS AND BUSINESSES**
CORE STRATEGIES AND FIELDS OF ACTION

CORE STRATEGY 2: RESEARCH, DEVELOPMENT & MARKET IMPLEMENTATION

Research and development, with particular focus on marketing, will be supported as part of this core strategy. Research and development alone are not enough for economic success. Successful market placement is required. Upgrading and building of technology skills will continue at the technopole sites. Cooperative innovation projects focusing on effective marketing will be funded and supported, with the aim of helping to increase the potential for innovation in small and medium-sized businesses (SMBs) too. Mobilizing innovation potential and project funding should also make it easier for small businesses to get into research and development.

ESSENTIAL FIELDS OF ACTION IN THIS CORE STRATEGY ARE:

- UPGRADING OF TECHNOLOGY AND INNOVATION SKILLS
- SPONSORSHIP OF COOPERATIVE INNOVATION PROJECTS
- DEVELOPMENT AND BACKING OF COOPERATIVE R&D&I PROJECTS AND NEEDS-ADAPTED EDUCATION PROGRAMS
- PROMOTION OF RESEARCH AND DEVELOPMENT PROJECTS
- PROMOTION OF INVESTMENTS IN SWITCHING TO SERIES PRODUCTION
- MOBILIZATION OF INNOVATION POTENTIAL
CORE STRATEGIES
AND FIELDS OF ACTION
CORE STRATEGY 3: BUSINESS START-UPS WITH GROWTH DYNAMICS

Specifically promoting and funding business start-ups with growth potential lays the foundation for employment. The EU also views this as an opportunity to create new jobs and reduce poverty. With innovative financing forms such as participating interests and venture capital, the province of Lower Austria is taking a pioneering role in Austria. A special area of focus is technology-oriented business ideas, thus taking a further step towards research and development. Forms of support range from awareness raising concerning business start-up (as early as school and college) and the development of potential ideas to networking and counselling after start-up. The focus is on improving the business start-up environment in order to encourage schoolchildren and students as well to consider the idea of founding a business as an option.

ESSENTIAL FIELDS OF ACTION IN THIS CORE STRATEGY ARE:

- DEVELOPMENT AND PROMOTION OF ACADEMIC ESTABLISHMENTS
- IDENTIFICATION AND SUPPORT OF INNOVATIVE, RAPIDLY GROWING BUSINESSES THROUGH VENTURE CAPITAL
- PROMOTION OF INVESTMENTS BY GROWTH-ORIENTED BUSINESS FOUNDERS
- IDENTIFICATION AND SUPPORT OF BUSINESS FOUNDERS WITH GROWTH DYNAMICS
- MOBILIZATION OF BUSINESS START-UP POTENTIALS IN THE COLLEGE AND RESEARCH ENVIRONMENT
- START-UP PROMOTION PROGRAMS
- COUNSELLING & NETWORKING OF BUSINESS FOUNDERS
- START-UP CENTERS
### CORE STRATEGIES AND FIELDS OF ACTION

#### CORE STRATEGY 4: ATTRACTIVE BUSINESS SITES

Owing to its location in the economic hub of Europe, Lower Austria possesses numerous attractive site factors. As part of the “Attractive Business Sites” core strategy, we will continue to focus on the technopole centers, which have since developed into dynamic drivers of development. The development and coordinated operation of both existing and new business parks is also intended to form the basis for providing targeted support to companies for projects in new site establishment and expansion. Key tourism sites will also be examined and supported in a targeted manner. In addition, innovative regional economic themes will be developed and implemented and regional flagship projects will be promoted. A modern communications infrastructure will ensure that outlying business sites are easily reached. Another special focus of this core strategy is on site and tourism marketing.

#### ESSENTIAL FIELDS OF ACTION IN THIS CORE STRATEGY ARE:

- Development and Management of Technology and Research Centers
- Promotion of Regional Flagship Projects
- Identification & Support of Top Business Establishment and Expansion Projects
- Development and Management of Business Parks and in Business Site Cooperations
- Business Site, Province Image, and Tourism Marketing
- Reachability of Outlying Business Sites via Modern Communications Infrastructure
Four action principles, four core strategies, and an associated set of fields of action form the core of the Economic Strategy Lower Austria 2020. This strategy chiefly serves as a guide for the organizations and business fields of the Ministry of Economic Affairs, but also as a means of orientation for other administrative areas in the province and other partner organizations, which through their measures and activities have decisive impacts on Lower Austrian business life and competitive ability. To ensure efficient implementation of the strategy, the strategic orientation, with a series of specified goals and flagship projects, will be transferred to the individual business fields of the Ministry of Economic Affairs, and the achievement of these goals will be continuously monitored via a suitable control system. Furthermore, the contents of the strategy will undergo routine detailed examination in order to take new developments and changing framework conditions into account in a timely manner. Along with the ongoing observation of national and international economic development and the associated framework conditions, dialog with Lower Austrian business owners is also needed to achieve these ends and will be continued during the new strategy period.
CREDITS

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