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Inward FDI in Austria and its policy context, 2010

by
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Since World War II, inward foreign direct investment (IFDI) has played an important role in Austria, contributing substantially to overall investment. Austria's IFDI stock increased every year except in two. The most recent decline occurred in 2008 as a result of the economic and financial crisis. In fact, valuation adjustments led to a fall of the country's IFDI stock by 4%. Yet, in real terms, as measured by employment, IFDI rose even during 2008, and projections for 2009 suggest renewed growth of the country's IFDI stock. This short Profile highlights a number of stylized facts on IFDI and describes the country's FDI policy environment.

Trends and developments

Country-level developments

In Austria, foreign affiliates traditionally have played an important role. In the mid-1970s, the share of foreign capital in the manufacturing sector was roughly one third, while the other two thirds were held by the state and the private sector in equal proportions. These shares have changed since, due to the privatization policy, the structural transformation toward a service economy and the increase in international mergers and acquisitions (M&As). Inward FDI still contributes considerable amounts to gross fixed capital formation (GFCF) (in 2009, the share of IFDI flows in GFCF was 13%).

Turning to more recent developments, in 2007 Austria's aggregate IFDI stock grew by 47% to US$ 163 billion (annex table 1) or to 41% in relation to its GDP. In 2008, the upward trend stopped and Austria's IFDI stock decreased. But already in 2009, it picked up again, almost

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reaching the value of 2007. Part of the decline in 2008 in dollar terms is due to the depreciation of the Euro against the dollar. In 2009, net IFDI flows to Austria (annex table 2) amounted to US$ 7.3 billion. They consisted of new equity of US$ 4.4 billion and equity divestments of US$ 5.0 billion (hence net equity investments decreased by US$ 0.6 billion), reinvested earnings of US$ 4.4 billion and other capital (US$ 3.5 billion).

Data for the first quarter of 2010 show a net IFDI flow of US$ 5.8 billion, which is a strong increase compared to the first quarter of 2009 (US$ 2.5 billion). Yet, on an annual basis, a sharp upswing cannot be expected, due to the low economic growth rates in some of the home economies of Austrian IFDI.

The sectoral distribution of Austria's IFDI stock clearly reflects the structural transformation of the country's economy and its geographical advantages (annex table 3). In terms of total capital at market prices, the manufacturing sector accounts for only 14% of the total stock (in 1989 its share was 40%). Thus, today most IFDI is directed toward the services sector, with "professional, scientific and technical services" accounting for 45% of the total IFDI stock – a share that has increased strongly during the past decades (see annex table 3 for details). This sector *inter alia* includes engineering, applied research and consulting services. Also, the share of "financial intermediation" increased substantially, with important foreign banks taking over Austrian banks.

In contrast to the sectoral distribution, which has changed considerably over the past decades, the geographical distribution of the home countries of foreign investors in Austria has changed little. The figures presented in annex table 4 reveal that IFDI is still a very regional phenomenon.[1] The three neighboring countries (Germany, Switzerland, Italy) accounted for more than 50% of the total IFDI stock (US$ 159 billion) in 2007. Other European countries – except for the Netherlands, with a stake of US$ 9 billion – own negligible amounts, except the United Kingdom. Among the non-European home countries, even the stocks of large countries like Japan and the United States together amounted to only US$ 21 billion (or 11%) in 2007.

It should, however, be mentioned that transactions which seem to be unrelated to Austria at first glance may affect the regional composition of IFDI considerably. This can be illustrated by two large transactions that recently took place. First, between 2006 and 2007, Japanese FDI stock in Austria rose from US$ 1.8 billion to US$ 6.9 billion, mainly due to a takeover of British Tobacco by Japan Tobacco[2] as well as a direct investment of Japan Tobacco in Austria Tabak. Second, the takeover of Bayerische Hypo-Vereinsbank (of Germany) by the Italian Unicredit Group in 2006 led to a strong regional shift of foreign investors in Austria. So far, this investment was counted as a German investment. Due to the "ultimate beneficial owner principle" applied to inward investment, Bank Austria had to be re-classified as an Italian rather than a German investment – despite still being owned by Bayerische Hypo-Vereinsbank. This ended the relative dominance of Germany in Austria's inward FDI stock, which accounted for almost one third of the total IFDI stock until 2006.

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[1] Please note that the latest figures available in the required country classification are for 2007. Figures on the geographical distribution of FDI for 2008 are also available, yet they are classified differently.

[2] This is a merger by two foreign companies, which ultimately affects the ownership of an Austrian company.

Few operational data on foreign affiliates in Austria are available in a concise manner, most notably data on employment, sales and profitability. After reaching a peak in 2000 with 252,400 employees, employment in foreign affiliates in Austria steadily decreased until 2007, to 235,200, back to the level of the early 1990s. In contrast, aggregate sales of foreign affiliates in Austria (due to the small market size only about US$ 137 billion in 2007) grew steadily. Concerning profitability, the overall median return on equity was 11.6% in 2007, with the median value for mature investments being twice as high as for young firms. Unfortunately, no comparable figures are available for the performance of domestic Austrian firms or the total population of firms. The only value – which is not directly, but closely comparable – is the median value for the return on equity in manufacturing, which was 18.5% in 2007; it is not known how the primary and the tertiary sectors together would influence this value and hence no firm conclusion based on this comparison can be drawn.

A distinctive feature of Austrian IFDI is the large importance of “special purpose entities” (SPEs) or “shell companies”. According to the current version of the OECD benchmark definition, corporations without any economic activity in the host economy are termed “SPEs”. These are holding companies located in Austria owned by non-residents that in turn hold shares of non-resident enterprises abroad. Austria is chosen by SPEs due to its favorable tax treatment of such investments. In 2005, the inclusion of only five SPEs resulted in an increase of Austria’s IFDI stock by approximately US$ 71 billion. In 2007 and 2008, SPEs were still very important, accounting for about 40% of the total IFDI stock.[3]

Another particular feature of IFDI in Austria are regional holding companies. These Austrian firms are set up by a foreign-owned parent company to engage in domestic activities in Austria as well as in FDI. For example, Bank Austria is a “bridgehead” for Central and Eastern European markets; that is why the Italian owner (Unicredit) has placed its affiliates in Central and Eastern European countries under Bank Austria’s control. These bridgeheads are important. If they were counted separately, Austria’s IFDI stock would be adjusted by as much as US$ 61 billion. According to the Austrian Central Bank, multinational enterprises (MNEs) from over 30 countries have established their bridgeheads or regional headquarters in Austria.

SPEs and regional holding companies make up for the largest share in Austrian IFDI, the remaining share is accounted for by foreign firms either targeting the Austrian market or engaging in vertical FDI. The shares of SPEs and regional holding companies in IFDI are much smaller, if calculated on the basis of employment and of the number of investments.

According to a survey of Austrian Central Bank[4], and in line with “objective” location advantages of Austria, such as a high per capita income, favorable relative unit labor costs (despite high wage costs, which are, however, compensated by high productivity), a highly-skilled labor force, and the vicinity to the Central- and East European markets. Market-seeking motives play a smaller role in explaining foreign investments in Austria (20% in terms of total capital invested), whereas labor costs, taxation and sourcing account for 56%.

The corporate players

[3] OeNB, *Internationale Vermögensposition Österreichs 2008* (Vienna: Statistiken Sonderheft, 2009), table 1a.
[4] www.oenb.at/de/stat_melders/datenangebot/aussenwirtschaft/direktinvestitionen/direktinvestitionen.jsp#tcm:14-149053.

Annex table 6 lists the most important mergers and acquisitions (M&As) during the past three years. In 2007, the outstanding transactions were first the shift of ownership of Bank Austria from a German to an Italian owner (described above) and second the transfer of ownership from Unicredit to Bank Austria of most of its activities in Central and Eastern Europe. The effect of this latter transaction was not only an increase in Austria's IFDI stock, but also a rise in the country's outward FDI stock due to the regional headquarter function of Bank Austria for the affiliates in Central and Eastern Europe. During 2008 and 2009, no comparable large transactions took place, which is reflected in much lower IFDI flows.

The most recent large divestment was reported in late 2009 and early 2010, when Hypo Alpe-Adria-Bank, owned by Bayerische Landesbank, went bankrupt and was re-nationalized by the Austrian Government. Only in 2007, Bayerische Landesbank had acquired a stake (50% plus 1 vote) of the Austrian Hypo Alpe-Adria-Bank (equal to a transaction amount of US$ 2.4 billion).[5] The whole transaction amounted to US$ 2.2 billion, of which US$ 1.2 billion were provided by Bayerische Landesbank and US$ 658 million by the Austrian Government, as well as the Carinthian local government and private firms. Therefore, the investor,[6] Bayerische Landesbank, gained from profits of its investment in Austria in earlier years, but did not have to bear the full losses. As in other countries, this event stimulated a new discussion in Austria about the role of the state in a market economy, where the Austrian Government provided large "rescue packages" for the banking sector ("too big to fail"), but not for other industries.

Effects of the current global crisis

The economic crisis led to a convergence of market and book values[7] of Austria's IFDI stock: the ratio approached one in 2008, while it had been 1.2 on average during 2005 to 2007. Stagnating or declining demand abroad required write-offs of assets of foreign affiliates, especially of an export-platform nature, due to lower expected future profitability. Capacity utilization in the Austrian economy is still low and, therefore, expansion can be achieved with existing assets. In addition, for a particular type of IFDI, i.e. affiliates set up by foreign firms in Austria as bridgeheads for markets in Central- and Eastern Europe, uncertainty about future growth prospects increased during the crisis.

Yet, the economic crisis did not have negative effects only, as the following example of "crisis-induced restructuring of MNEs" in the form of concentration of production shows. As Austria has no "own" automobile manufacturers (but a strong automotive supplier industry), international developments in the automobile industry have a very direct repercussion on large parts of the manufacturing sector. In this respect, the restructuring of GM's Europe activities is of interest, since Opel (a subsidiary of GM) owns a large plant in Austria. As far as one can

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[5] Reported figures on the value of the transactions vary slightly, depending on the date of publication and type of media (see also next footnote.)

[6] See e.g."HGAA-Deal: Österreich verstaatlicht Krisen-Tochter der BayernLB", *Spiegel Online*, August 24, 2010, available at: www.spiegel.de/wirtschaft/unternehmen/0,1518,666864,00.html.

[7] It should be noted that the most recent detailed figures refer to 2007 and were released by the Austrian National Bank in late 2009. This publication has brought major changes in the reporting practice, like the use of market values for listed firms. Thus, it should be kept in mind that de-listings (most recently Bank Austria; and Austrian Airlines which was acquired by Deutsche Lufthansa) have a big effect on the market values of Austrian IFDI, apart from business cycle effects. In addition, an extension of capital included in "other FDI capital", as well as the inclusion of the new category of FDI, namely "special purpose entities" and a change in the classification of "indirect" FDI, were introduced.

assess the current restructuring of Opel's activities in Europe, the Austrian plant seems to benefit from the closing of other plants in Europe. It should be noted that the Austrian Government – at least so far – has not been willing to provide any subsidies to GM for keeping its plant in Austria.

The policy scene

Attracting FDI has always been high on the agenda of the Government, independently of its political orientation. While Austria was quite successful in attracting IFDI in the past, with few exceptions, it never introduced policies or laws specific to IFDI. Rather, the approach was to create an economic environment conducive to investment in general. Nevertheless, there are several areas in which policies have contributed directly to attracting IFDI, including those related to taxation, investment protection and research and development.

As a member of the European Union, the four freedoms of the Single Market apply (with restrictions of the freedom of movement of people), and hence there are no restrictions on IFDI from other EU members. Austria has steadily built a network of bilateral investment treaties (BITs), with 59 Austrian BITs in force in September 2010. The latest bilateral investment treaty was concluded in 2004 (with Ethiopia), and the latest BIT came into force in 2006 (with Algeria).[8] Currently, several BITs are under negotiation.[9]

The need to include the high environmental, social and labor standards codified in Austrian legislation into BITs has been argued in public debate, and an Austrian model BIT has been drafted, which includes provisions for investor conduct regarding the environment (art. 4)[10] and labor (art. 5).[11] Yet, so far, none of these provisions has been included in actual BITs.[12]

Austria offers a number of investment incentives in the areas of regional assistance, small and medium-sized enterprises (e.g. through loan guarantees), technology promotion (e.g. through grants and tax incentives), education, and training. Most of the incentives are granted to domestic

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[8] See Austrian Federal Ministry of Economy, Family and Youth, "Bilaterale Investitionsschutzabkommen – Länder", available at: www.bmwfj.gv.at/Aussenwirtschaft/Investitionspolitik/Seiten/BilateraleInvestitionsschutzabkommen-Länder.aspx.
[9] However, the Austrian Government does not reveal publicly, which countries are involved.
[10] This model BIT has never been published officially. However, from an unauthorized copy, the following quote is taken: "The Contracting Parties recognize that it is inappropriate to encourage investment by weakening or reducing the protections afforded in domestic environmental laws. Accordingly, each Party shall strive to ensure that it does not waive or otherwise derogate from, or offer to waive or otherwise derogate from, such laws in a manner that weakens or reduces the protections afforded in those laws as an encouragement for the establishment, acquisition, expansion, or retention of an investment in its territory. If a Party considers that the other Party has offered such an encouragement, it may request consultations with the other Party and the two Parties shall consult with a view to avoiding any such encouragement."
[11] See previous footnote for source. "The Parties recognize that it is inappropriate to encourage investment by weakening or reducing the protections afforded in domestic labor laws." Accordingly, each Party shall strive to ensure that it does not waive or otherwise derogate from, or offer to waive or otherwise derogate from, such laws in a manner that weakens or reduces adherence to the internationally recognized labor rights referred to in paragraph 2 as an encouragement for the establishment, acquisition, expansion, or retention of an investment in its territory. For the purposes of this Article, "labour laws" means each Party's statutes or regulations, that are directly related to the following internationally recognized labor rights:(a) the right of association; (b) the right to organize and to bargain collectively; (c) a prohibition on the use of any form of forced or compulsory labour; (d) labour protections for children and young people, including a minimum age for the employment of children and the prohibition and elimination of the worst forms of child labour, and (e) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health."
[12] The national contact point for the OECD Guidelines for Multinational Enterprises provides information material at: http://www.bmwfj.gv.at/Aussenwirtschaft/Investitionspolitik/Seiten/OECD-LeitsaetzefuermultinationaleUnternehmen.aspx.
ABA – Invest in Austria (governmental agency) provides information at:
http://www.aba.gv.at/EN/ABA-Invest+in+Austria.aspx.

and foreign firms alike without discrimination by ownership. The sophisticated system of export promotion developed in Austria also benefits foreign investors, since a considerable amount of IFDI is export oriented. Initially set up for exporters and outward investors, this system increasingly serves inward investors as well, through export credits granted by the Oesterreichische Kontrollbank AG, acting as the Austrian export credit agency on behalf of the Austrian Federal Ministry of Finance.

Austria increasingly feels the locational competition from neighboring countries in Central and Eastern Europe – even if many of its location factors are still very different from those of the latter. The Austrian Government has reacted with several measures to this competition from new locations. This is clearly visible, for example, in the drastic reduction of the statutory corporate tax rate from 34% to 25% in 2005 and subsequent changes in the tax law. Today, the favorable tax environment in Austria includes provisions like the cross-border intra-group loss relief ("Gruppenbesteuerung"), the international participation exemption and special legislation on trusts and foundations ("Stiftungsrecht") – all measures conducive to the establishment of SPEs and holding companies. Besides these purely national changes in the tax law, the number of double taxation treaties (DTTs) has increased steadily, and a number of treaties are currently being negotiated.[13]

Austria has set up a federal investment promotion agency in order to co-ordinate its inward investment promotion activities.[14] In addition, each of the nine provinces has set up some kind of regional agency. This is important, as there are substantial regional variations in subsidies and incentive schemes. The investment agency fulfils an important role in the provision of information. Over time, it has developed a one-stop-shop concept in order to facilitate investor attraction. The activities of these federal and local bodies are especially important in times of crisis, when foreign investors are reluctant to engage in new activities or to expand existing ones.

Whilst a big issue in other countries as well as in the Austrian political discussion and the media, sovereign wealth fund (SWF) investments in Austria are rather rare. Only the Abu Dhabi Investment Authority and the Libyan Investment Authority have undertaken FDI in Austria.[15] This low number explains why public action (e.g. a special law) has not emerged, but this topic will continue to be debated.

Conclusion and Outlook

IFDI in Austria was only slightly affected by the global economic and financial crisis as no major divestments occurred, yet strong valuation adjustments contributed to declining growth rates. The outlook for further growth of existing as well as new IFDI is positive as Austria's economic environment and the favorable taxation of companies are highly competitive with other locations in Europe. Thus, much will depend on developments in other countries, as a large part of Austria's IFDI is efficiency-seeking and export oriented.

[13] See Austrian Federal Ministry of Finance, "Liste der österreichischen Doppelbesteuerungsabkommen auf dem Gebiet der Steuern vom Einkommen und vom Vermögen", available at: www.bmf.gv.at/steuern/fachinformation/internationalessteu_6523/diesterreichischend_6527/_start.htm.

[14] See Austrian Business Agency, available at: www.aba.gv.at.

[15] "Libysche Investoren werden stärkste Unicredit-Aktionäre", Die Presse, 05.08.2010 and "Gaddafi-Fonds kauft sich in Österreich ein", Die Presse, 14.09.2009.

Additional readings

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Bellak, Christian, "The investment development path of Austria," *Transnational Corporations*, vol. 10, no. 2 (2001), pp. 107-134.

Greul, Erich and René Dell'mour, *Statistik der Auslandsunternehmenseinheiten* (FATS-Statistik), available at: www.statistik.at/web_de/statistiken/unternehmen_arbeitsstaetten/auslandsunternehmenseinheiten/index.html.

OeNB, "Direct investment 2007," *Statistiken, Special Issue* (Vienna: September 2009), available at: www.oenb.at.

Pfaffermayr, Michael, Christian Bellak and Michael Wild, "Firm performance after ownership change: a matching estimator approach," in *Applied Economics Quarterly*, vol. 52, no. 1 (2006), pp. 29-54.

Useful websites

For FDI data: Austrian Central Bank, available at: www.oenb.at/de/stat_melders/datenangebot/aussenwirtschaft/direktinvestitionen/direktinvestitionen.jsp#tcm:14-149053.

For the most recent publication on Austrian FDI: http://www.oenb.at/de/img/shst_2010_09_mon_tcm14-207927.pdf

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The Vale Columbia Center on Sustainable International Investment (VCC), led by Dr. Karl P. Sauvant, is a joint center of Columbia Law School and The Earth Institute at Columbia University. It seeks to be a leader on issues related to foreign direct investment (FDI) in the global economy. VCC focuses on the analysis and teaching of the implications of FDI for public policy and international investment law.

Statistical annex

Annex table 1. Austria: inward FDI stock, 2000-2009

(US$ billion)

Economy	2000[a]	2001[a]	2002[a]	2003[a]	2004[a]	2005[a]	2006[a]	2007[a]	2008[a]	2009[a, b]
Austria	31	35	45	58	70.7	83	111	163	148	161
Memorandum: comparator economies										
Germany	272	272	298	395	512.1	476	592	676	701	….
Slovakia	5	6	9	15	21.9	28	34	45	46	….
Switzerland	87	89	125	162	197.7	170	265	338	374	….

Source: UNCTAD's FDI database, available at: http://stats.unctad.org/fdi; OeNB, 2010, zip file Stand/Beschäftigte der österreichischen ausländischen Direktinvestitionen nach Branchen – NACE 2003 von 1990 bis 2008, available at: www.oenb.at.
[a] Currency conversion rates US$ per Euro used for Austria: 2000: 0.9305, 2001: 0.8813, 2002: 1.0487, 2003: 1.2630, 2004: 1.3621, 2005: 1.1797, 2006: 1.3170, 2007: 1.4721, 2008: 1.3917, 2009: 1.4406.
[b] The value for 2009 is preliminary, since 2009 FDI flows were added to 2008 stocks.

Annex table 2. Austria: inward FDI flows, 2000-2009

(US$ billion)

Economy	2000	2001	2002	2003	2004	2005	2006	2007	2008[a]	2009[a]
Austria	8.8	5.9	0.4	7.1	3.9	10.8	7.9	29.6	11.9	7.3
Memorandum: comparator economies										
Germany	198.3	26.4	53.5	32.4	-10.2	47.4	57.1	56.4	24.9	….
Slovakia	1.9	1.6	4.1	2.2	3.0	2.4	4.7	3.3	3.4	….
Switzerland	19.3	8.9	6.3	16.5	0.9	-1.0	30.8	49.2	17.4	….

Source: UNCTAD's FDI database, available at: http://stats.unctad.org/fdi; and OeNB, *Pressedienst 30.4.2010: Österreichs Außenwirtschaft in ruhigerem Fahrwasser* (Vienna, 2010).
[a] Currency conversion rate US$ per Euro 2008: 1.4717, 2009: 1.3928.

Annex table 3. Austria: distribution of inward FDI stock, by economic sector and industry, 2000, 2008

(US$ million)

Sector/industry	**2000**[a]	**2008**[a]
All sectors/industries	**31,165**	**147,785**
Primary	**290**	**404**
Agriculture, mining	290	404
Secondary	**6,514**	**17,963**
Food products, beverages, tobacco products	182	1,150
Textiles and textile products, leather and leather products	193	335
Wood, paper, printing	618	2,597
Chemicals, petroleum products, pharmaceuticals	1,374	4,764
Non-metallic mineral products	458	710
Basic metals and fabricated metal products	505	1,253
Computers, electronic and optical products	1,983	2,035
Machinery and equipment	628	1,960
Manufacture of transport equipment	285	572
Other products, repair and installation	147	264
Electricity, water supply, waste collection and treatment	30	2,127
Construction	112	198
Tertiary	**24,359**	**129,418**
Trade	6,258	20,920
Transport and storage, postal and courier services	169	931
Accommodation and food services	143	391
Information and communication services	2,213	1,925
Financial intermediation	6,231	42,503
Real estate activities	924	3,116
Professional, scientific and technical services	8,125	58,097
Administrative and support services	287	1,557
Public and other services	9	-21

Source: OeNB, 2010, zip file Stand/Beschäftigte der österreichischen/ausländischen Direktinvestitionen nach Branchen – NACE 2003 von 1990 bis 2008, available at: www.oenb.at.

[a] Currency conversion rate US$ per Euro 2000: 0.9305, 2008: 1.3917.

Annex table 4. Austria: geographical distribution of inward FDI stock, 2000, 2007

(US$ million)

Region/economy	2000	2007
World	31,165	159,111
Developed economies	30,136	141,204
Europe	27,411	116,755
European Union	24,297	104,235
Germany	14,168	40,007
North America	1,925	16,464
Canada	41	1,980
United States	1,884	14,484
Other developed countries	801	7,986
Australia	20	120
Japan	782	6,873
Developing economies	797	13,301
Africa	1	3,314
Asia and Oceania	678	9,204
Latin America and Caribbean	117	783
South East Europe and the CIS	232	4,606

Source: OeNB, "Direct Investment 2007," Statistiken, Special Issue, (Vienna, September 2009), available at: www.oenb.at and information provided by René Dell'mour of the Austrian Central Bank.

Annex table 5. Austria: foreign affiliates, ranked by assets, 2008

(US$ million)

Rank	Name	Industry	Total assets
1	Bank Austria	Banking	5,003
2	GM - Opel	Car industry	n.a.
3	Siemens AG Österreich	Electronics	4,547
4	Bawag	Finance and insurance	n.a.
5	BMW Magna	Automotive supplier industry	n.a.
6	T-Mobile	Communications	n.a.

Source: Information provided by the companies.

Annex table 6. Austria: main M&A deals, by inward investing firm, 2007-2009

(US$ million)

Year	Acquiring company	Home economy	Target company	Target industry	Shares acquired (%)	Estimated / announced transaction value
2009	Adesso AG	Germany	CFC	Prepackaged software	100.00	3.4
2009	Novo Invest Co Srl	Romania	Wettpunkt	Amusement and recreation services	100.00	7.4
2009	Bilfinger Berger AG	Germany	MCE AG	Special industry machinery, nec	100.00	515.2
2009	Aragon AG	Germany	MLP Finanz-dienstleistungen AG	Investment advice	100.00	7.3
2009	Barracuda Networks Inc	United States	Phion AG	Prepackaged software	79.75	13.9
2009	SIBUR Holding	Russia	CITCO Waren-Handels GmbH	Petroleum and petroleum products wholesalers, nec	100.00	269.8
2009	Novartis AG	Switzerland	Ebewe Pharma GmbH-Specialty	Pharmaceutical preparations	100.00	1,272.9
2009	Michael Huber Muenchen GmbH	Germany	Micro Inks GmbH	Printing ink	100.00	0.02
2009	Deutsche Lufthansa AG	Germany	Austrian Airlines AG	Air transportation, scheduled	53.84	1,443.7
2009	Deutsche Lufthansa AG	Germany	Austrian Airlines AG	Air transportation, scheduled	41.56	207.8
2008	Union Investment Real Estate	Germany	ARCOTEL Kaiserwasser	Hotels and motels	100.00	42.4
2008	IDEX Corporation	United States	iPEK Spezial TV GesmbH & CO KG	Electronic components, nec	100.00	42.3
2008	Net 1 UEPS Technologies Inc	South Africa	BGS Smartcard Systems AG	Personal credit institutions	80.10	106.6
2008	Radiant Systems Inc	United States	Orderman GmbH	Computer peripheral equipment, nec	100.00	30.9
2008	YIT Corp	Finland	MCE AG-Building Technology	Special industry machinery, nec	100.00	85.6
2008	Unicredito Italiano SpA	Italy	Bank Austria Creditanstalt AG	Banks	3.65	1,272.4

2008	Criteria CaixaCorp SA	Spain	Erste Group Bank AG	Banks	4.90	916.8
2008	Dubai Aerospace Entrp	United Arab Emirates	F:WZ	Prepackaged software	100.00	25.0
2008	Unibail-Rodamco SE	France	Shopping City Sued	Operators of nonresidential buildings	100.00	954.9
2008	Hungarian Telephone & Cable	United States	Memorex Telex Communications	Telephone communications, except radiotelephone	95.70	129.6
2007	Novartis AG	Switzerland	Intercell AG	Biological products, except diagnostic substances	9.80	214.0
2007	VA Tech WABAG Ltd	India	VA Tech Wabag GmbH	Water supply	100.00	100.0
2007	Constantia Packaging BV	Netherlands	Constantia Packaging AG	Primary production of aluminum	12.83	147.2
2007	Mondi Packaging Paper Swiece	Poland	Unterland Flexible Packaging	Laminated plastics plate, sheet and profile shapes	100.00	100.0
2007	Investor Group	United Kingdom	ONE GmbH	Radiotelephone communications	82.55	1,876.7
2007	BayernLB Holding AG	Germany	Hypo Alpe-Adria-Bank	Banks	50.00	2,185.9
2007	Basic Element Co	Russia	Strabag SE	Industrial buildings and warehouses	30.00	1,427.2
2007	Rasperia Trading Ltd	Russia	Bauholding Strabag SE	Industrial buildings and warehouses	30.00	1,637.3
2007	Wacker Construction Equipment	Germany	Neuson Kramer Baumaschinen AG	Mechanical power transmission equipment, nec	n.a.	828.8
2007	Westcore Properties LLC	United States	Koninklijke-Ppty Portfolio	Operators of nonresidential buildings	100.00	108.0
2007	Investor Group	United States	BAWAG	Banks	100.00	4,209.6

Source: Thomson ONE Banker. Thomson Reuters.

Annex table 7. Austria: main greenfield projects, by inward investing firm, 2007-2009

(US$ million)

Year	Investing company	Home economy	Industry	Estimated / announced investment value
2009	International Petroleum Investment Company (IPIC)	United Arab Emirates	Plastics	107.6
2009	O. N. Sunde	Norway	Plastics	50.7
2009	International Petroleum Investment Company (IPIC)	United Arab Emirates	Plastics	75.3
2009	Accor	France	Hotels and tourism	58.2
2009	Dialog Semiconductor	Germany	Semiconductors	50.9
2009	Valiant Machine & Tool Inc	Canada	Automotive Components	66.6
2009	Four Seasons Hotels & Resorts	Canada	Hotels and tourism	59.8
2009	International Petroleum Investment Company (IPIC)	United Arab Emirates	Plastics	51.8
2009	HiPP	Germany	Food and tobacco	57.1
2009	Baxter	United States	Biotechnology	112.0
2008	Novartis	Switzerland	Pharmaceuticals	70.9
2008	Google	United States	Software and IT services	252.8
2008	Mahle	Germany	Automotive components	63.9
2008	Motel One Hotels & Resorts (Astron Hotels & Resorts)	Germany	Hotels and tourism	60.3
2008	Hotusa	Spain	Hotels and tourism	60.3
2008	Carlyle Group	United States	Real estate	159.2
2008	Sol Melia Hotels & Resorts	Spain	Hotels and tourism	60.3
2008	NH Hotels (NH Hoteles)	Spain	Hotels and tourism	60.3
2008	Wacker	Germany	Industrial machinery, equipment and tools	86.0
2008	ProLogis	United States	Real estate	103.8
2008	Brixxon	Hungary	Automotive OEM	236.4
2008	UniCredit (UniCredito Italiano)	Italy	Financial services	128.1
2008	Sony	Japan	Consumer electronics	111.5

2007	Viessmann Werke	Germany	Industrial machinery, equipment and tools	79.0
2007	General Motors (GM)	United States	Engines and turbines	80.9
2007	Global Crossing	Bermuda	Communications	133.9
2007	MAN	Germany	Automotive OEM	147.1
2007	McArthurGlen	United Kingdom	Real estate	196.0
2007	Fomento de Construcciones y Contratas (FCC)	Spain	Industrial machinery, equipment and tools	132.2
2007	O. N. Sunde	Norway	Plastics	83.2
2007	Rexam	United Kingdom	Metals	131.4
2007	Magna International	Canada	Healthcare	129.9
2007	International Petroleum Investment Company (IPIC)	United Arab Emirates	Plastics	84.0

Source: fDi Intelligence, a service from the Financial Times Ltd.