



# Austria\*

\*Invest in World-Class  
Tourism and Wellness

# All of Europe by Air in 3 hours



Austria's central location in Europe makes the country the ideal hub for East-West business relations

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Editorial: December 2010  
Owner&Publisher:  
Austrian Business Agency,  
Opernring 3, A-1010 Vienna  
Editor-in-Chief: René Siegl  
Associate Editors: Maria Hirzinger,  
Karin Schwind-Derdak,  
Design: [www.november.at](http://www.november.at)  
Photos: APA, Buenos Dias, Julius Silver  
Print: Gugler



**Top Ten 2009**

Per capita foreign currency income, in euro

<b>Cyprus</b>	1	1,909
<b>Austria</b>	2	<b>1,666</b>
<b>Iceland</b>	3	1,409
<b>Malta</b>	4	1,360
<b>Switzerland</b>	5	1,234
<b>Greece</b>	6	906
<b>Sweden</b>	7	877
<b>Slovenia</b>	8	856
<b>Spain</b>	9	789
<b>Ireland</b>	10	767

**Top Tourist Destinations in Europe**

Arrivals in millions, 2009

<b>France</b>	1	74.2
<b>Spain</b>	2	52.2
<b>Italy</b>	3	43.2
<b>Great Britain</b>	4	28
<b>Turkey</b>	5	25.5
<b>Germany</b>	6	24.2
<b>Austria</b>	7	<b>21.4</b>
<b>Ukraine</b>	8	20.7
<b>Russia</b>	9	19.4
<b>Greece</b>	10	14.9

Source: IMF, OECD, OeNB, UNWTO, WIFO, wiiw

Source: World Tourism Organisation (UNWTO), June 2010

# Austria: World Leader in Tourism

A perfect destination for tourism offers lucrative profits in growth sectors

**Tourist giant Austria.** Only several countries can boast per capita tourist revenues in the same league as Austria. At 1,666 euros in per capita income in foreign currency, Austria ranks second internationally. Comparing total revenues, tiny Austria is the eleventh largest tourism market in the world, and the seventh biggest in Europe.

The World Tourism Organization projects that visitors to Europe will double by 2020, with business travel, conferences, beauty/wellness as well as city tourism being the most important growth sectors. Targeted projects such as the cluster initiative “Austria: Well-being Destination of Europe” support ambitious business projects. Austria scores in particular in nature tourism and in sustainable tourism.

Overall, the trend in Austria is moving to relatively upscale “experience tourism.” In addition, Austria’s tourist market is driven by hotel groups with expanded offerings – also in the economy segment. In general, more visitors are making shorter stays in Austria but spending more – the 2009 average was 135 euros per overnight stay.

## Tourism market

Income from international tourism 2009, in billion euros



“Basically we see that Austria offers unique and sustained growth opportunities for wellness tourism. We have seen massive dynamic development, particularly in the four and five-star hotel sector.”

Source: World Tourism Organisation (UNWTO), June 2010



## A Wealth of Qualified Personnel

Austria's longstanding tradition as a tourism destination has produced a highly developed educational system

The 90,000 enterprises in Austria's tourism and leisure sector employ 262,000 workers. It's no wonder that in Austria this area attracts a great deal of attention.

### Comprehensive training programs – qualified personnel for companies.

The friendly service, the professional assistance received at the information desk, the competent and knowledgeable tours through Austria's treasures all combine to ensure that special vacation feeling with a sustainable effect. Guests come again and again. Companies also return to Austria – but only when the local tourism manager stands for profitability and modern corporate management. Tomorrow's top managers and skilled employees derived from a pool of 2,000 graduates annually and more than 27,000 students stand for bottom-line success.

The high level of competence is ensured by Austria's unparalleled system of education in the field of tourism. Two full professorships of tourism and one private university, complemented by courses at six universities of applied sciences and 26 professional schools, provide training with a quality guarantee.

Every tenth apprentice in Austria works in the tourism sector. Approximately 13,600 junior cooks, waiters, hotel, restaurant and travel agency industry assistants, fitness trainers etc. undergo Austria's dual education system, which uniquely brings together theory and practice.

### Skilled labor

10 = Readily available in the labor market

Israel	1	7.64
Denmark	2	7.60
<b>Austria</b>	<b>5</b>	<b>7.41</b>
Switzerland	8	7.01
USA	9	6.96
Japan	10	6.87
Germany	11	6.82
Netherlands	14	6.69
Czech Republic	17	6.42
France	22	6.10
UK	24	6.00
Poland	27	5.87
Italy	37	5.13
Hungary	47	4.65

### Commitment to the company

10 = Employees completely identify with company objectives

Switzerland	1	7.82
Denmark	2	7.80
<b>Austria</b>	<b>3</b>	<b>7.77</b>
Netherlands	9	6.94
Japan	11	6.82
Germany	16	6.65
USA	22	6.14
Belgium	24	6.06
UK	37	5.22
Czech Republic	38	5.21
Hungary	39	5.16
Poland	40	5.15
France	44	4.71
Italy	45	4.69

# The Famous Middle Way is Dead

Matthias Horx, futurist, emphasizes the fact that a distinct and well-defined positioning on the marketplace is a crucial factor in ensuring success



Matthias Horx  
Futurist

## What are the main trends in the tourism sector in the 21<sup>st</sup> century?

*Two phenomena overlap each other: the saturation of the “traditional” travel and vacation markets and the completely new, prosperous target groups, which come from countries which we previously did not expect tourists to come from, for example China, Russia, India, and the Arabian countries. The 2.5 star standard hotels with squeaky beds will simply not remain competitive in this environment. We are experiencing a period of strong polarisation and specialization. Design, creative, minority, adventure and wellness hotels and hotels focused on guests from certain countries require a distinct and well-defined positioning. Facilities lacking such a USP will be caught up in incessant price wars.*

## What is the modern-day tourist actually looking for?

*The traditional motivation for going on holiday in our industrialized society – finally being able to relax and do nothing – is disappearing. People in the 21<sup>st</sup> century are constantly “on the job” and thus combine certain motives, e.g. job, cultural experience, career development, love and partnership. The consequence is that much higher demands are placed on services, on every conceivable type of service. People also want to learn something when they are on holiday. They want to enhance their knowledge, improve their health, or have spiritual experiences. We call this the “selfness” trend. Instead of passively sitting around and being spoiled, people are striving for new forms of experience and encounters which will change them and help them move ahead.*

## Artificial worlds are booming in the tourism sector: ski halls, Holy Land in Florida or the Polynesian Water Park Resort in Lithuania. Is this what we can expect in the future?

*The realms of reality, whether real or fictional, are intertwined. This has always existed, and there is nothing to be said against it. Venice is being replicated in Las Vegas – in a very original way. Artificial worlds do not lure tourists away from real places, but are actually a type of advertising for them. Moreover, at the end they save resources. If the Alps have a “virtual experience” offshoot in the Ruhr Valley, then this represents an advantage to everybody. Also to the Alps themselves ...*



## Soothing the Soul

All the requirements are met here for the further development of a world-class tourism offering

**Tourist country with great potential for the future.** Austria has all the ingredients to meet the demands on a tourist destination: a well-preserved environment with scenic beauty, natural resources, a well-managed cultural landscape, green meadows and mountain pastures, crystal-clear waters, fresh air and much more. These natural treasures, combined with the most diverse possible cultural offering, the highest quality of life and the greatest security – as well as the best environmental situation – give Austria a future as one of the top potential tourism sectors of the world.

The number of arrivals, at 32.3 million in 2009, has proven to be crisis-resistant. The number of exclusive rooms designed for discriminating hotel guests in the 4 and 5 star categories has increased by more than 25 percent over the last ten years. Every second bed is occupied, thus achieving the highest capacity utilization among all types of accommodations.

### Top 10 destinations

Development in 2007–2008

Region	4 and 5 star accommodations*				
	Arrivals	Overnight stays	Utilization	Fully booked days	Growth
1 <b>Vienna</b>	2,864,261	6,232,619	54.60 %	200	32 %
2 <b>Ötztal Valley</b>	229,045	1,116,653	54.90 %	201	31 %
3 <b>Zillertal Valley</b>	416,626	2,150,273	64.00 %	234	31 %
4 <b>Tiroler Zugspitz Arena</b>	106,500	517,460	62.30 %	228	29 %
5 <b>Gasteinertal Valley</b>	172,786	963,603	57.90 %	212	29 %
6 <b>Paznaun</b>	15,073	51,936	66.60 %	244	29 %
7 <b>Salzburger Sportwelt</b>	239,190	1,235,873	48.90 %	179	29 %
8 <b>Kitzbüheler Alps</b>	266,454	1,222,660	50.90 %	186	28 %
9 <b>Arlberg</b>	201,491	1,042,034	38.90 %	143	28 %
10 <b>Schladming-Dachstein</b>	127,019	564,131	50.40 %	185	27 %

Source: ÖHV, 2010





“The new fitness consciousness and the striving for health and wellness will lead to a rapidly rising demand for visits to appropriate destinations in a well-preserved natural environment. Austria has the ideal conditions and all the necessary core competencies for such wellness offerings.”

### What do vacationers look for in Austria?

In percent

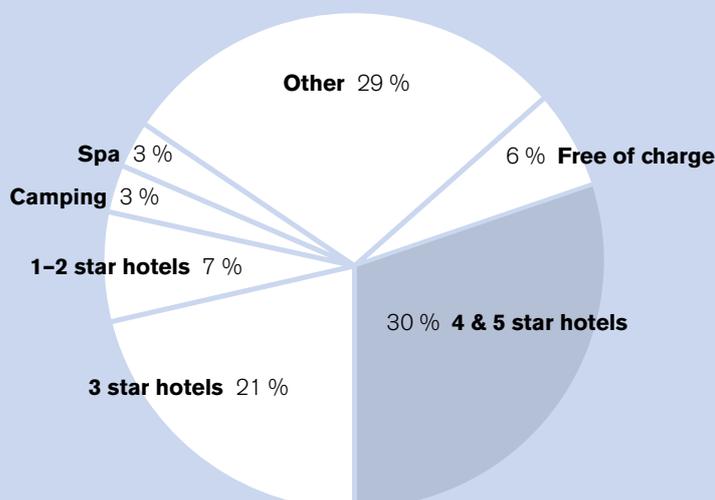
#### Winter and Summer



Source: Austrian Tourist Board, T-MONA 2008/2009

### 5 star accommodations

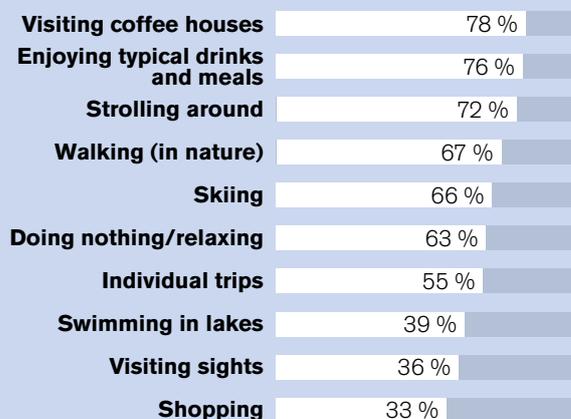
Types of accommodation of winter vacationers in percent



Source: Austrian Tourist Board, T-MONA 2008/2009 (Winter and Summer)

### Most popular activities

During a vacation in Austria



Source: Austrian Tourist Board, T-MONA 2008/2009 (Winter and Summer)



Erich Falkensteiner  
Co-owner Falkensteiner  
Michaeler Tourism Group

## Business Location Decisions are Made on the Basis of a Good Feeling

Falkensteiner Michaeler Tourism Group has the most hotels in Austria

**Falkensteiner has carried out several elaborately styled construction projects in Austria, such as the “edel:weiss towers” in the Katschberg region of Carinthia. How would you rate your experience as a foreign company in Austria?**

*In the meantime, we are no longer a foreign but an Austrian company, but naturally we gained experience in the first few years of operation. Principally speaking, from our point of view we can say that company start-ups and also the operational management of companies are optimally supported, for the most part. As a hotel and real estate group, we can not help but plan our projects to ensure profitability. Nevertheless, and we are not any different from other firms in this respect, such an investment decision is also made a bit on the basis of a good feeling. The fact that most of our Group’s hotels are in Austria speaks for itself.*

**What can Austria offer tourists? How would you evaluate the quality of serve and employees from an international perspective?**

*Anyone who travels abroad a lot, as I do, meets an Austrian in every second hotel, as service personnel, at the reception desk, or in some other type of work in the service sector. This demonstrates the fact that the Austrians and Swiss today still know best what good service should be like. The quality of service in large hotels, starting with the 4 star accommodations, is certainly internationally competitive. For this reason, we have many employees in our new hotel in the Styrian town of Leoben, for example, who left the region years ago. They learned the trade and worked abroad, and have now returned to their home country with a lot of enthusiasm and the desire to work in a first class hotel. It is not necessary to make a distinction between urban and rural areas. In terms of its total land area, Austria is a small country with an extensive and fantastic cultural history and artistic tradition, interesting customs and a natural environment which can hardly be matched anywhere in Central Europe. This makes a visit to Austria so rewarding.*

### **What plans do you have for the future? Will your group make any additional investments in Austria?**

*The Falkensteiner Michaeler Tourism Group invests in many markets, but also in Austria. The above-mentioned “edel:weiss towers,” designed by Matteo Thun, represent an interesting investment. In addition, our wellness hotel in Bad Waltersdorf, the new facility in Bad Leonfelden or the new hotels to be built in Vienna are also major components of our strategic planning for the future.*

### **What do you consider to be the main advantages of an international company investing in Austria?**

*Due to political developments over the last 20 years, Austria has moved into the heart of Europe. It is a good starting point for international operations, which the Falkensteiner Michaeler Tourism Group also takes advantage of, for example to implement new projects in Serbia and Croatia. In Austria itself, we would be happy to see a further improvement in the overall tax framework, and of course there is always “room for improvement” in other areas as well. But on balance, Austria is outstandingly well-positioned in economic terms.*

### **Falkensteiner**

The hotel operations of the Falkensteiner Michaeler Tourism Group (FMTG) from South Tyrol are particularly well represented in Austria. On the one hand, it has city hotels in Vienna and in the Styrian town of Leoben. On the other hand, it runs a series of family and wellness hotels, such as the Falkensteiner Hotel & Spa Bad Leonfelden and Hotel & Spa Bad Waltersdorf, the Funimation Katschberg, Hotel Cristallo, also in the Katschberg Alpine region, Hotel Carinzia in the Nassfeld skiing area in close geographical proximity to the Italian border, and Hotel Urbani on Lake Ossiach. In recent years, FMTG has attracted considerable interest due to its elaborately styled construction projects. The latest example is the “edel:weiss towers” in Carinthia, designed by Matteo Thun.

→ [www.falkensteiner.com](http://www.falkensteiner.com)



“Austria is for us not only an interesting, beautiful and nearby country but also offers a good infrastructure for tourism, an outstanding workforce, and attractive business opportunities.”



**Universität Bielefeld**

“Austria was one of the first countries in Europe to embrace and rapidly implement the wellness concept. The nation has effectively addressed its target audience by offering a comprehensive wellness concept that brings together body and soul, fantasy, culture, and nature.”

# The Wellness Boom

Bubbling up profits for international investors like Dorint or Arabella Sheraton: 3.5 million wellness tourists in Austria

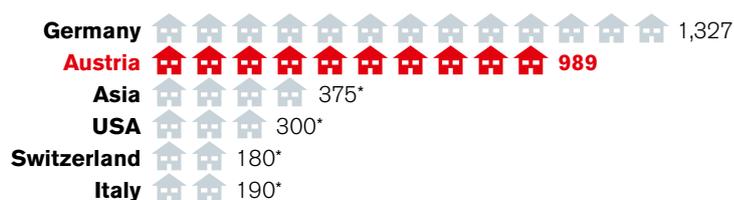


**The mega-market for health.** Wellness is no longer a trend but has become an established division of the mega-market for health related vacations. The Financial Times has identified the medical and wellness market as a growth engine, featuring a growth rate of 5 percent per year.

The wellness boom in Austria is continuing uninterrupted. In the last two years, some 170 new hotels have opened for business, boosting the number of wellness oases to 989 in 2010. On balance, they generate annual revenues of EUR 1.15 billion, a figure which is steadily increasing. There are 33 spas in Austria which attract eight million visitors per year, as well as 200 private clinics and rehabilitation centers.

11 percent of all tourists in Austria make health-oriented holidays. Austria is the European leader in this segment. International hotel groups like Arabella Sheraton or Falkensteiner use the optimal framework and run wellness hotels and thermal baths or spas in Austria.

## Spa hotels



Source: Relax Guide 2010  
 \*Estimate based on marketing observation



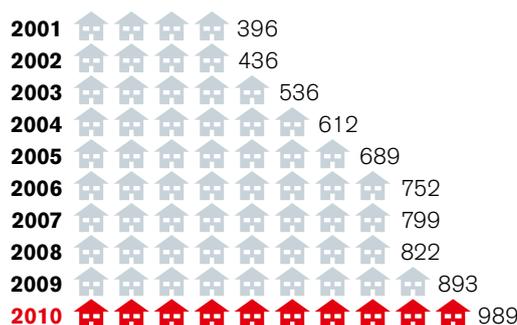
“Wellness has become mainstream. The trend in tourism is moving in the direction of a holistic approach to the person. For example, 96 percent of respondents in a survey of the Institute for Motivational Research said that for them, well-being is a matter of physical and psychological balance.”

**Quality guarantee for vacationers:** The health tourism quality offensive “Best Health Austria” is a platform bringing together 36 partners consisting of clinics, rehabilitation centers, spas and wellness facilities. The initiative was launched by the Austrian Ministry of Economic Affairs and Austrian flagship companies in this segment in 2002. The Best Health criteria have been officially recognized throughout the EU since 2005. The Best Health quality standard involves the evaluation of more than 130 criteria. As a private-public partnership, Best Health Austria ensures that wellness is offered in Austria based on a tried and tested quality commitment.

**Support for entrepreneurs:** Clusters link companies as well as research and development institutions spanning different industries. The “Cluster Wellness Tyrol” is a professional competence network consisting of more than 100 leading firms as well as R&D facilities in the wellness and health care sector employing a work force of 3,300 people and generating revenues of EUR 340 million. The cluster actively promotes nationwide networking in the tourism and wellness industry. This and other initiatives ensure that international investors will be able to take advantage of excellent underlying conditions for their business activities in Austria.

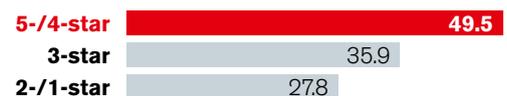
**Enormous growth in Austria**

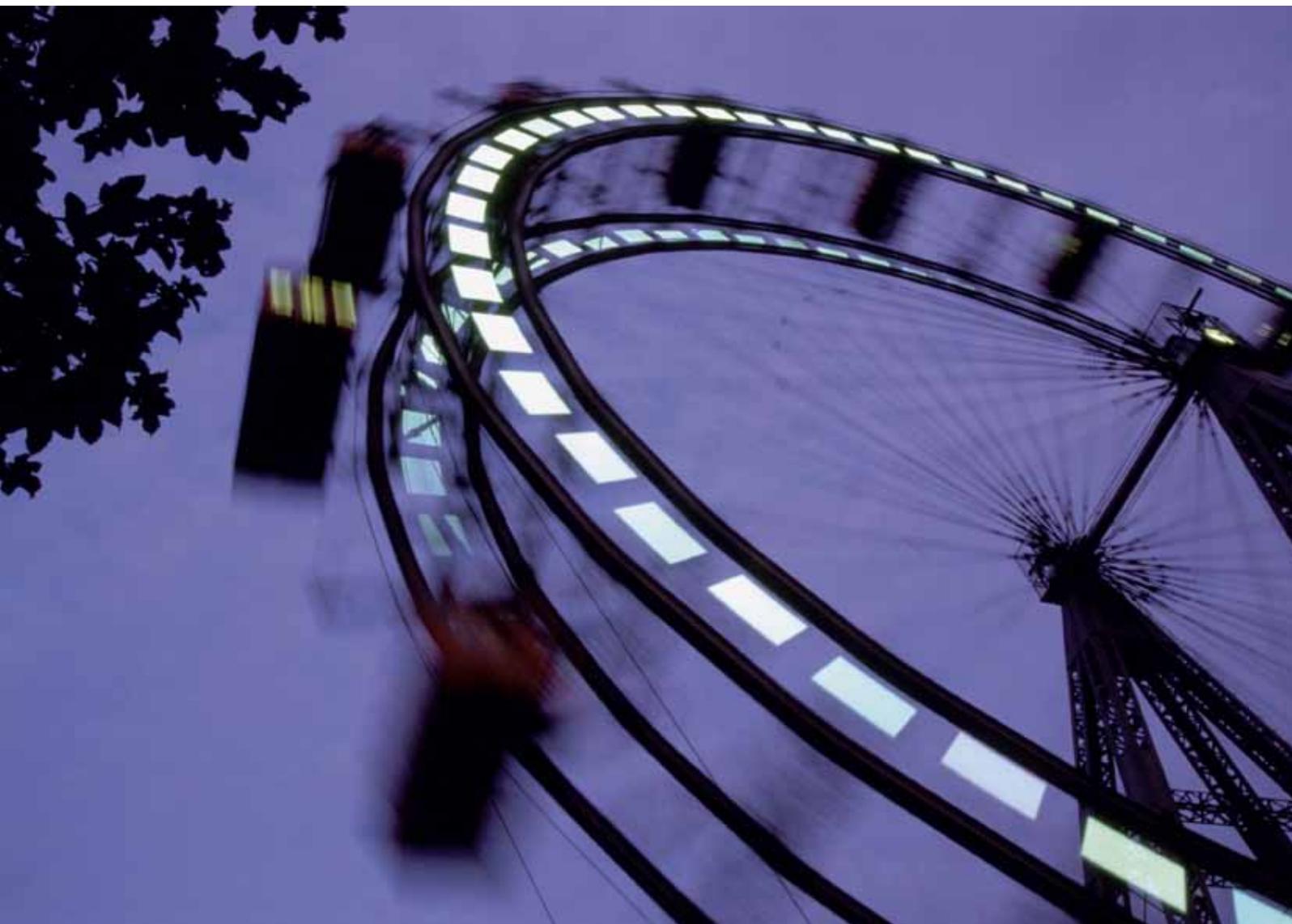
Number of spa-hotels



**The boom in five-star hotels**

Utilization in percent





**Austria: best quality of life**

10 = Quality of life is high

<b>Austria</b>	1	<b>9.81</b>
Switzerland	2	9.52
Canada	7	9.15
Sweden	9	8.89
Germany	10	8.78
France	13	8.77
USA	18	7.94
Spain	21	7.50
Italy	27	6.71
South Africa	35	5.52
Slovakia	38	5.17
Hungary	43	4.76

**Lowest level of environmental pollution**

10 = No environmental pollution

Iceland	1	9.12
<b>Austria</b>	<b>2</b>	<b>8.62</b>
Switzerland	6	8.02
Germany	10	7.61
Netherlands	14	6.83
Japan	15	6.77
France	20	6.52
Spain	23	6.16
USA	24	6.02
Slovakia	35	5.46
Italy	44	4.17
China	58	2.86



“As the gateway between East and West, Vienna has a special status. On the one hand, the city’s rich cultural life is a special attraction for our guests, and on the other hand, Vienna’s expertise in conference management is an essential element for our financial success.”



# From Alpine Peaks to Lowland Lakes

Nine superlative regions – diverse, eventful, and unique

In 2009, around 31.1 million visitors have taken advantage of Austria's diverse tourism offerings, ranging from skiing to the Salzburg Festival. The share of summertime visitors and winter tourists is balanced.

## Vienna

**World capital of music.** The art and cultural hub of Vienna was once again ranked first in the world for its quality of life according to the 2010 Mercer study. The "world capital of music" offers visitors the internationally renowned Vienna Philharmonic Orchestra, two imperial palaces, three opera houses, 50 theatres and more than 100 museums. In this model city for environmental protection, one can not only drink mountain spring water from the tap, but can also benefit from an unusually large number of parks. It comes as no surprise that conference tourism is booming in Vienna. In 2009, the city was host to 2,569 national and international congresses and company meetings, of which 556 were international conferences. The Hofburg Congress Center with its tradition-rich surroundings, the Austria Center Vienna and the Messe Wien Exhibition & Congress Center all offer an outstanding infrastructure for holding conferences.

## Burgenland

**Experiencing nature in the land of the sun.** A mild climate and diverse landscapes, from the basin of Lake Neusiedl to the Pannonian lowland to the rolling hill in the south – these are the ingredients Burgenland blends to offer authentic delights to nature lovers. The Esterházy and Batthyány dynasties immortalized themselves with magnificent edifices. Joseph Haydn and virtuoso Franz Liszt both practiced their arts in the province. The making of contemporary art can be enjoyed at festivals held in Mörbisch and St. Margarethen as well as at the Wiesen Jazz Festival and many other cultural festivals. The so-called Thermenlinie (thermal line) not only offers a broad range of thermal baths but also fantastic wines.

## Lower Austria

**Land of connoisseurs.** The hills of the Waldviertel (Forest Region) and the wine cellar-lined roads of the Weinviertel (Wine Region) contrast with the gentle countryside of the Mostviertel (New Wine Region) and the high alpine areas of southern Lower Austria. As far back as ancient Rome, Lower Austria was considered to be a splendid location for physical and spiritual rejuvenation. Lower Austria, also known as a land of monasteries and cloisters, is renowned for its "Theater Summer Festival". Just outside Vienna's borders, a well-developed network of biking trails links destinations related to wine tourism. Designated by UNESCO as a world heritage site, the Wachau draws visitors all year long due to its mild climate as well as its culinary and cultural delights.



## Upper Austria

**Diversity of its landscapes.** Upper Austria stands out because of the diversity of its landscapes – from the fertile landscapes of the Alpine foothills to the densely forested crests of the Hausruck range to the National Park Kalkalpen, from the Bohemian Forest in the north and the Danube Valley to the world-famous Salzkammergut lake region and the precipitous Dachstein massif in the south. Upper Austria is considered a favorite summer destination, and its many cure resorts continue a longstanding tradition. Respiratory diseases have been treated and cured at the EurothermenResort Bad Ischl for the last 175 years. A pulsating cultural offering spans the entire spectrum, from the Ars Electronica Center“ to Linz’s Bruckner Festival and the Bad Ischl Operetta Festival.

## Styria

**Styria, the Green Heart of Austria,** can rightly be considered as one of Austria’s most interesting culinary destinations. Its rich offering not only includes food pumpkins (pumpkin seed oil), wine and apples, but also chocolate, vinegar, schnapps, the Sulmtaler chicken and other delicacies. Moreover, Styria boasts a long tradition of spoiling its guests, as practiced by nine thermal resorts, including the well known Bad Blumau spa designed by Hundertwasser as well as top quality wellness hotels. One can do hiking, skiing, cross country skiing or cycling between the Dachstein mountain and the vineyards of the province, and ultimately end up strolling around the old town of Graz between the Clock Tower dating from the 13<sup>th</sup> century and the Art Museum built in the 21<sup>st</sup> century.

## Carinthia

**The sunny south with 1,200 lakes.** Sun, lakes, mountains, virgin nature and skiing enjoyment are part and parcel of holidays in Carinthia. 1,200 lakes and ponds, golf courses, 800 kilometers of ski slopes, 1,300 kilometers of cross-country ski trails, hiking paths, natural mineral springs and radon healing galleries are among the highlights for tourists. This is accompanied by 1,400 kilometers of trails in this horseback riding paradise. A year-round leisure, event and cultural offering ensures a nice change of pace and ample variety, led by the Carinthian Summer, the Wörthersee Festival on the lake, the Harley-Davidson fathering, the Ironman event, the Golf GTI car meeting, the Beach Volleyball Grand Slam or the possibility to walk in the footsteps of Ingeborg Bachmann and Robert Musil.

## Salzburg

**Sound of Music.** Culture, nature and wellness come together in the province of Salzburg. In the summer months, tourists are lured by magnificent lakes, whereas the snow-guaranteed ski regions attract guests in winter. The thermal paths of the Gasteinertal Valley featuring the unique radon therapy, already attracted emperors and kings in the 19<sup>th</sup> century. The high-altitude accommodations in Lungau (situated well above 1,000 meters) guarantees moderate night temperatures at the height of summer and a healthy night’s sleep. The 4,000 cultural events taking place in Mozart’s birthplace each year are world renowned. The Salzburg Festival, Mozart Week, as well as the Easter and Pentecost festivals are just as famous as the Hollywood film “The Sound of Music”, winner of five Oscars.

## Tyrol

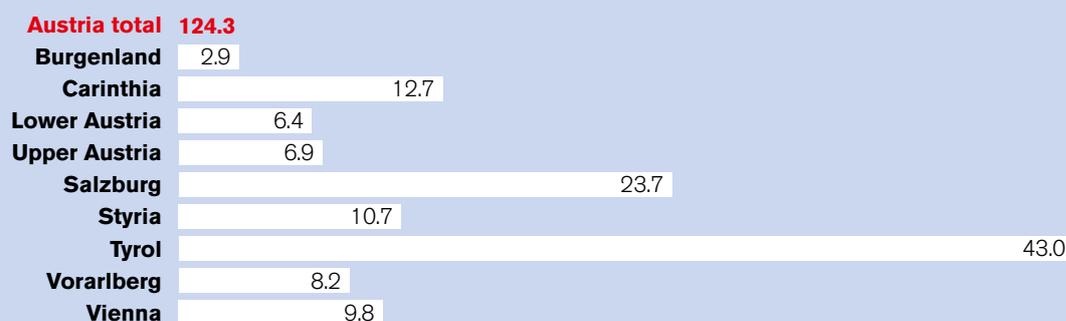
**Heart of the Alps.** The province of Tyrol enchants visitors with its breathtaking peaks, cozy mountain pastures and refreshing mountain lakes, which can be explored via the legendary Adlerweg trail. Leading destinations such as Kitzbühel, Innsbruck and Sölden are authentic oases of well-being for connoisseurs and athletes. Mountain bikers can explore Tyrol on the Bike Trail Tyrol, the longest mountain bike circuit in the Alps, whereas pleasure-seeking hobby bikers prefer to ride on the Inntal Cycling Trail, the tour of Tyrolean delicacies which enables them to enjoy many regional specialties and sights. The drive through Tyrol will take visitors to all sort of cultural highlights. The myriad events range from the Festival of Ancient Music to modern dance theater, from the experimental Festival Avantgarde Tyrol to the classical Tyrolean Festival, all of which enchant Tyrol each and every year.

## Voralberg

**Inspiring and art-minded.** Vorarlberg, the most western Austrian province, ranges from the Mediterranean-like shores of Lake Constance up to the mountainsides of Arlberg, Silvretta and Rätikon. Visitors highly value the stimulating combination of vast valleys, imposing mountains, lively small towns and picturesque mountain villages. The interaction of tradition and modernity is very conspicuous, as clearly shown by contemporary (wood) architecture. The modern houses newly interpret building traditions and thus arouse international attention. There is an extremely lively cultural scene, featuring well-known festivals such as the Bregenz Festival and the Schubertiade. Winter sports have been playing a major role in Vorarlberg for 100 years. In fact, Vorarlberg's ski areas rank among the best in the world.

## Overnight stays

2009, in millions



Source: Statistics Austria



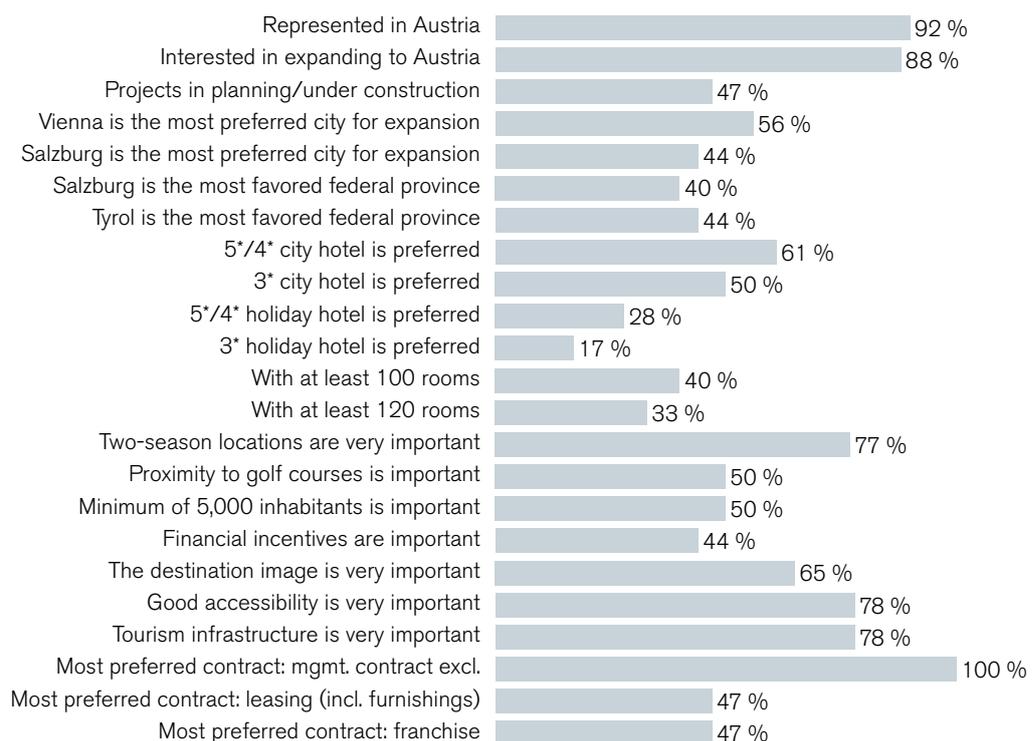
# Growth Market Draws International Investors

Profit is beguiling investors not only in traditional areas of tourism, but also increasingly in residences for senior citizens rehabilitation

A broad spectrum of international investors already profit from the culture, scenery and highly qualified employees in Austria. The list of investors is a long one, ranging from Arabella Sheraton, Hilton, Le Meridien to Marriott and Rosenberger.

The Austrian Starwood hotels such as the Hotel Imperial or Hotel Bristol offer sumptuous luxury to their guests. The Vamed water oases, such as the Aqua Dome in Tyrol or the Therme Laa hotel and spa resort in Lower Austria, enable a healthy feeling of harmony between body, mind and soul. Landal GreenParks takes advantage of the gorgeous surroundings to provide a joyful experience of the wonders of nature, offering 400 holiday apartments and vacation homes. The German Accor Group has been exploiting Austria as a business interface for its expansion drive to Eastern Europe. The German Dussmann Group has been operating in Austria for more than 40 years, ensuring a feeling of well-being for older people at its three senior living residences..

## Hotel development in Austria



# The Country is Doing Quite a Lot for the Tourism Sector

Sergey V. Sokolov, Managing Director of Hotel Elisabethpark in Bad Gastein, values the high level of transparency

**Mr. Sokolov, you recently acquired Hotel Elisabethpark in Bad Gastein. What experiences have you had in the business since you started in Austria?**

*Austria is an interesting country. One of the reasons we decided to invest in Austria is because there are extraordinarily good skiing areas here. From an international perspective, the tourism sector here is outstanding. The country is doing quite a lot for the tourism branch. It was very gratifying to see the comprehensive support in all areas provided by public authorities. They made it possible for me to make numerous contacts.*

**How would you rate the quality of service and personnel in Austria in international comparison?**

*Austria is well-known for its high standards in the hotel industry. The employees are well-trained, and there are very good schools. Austria is undoubtedly in the top ranks in international comparison.*

**What advantages do you think an international company enjoys in Austria?**

*The decisive advantage is the clear-cut laws and the high level of transparency. Authorities are also very cooperative. If one meets the legal requirements, there are no problems. If everything proceeds as planned, we will establish a chain of hotels in Austria.*

## Hotel Elisabethpark

Since 2007, Hotel Elisabethpark has belonged to an international group of companies. The 4 star hotel located in the center of the traditional health resort Bad Gastein is the ideal starting point for a sporty and sophisticated clientele. There are many good reasons why the Gastein Valley has become popular among foreign investors in recent years, in particular from the Netherlands, Sweden, Latvia, Russia and Ukraine.

→ [www.elisabethpark.at](http://www.elisabethpark.at)



Sergey V. Sokolov  
Managing Director  
Hotel Elisabethpark



Angelika Heyer  
 Director of Corporate  
 Communications  
 Steigenberger Hotels AG

## An Interesting Country to Expand in

Angelika Heyer appreciates the unbureaucratic procedure involved in starting up a company in Austria

**Steigenberger operates several first class hotels in Austria, such as the Steigenberger Avance Hotel in Krems. What has been your experience in setting up a company in Austria?**

*Our experience in Austria has been good. The procedure for establishing a company was unbureaucratic. A major advantage is the quick and transparent decision-making processes. Austria is a very attractive country, in particular for German visitors who comprise a majority of Steinberger's guests. In addition to the delightful countryside and the common language, one additional factor contributing to our enthusiasm for Austria is undoubtedly the friendly service. The personnel is very well trained, and this is very much appreciated by our guests.*

**What are your plans over the next few years? Will the company make further investments in Austria?**

*We opened up a new luxury hotel in Vienna at the end of 2008 – the Steigenberger Hotel Herrenhof in the heart of the old town. Above and beyond this, Austria will remain an interesting country for our expansion plans in the next few years.*

### **Steigenberger**

*Embedded in a wonderful landscape, above the 1,000-year-old City of Krems, is the Steigenberger Avance Hotel. The hotel not only offers first class comfort, but also a wellness area encompassing 1,200 m<sup>2</sup> on two floors, as well as a therapy center. It is one of five hotels operated by the Steigenberger Group in Austria, in addition to posh accommodations provided in Kaprun, Vienna and Linz. The Steigenberger Group runs around 80 hotels in five countries under the brand names Steigenberger Hotels and Resorts as well as InterCityHotel.*

→ [www.steigenberger.at](http://www.steigenberger.at)



**Selected projects offering opportunities for investors:**

Numerous projects are currently in progress in the tourism, health and wellness fields, offering opportunities for innovative investors. Examples include:

- Hotel Project Straubinger Platz, Bad Gastein
- 5\* Grand Spa Hotel Gasteinerhof, Bad Gastein
- Hotel & Residenzen Luisenhof, Bad Hofgastein
- Economy Hotels Vienna, Linz, Steyr, Salzburg, Villach, Innsbruck, Dornbirn
- St. Martin bei Lofer Spa Hotel & Health Center
- Saalfelden Golf Hotel Project
- Maria Alm Chalet Village
- Krimml Health Hotel
- Berwangerhof, Berwang
- 4\* Green Hotel, Vienna
- Golf- & Sport Hotel Zell am See



## A Range of Investment Incentives

Around a third of the incentives offered by Österreichische Hotel- und Tourismusbank are already designated for wellness projects

Provincial governments also offer project-related support through interregional initiatives and several specific tourism related programs.

### **Österreichische Hotel- und Tourismusbank (ÖHT)**

The Österreichische Hotel- und Tourismusbank (ÖHT) is a specialized financial institution focusing on the financing and promotion of investments in the field of tourism. As a rule, the investment promotion activities are designed for projects of up to 2 million euros. The service portfolio also encompasses consulting and training, support for strategic cooperation and the restructuring of financing for companies in the tourism sector. In 2009, the bank provided financial assistance for a total investment volume of 828 million euros, and supported 1,433 firms.

#### **Individual measures:**

##### **1. ERP loans for the tourism industry**

Loans are generally granted with a maturity of 12 years. Such lines of credit can be used for start-ups, the rationalization and modernization of gastronomical companies and accommodation facilities, as well as health resorts, spas and wellness centers.

The promotion of tourism activities is a critical concern for Austria. Numerous measures provide targeted and efficient support for innovative businesses. The spectrum of incentives ranges from catalyst project funding to assistance for project-related infrastructure to special EU support such as EFRE and ESF as well as labor market subsidies.



## 2. TOP tourism promotion 2007 – 2013

Investment loans of up to 1 million euros can be further supported with an interest subsidy of 5 percent of eligible investment costs, investment loans over 1 million euros will be supported through a 2 percent per year subsidy of the eligible lending volume over ten years. A higher subsidy is available for tourism infrastructure projects. It is also possible to obtain assistance for equity financed or venture-capital financed investment projects. As a rule, subsidies are available based on loan amounts of up to 2 million euros. In addition, in connection with TOP promotion conditions, the assumption of guarantees (for a maximum of 20 years) is possible for loans or equity interests involving investment costs from 50,000 to 2 million euros.

## 3. Young Entrepreneur Promotion

Assistance is provided to investments in start-ups and the acquisition of tourism companies by means of a one-time grant amounting to a maximum of 25 percent of the start-up costs, ranging from 5,000 to 200,000 euros.

### Labor Market Promotion Act

Under § 51a of the Austrian Labor Market Promotion Act (AMFG), subsidies are available for businesses and catalyst projects with significant macroeconomic, regional or labor market effects.

### EU grants

The Cohesion Policy of the European Union underwent a fundamental reorientation for the period 2007–2013. The implementation in Austria is taking place on the basis of various programs. In the years 2007–13, Burgenland was classified as a “Convergence and Phasing Out” region, whereas all other provinces in Austria are encompassed under the “Regional Competitiveness and Employment” objective of the EU. Technically speaking, this means that one operational program was developed for Burgenland for both EFRE (European Regional Development Fund) and ESF (European Social Fund). All other provinces are involved in an EFRE program designed to achieve the “Regional Competitiveness and Employment” objective, and there is also an operational labor market program financed by ESF for the entire country.

**Objective “European Territorial Cooperation”:** Austria is participating in seven cross-border cooperation projects with its neighbors: Germany/Bavaria-Austria, Alps Rhine-Lake Constance-High Rhine, Austria-Italy, Austria-Slovenia, Austria-Hungary, Austria-Slovakia and Austria-Czech Republic. In terms of transnational cooperation programs, Austria is taking part in the following initiatives: Alpine Region, Central-Europe and South-East Europe.

The “Inter-regional Cooperation” program promotes the cooperation among national, regional and local public bodies in the different countries of the 27 EU member states as well as Norway and Switzerland with respect to the EU’s regional policies. There is no direct connection to the tourism sector.

→ [www.oeht.at](http://www.oeht.at)

→ [www.bmwfj.gv.at](http://www.bmwfj.gv.at)



ABA-Invest in Austria offers you comprehensive service – from investment subsidies and market opportunities to tax issues. A team of 29 qualified employees provides you with unbureaucratic support, putting its know-how at your disposal. And it does so at no cost to you.

# The Best Contact Partner for Business Location Issues

As a consulting company set up by the Republic of Austria, ABA-Invest in Austria (ABA) is the top choice of international investors.

- **Personalized advisory services.** ABA-Invest in Austria is staffed by long-standing, experienced **investment consultants**. ABA offers you competent employees who will personally take care of you, and provide all the necessary contacts you require in Austria.
- **Comprehensive information pool.** ABA-Invest in Austria can provide you with all the up-to-date data on **Austria as a business location**. ABA supplies information about branches, technologies and market developments, as well as the overall political and economic environment.
- **Competent consulting.** ABA-Invest in Austria advises you on the **choice of an optimal site**. ABA provides information on labor and tax issues, informs you about the best possible investment subsidies, researches current real estate costs or assists you in solving different problems which may arise when setting up business operations in Austria.
- **Vigorous support.** ABA-Invest in Austria helps you in **handling formalities** and dealing with public authorities. Together with you, ABA will complete applications for investment grants or operating licenses, and supports you working in close cooperation with the respective regional investment promotion agency.
- **Long-term service.** ABA-Invest in Austria offers long-term consulting services and investor support. Even after the project has been completed, ABA is available to provide support services for further investments and developmental steps.
- **International links.** ABA-Invest in Austria operates a **global network**. ABA puts its offices in New York and Tokyo at your disposal to serve as cooperation partners, and also identifies the right contacts at the foreign trade offices of the Austrian Federal Chamber of Commerce.
- **Additional areas of competence.** In addition to comprehensive, personal consulting services, ABA-Invest in Austria has developed specialized brochures designed to provide additional information on the following topics:



- Business Location Austria
- Springboard to Eastern Europe
- Automotive Industry
- Research and Development
- Information Technology
- Life Sciences
- Private Equity & Real Estate
- Environmental Technologies & Renewable
- Chemicals / Plastics
- Machine Construction / Mechatronics / Electronics
- Logistics
- Starting a Business in Austria
- Tax Aspects of Industrial Investments in Austria

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