

Austrian outward FDI by selected countries and industries

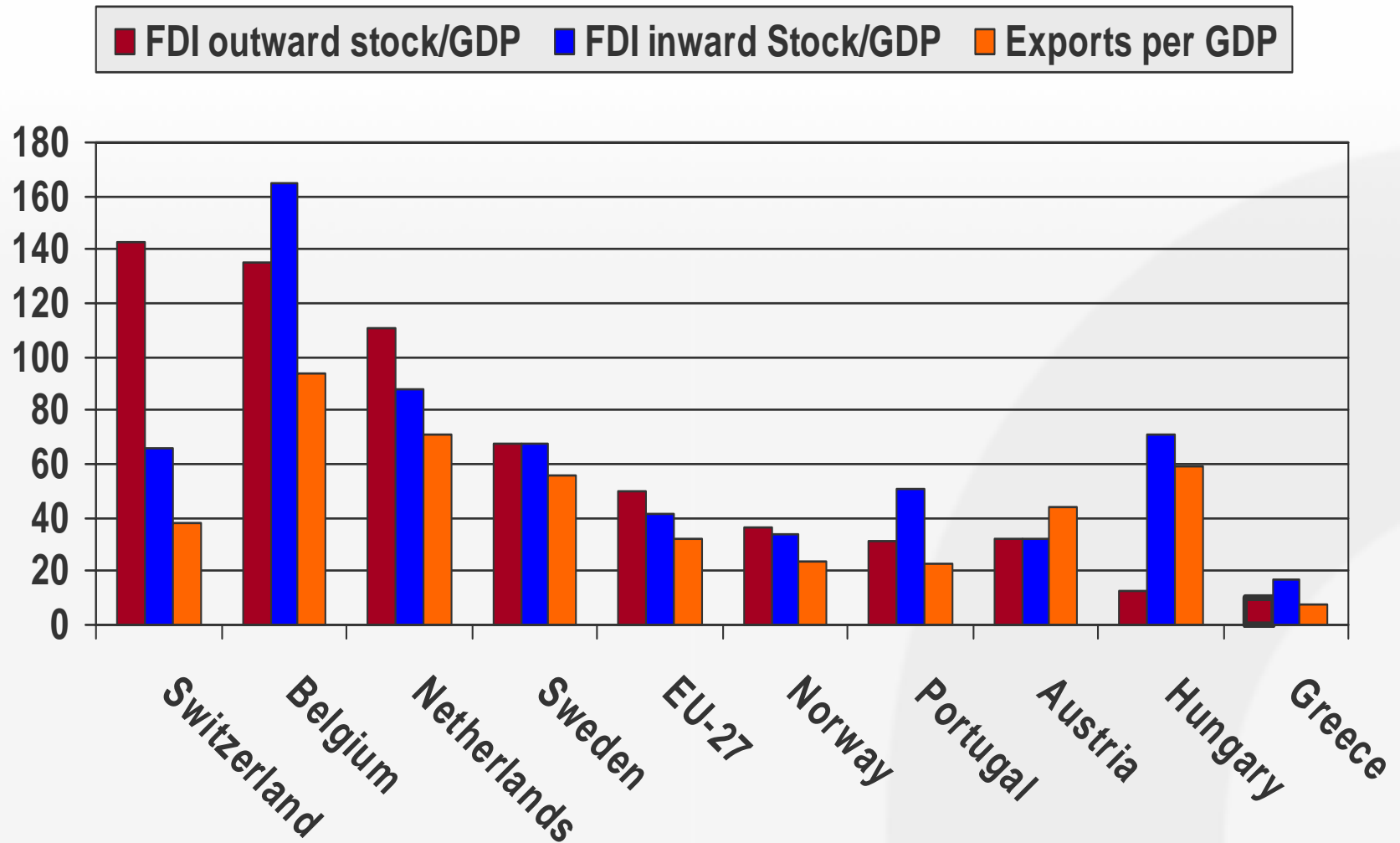
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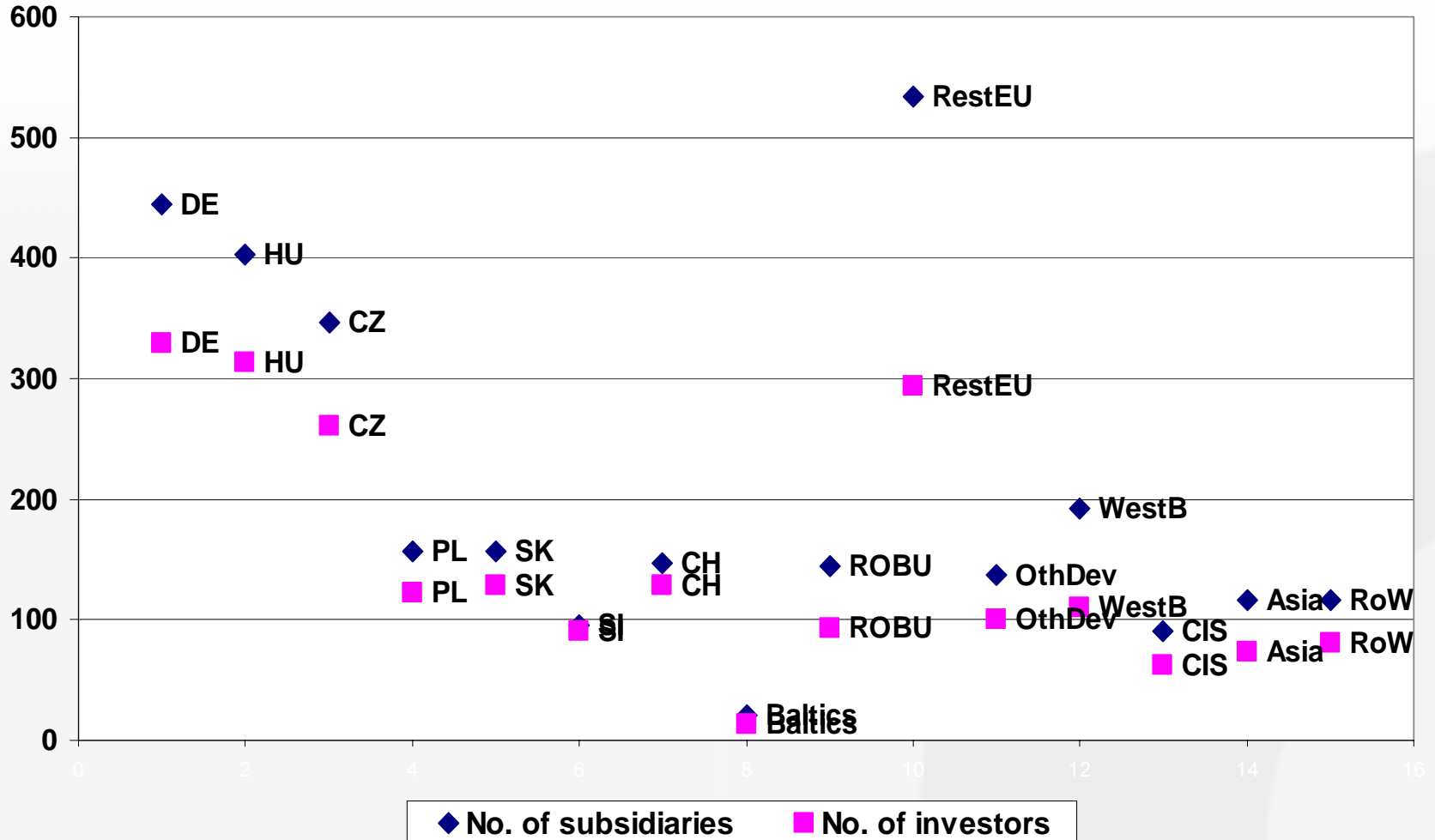
Sources of outward FDI data

- OeNB, LOCOMONITOR, BMWA, UNCTAD
- Financial and operating data on Austrian subsidiaries – enterprise survey of OeNB
- Indicators of subsidiaries: number, equity capital, employment, turnover, profit-loss, exports and imports
- Equity capital of subsidiaries = 95% of FDI stock
- Equity capital doubled in 2000–2005
- Data by 15 territories and 21 economic activities
- Press reports on foreign investment commitments:
LOCOMONITOR, April 2005 – May 2007

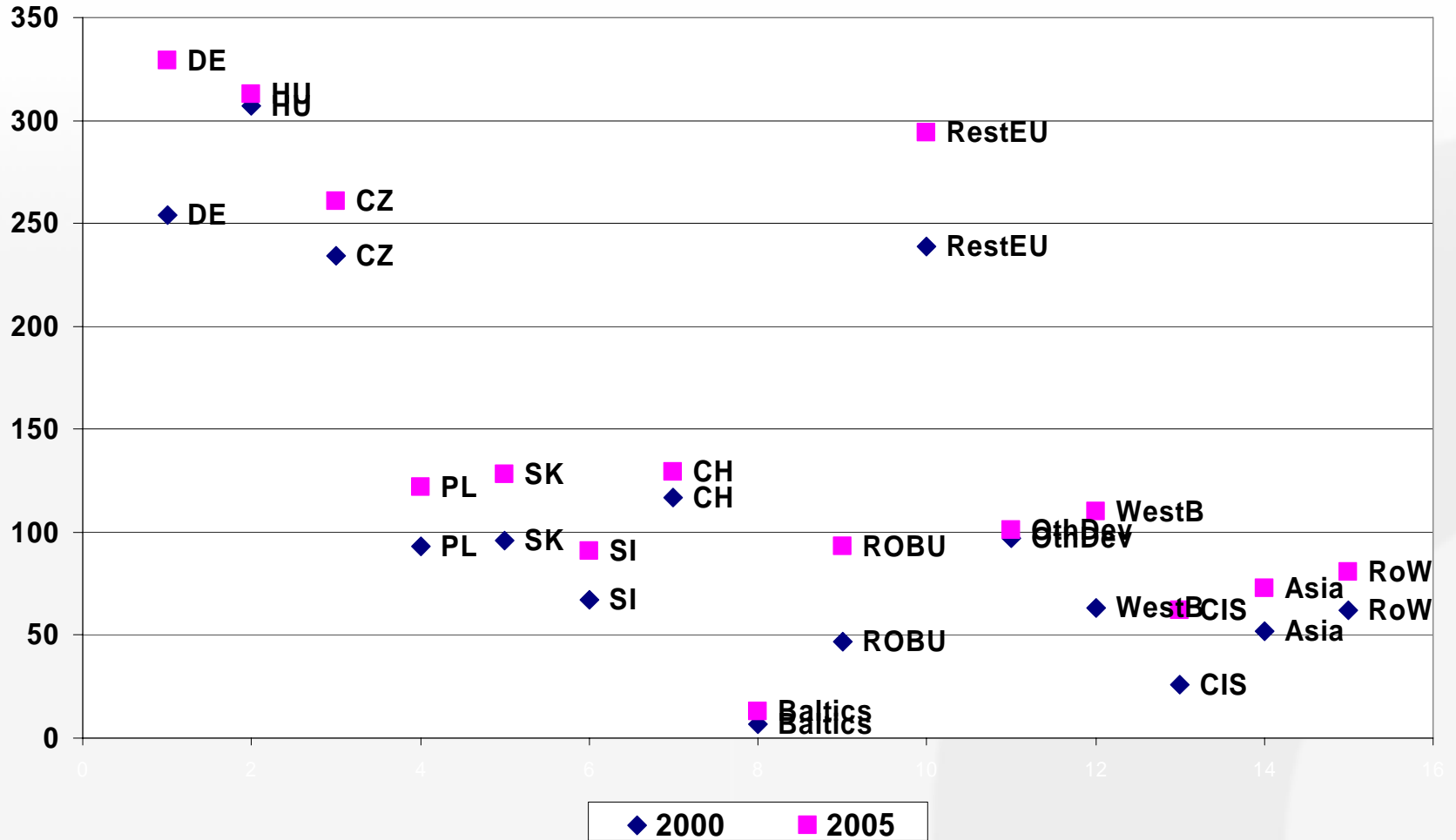
FDI and export intensities, 2007, %



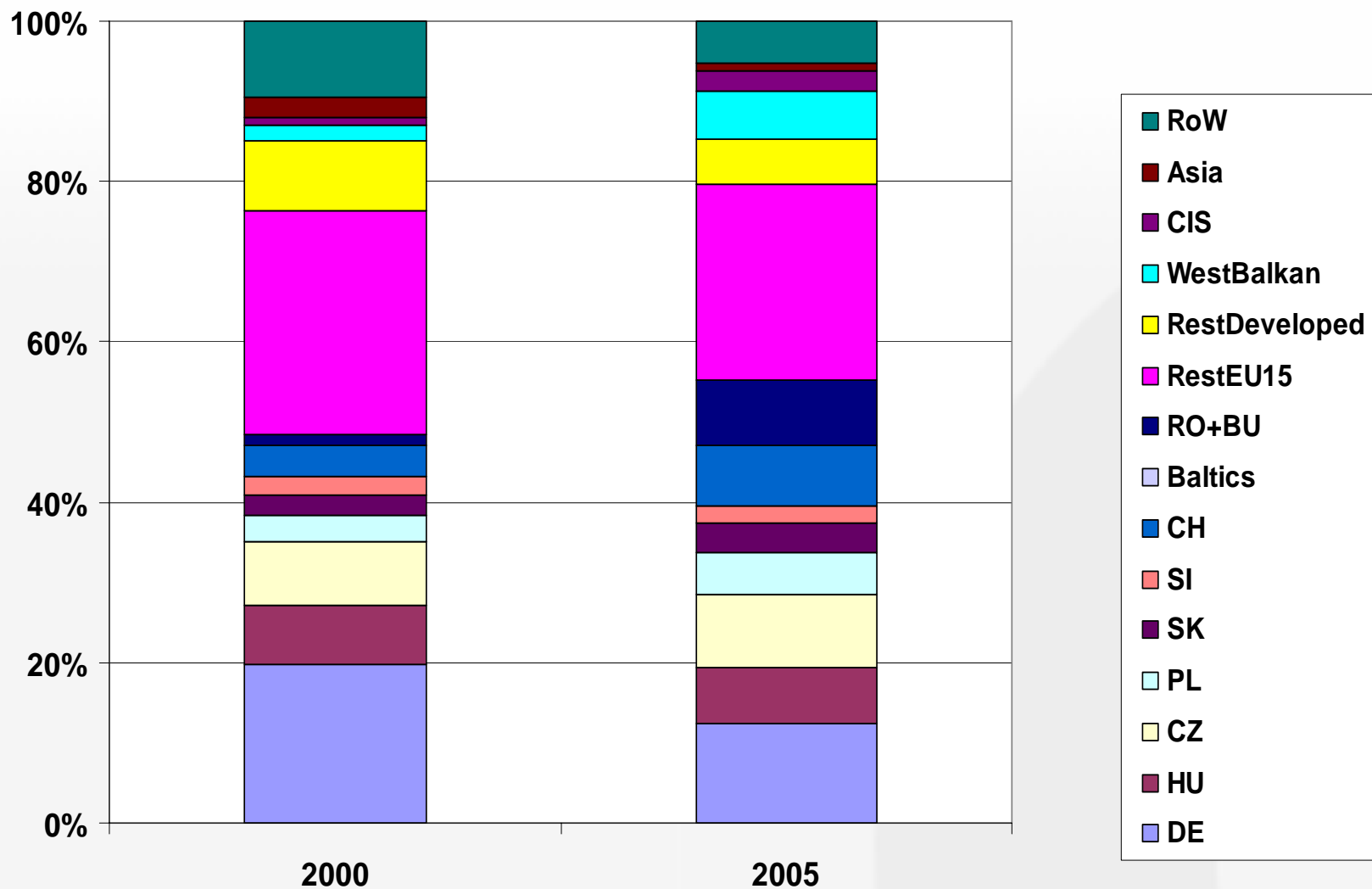
Number of Austrian investors and subsidiaries by host country 2005



Number of Austrian investors 2000 and 2005 by country or region

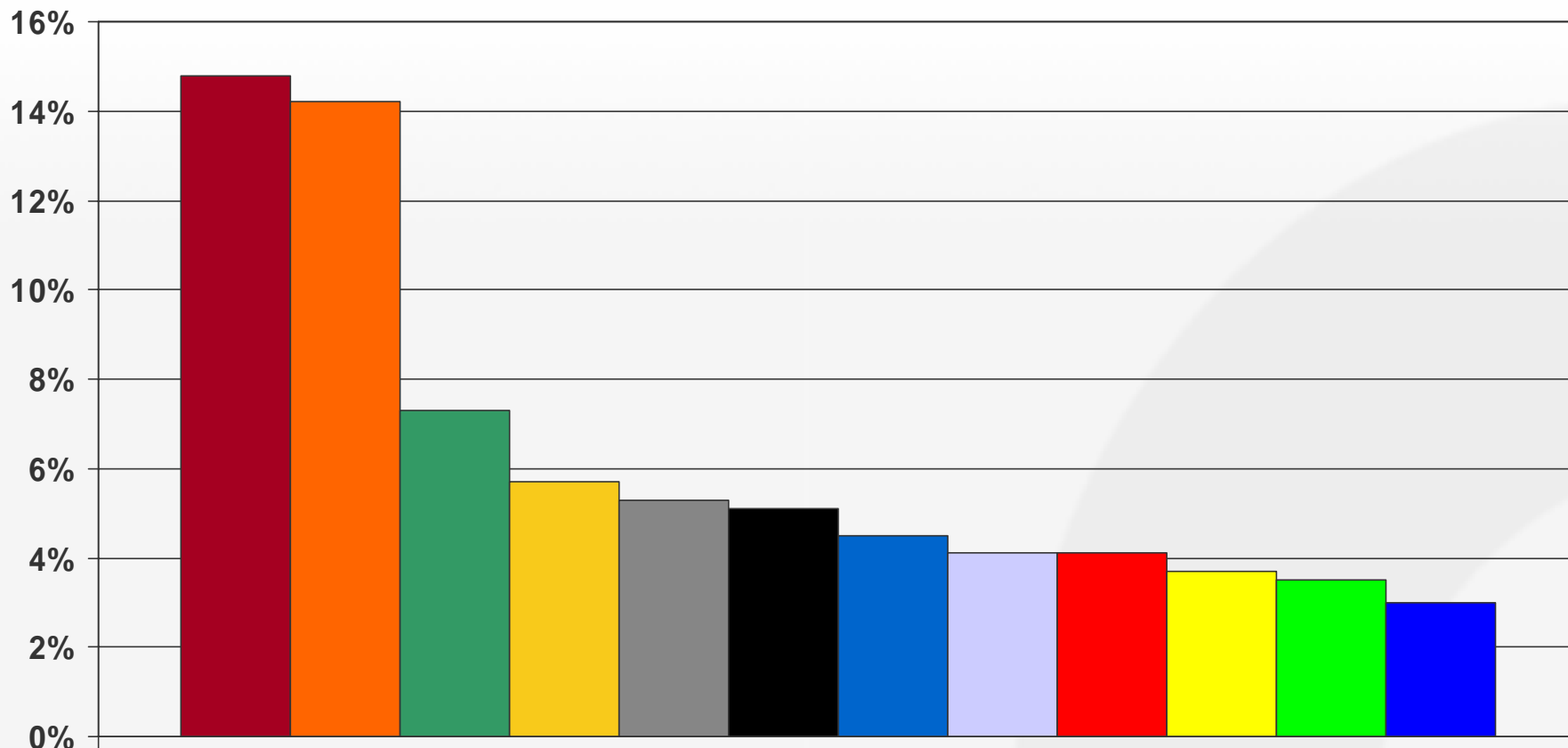


Equity capital of Austrian subsidiaries by host 2000 and 2005



New Austrian projects, number by destination

LOCOMONITOR, April 2005 – May 2007



- Hungary ■ Romania ■ Slovakia ■ Russia ■ India ■ Bulgaria ■ Czech R.
- Poland ■ Germany ■ Serbia ■ Croatia ■ China

Characteristics of Austrian outward FDI: Geography

- Slow increase in number of investing companies:
917 in 2000; 1,048 in 2005;
- Faster increase in number of subsidiaries:
2,300 in 2000 to 3,100 in 2005;
- Highest number in DE, increasing, also in HU, CZ (400);
- Low numbers in Asia, CIS, RoW (below 100);
- Equity capital share increase in RO, BG, PL, CH, W-Balkans;
- Shift to the East in Europe: conforms to regional trend;
- Decline of share in other developed countries, Asia, and RoW:
against global trend;
- FDI intensity in concentric circles, with East and West segments.
- OCO-Monitor 2005-2007: of new projects 71% in CEECs, 82% of
pledged capital; highest in Hungary and Romania.

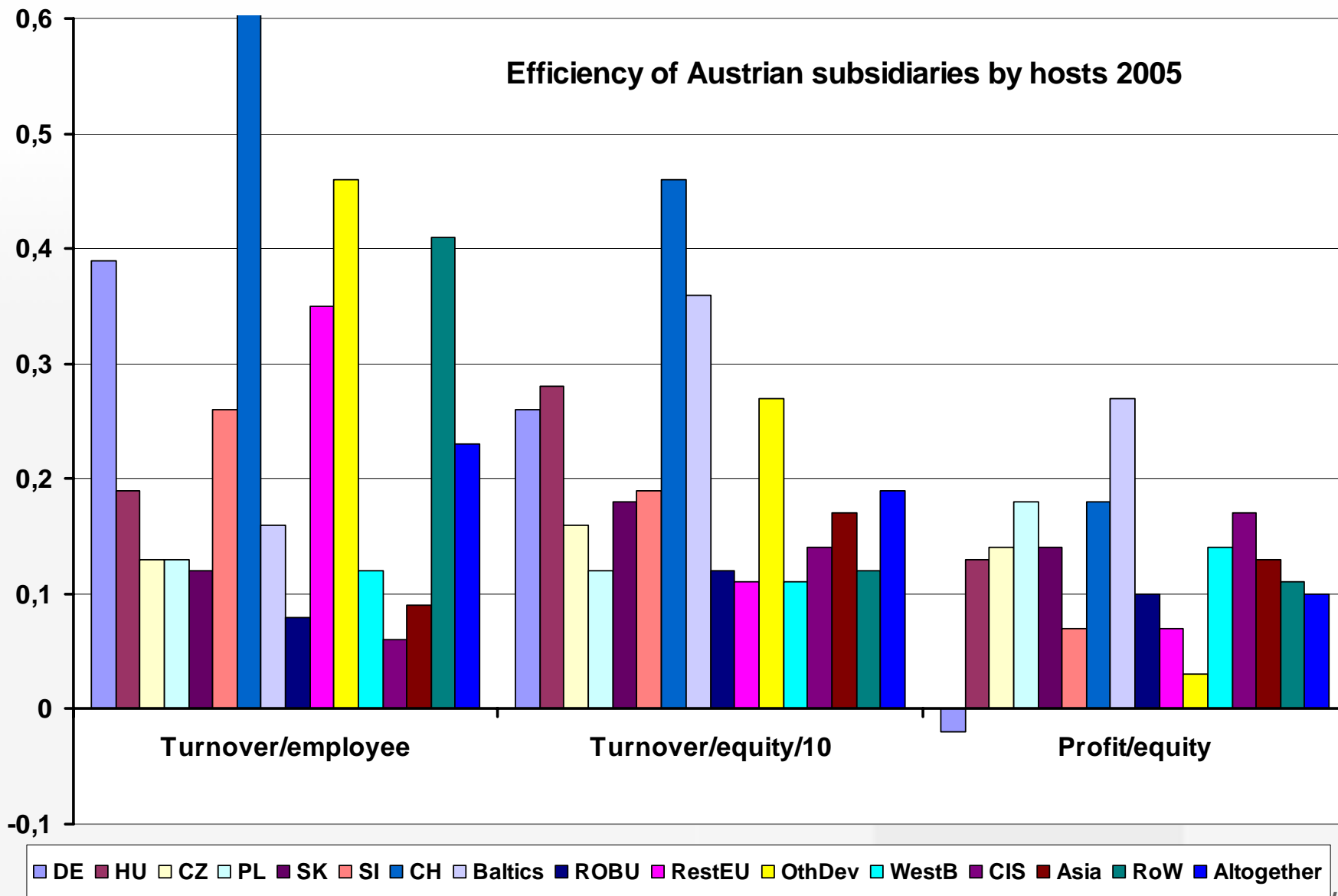
Characteristics of Austrian outward FDI: Size matters

- More investors, more SMEs in neighbouring countries;
- Investors with less than 100 employees: 55%, but more in DE, HU, CZ, less in W-Balkans, Asia;
- In Central Europe more, investors, smaller companies, diverse activities;
- In East and Southeast Europe larger investors, less numerous, concentration of activity in finance, construction and real estate.
- Of 1048 investors only 123 with more than 500 employees.
- Lack of large multinationals, main difference to CH, NL
- Investors should grow in capital and competence;
- Policy may:
 - help more SMEs to invest abroad,
 - support growth in internationalizing companies.

The Myth of SMEs

- Half of SMEs (below 100 empl.) have no employees;
- 11% of SMEs are holdings;
- Holdings have half of the SME-invested capital,
- 27% of the total FDI stock of EUR 55 billion in 2005
- Holdings are large investors;
- SMEs without holdings: 35% of FDI
- Large investors incl. holdings: 50% of FDI
- Small investors in low-tech and trade,
- Large investors in financial services, medium and high-tech.

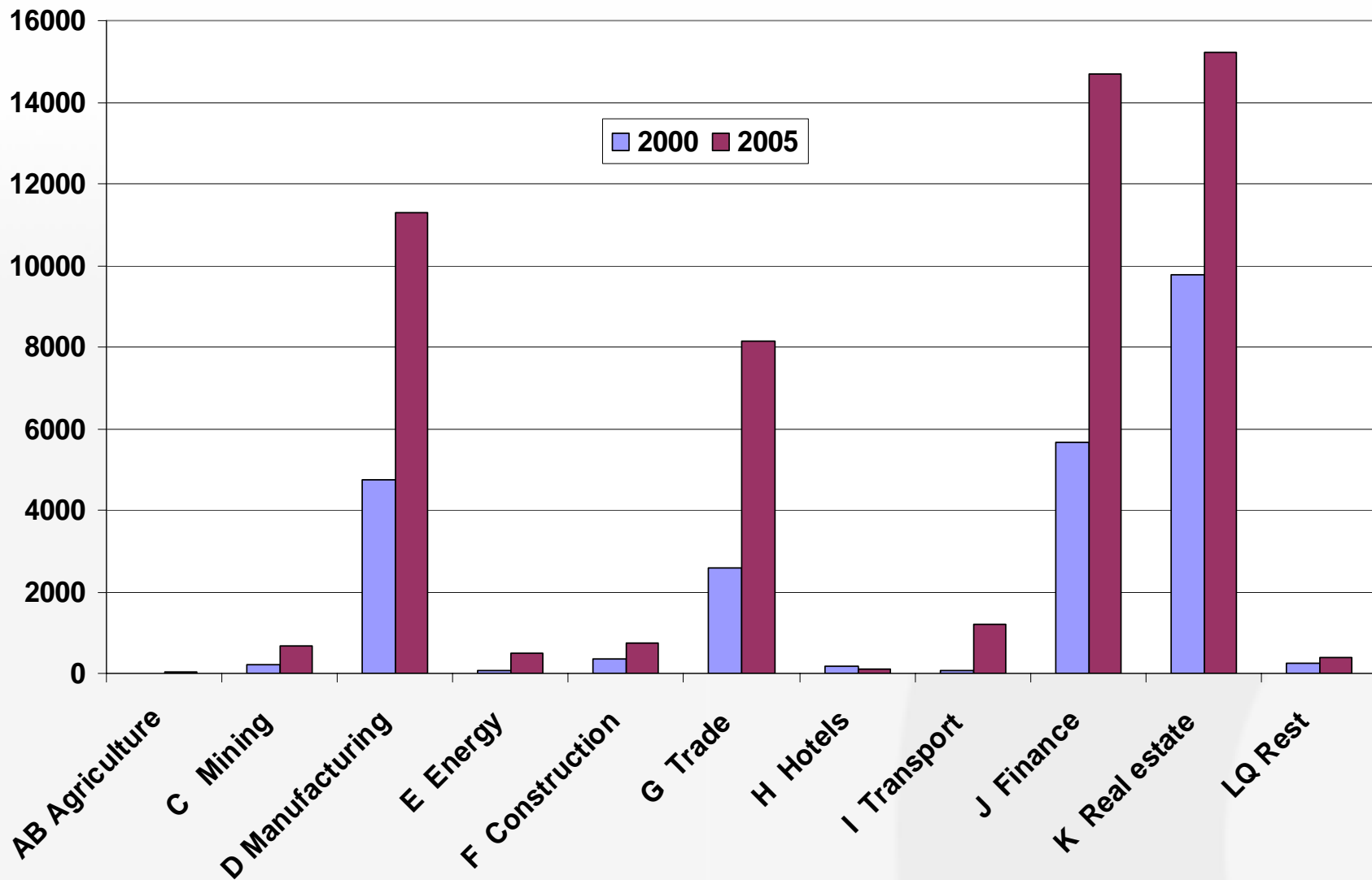
Efficiency of Austrian subsidiaries by hosts 2005



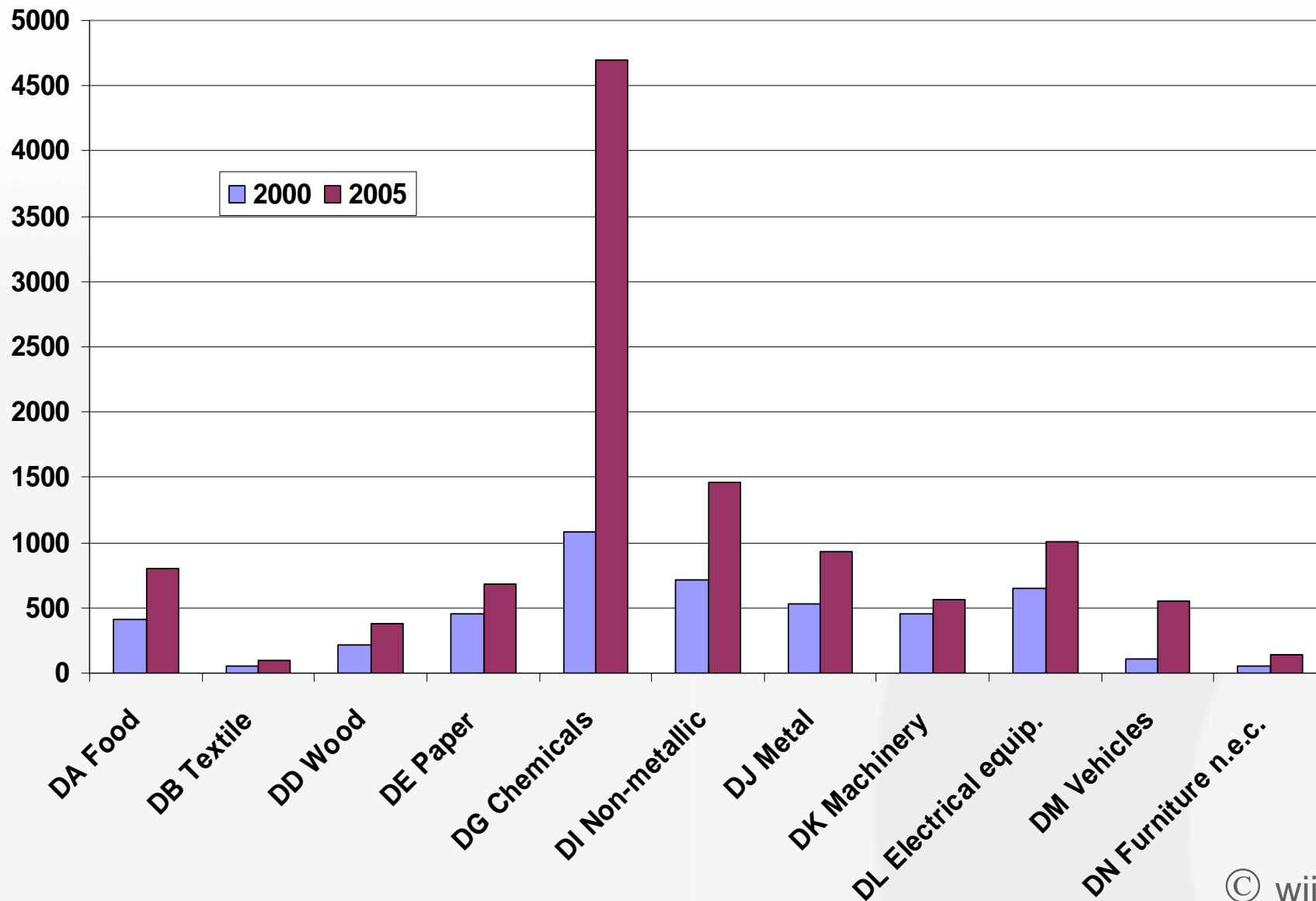
Profitability of Austrian subsidiaries

- Increased from 2000 to 2005;
- Low in EU-15, especially DE;
- High in CZ, PL, West-Balkans: attracts more capital;
- In 2000 larger difference between activities than in 2005
- Highest in
 - energy,
 - hotels,
 - transport and telecommunication
- Lowest in trade, financial and manufacturing

Equity capital by activity, EUR million, 2000 and 2005

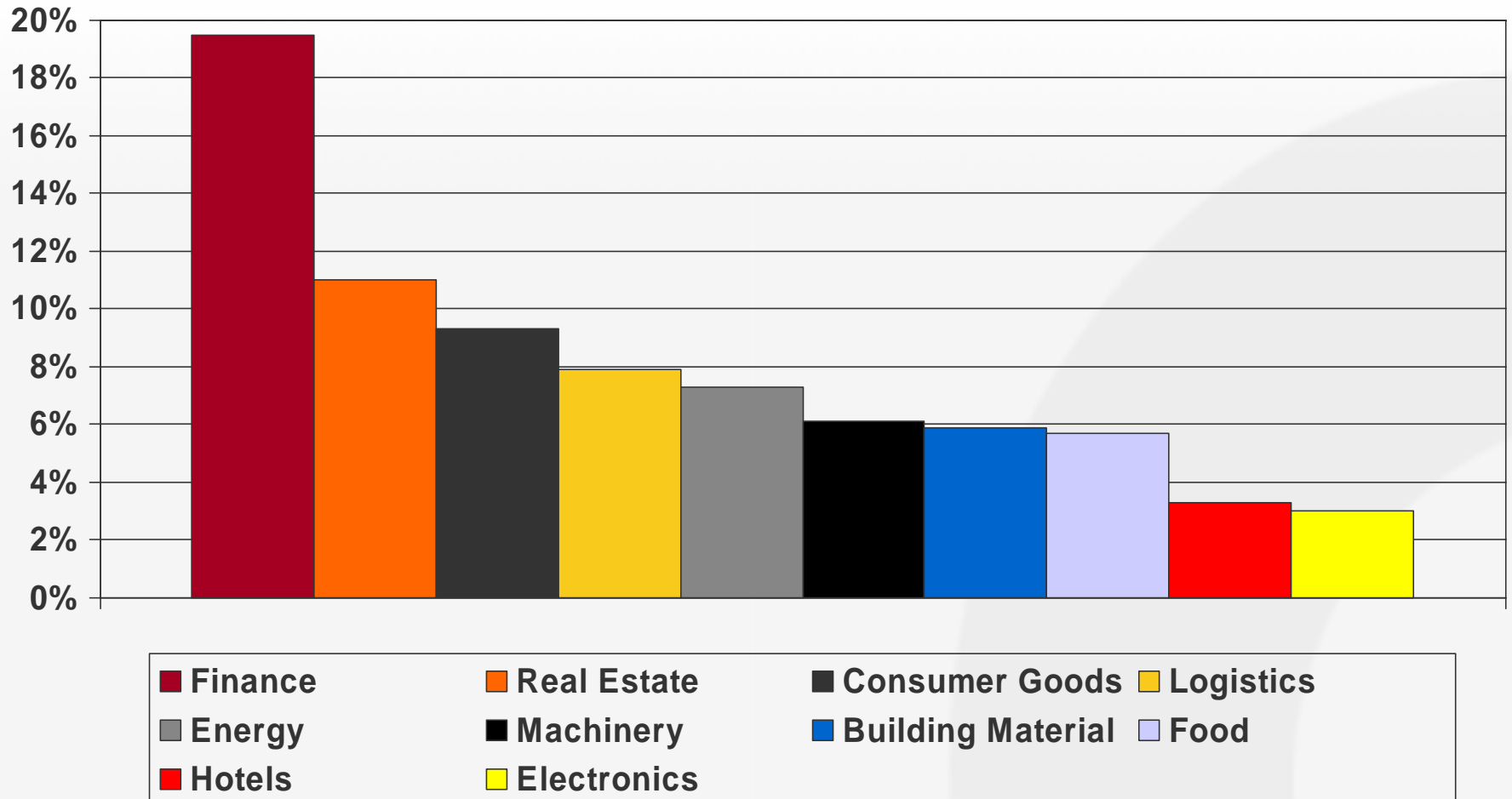


Equity capital in manufacturing by industry, EUR million, 2000 and 2005



New projects, number by activity

LOCOMONITOR, April 2005 – May 2007



Conclusions 1.

- Austrian outward FDI expands geographically in concentric circles
- It has a Western and Eastern segment
- 2000-2005 fast expansion in Ro+Bu, Western Balkans, CIS
- It hardly reaches outside Europe; China and rest of Asia marginal
- Concentrated in few activities:
 - financial sector, real estate and trade dominate
 - in manufacturing only the chemical industry expands
 - little activity in electronics
- Profitability correlates with new FDI, productivity does not
- Standard technology, market-seeking
- New projects in old destinations, plus Russia and India

Conclusions 2.

- FDI per GDP not high, number of investing firms low
- Successful investors small, due to size vulnerable for foreign takeover
- Problems of Austrian outward FDI:
 - companies too small, few large multinationals
 - lack of venture capital to support expansion
 - public policy stimulates exports, seemingly less the FDI
 - CEEC know-how not applicable elsewhere
 - but still room for expansion in the neighbourhood