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Study report 2023

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Headquarters Landscape in Austria: An Overview

Study Report 2023

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H | i | A

HEADQUARTERS IN AUSTRIA

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Executive Summary

In this report, we describe the results of our study on the current headquarters (HQ) landscape in Austria. It is based on a data collection combining information from the database "Orbis" (Bureau van Dijk) and other publicly available data from company annual reports and previous reports.

These are our main conclusions:

- 1. Austria is an important HQ location and Vienna is the center of the Austrian HQ economy.** Austria's central location in Europe, its favorable business environment, strong infrastructure, and high quality of life contribute to making the country an incredibly appealing destination for domestic and international multinational corporations (MNCs) seeking a location for their headquarters (HQs). With over 1,500 HQs in 2023, Austria is solidifying its position as a prime location choice for businesses. Despite its small geographical size compared to other regions like Upper Austria, Lower Austria, and Styria, Vienna stands out as the most significant region for HQs, hosting 36.1% of the total HQ population in the country. Vienna plays a crucial role as a financial hub, being home to 85 HQs operating in the financial & insurance sector.
- 2. Austria attracts investments from prosperous economies – e.g., Switzerland, U.S. – whose corporations select Austria as home for their intermediary HQs.** A considerable portion of Austria's HQs (27.2%) are intermediary HQs – with regional or divisional mandates – of international corporations. Such international groups are relatively large, with an average of 12,000 employees and an average turnover of €4.6bn. Austria is particularly attractive to corporations from Germany, Switzerland, and Luxembourg, but also from the U.S. and other countries outside of Europe.
- 3. Austria's thriving economy supports the establishment of Austrian corporations, with several SMEs relatively well internationalized.** Despite a strong relevance of international HQs for the Austrian economy, the HQ landscape is dominated by Austrian corporations (72.8%), thus testifying the prosperity of the local business landscape. Similarly to other European countries, such as Italy and Spain, Austrian firms are mostly SMEs, with 80% of the Austrian HQs employing up to 500 employees. Austrian HQs are well internationalized, with subsidiaries in 6.7 countries on average.
- 4. Germany and Eastern Europe are the top destinations for the subsidiaries of HQs located in Austria.** Austria-based HQs demonstrate an extensive geographical footprint, with an average presence in 6.3 countries through subsidiary operations. These HQs exhibit a preference for German-speaking countries and Eastern European nations. This inclination highlights a strategic approach of establishing subsidiaries in neighboring countries that share geographical and cultural proximity with Austria.
- 5. HQs in Austria operate in a variety of industries. For international HQs, the sector of the corporate parent varies according to the nationality.** Austria's HQ landscape spans a diverse range of sectors, with manufacturing (27%) being the dominant sector, followed by the wholesale and retail trade sector (19%) and the service industry (17%). Moreover, foreign corporate parents' industry composition varies by origin: Austria is particularly attractive for Swiss and Luxembourgish corporate parents active in the financial & insurance sector and real estate industry. In contrast, the industry composition of corporate parents from Germany, U.S., and France is more heterogeneous.

Headquarters in Austria (HiA) - About us

The project "Headquarters in Austria" (HiA) is an "umbrella project" for different projects and activities, with the aim to support companies in the development of their organization and in particular of their HQs, but also to help Austria to remain an attractive location for HQs. The pronunciation of the acronym HiA is reminiscent of the word "here" and emphasizes the focus of the research project on Austria as an HQ location.

The HiA research project was launched in 2021 and has its origin in a collaboration between *eXplore!* as a funding partner and the WU Vienna University of Economics and Business (WU).

Our objectives are to:

- generate valuable theoretical and practical knowledge around HQs, their roles, functions, activities, and locations,
- share insights from research to a broader (non-academic) audience and thereby promote interest in HQs and an understanding of their importance,
- provide a platform that stimulates discussions for research, education, business practice, and policymakers.

Our core team consists of internal and external researchers at the WU Institute for International Business and is led by Prof. Dr. Phillip C. Nell. Each group member focuses on specific aspects related to HQs.

Due to the HiA project's focus on Austria, we also collaborate with relevant local partners, such as *eXplore!*, *Oesterreichische Nationalbank* (OeNB), *Austrian Business Agency* (ABA), and *Vienna Business Agency* (among others).

More information about HiA's projects can be found on the project's [website](#) and [LinkedIn page](#).



Study Motivation

Austria – an attractive location for HQs

Austria is **located directly in the center of Europe** with great access to both the Western and Eastern part of the continent. Due to its **central geographical location, good infrastructure, highly qualified personnel, high level of legal certainty and quality of life** (ABA, 2019; City of Vienna, 2019; Katsioloudes & Feichtinger, 1998), Austria is an attractive location for headquarters (HQs). This does not only apply to corporate HQs, but especially to intermediary HQs (such as regional or divisional HQs).

The **Austrian economy benefits** from the fact that many HQs are located there. This is because HQs perform **high value-adding activities** (such as strategic marketing, corporate R&D or strategic purchasing) (Chandler, 1991; Collis, Young, & Goold, 2007) and thus, they offer **employment opportunities** for highly qualified personnel. Furthermore, retaining HQs in a country yields **corporate and personal tax income** (Laamanen, Simula, & Torstila, 2012).

In the future, the **Austrian economy's dependency on HQs is likely to increase** as a result of the relatively high tax and labor costs in Austria, which represent a substantial burden for lower value-added activities, such as low-skilled manufacturing activities that often end up being offshored. Thus, **HQ activities and their strategic organization will become even more central for Austria**. Hence, it is crucial for policy-makers to acquire a deep understanding of the current HQ situation in Austria in order to preserve Austria's competitiveness as an attractive HQ location and enhance it even further.

Goal and relevance of the study

This study aims to **provide a comprehensive and clear overview of the current landscape of HQs in Austria**. This report represents a **follow-up study** to our report on "Headquarters Landscape in Austria: An Overview" (2022). By analyzing the data, we aim to gain a solid understanding of Austria as an HQ location, highlighting its unique characteristics, strengths, and weaknesses. Moreover, as this study is regularly updated over time, it will allow us to track and analyze **developments** in the Austrian HQ landscape.

The findings of this study are **valuable for both firm managers and policy-makers**. Firm managers, whether they already have their HQ in Austria or are considering relocating to Austria, will benefit from a detailed **understanding of the country as an HQ location and its offerings**, for instance, potential agglomeration advantages, opportunities for alliances, or the sharing of best practices with similar firms. For Austrian policy-makers, this study provides a **base to assess the attractiveness of Austria as an HQ location**. It will enable them to make informed decisions and **adjust location policies** accordingly, with the goal of retaining and strengthening Austria's position as a significant HQ destination within Europe.



Scope of the study

HQs can take **diverse forms** and exist at **different levels of the organizational hierarchy**. This study takes a broad look on HQs and includes **not only corporate HQs**, but **also intermediary HQ structures**, such as regional and divisional HQs. Additionally, HQs can take **various nationalities** depending on the country-of-origin of the corporate group. The following examples give some idea on which kind of HQs are considered in this report:

Example: Corporate HQ



Erste Group Bank AG is a financial service provider headquartered in Vienna, Austria. From its corporate HQ, it steers its key subsidiaries in Central and Eastern Europe (Erste Group, 2023).

Example: Regional HQ



Boehringer Ingelheim Regional Center Vienna (RCV) is part of the German pharmaceutical company Boehringer Ingelheim. From its regional HQ in Vienna, the firm steers subsidiaries in 30 countries (Boehringer Ingelheim, 2023).

Example: Divisional HQ



VAMED AG is an international healthcare provider that is owned by the German healthcare group Fresenius SE. Operating its divisional HQ from Austria, VAMED is responsible for subsidiaries all over the world (VAMED, 2023).

Study Design

Data collection

The **data for this study was collected in 2023** and focuses on HQs based in Austria. Our **primary data source was the "Orbis" database** (Bureau van Dijk). To ensure data accuracy and completeness, **we cross-referenced the "Orbis" data with publicly available information** from company annual reports and previous reports (e.g., Nell & Schmitt, 2018; Schmitt & Nell, 2020). Since this report serves as an **update to the 2022 edition**, we used the initial dataset as a starting point and supplemented it with the most recent data from "Orbis".

HQ definition

Building on the widely established research on HQs (e.g., Chandler, 1991; Menz, Kunisch, & Collis, 2015), we define **HQs as hierarchically superior firm units**. To identify the hierarchical superiority of HQs, we follow other studies (e.g., Belderbos, Du, & Goerzen, 2017; Voget, 2011) and adopt **an ownership perspective on HQs** (i.e., HQs need to have an ownership of at least 50.01% in another foreign corporate entity). This ownership perspective on HQs usually coincides with the seat of the top management team as well as of central staff functions (such as HR, IT, or finance) and the legal seat.

For the purpose of this report, we only consider **HQs located in Austria that own subordinate units in at least one foreign country** and that have **recent company information in "Orbis"**.

We also acknowledge that HQs can exist at **different hierarchical levels** (e.g., Goold & Campbell, 2002; Zhou, 2015) and can take the following forms:

- **corporate HQs (CHQs):** representing the highest organizational unit within the entire corporate group.
- **intermediary headquarters (IHQs):** units hierarchically positioned between the CHQ and other subunits with region-bound ('regional HQs') or product-/function-bound ('divisional HQs') mandates.

Following this definition, we exclude:

- firms as well as startups that **purely perform exporting activities** to foreign countries without any legal entities in those countries,
- firm entities that **do not hold a clear HQ mandate**, even if they perform activities for foreign firm entities,
- IHQs that are **owned by another IHQ in Austria**, to limit the risk of an over-representation of some firms in the list.

For the purpose of our study, we include only HQs with a minimum turnover of more than 1m€, in at least one of the last years in which this information is available.

Key variables

For each HQ, we collected variables on several levels:



General information on the Austrian HQ's name, location, year of establishment, stock market listing, and CEO



Hierarchical information on the corporate group of the Austrian HQ, including type of HQ, number of owned subsidiaries, and hierarchical level within the corporate group



Industry information on the Austrian HQ's core and secondary business



Geographical information on the foreign subsidiaries that are owned by the Austrian HQ (i.e., the HQ's geographical footprint)



Size information on the Austrian HQ in terms of consolidated employees and turnover



Capital market information on the listing of the Austrian HQ



Information on the corporate parent of the Austrian HQ, including general, industry, and size information (analogous to the above information)

Analysis and interpretation

We applied **descriptive statistics techniques** to analyze the collected dataset. To gain deeper insights into specific segments of the data, we **divided the sample based on HQ nationality** (Austrian vs. international) and **HQ type** (corporate vs. intermediary). By doing so, we were able to extract more detailed information and draw conclusions regarding each subgroup. We interpret the results and **elaborate on potential implications**.

Note: Due to rounding error, the percentages indicated in the output of the analyses may not always sum up to 100.0%.

Limitations

The study provides valuable insights into the HQ landscape in Austria. However, it is important to acknowledge certain limitations in our approach. First, our **data collection heavily relies on a single source, i.e., "Orbis"**, which is a reputable database for firm-level information. Nonetheless, it is possible that not all HQs in Austria are captured in this database, or that some data is outdated. We attempted to compensate for this by referring to other sources such as company reports. Second, our analysis **focuses mainly on the current state of Austria's HQ landscape**. To address this limitation, we intend to continually update the study and track longitudinal developments. This report represents the first update of the initial 2022 report. Thirdly, due to our data collection approach, our analysis **primarily centers around larger HQs in Austria**. As a result, we might not have included smaller HQs.

General Overview & Location of HQs

Overview of the HQ landscape in Austria

Austria has established itself as a prominent HQ location in Europe, with a remarkable total of 1,517 HQs situated within its borders (a net increase of 5.4% from our 2022 report).

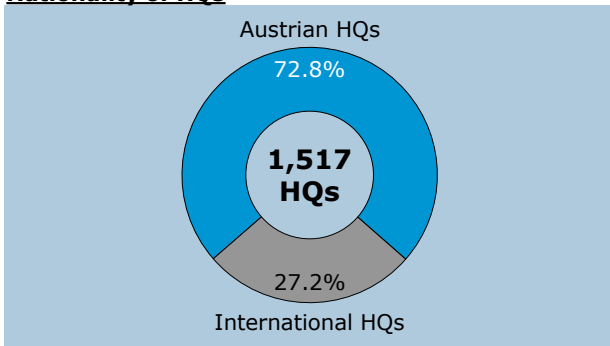
Among HQs based in Austria, almost 73% are affiliated with **Austrian corporate groups**, which demonstrates the **country's ability to nurture homegrown businesses**. Furthermore, Austria's appeal as a preferred HQ destination is evident in the fact that over **one-fourth of all HQs have international corporate parents**. This highlights Austria's allure for a diverse range of international firms.

1,517
HQs are currently located in Austria

Notably, Austria has successfully attracted **substantial HQ investments** in the past, **particularly from neighboring countries such as Germany and Switzerland** (see page 14).

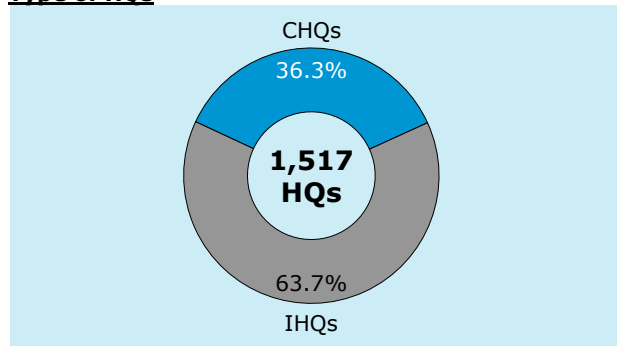
In addition to being an appealing destination for CHQs, Austria also stands out as an attractive location for IHQs, especially among foreign firms. Notably, **IHQs constitute nearly two-thirds of all HQs** in Austria, while CHQs represent only 36%.

Nationality of HQs



HQ Nationality	Vienna	Rest of Austria	Overall Austria
Austrian	364	741	1,105
International	183	229	412
Total	547	970	1,517

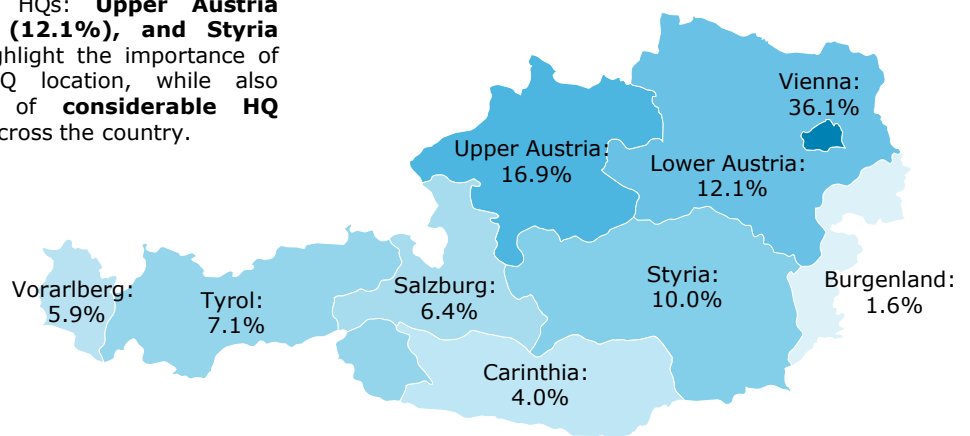
Type of HQs



HQ Type	Vienna	Rest of Austria	Overall Austria
CHQs	206	344	550
IHQs	341	626	967
Total	547	970	1,517

Distribution of HQs within Austria

The distribution of the 1,517 HQs in Austria is **spread across the nine federal states**. Notably, the **capital city of Vienna** stands out as the primary hub, hosting **36.1% of all HQs**. In addition, **three regions exhibit a significant density of HQs: Upper Austria (16.9%), Lower Austria (12.1%), and Styria (10.0%)**. These findings highlight the importance of Vienna as the primary HQ location, while also emphasizing the presence of **considerable HQ clusters** in selected regions across the country.



Note: Darker blue shades indicate a higher concentration of HQs in the respective federal state.

Top Austrian Cities for HQs

The top cities overall for HQs

The majority of HQs are **concentrated in the capital cities of the federal states**: Vienna (547), Linz (58), Graz (46), and Salzburg (42).

However, notable numbers of HQs **can also be found in other densely populated cities** such as Wels (29), Innsbruck (26), Wiener Neudorf (17), and Klagenfurt (15).

Interestingly, in the regions of Vorarlberg and Lower Austria, the main locations for HQs are not the capital cities – Bregenz (6) and Sankt Pölten (5), respectively.

Instead, Dornbirn (13) serves as the primary location in Vorarlberg, while Wiener Neudorf (17) and Amstetten (9) are the top HQ destinations in Lower Austria.

Taking into account the number of inhabitants per city, **Wiener Neudorf stands out as the most densely populated city with HQs** (1.77 HQs/1,000 inhabitants), followed by Wels and Innsbruck (1.64 and 1.27, respectively). Surprisingly, **Vienna ranks only sixth in HQ density with 0.27 HQs per 1,000 inhabitants**.

Top 5 cities - absolute number of HQs (n = 1,517)

#	City (federal state)	#HQs
1	Vienna (Vienna)	547
2	Linz (Upper Austria)	58
3	Graz (Styria)	46
4	Salzburg (Salzburg)	42
5	Wels (Upper Austria)	29

Top 5 cities - relative density of HQs (n = 1,517)

#	City (federal state)	HQ density	#HQs
1	Wiener Neudorf (Lower Austria)	1.77	17
2	Wels (Upper Austria)	1.64	29
3	Innsbruck (Tyrol)	1.27	26
4	Traun (Upper Austria)	0.70	11
5	Linz (Upper Austria)	0.28	58

Note: #HQs indicate the absolute number of HQs per city, whereas HQ density indicates the number of HQs per 1,000 inhabitants.

The top cities of the main HQ regions

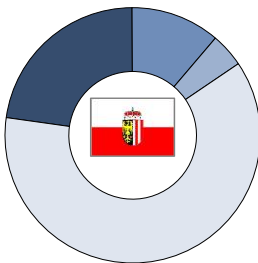
A closer look at the three main HQ regions after Vienna gives an overview of how HQs are distributed.

In **Upper Austria (256)**, multiple HQ hubs emerge. **Linz (22.7%)** takes the lead as the primary HQ location, **hosting twice as many HQs as the second-largest city, Wels (11.3%)**. Additionally, smaller HQ clusters are found in Traun (4.3%) and Leonding (3.1%). Overall, there are 100 distinct locations in Upper Austria that host HQs.

Lower Austria (183) showcases **three relatively smaller HQ hubs: Wiener Neudorf (9.3%), Amstetten (4.9%), and Brunn am Gebirge (4.4%)**. The remaining HQs in Lower Austria are dispersed throughout the region. In total, there are 99 distinct locations in Lower Austria that host HQs.

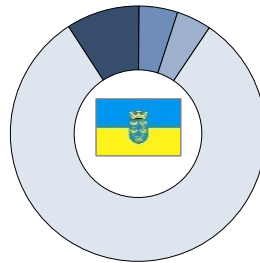
Styria (152) follows a similar pattern as Upper Austria in terms of HQ distribution. **Graz (30.3%) dominates as the largest HQ area** in the region, while smaller HQ clusters can be found in Raaba (4.6%), Leoben (3.3%), and Premstaetten (3.3%). Overall, Styria is home to 65 different HQ locations.

Upper Austria (n = 256)



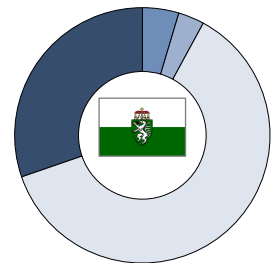
■	Linz (22.7%)
■	Wels (11.3%)
■	Traun (4.3%)
■	Others (61.7%)

Lower Austria (n = 183)



■	Wiener Neudorf (9.3%)
■	Amstetten (4.9%)
■	Brunn am Gebirge (4.4%)
■	Others (81.4%)

Styria (n = 152)



■	Graz (30.3%)
■	Raaba (4.6%)
■	Leoben (3.3%)
■	Others (61.8%)

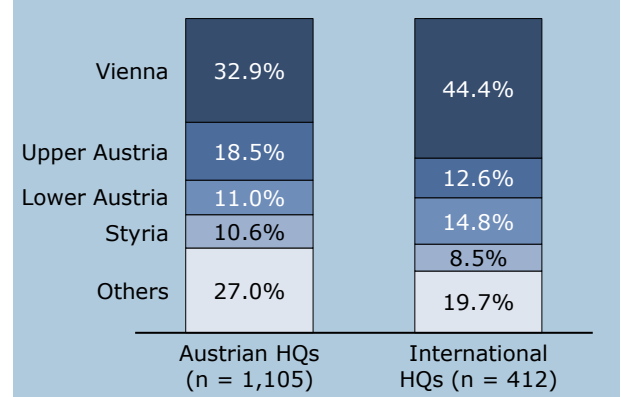
Fine-Grained HQ Location Analyses

HQ location - Nationality of HQs

An in-depth analysis of the geographical distribution of HQs reveals **Vienna's dominance as the most crucial location for HQs in Austria. This is particularly pronounced when considering international HQs, as over 40% of all international HQs in Austria are concentrated in Vienna. Lower Austria emerges as another attractive destination for international HQs, securing the second position with 61 international HQs.**

Conversely, when it comes to Austrian HQs, Upper Austria stands out by hosting 204 HQs. These findings strongly suggest that international HQs are drawn to highly interconnected locations, in close proximity to airports or major train stations.

Nationality of HQs



Top 5 cities for Austrian HQs (n = 1,105)

#	City (federal state)	# HQs
1	Vienna (Vienna)	364
2	Linz (Upper Austria)	45
3	Graz (Styria)	41
4	Salzburg (Salzburg)	32
5	Wels (Upper Austria)	25

Top 5 cities for international HQs (n = 412)

#	City (federal state)	# HQs
1	Vienna (Vienna)	183
2	Linz (Upper Austria)	13
3	Salzburg (Salzburg)	10
4	Wiener Neudorf (Lower Austria)	7
5	Graz (Styria)	5

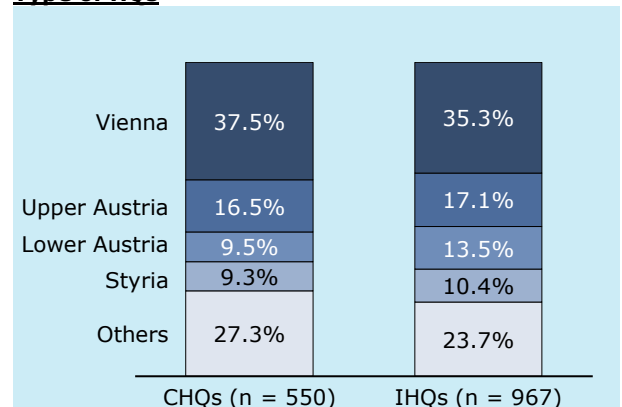
HQ location - Type of HQs

An analysis of HQs' geographical distribution based on HQ type (CHQ vs. IHQ) reveals a similar pattern to the overall HQ landscape. **Vienna emerges as the favored location for both CHQs and IHQs in Austria, followed by Upper Austria.** The remaining federal states, such as Lower Austria and Styria, attract a relatively smaller share of both CHQs and IHQs, occupying the third and fourth positions, respectively. **These findings indicate a correlation between the presence of CHQs and IHQs in a particular location. When there is a cluster of CHQs, it can serve as a magnet for foreign MNCs to establish their IHQs in the same vicinity. Similarly, CHQs might find it advantageous to establish their IHQs in the same location.** This suggests the existence of agglomeration benefits that firms may enjoy due to the presence of other HQs in a given location.

Top 5 cities for CHQs (n = 550)

#	City (federal state)	# HQs
1	Vienna (Vienna)	206
2	Linz (Upper Austria)	24
3	Salzburg (Salzburg)	19
4	Graz (Styria)	15
5	Innsbruck (Tyrol)	14

Type of HQs



Top 5 cities for IHQs (n = 967)

#	City (federal state)	# HQs
1	Vienna (Vienna)	341
2	Linz (Upper Austria)	34
2	Graz (Styria)	31
4	Salzburg (Salzburg)	23
5	Wels (Upper Austria)	20

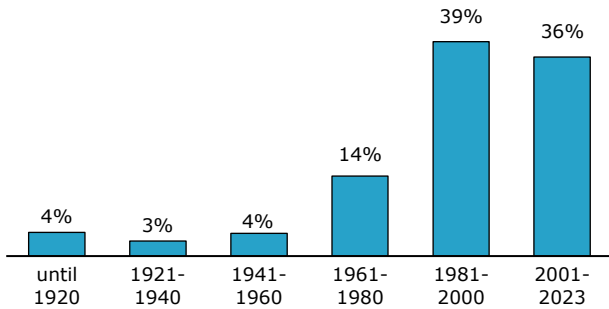
Age & Sector of HQs

Year of establishment of HQs

The growth of HQs in Austria can be traced back to the 1970s, with a **notable surge in new HQ establishments around the year 2000**. Today, the proportion of HQs founded over a century ago is relatively low, accounting for only 4.9% of the overall HQ landscape.

This trend holds true for both CHQs and IHQs, as well as Austrian and international HQs. While there is a similarity in the growth patterns, it can be observed that **Austrian and corporate HQs tend to be slightly older compared to international and intermediary HQs**. It can be inferred that the success and **development of Austrian and corporate HQs played a role in enhancing the overall appeal of the location**, subsequently attracting many international and IHQs in later years.

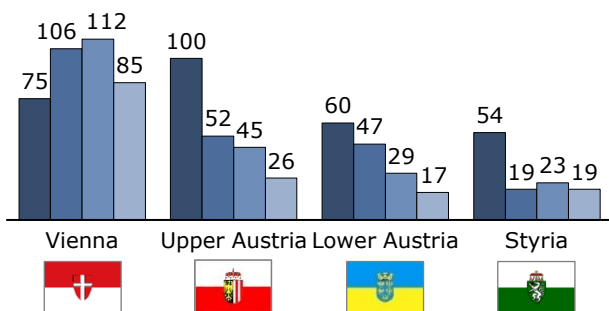
All HQs (n = 1,517)



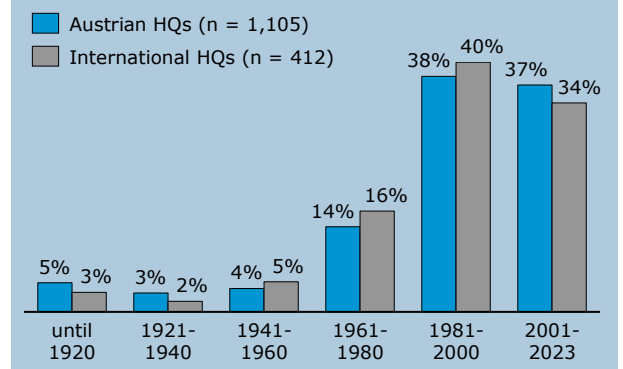
Industry belonging of HQs

The HQs landscape in Austria encompasses a diverse range of industries, with **manufacturing leading the way, accounting for over one-fourth of all HQs**. The **wholesale and service sectors closely follow**, representing 19.5% and 17.1%, respectively. The **finance and insurance sector also holds significance**, comprising 13.6% of HQs. Industries such as information and communication, as well as construction, are also established in Austria.

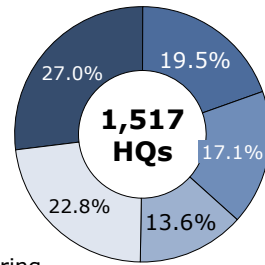
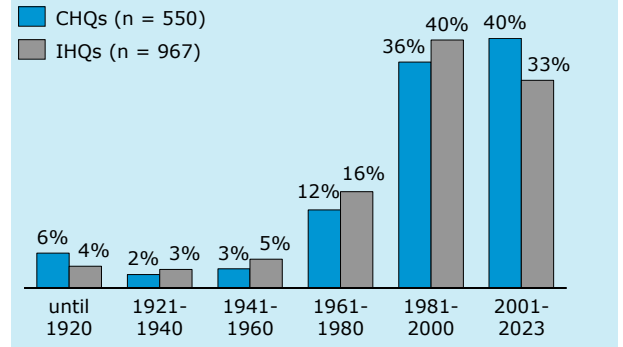
The distribution of HQs across industries is **not evenly spread** among the various federal states. HQs in the **manufacturing sector display a particular concentration in Upper Austria**. Conversely, Vienna emerges as the most attractive location for HQs engaged in wholesale and retail trade, services, and financial activities. This HQ concentration in specific federal states suggests the existence of agglomeration benefits, where **firms benefit from co-locating with other companies within the same industry**.



Nationality of HQs

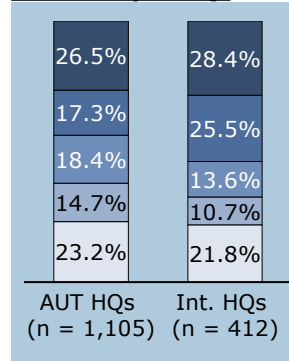


Type of HQs

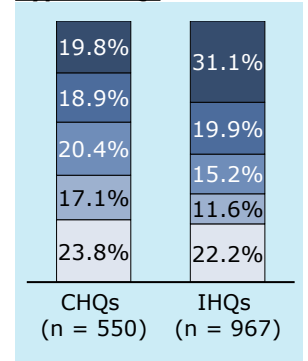


- Manufacturing
- Wholesale and retail
- Professional, scientific, and technical activities
- Financial and insurance activities
- Others

Nationality of HQs



Type of HQs



Geographical Footprint of HQs

Countries of HQs' subsidiaries

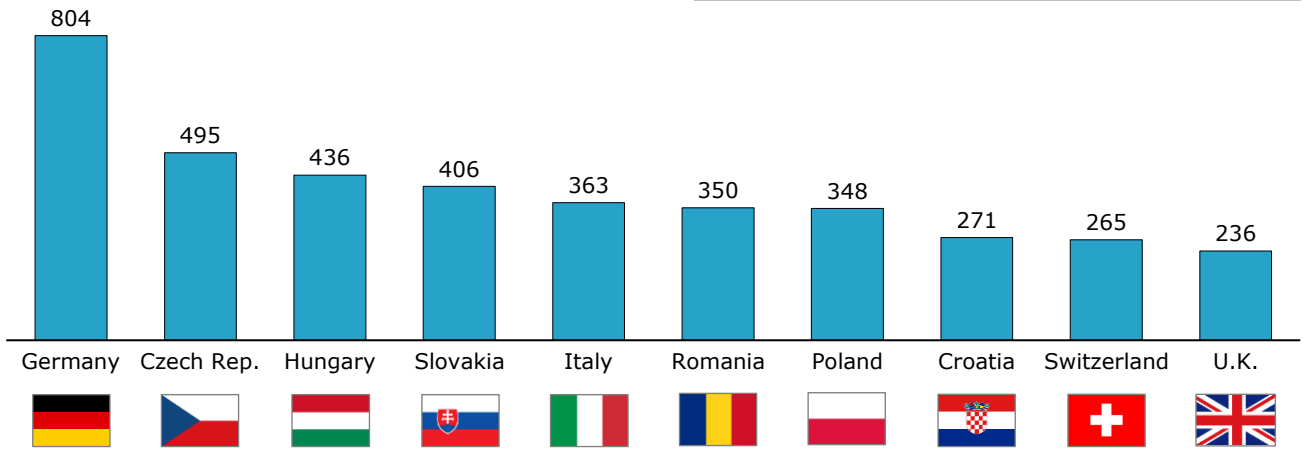
Upon examining the subsidiaries owned by HQs in Austria, it becomes clear that **Germany stands out as the top choice for foreign subsidiary locations**. This preference can be attributed to Germany's proximity to Austria, the similarities between the two countries, and the relatively large market size it offers.

In general, HQs in Austria tend to **establish subsidiaries in countries located in Eastern Europe, the DACH region (Germany, Austria, Switzerland), and other neighboring countries** like Italy. This indicates a strategic inclination to minimize the distance between the Austrian HQ and its subsidiaries. Austria's strategic position in the heart of Europe makes it particularly attractive for HQs seeking to expand into Eastern Europe while maintaining connectivity to the central European hub.

59%
of all HQs in Austria own at least one subsidiary in Austria

Nevertheless, the most significant subsidiary location for HQs in Austria is actually Austria itself. **More than half of all HQs in Austria have at least one subsidiary located within the country**, underscoring the hierarchical complexity and extensive reach of MNCs, even within a single country.

6.3
different countries, on average, in which HQs own subsidiaries

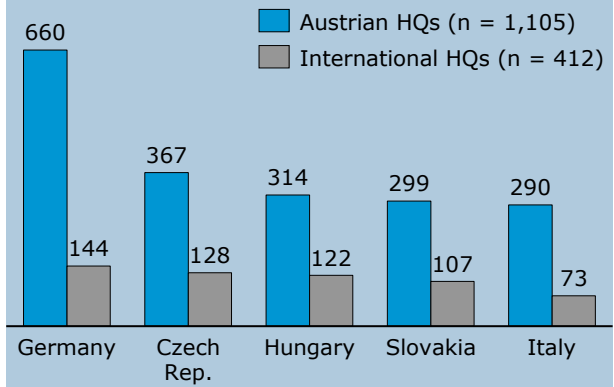


The geographical footprint of **Austrian HQs and international HQs exhibit similarities, as both prioritize Germany as the top choice for subsidiary locations, followed by countries in Eastern Europe**. Notably, 63.8% of Austrian HQs and 47.8% of international HQs possess at least one subsidiary in Germany. Interestingly, **Austrian HQs, on average, have subsidiaries in a higher number of countries than international HQs**, indicating that they have a broader international reach. In the case of international HQs, the preference for Germany and Eastern European countries is relatively balanced.

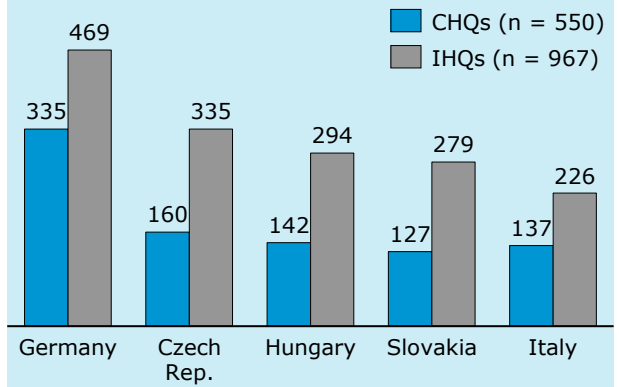
Both CHQs and IHQs from Austria have a comparable geographical footprint. **Germany** is by far the most popular country in which CHQs and IHQs from Austria own subsidiaries, with 64.7% of CHQs and 56.5% of IHQs owning at least one subsidiary there. **Eastern European countries and Italy** are also important subsidiary locations for both CHQs and IHQs.

Furthermore, IHQs tend to have a larger number of subsidiaries abroad, indicating their intent to reach a broader international coverage.

Nationality of HQs



Type of HQs

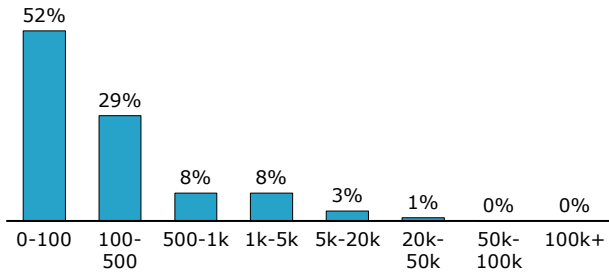


Size of HQs

Employees (consolidated numbers)

Austria is home to a **substantial number of relatively small HQs**. More than half of the HQs in Austria employs fewer than 100 people, while **only 12% HQs have more than 1,000 employees**. These findings underscore the **importance of SMEs and IHQs for Austria's economy**. They also indicate the presence of a supportive and thriving ecosystem for SMEs, as well as the existence of several holding companies based in Austria.

CHQs tend to have a higher average number of employees (1,534) than IHQs (573), while Austrian HQs (1,044) have a higher average number of employees compared to international HQs (505). These variations reflect the diverse nature of HQs in Austria. **CHQs, often representing larger domestic corporations, tend to have a larger employee base, while IHQs, which may focus on specific functions or regions, have a smaller workforce.**

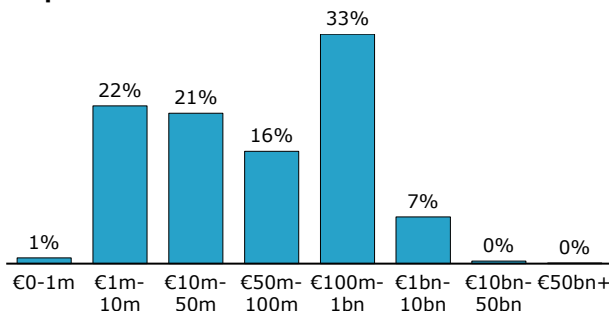


Note: Information on employees was available for 1,263 firms. The numbers refer to the last available year of information (mostly 2021).

Turnover (consolidated numbers)

The HQ landscape in Austria is predominantly composed of **medium-sized firms** in terms of their annual turnover. Approximately one-third of all HQs fall within the €10m to €1bn yearly turnover range. The remaining HQs are mostly smaller in size, with **only 7% having an annual turnover exceeding €1bn**.

Austrian HQs have a significantly larger average yearly turnover (€435m) than international HQs (€277m). CHQs have an average yearly turnover of nearly €561m, while IHQs have a lower average turnover of €297m. These variations in average turnover highlight the diverse profiles of HQs in Austria. Austrian HQs, with their larger average turnover, represent domestic corporations with a substantial market presence. In contrast, **international HQs, with their slightly lower average turnover, may serve as regional HQs for larger foreign corporations.**

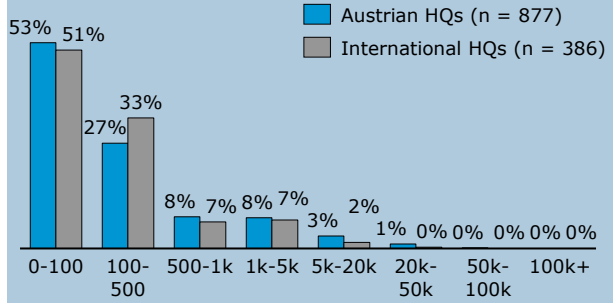


Note: Information on turnover was available for 1,332 firms. The numbers refer to the last available year of information (mostly 2021).

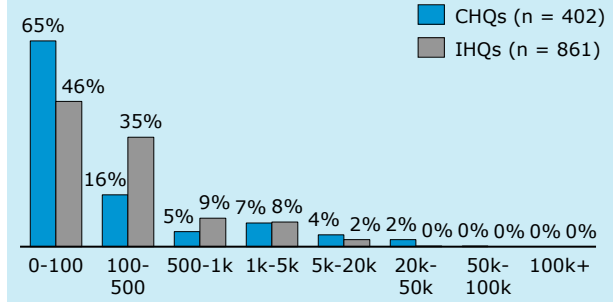
879
people on average employed by HQs in Austria

Note: This refers to the consolidated number of employees.

Nationality of HQs



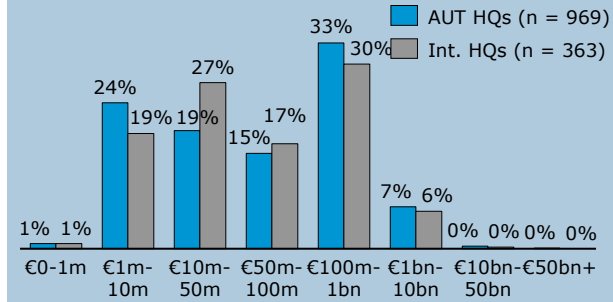
Type of HQs



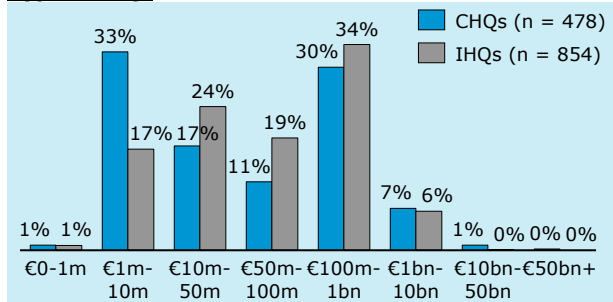
€392m
yearly turnover on average for HQs in Austria

Note: This refers to the consolidated turnover.

Nationality of HQs



Type of HQs

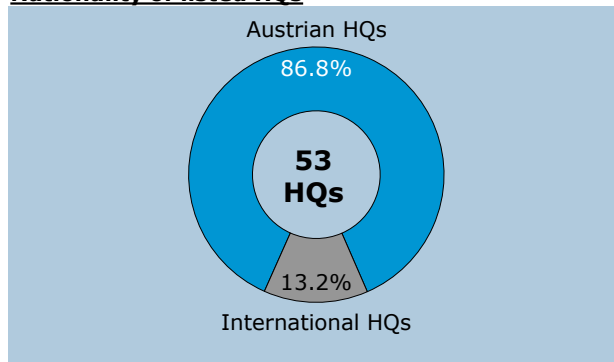


Listing of HQs

Overview of listed HQs

Only **3.5%** of the HQs in Austria are publicly listed. This limited number of publicly listed HQs is indicative of the predominance of small and medium-sized enterprises (SMEs) and intermediary HQs within Austria's HQ landscape. Among the 53 listed HQs, one is listed on the Swiss Stock Exchange, three are listed on the Frankfurt Stock Exchange, while the majority is listed on the Vienna Stock Exchange.

Nationality of listed HQs



Listed HQs by region

Vienna serves as the primary hub for listed HQs in Austria, hosting more than half of the total number. The second-largest region is Upper Austria, followed by other prominent HQ regions such as Styria and Lower Austria. Notably, Vorarlberg hosts a similar number of listed HQs as Styria, despite hosting fewer HQs compared to other federal states.

These findings underscore the significant **concentration of listed HQs in Vienna**, which serves as the financial and economic center.

Listed HQs by sector

The key sectors for listed HQs in Austria include **manufacturing (22)**, **financial and insurance activities (9)**, real estate (5), and construction (4).

Manufacturing is the most important sector, with 22 listed HQs. This highlights the significance of the **manufacturing sector, which maintains its strong presence among listed HQs**, reflecting its importance within the Austrian economy.

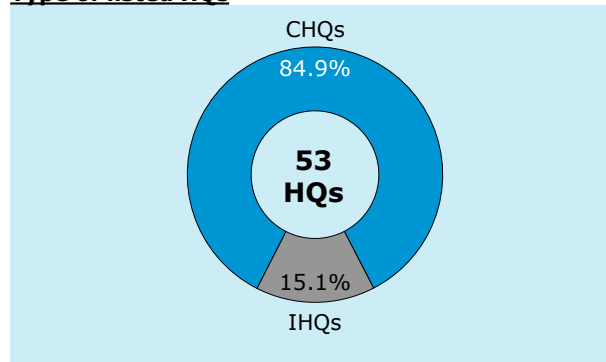
Interestingly, the **financial and insurance sector has a higher representation among publicly listed HQs** compared to its rank among all HQs in Austria. While it is the fourth largest sector in terms of total HQs, it ranks second among publicly listed HQs.

3.5%

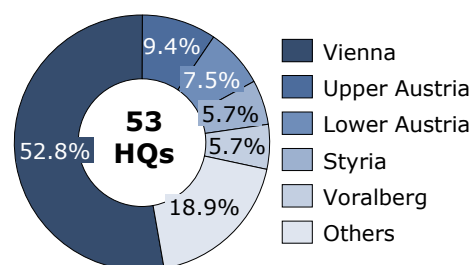
of all HQs in Austria are publicly listed

Out of the publicly listed HQs in Austria, only seven represent international HQs, while the remaining are domestic HQs. Additionally, among the 53 publicly listed HQs, eight are IHQs.

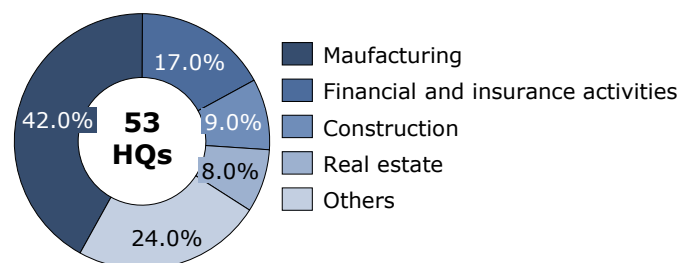
Type of listed HQs



Home region of publicly listed HQs



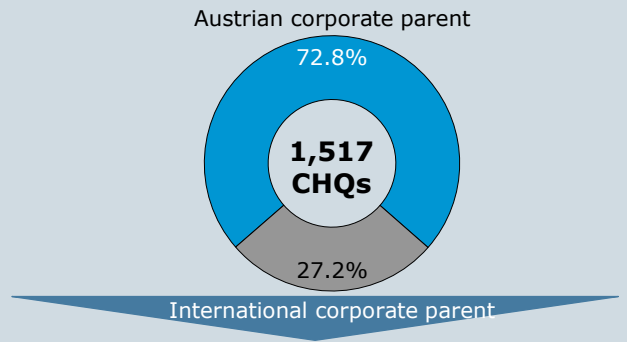
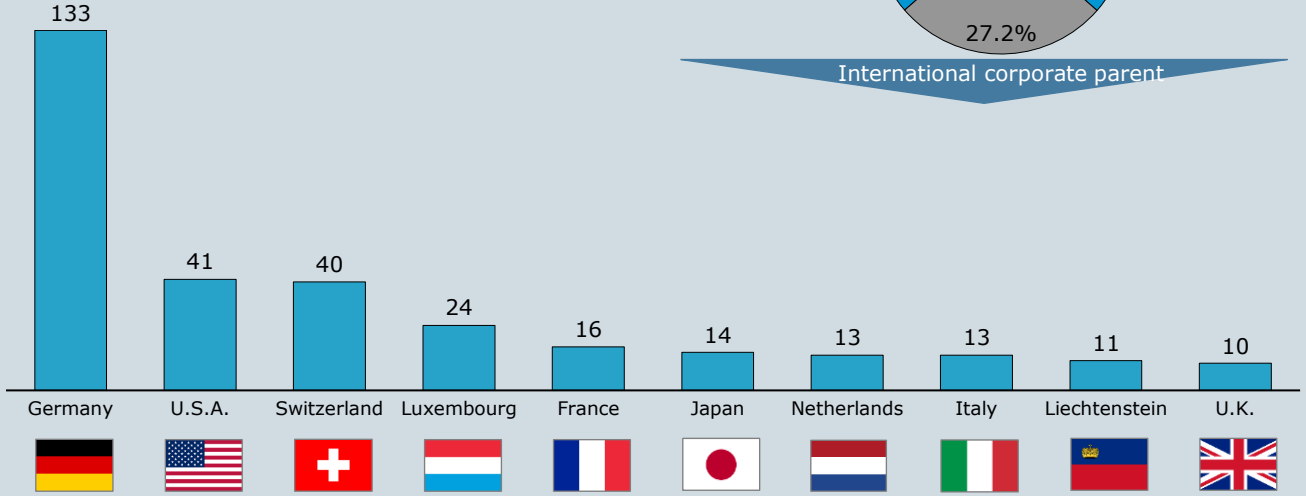
Industry of publicly listed HQs



Corporate Parents of HQs (I)

Nationality of corporate parents

Investigating the corporate parents of the HQs in Austria reveals the following conclusions. **The HQ landscape in Austria is characterized by a strong presence of Austrian MNCs, indicating the prosperity of the Austrian economy.** Among the 1,105 Austrian corporate parents, a significant proportion is based in Vienna (32.9%), followed by Upper Austria (18.5%), Lower Austria (11.0%), and Styria (10.6%).



A significant 27.2% of the HQs in Austria (412) is owned by foreign corporations, suggesting Austria’s open economy and attractiveness for international HQs. Among the countries-of-origin for these foreign corporate parents, **Germany (133) stands out as the clear leader, with more than 90 HQs** more than the second and third most important countries, **the U.S. (41) and Switzerland (40).**

Notably, **several neighboring countries** of Austria, including Germany, Switzerland, Italy, and Liechtenstein, are featured in the top ten list of home countries for foreign corporate parents. Additionally, **France and the U.K.** also hold a significant presence as home countries for international HQs in Austria.

These findings suggest that companies from other European countries perceive Austria as an appealing location for establishing their HQs. The shared cultural similarities between Austria and these countries may contribute to this attractiveness, potentially facilitating business connections with countries in Eastern Europe.

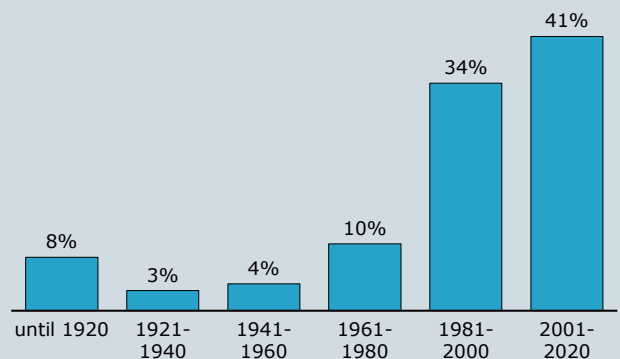
Furthermore, certain countries in the top ten list, such as **Luxembourg, the Netherlands, and Liechtenstein,** may view Austria as an advantageous HQ location while maintaining their parent companies in countries with a more favorable tax system.

Importantly, **Austria’s attractiveness extends beyond European companies.** Analyzing the top ten foreign corporate parent countries reveals that **17.5% of HQs in the top ten are owned by companies based in the U.S. and Japan.** Expanding the perspective to the entire sample of international HQs, approximately 10% are owned by companies originating from outside the European continent, including countries such as China (9), Brazil (5), and Canada (4). This indicates a significant preference among non-European MNCs to choose Austria as their European HQ location.

Year of establishment of corporate parents

The expansion of corporate parents demonstrates a parallel growth trajectory to that of HQs in Austria, **highlighting a broader global economic expansion.**

Notably, the **1960s marked a significant turning point,** with a substantial increase in MNCs during the twenty-year period from 1961 to 1980. However, the **most significant acceleration occurred in the 1980s and has continued to the present day.**

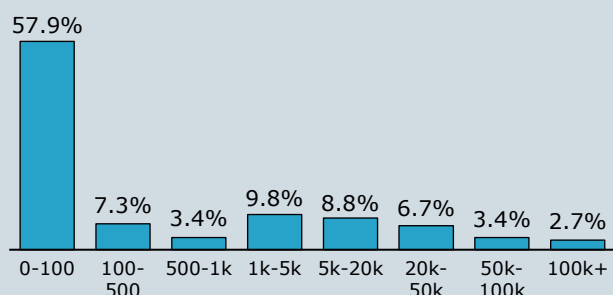


Note: Information on year of establishment was available for 1,431 firms.

Corporate Parents of HQs (II)

Employees (consolidated numbers)

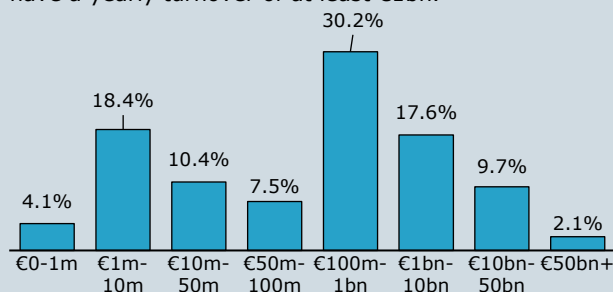
On average, corporate parents in Austria employ a significant workforce of over 12,000 employees, highlighting their **considerably larger size compared to HQs in Austria** (878). This difference is driven by international corporate parents, which have more than 36,000 employees on average.



Note: Information on employees was available for 1,048 firms. The numbers refer to the last available year of information (mostly 2021).

Turnover (consolidated numbers)

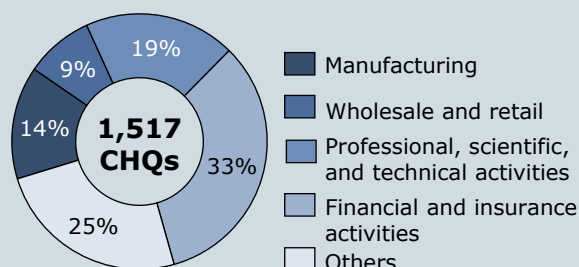
Also in terms of yearly turnover, **corporate parents (€4.7bn yearly turnover on average) are much larger than the HQs in Austria** (with €392m yearly turnover). Notably, despite constituting only 27.2% of the total landscape, **international HQs are affiliated with significantly larger corporations**, as suggested by the fact that 68% of international corporate parents have a yearly turnover of at least €1bn.



Note: Information on turnover was available for 950 firms. The numbers refer to the last available year of information (mostly 2021).

Industry belonging of corporate parents

One third of corporate parents operate in the financial and insurance industry, followed by the service industry. The finance industry is particularly relevant for international corporate parents, suggesting the presence of many foreign holdings with HQs in Austria. While the **manufacturing industry** is the most popular one among HQs (see page 10), **it is only the third most important sector for their parents.**

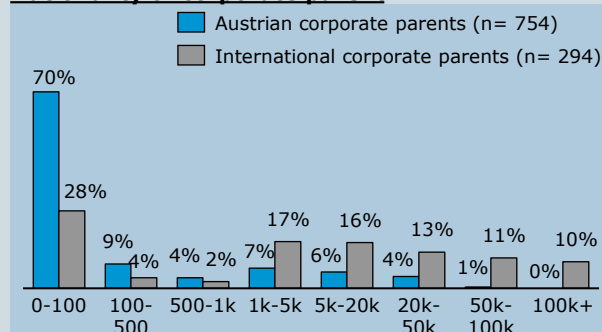


12,197

employees on average for corporate parents of HQs in Austria

Note: This refers to the consolidated number of employees.

Nationality of corporate parent

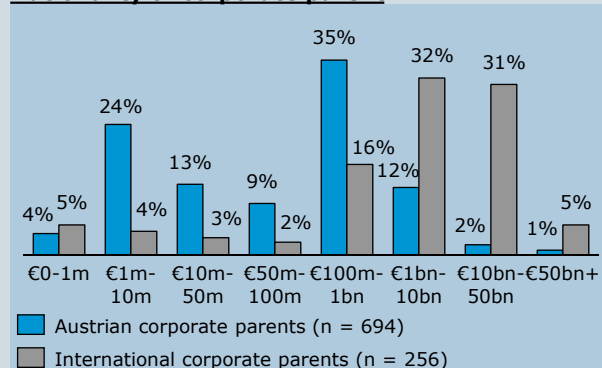


€4.7bn

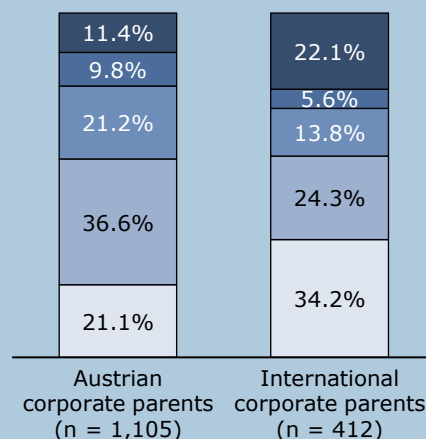
yearly turnover on average for corporate parents of HQs in Austria

Note: This refers to the consolidated turnover.

Nationality of corporate parent



Nationality of corporate parent



Corporate Parents of HQs (III)

Corporate parents' country and HQ industry

A closer look at the industry composition of the HQs based in Austria for the top 5 nations for corporate parents reveals interesting differences.

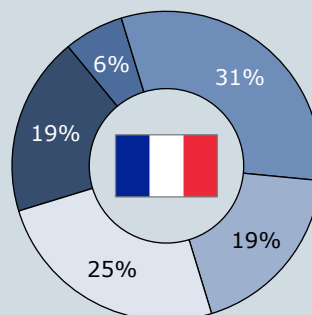
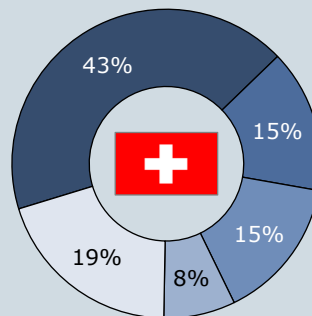
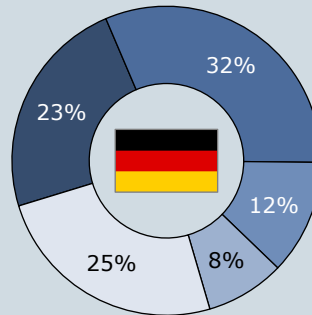
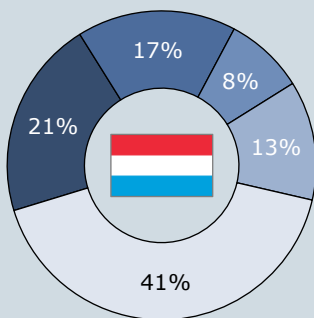
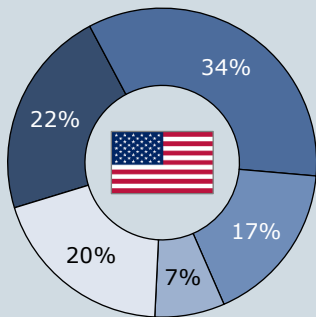
In Austria, **HQs of German corporate parents primarily operate in the wholesale and retail trade sector (32%) and the manufacturing industry (23%)**. Similarly, the **manufacturing sector holds great significance for HQs of Swiss corporate parents**, constituting 43% of their activities.

While the wholesale and retail trade sector, as well as the manufacturing industry, are relevant, they may not always be the dominant sectors. For instance, the **professional, scientific, and technical activities sector emerges as crucial for HQs of French corporate parents**, as 31% of French corporate parents belong to this sector.

HQs with U.S. corporate parents are particularly active in the wholesale and retail trade sector (34%), manufacturing industry (22%), and in the professional, scientific, and technical activities sector (17%). Moreover, a considerable **12% of HQs from U.S. corporate parents is active in the information and communication sector**.

Interestingly, HQs having corporate parents from Luxembourg engage in industries that are less common among HQs with corporate parents of other nationalities. For example, **17% of HQs with corporate parents from Luxembourg are involved in the real estate sector**, while 13% operate within the mining and quarrying industry.

- Manufacturing
- Wholesale and retail
- Professional, scientific, and technical activities
- Financial and insurance activities
- Others



Appendix



New HQs in the 2023 Report (I)

Change in the number of HQs

Since the current report updates the 2022 edition (Schmitt, Fabrizi, & Nell, 2022) with new information from Orbis, we briefly examine the changes in the HQ database. Compared to 2022, the **number of HQs has increased by 5.4%**, rising from 1,439 to 1,517 HQs.

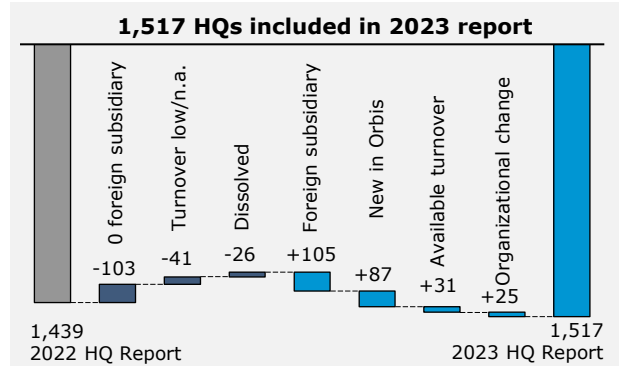
+5.4% HQs
in the number of HQs since 2022

88.2% of HQs from the 2022 database (1,269 HQs) are still included in the 2023 report. However, 170 HQs were **excluded for the following reasons:**

- No longer possessing majority ownership in at least one foreign subsidiary (criteria previously satisfied): 103 HQs
- Low or missing turnover data: 41 HQs
- Dissolution/inactivity/liquidation: 26 HQs

248 new HQs were added, for the following reasons:

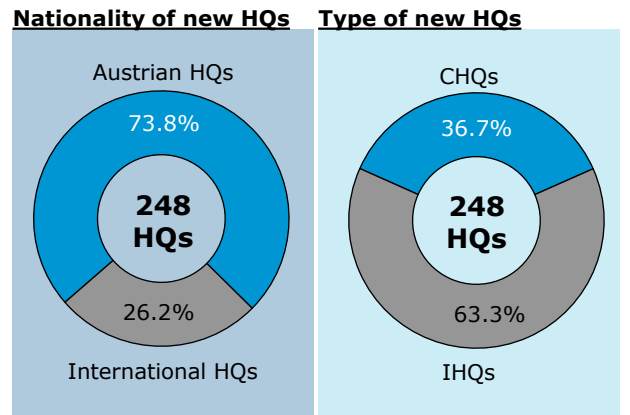
- New ownership of at least one foreign subsidiary (with direct ownership above 50%): 105
- Newly added HQs to Orbis or previously lacked basic information: 87
- Now meeting the turnover criteria: 31 HQs
- Now classified as HQs due to changes in the hierarchical structure of the corporate group: 25 HQs



Nationality and type of newly added HQs

The majority of newly included HQs are of Austrian origin, accounting for 73.8% of the total. The remaining 26.2% of the new HQs belong to international corporate groups. These figures align with earlier findings, **underscoring Austria's enduring appeal as a favorable destination for both domestic and international HQs.**

While both CHQs and IHQs contribute to the expansion of the database, the majority of newly added HQs is IHQs (63.3%). This hints to the fact that several **HQs have been added to the list due to changes in the organizational setup of corporate groups**, which have **introduced new IHQs into their hierarchy.**

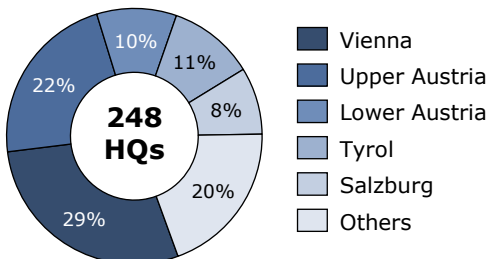


Industry and location of newly added HQs

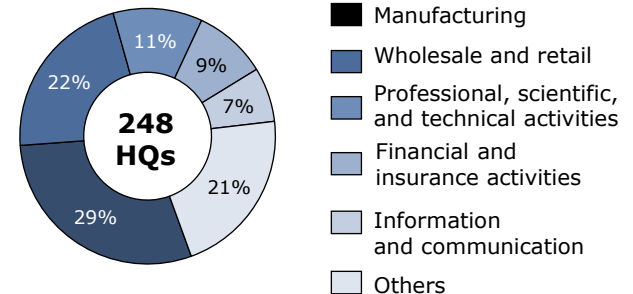
There has been an increase in the number of HQs **across all industries and sectors.** The **manufacturing** industry accounts for the majority of the new HQs (+73), followed closely by the **wholesale and retail trade** industry (+54), and the service sector (+28).

In terms of geographical distribution, **Vienna takes the lead** with the highest count of newly included HQs (+71), reaffirming its importance as a vibrant HQ location. Following behind are the two federal states of **Upper Austria** (+55) and **Lower Austria** (+25). Interestingly, Tyrol (+27) and Salzburg (+21) also host a relatively high number of HQs newly included in the list.

Location of new HQs



Industry of new HQs



New HQs in the 2023 Report (II)

Employees of newly added HQs

Upon analyzing the recent additions to the HQ database, it becomes evident that the **majority of the newly included HQs are small in size**. More specifically, 86% of the newly added HQs have fewer than 500 employees, with 56% employing less than 100.

The dominance of smaller HQs in the recent additions to the database **suggests several possible explanations**. One possibility is that **newly included smaller-sized HQs have expanded their operations abroad**, thus recently meeting the criteria concerning foreign subsidiary ownership. Another possibility is that these HQs have achieved a certain level of success or growth, exceeding the turnover threshold. Last, it is possible that the setup of the HQ's organization has changed, leading to the emergence of new HQs, for instance with intermediary mandates.

Turnover of newly added HQs

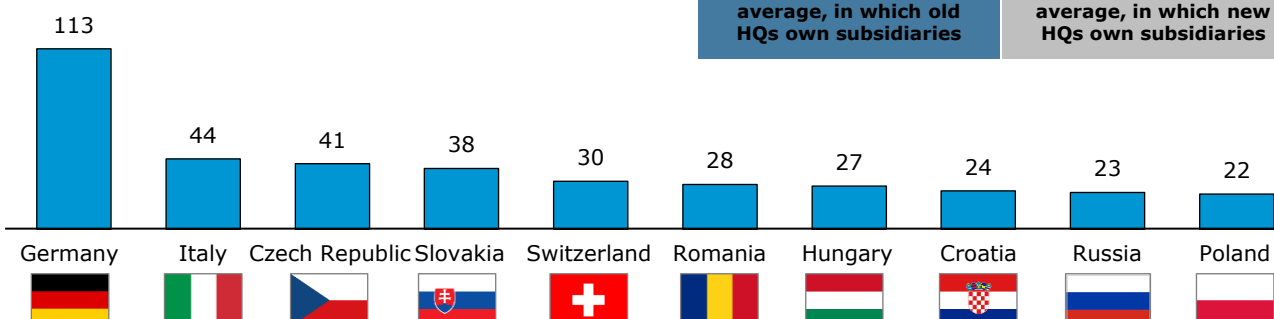
The newly added HQs exhibit notable heterogeneity in terms of their turnovers. While **56% of the newly added HQs display a turnover between €1m and €50m**, a considerable **26%** has a turnover **between €100m and €1bn**.

Old HQs have a significantly larger average yearly turnover of €443 million, whereas the newly included HQs demonstrate a much lower average turnover of €168 million.

Countries of newly added HQs' subsidiaries

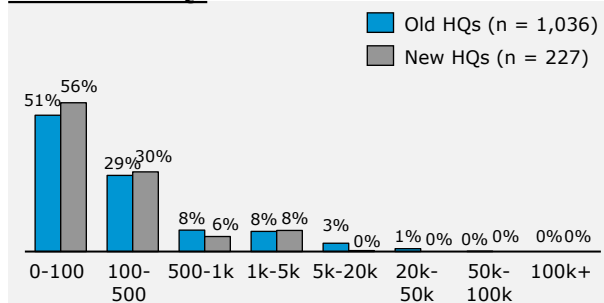
In line with the 2022 report, **Germany is the top choice for foreign subsidiary locations also for the newly added HQs (CHQs or IHQs)**.

On average, newly added HQs own subsidiaries in a lower number of countries, suggesting the **presence of HQs that only recently have started to establish subsidiaries abroad**. Moreover, they seem to have a slight preference towards **Austria's direct neighbors**. This is reflected in a higher number of subsidiaries located in Italy, Czech Republic, and Slovakia, compared to more distant Central and Eastern European (CEE) countries like Serbia and Poland.



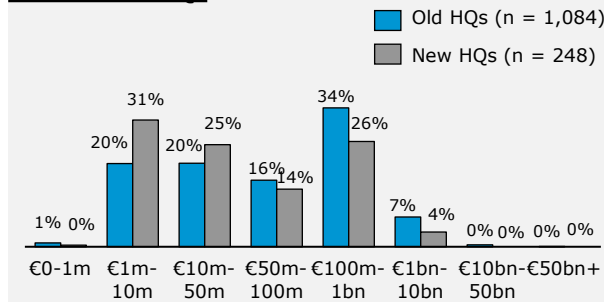
Note: This refers to the consolidated number of employees.

Old vs. New HQs



Note: This refers to the consolidated turnover.

Old vs. New HQs



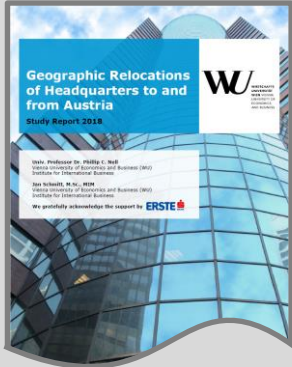
The observed preference for geographically and culturally proximate markets among the newly added entries in the database can be attributed to their characteristics. These entries are **notably smaller** and have **limited international presence and experience**, with subsidiaries in an average of 3.7 countries. Thus, it is conceivable that these HQs **prioritize closer markets before expanding into more distant ones**.



Our Publications

Previous publications

In previous reports, we have already investigated a broad number of topics related to HQs in Austria, including geographic relocations of HQs, changing HQs in times of digitalization, and Vienna as an important location for corporate HQs in the DACH region:



From 2022, we have started a collection of reports on the HQ landscape in Austria, the landscape of international HQs based in Austria, and the population of HQs located in Vienna.



Recent publications

In 2023, we are releasing the 2023 version of the reports on the HQs landscape in Austria, generating new insights and contributing to an updated view of the HQ population in Austria.

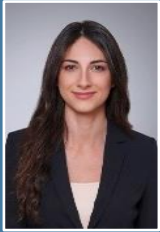


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Bus: 82A, "Südportalstraße" stop