



**Country profile: Austria**

Population	8.2m (July 2005 est.)
GDP	\$269.4bn (2005 est.)
GDP growth	1.9% (2005 est.)
Labour force	3.49m (2005 est.)
Number of companies in the EU500 #	13
Gross domestic expenditure on R&D *	\$5.9bn (2004)
Gross domestic expenditure on R&D as %age of GDP *	2.26 (2004)
Total researchers *	24 124 (2002)
Government budget appropriations or outlays for R&D *	\$3.6bn (2005)

Sources: CIA World Factbook  
# 2005 EU Industrial R&D Investment Scoreboard  
\* OECD 2005 Main Science and Technology Indicators

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**Country profile**

**Austria**

The Austrian government has been making aggressive moves to increase the country's focus on research, development and innovation since 2000, according to Michael Binder, head of strategy for the Austrian Research Promotion Agency.

In 1999 the country was spending 1.91% of GDP on R&D, a figure that rose, according to the OECD to 2.26% in 2004. Binder says Austrian estimates suggest the figure will 2.35% for 2005.

"In the 1990s R&D was not a very big focus for Austrian economic policy," Binder said. "But things have changed and since 2001 the government has made a focus on research technology and innovation, through both direct and indirect funding."

One way it has done this is to introduce two successive programs of additional funding, on top of the usual federal R&D budget. A three-year program, which ran from 2001 to 2003, added a total of €508m to a federal spend running at €1.23bn per year in 2001. A second program, from 2004 to 2006, will add a further €600m.

In 2004 the Austrian government also introduced a national foundation for R&D, funded with €125m per year. The foundation is spending the money on basic and industrial R&D, and on fostering co-operation between academia and industry. According to Binder, part of the money goes on 'bottom-up' funding, on well-regarded research that is backed regardless of the industrial field it could be used in. The rest of money goes on focused work program, addressing structural issues, such as academic/industrial co-operation and regional innovation, and thematic issues, such as nano-technology and life sciences.

Since the late 1990s, Austria has established a series of Centres of Competence, in which industry and academia work together on seven-year pre-competitive research programs that are again supposed to form a bridge between basic and applied research. Between 50 and 60% of the funding for the Centres comes from the government, with the balance being provided by industrial partners.

The government is also using indirect funding to boost R&D. Four years ago, tax breaks of 15-20% were available. Since last year this has increased to 25-35% of expenditure on additional research, over and above what the average undertaken in the past three years.

"The expenditure of the private sector has increased even more than that of the public sector," said Binder. "We have managed to exert a real leverage on private R&D investment." Federal expenditure on R&D has increased 42% from 2000 to 2005, while

industrial expenditure has risen 47% in the same period.

The Austrian Research Promotion Agency is the central Austrian organisation for promotion of research and innovation, one of three key agencies working at the federal level to increase Austria's R&D base. The other two are FWF, a fund that promotes basic scientific research, and AWS, the agency for enterprise financing and investment promotion. All three of these provide grants to companies that have facilities in Austria, regardless of their ownership.

"The question of ownership is not a question," said Binder. He says that, as part of trying to make the European Research Area happen, Austria has opened up some of its programs, for example by allowing companies and research institutes that do not have a base in Austria to join its Centres of Competence.

"It's very necessary to internationalise our programs," Binder said.

### Sources

CIA World Factbook

<http://www.cia.gov/cia/publications/factbook/geos/au.html>

2005 EU Industrial R&D Investment Scoreboard

[http://eu-iriscoreboard.jrc.es/scoreboard\\_2005.htm](http://eu-iriscoreboard.jrc.es/scoreboard_2005.htm)

OECD 2005 Science and Technology Indicators

[http://www.oecd.org/document/26/0,2340,en\\_2649\\_34451\\_1901082\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/26/0,2340,en_2649_34451_1901082_1_1_1_1,00.html)

### Links

Federation of Austrian Industry

<http://www.iv-net.at/>

Austrian Council for Research and Technology Development

<http://www.rat-fte.at/en.php>

Finland Country Profile

[http://www.eirma.org/f3/local\\_links.php?catid=29](http://www.eirma.org/f3/local_links.php?catid=29)

Ireland Country Profile

[http://www.eirma.org/f3/local\\_links.php?catid=34](http://www.eirma.org/f3/local_links.php?catid=34)

Israel Country Profile

[http://www.eirma.org/f3/local\\_links.php?catid=83](http://www.eirma.org/f3/local_links.php?catid=83)

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