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Business Location

Carinthia

Connected with
Success

connected with

Individuality

The gateway to success and to South-Eastern Europe.

4–5

Power

The core businesses and leading lights of the Carinthian economy.

6–7

Research

Top investment in research and centres of competence.

8–9

Future

10–11

Experience

Convincing arguments and facts.

12–13

Education

Excellent training and further education – a highly skilled workforce.

14–15

Networks

An international hub benefiting from dynamic partnerships.

16–17

Subsidies

Interesting subsidy opportunities and tax advantages.

18–19

Quality of life

Relaxation, culture and security.

20–21

Service

Free investor's service from highly competent staff.

22–23



Entwicklungsagentur Kärnten.

Entwicklungsagentur Kärnten GmbH (EAK), the Centre for Innovation & Technology, is a company formed by the Government of Carinthia to promote and develop Carinthia as a place to set up and do business in. We support businesses by offering the following services:

- ⦿ Through our **free international business service**, investors from both national and foreign are actively supported in setting up and/or expanding operations in Carinthia – from the choice of location to employee recruitment. Our aim is to create new and high added value jobs in Carinthia.
- ⦿ Our **free regional business service** aims to support the retention of jobs in Carinthia and is targeted at companies already established here. EAK provides support through active project development and project management to both individual companies and company cooperations on projects in numerous business areas and segments.
- ⦿ EAK is also responsible for the **development and management of Carinthia's technology and industrial parks**. EAK currently has 6 technology and industrial parks around the region.



connected with Individuality

Made in Kärnten. The better choice.

Carinthia is the southernmost province of the Federal Republic of Austria. Carinthia offers an optimal combination of attractive funding and reasonably-priced land and property. Thanks to extensive investment in training and further education, Carinthia today has the skills that will be most in demand tomorrow. The right conditions for Research & Development (R&D) are helping to create a truly innovative environment. As the gateway to the new markets of Eastern and South-Eastern Europe, Carinthia is also the hub where Eastern and Western Europe meet.

Carinthia is an excellent location for businesses thanks to its continuous investment in infrastructure and its robust and reliable economic environment. Come see for yourself!

Connected with Power

The ideal mix of segments.

The Carinthian economy has some outstanding areas of commercial strength which continue to attract forward-looking firms, joining the numerous world and European market leaders already established here. They include leading electronics and microelectronics companies, as well as market leaders in ICT. The construction industry, one of the region's most important, traditional segments, has been complemented by innovative technology and products from the areas of renewable energy and environmental technology and they are now all pillars of the regional economy. The timber and wood processing industries are also important engines of the Carinthian economy. And the well-developed tourism sector is characterised by numerous innovative networks helping the tourism sector and restaurateurs to develop and market their offerings.

The segments displaying particular strength in Carinthia receive targeted funding to help secure sustained competitiveness. This also includes massive investment in Research & Development, e.g. through the establishment and development of research facilities and centres of competence.



The core businesses of the Carinthian economy:

- ⦿ Electronics and microelectronics
- ⦿ Renewable energy and environmental technology
- ⦿ Wood and paper
- ⦿ Machine-building, metal processing
- ⦿ Information and communications technology (ICT)
- ⦿ Tourism
- ⦿ Logistics

Key players in the Carinthian business world (a selection):

- ⦿ **Renewable energy/environmental technology:** GreenOneTec, KIOTO Clear Energy, Urbas Stahl- und Anlagenbau, SW Umwelttechnik, Kohlbach Holding
- ⦿ **Wood and paper:** FunderMax, Hasslacher Drauland Holzindustrie, Mondi Packaging, Sinnex Innenausbau
- ⦿ **Metal processing/machine-building:** Geislinger, Hirsch Servo, Kostwein Gruppe, Konrad Forsttechnik, Kresta Anlagenbau
- ⦿ **(Micro)electronics:** Flextronics International, Infineon Technologies Austria, Lam Research
- ⦿ **Software/IT:** Uniquare Financial Solutions, Kapsch TrafficCom, Kapsch BusinessCom, addit Dienstleistungen, SanData
- ⦿ **Tourism:** Falkensteiner Michaeler Tourism Group, Dr. Dr. Wagner Vital- und Kurhotels, Lindner Hotels & Resorts, Capella Hotels & Resorts
- ⦿ **Transport/Logistics:** Schenker & CO, Rail Cargo Austria, Gebrüder Weiss



Connected with Research

Top R&D rates.

Carinthia has boosted its research rate by over 25 percent since 2002 – easily the strongest rate of growth in Austria! With R&D as a percentage of GDP at 2.56 %, Carinthia occupies the number three slot in Austria. Europe-wide, Carinthia is amongst the top 30 regions for Research & Development in the EU.

(Source: IV-Kärnten, IHS business trends report – Issue 2/09)

**6th place (out of 57) for Austria worldwide for
the support given to the sciences and to research**

(Source: IMD World Competitiveness Yearbook 2009)

6.

Technology location Carinthia.

Carinthia has enjoyed dynamic economic growth in recent years, thanks in large part to the numerous innovations and research achievements of the companies and research facilities located here. They have, in turn, been helped by the targeted establishment of research facilities in Carinthia's segments of particular economic strength and by introducing companies to research facilities and specialised competence centres.

Carinthia's research facilities and centres of competence.

The research facilities and centres of competence – which are extremely well equipped both technically and financially – are in Carinthia's segments of particular economic strength:

- ◉ **CTR – Carinthian Tech Research – Centre of competence for intelligent sensor technology**
- Areas of research: optical systems technology, photonic microsystems technology, SAW (Surface Acoustic Wave) sensor systems
- ◉ **KAI – Centre of competence for automotive and industrial electronics**
- Areas of research: high temperature electronics, electronic components for the automotive industry
- ◉ **W3C – Wood Carinthian Competence Center**
- Areas of research: surface technologies, process optimisation, spectroscopic applications, production and logistics in the wood industry
- ◉ **Lakeside Labs – a platform for information and communications technology**
- Areas of research: mobile telephony, multimedia technologies, signals processing, "self-organizing networked systems"

In addition to developing the existing research facilities, further centres of competence are being planned. One key project in the short term will be the establishment of a centre of competence for the area of renewable energy, for example.

Company-owned R&D centres.

Another key area of activity is in the company-owned R&D facilities of Carinthian enterprises. In recent years the Carinthian subsidiaries of multinational corporations have repeatedly been awarded the internal contract for the establishment of an R&D centre at the Carinthian location. This strengthens the position of the subsidiary itself, and equally the position of Carinthia as a location for research, technology and innovation. Examples include:

- ◉ **Infineon Technologies Austria** is developing power electronics for the automotive and other sectors in its Automotive R&D Center in Carinthia.
- ◉ **Mahle Filtersysteme Austria** won the internal tender to set up a Mechatronics Centre and is conducting research into mechatronics and plastics technologies for the automotive sector.

Connected with **Future**

*"You should not try to predict the future –
you should make it happen."*

(Antoine de Saint-Exupéry)



Connected with Experience



**Azer Babaev, Director,
Krafttool Alpen GmbH**

The company is specialised in the sales and distribution of hand tools and is part of a group with locations in Germany, Russia, Ukraine, Kazakhstan, Latvia and China. The industrial estate in Hohenthurn holds a lot of promise and seems to us to be a good location, above all, because of its proximity to Italy and Slovenia. The financial policies of Carinthia and the grants offered are giving us welcome stability, particularly at this time of financial crisis.

**Werner Reczek,
Chief Operating Officer,
Grace Semiconductor
Europe GmbH**

Carinthia is an attractive location for Grace, not just because of its geographical position, good infrastructure and developed industrial and technology sectors. The quality of education as well as relevant training opportunities, means that we can be sure of recruiting motivated and skilled employees and technical staff. We located our head office in the Villach Technology Park because of the excellent infrastructure and the possibilities for collaborating with companies on site.

**Franz Klammer,
Olympic ski champion**

Carinthia has superb skiing areas, crystal-clear lakes filled with drinking quality water, two national parks, the highest mountain in Austria – the Großglockner – and many wonderful golf courses.

**Petra Gidebratt-Kaindl,
Head of IKEA Klagenfurt**

For IKEA, the location at Carinthia has been a long-standing goal. Up to the opening in November 2008, Carinthia was a "white spot" on the IKEA map. The location's catchment area covers Carinthia, parts of Styria and the adjacent regions in Italy and Slovenia. Klagenfurt has proved to be a centrally located, easily accessible location. The convenient location is also important for our employees – after all, we are employing a total of more than 200 committed staff from the region.

**Hans-Peter Gaugl,
Managing Director,
Daramic Austria GmbH**

Following discussions with representatives from several countries, such as the Czech Republic, Poland and Austria, it quickly became clear Austria is a very business-friendly location, and the grants offered by Carinthia and the EU very interesting. Furthermore, Carinthia offers investors professional, non-bureaucratic and swift support, not just in finding the right location but in dealing with the authorities.

**Monika Kircher-Kohl,
Chief Executive, Infineon
Technologies Austria AG**

Carinthia is a key location for our corporation. We have located centres of expertise here because we have an extremely good workforce here and because high-tech industries receive targeted financial support in Carinthia.



Top training and further education opportunities.

A major plus point for Carinthia is the region's excellent education system. There are, for example, numerous training and further education opportunities for technical disciplines which have close links with industry and a strong emphasis on hands-on experience. There is also excellent training for skilled workers, with the possibility of combining an apprenticeship with a higher school certificate.

Alpen-Adria University Klagenfurt.

- ◉ Faculties for Technology, Economics & Business Studies, and Cultural Sciences
- ◉ Degree courses in (amongst others): commercial information technology and information technology systems
- ◉ 6 new endowed teaching posts in information technology:
e.g. mobile telephony, IT for traffic and transport systems, service robotics

Carinthia University of Applied Sciences.

- ◉ Technical university for business studies, technology and social sciences
- ◉ Degree courses in (amongst others): telematics/network technologies, geoinformation, information technology in medicine, systems engineering, civil engineering/architecture, electronics and information technology

Technical and commercial high schools.

- ◉ Technical and commercial colleges; tourism colleges
- ◉ Covering, amongst others, the following areas: automation technology, constructional engineering, IT and organisation, production engineering, industrial design, interior design, plastics technologies, machine-building, mechanical engineering, mechatronics, network technology and business studies



Connected with **Education**

Motivated people.

The Carinthian workforce is extremely well educated and highly motivated. A major point in Carinthia's favour is that its education system includes extensive language teaching – above all of English, Italian and Slovenian – as well as offering excellent technical skills training. A point which finds great favour with foreign investors.

Flexibility.

Flexible working models make it possible to react quickly to changing market conditions. Moderate employment costs, a very low level of strikes, flexible daily/weekly working times (maximum working hours of 12 hours per day/60 hours per week) are some of the main reasons why foreign investors are so interested in Carinthia and Austria.

Workforce Motivation – Austria 3rd out of 57

behind Switzerland and Denmark

(Source: IMD World Competitiveness Yearbook 2009)

3.

A highly skilled workforce – Austria 11th out of 57

ahead of Germany, UK, Italy, France

(Source: IMD World Competitiveness Yearbook 2009)

11.

Carinthia: an international hub.

Carinthia's geographical proximity to the markets of Central Europe as well as to the growth markets of Southern and South-Eastern Europe is captivating: Carinthia truly is the business and logistics hub of the region from the Alps to the Adriatic.

Dynamic partnerships.

The most important trading partners are Germany and Italy. They are followed by the fast-growing markets of Central and Eastern Europe; and the volume of exports to these markets is increasing continuously.

(Source: Carinthian Chamber of Commerce, 2008)

Carinthia – at the heart of Europe.

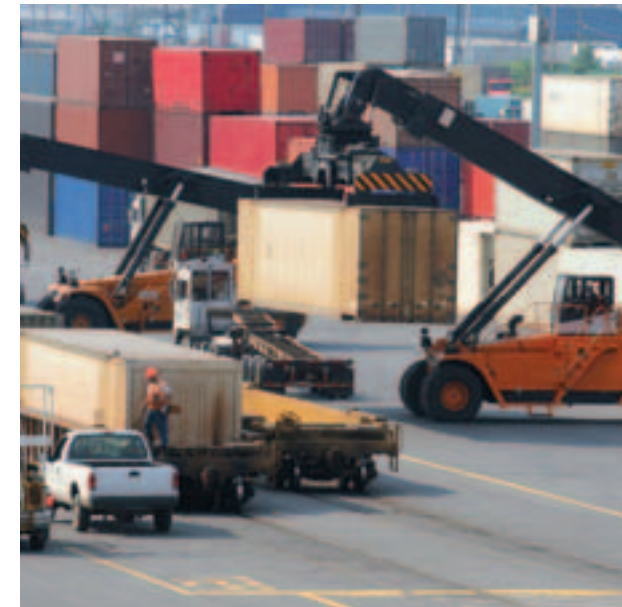


Efficiency of the distribution infrastructure – Austria 5th out of 57

(Source: IMD World Competitiveness Yearbook 2009)

5.

connected with Networks



Time is money.

- ⦿ A high-quality transport, information and telecommunications infrastructure makes it possible to move goods and to communicate at great speed.
- ⦿ Direct flights from Klagenfurt to Vienna and Munich connect the region to the most important economic markets in Europe in just a few hours.
- ⦿ Carinthia is situated at the intersection of two important European transport axes: the Tauern (Eastern Alps) axis and the Baltic-Adriatic axis. Companies located here benefit from the good transportation possibilities across these important rail and road axes.

A closeness to its neighbours.

Apart from being physically close to the countries of Southern Europe, Carinthia can also offer a mental proximity. The Carinthian service industry can also boast expertise in the relevant foreign languages and a very good knowledge of the markets of South-Eastern Europe.



connected with Subsidies

Ready for the future.

Carinthia can offer interesting subsidy opportunities to both domestic and foreign businesses for – amongst others – investments in industry, tourism-related projects and research and development undertakings:

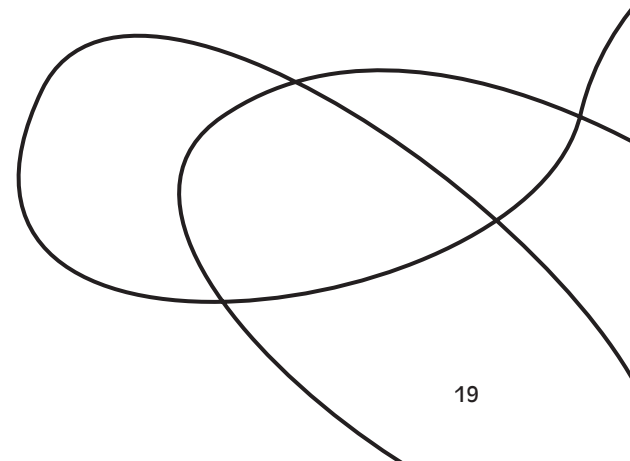
Subsidy opportunities:

- ⦿ Investment subsidies of up to 35 percent
- ⦿ Subsidies for R&D of up to 60 percent
- ⦿ Further subsidy possibilities, e.g. for training and further education programmes

Tax incentives.

In addition to the subsidy opportunities, Carinthia and Austria offer advantages over other markets in the area of taxation as well, including:

- ⦿ Company taxation rate of 25 percent throughout Austria
- ⦿ No trade tax or capital tax
- ⦿ Tax allowance of up to 35 percent on R&D
- ⦿ Tax allowance of up to 20 percent on training and development measures for employees





Austria 2nd (out of 57) for quality of life
 (Source: IMD World Competitiveness Yearbook 2009)

2.

connected with Quality of life

Work where others spend their holidays.

Of course, the choice of location for a business is dependent on the business environment in any given region. But for top performance, the right opportunities to relax and switch off have to exist as well. Carinthia most certainly has plenty of these, with something to suit every taste. With its attractive backdrop of mountains and lakes as well as its warm climate and almost Mediterranean flair, Carinthia is captivating.

Cultural heritage.

Carinthia leads the way in cultural terms too. Thanks to Carinthia's cultural heritage, and in combination with contemporary culture and experience-orientated events, there is a full and attractive programme of events throughout the year. In addition to its numerous castles and fortresses, there are many theatres, modern art galleries and a wide spectrum of museums and exhibitions to visit and spend time in. The "Carinthische Sommer" annual music festival, with its exclusive musical performances, is a must for music lovers; and a varied programme of events is offered on the many open-air stages in picturesque settings throughout the region.

International events.

Carinthia has made a name for itself in the sporting world as well. Amongst the annual highlights are the Ironman Austria event and the Beach Volleyball Grand Slam, both of which draw thousands of visitors to Carinthia every year.

Security.

Carinthia is in one of the safest provinces in Europe. The low rates of criminality ensures that people feel secure. In this safe environment they can take advantage of the wide range of leisure opportunities.

Connected with **Service**

Range of services:

- ◉ Identification and evaluation of possible locations
- ◉ Coordination of approval and permit processes
- ◉ Introductions to public authorities, subsidiary institutions, banks and other important partners
- ◉ Support with human resources issues (including recruitment, preselection, appraisal)
- ◉ Professional support following successful start-up/expansion



Free investor's service.

You will receive professional and comprehensive support with all questions on starting up or expanding an operation in Carinthia from the staff at the Entwicklungsagentur Kärnten GmbH (EAK), regional business agency.

Knowledgeable and highly competent staff.

The staff at EAK will support you all the way with detailed answers to all the important questions concerning starting up or expanding an operation in Carinthia and problem-free management of your project – from the initial concept through to the successful start-up of your operation here.

In addition to our many years of experience, extremely good knowledge of the local market and excellent networks in a variety of segments, we also score on our foreign language ability. And of course, we are happy to support and give advice once the initial project has been successfully completed, e.g. if you are looking to expand.