Austria: At the heart of European innovation

An ongoing Industry 4.0 revolution in Austria’s advanced manufacturing

Austria’s tech-savvy hidden champions are catapulting global advanced manufacturing into the next decade.

“Austrian industry made remarkable progress in 2018, creating 25,000 new jobs and growing at a rate of 2-3 percent,” says Christoph Neumayer, director general of the Federation of Austrian Industries (IV), a trade body with over 4,400 members. He puts this success down to the fact that “Our companies share the characteristic of being innovative and Austria spends 3.19 percent of its gross domestic product on research and development (R&D)—the second-highest amount in Europe.” Austria also benefits from an established ecosystem for innovation. For instance, IV is a founder of a platform set up to ensure the country remains at the vanguard of manufacturing technologies: the Association Industry 4.0 Austria (PI4.0). “Austria has a tradition of research institutions, industry and the public sector working together, and PI4.0’s unique structure includes employees’ and employers’ associations, industries, scientists, regional and local governments, and others. The country is well positioned for Industry 4.0 and there are certain technologies where a lot of our companies are already quite advanced,” says PI4.0’s managing director, Roland Sommer.

Helping that advance is the Austrian Institute of Technology, says its managing director, Wolfgang Knoll: “We specialize in everything that goes into advanced manufacturing, in combination with artificial intelligence, and our mandate is to translate knowledge into business cases for industry partners.”

Companies within Austria’s innovation ecosystem range from startups to subsidiaries of global players, including semi-conductor and microelectronics manufacturer Infineon Technologies Austria. “In 2018, we announced a €1.6 billion investment in a fully automated factory in Austria. It is the largest investment of its type in Europe,” says CEO Sabine Herlitschka, who—reflecting the international reputation of the country’s innovators—is also a member of the European Commission’s Horizon 2020 high-level strategy group on industrial technologies, and its CONNECT advisory forum for research and innovation in information and communication technologies. Another major investor is voestalpine, which is currently building the world’s most advanced steel plant in Austria. “Our clear focus is on creating new, lighter, stronger and better-applicable steel grades, as well as completely new concepts,” says Wolfgang Eder, CEO and chairman of its management board until July 2019.

So high is worldwide demand for Austria’s innovations that Infineon and voestalpine are just two of its estimated 160 hidden champions—market leaders in niche sectors. In Upper Austria, the country’s third-largest state, “It is really extraordinary. Our base is metal and lightweight industries, followed by mechatronics, and we have many important companies investing a lot in R&D,” says Governor of Upper Austria Thomas Stelzer.

Illustrating the diversity of Austria’s hidden champions is Starlinger, a family business founded in 1835, which creates pioneering machines that produce strong and stable woven plastic packaging for bulk goods like cement, chemicals and foods. “We are known throughout the world. We supply over 130 countries, and have 10 sales and service centers across four continents, so our customers can always reach us,” says managing partner Angelika Huemer. With 100 R&D staff, Starlinger invests heavily in innovation and the future, which has led it to setting up divisions for the recycling and refinement of plastics, she says: “We now produce recycling machinery for woven fabric and other applications such as turning used bottles into new bottles, tapes for woven bags and sheets for thermoformed packaging. Plastics are not the enemy, we just need to use them intelligently, and Starlinger wants to be part of the solution.”

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Technology is the root of success

Research and development powers up Austrian companies

Austria is home to advanced manufacturing businesses that have been international leaders in their sectors for decades.

Harald Neumann, CEO of gaming-technology company NOVOMATIC, speaks for many when he explains what keeps his firm at the top: “We have to be at the highest level of technology. Innovation and technology are the root of our success.” That success is impressive. Part of the NOVOMATIC Group (which employs 30,000 people and saw turnover grow by 18 percent in 2018 to €300 million), the producer of high-tech gaming equipment also operates around 2,100 gaming facilities around the globe, including regular and electronic casinos, and sports-betting facilities. We are the market leaders in Europe,” he says. Success like this “can only be reached through huge investments. In the last three years, we have invested more than €1 billion in acquisitions and €300 million in research and development (R&D),” he states.

This has put NOVOMATIC at the forefront of biometric access systems that could act as biometric payment systems, sports-betting technologies and online gaming, for example. Investment in innovation is also helping it to expand in the U.S., where games need to be completely different, he says.

NOVOMATIC is headquartered near the country’s capital Vienna, well known as a hotspot for innovative companies. To the north of the capital, however, is probably Austria’s most successful and well-established innovation hub, the state of Upper Austria (UA). Boenkirchen Germany and the Czech Republic, UA is home to 1.45 million people and is the country’s economic engine, generating about 28 percent of Austria’s industrial added value along with 27 percent of its exports.

“It is a state of opportunities. We have very innovative, export-focused companies and in 2018 our economic growth surpassed 3.5 percent,” says Governor Thomas Schell. State capital Linz, for example, “has transformed from a traditional city based on steel and chemistry into a modern city of digitalization and industry,” says Mayor Klaus Luger.

Supplying this modern industry with exclusive, flexible convention facilities is Design Center Linz, says its managing director, Thomas Ziegler: “We are second in Austria’s meeting sector. It’s an impressive, future-oriented building and we invest a lot in being technically up to date.”

The Linz Center of Mechatronics, on the other hand, supports the hub and wider industry through R&D. “We provide our industrial partners with R&D solutions, and have built a bridge between science and the economy,” says CEO Gerald Scharr.

Space for UA’s innovative businesses comes from developments like Linz’s Johannes Kepler University’s science park, home to FerRobotics Compliant Technology. “We are a world leader in the manufacture of contact-sensitive robotic automation for operational use. We provide the robots with sensors, granting them the sense of vision,” explains CEO Ronald Naderer. The development and manufacture of innovative industrial automation solutions is also one of keyas, another globally renowned UA company. “We employ nearly 1,800 people and will reach €300 million in sales this year. There is such a strong innovation-oriented culture here that makes it an excellent location for businesses like ours,” says the company’s CEO, Gerhard Luftenstein.

In metal, says Christian Knill, chairman of MetalTechnology Austria, there is such a strong innovation-oriented culture here that makes it an excellent location for businesses like ours,” says the company’s CEO, Gerhard Luftenstein.

Build to innovate

Key innovators and real estate drive surge in new economic growth

“We are going through the longest real estate boom in history and I believe that it may continue for the foreseeable future,” says Thomas Winkler, CEO of UBM Development.

UBM is Europe’s leading hotel developer, and a major player in high-quality office and residential projects. Headquartered in Vienna, its core markets are Austria and neighboring Germany and Poland. “We are also active in the Czech Republic and the Netherlands, and we consider other countries because we build for the big international hotel operators,” he says. 2018 was the best year in the stock-listed company’s 145-year history: pre-tax profit was €55 million and it made investments of over €500 million. Winkler believes UBM’s strengths are technical competence, reliability, transparency and, having built the ecologically acclaimed 5-star Hyatt Regency in Amsterdam, being at the forefront of trends like sustainability and digitalization, he says: “These trends have nothing to do with sacrificing luxury and we have embraced them.”

Another innovator in construction is Zeman Bauelemente, says general manager Peter Zeman: “We are involved in the building and machinery business, focused on steel. We launched robotic assembly systems about 20 years ago and it’s a niche in which we are very successful.” Technology is also vital to a new innovative hub, aspern Vienna’s Urban Lakeside Seestadt, says Gerhard Schulze, chairman of the board of its developer, Wien 3420: “With over 20,000 inhabitants and thousands of workplaces, it’s one of the greatest European urban development projects and an urban lab for smart-city solutions.”

Technology is also causing a boom in metal, says Christian Knill, chairman of MetalTechnology Austria, the national association representing businesses in mechanical and plant engineering, steel construction and metalworking production. “We believe we are the most important sector in Austria: we have 1.200 companies with an annual production value of roughly €40 billion that produce one quarter of Austria’s total exports and over 30 percent of research and development (R&D) expenditure comes from our members,” he notes. That R&D benefits from government support and close connections with universities, which EMTI plays a crucial role in helping its members to access.

One market and export leader in metals is Ögussa, which converts and produces metal into high performance metal products like gold, silver, platinum, palladium, iridium and rhodium and is part of global materials technology and recycling group, Unicore.

ranked the world’s seventh most sustainable company by Corporate Knights. “We take materials containing precious metals and make high-quality precious metal products from them,” says its managing director, Marcus Fassbich. Ögussa specializes in adding tailor-made value for private, automotive and medical-product clients. “We can do that because we invest millions in the best available technology. We have to be on top of technical developments and quality.”

Powering up these innovative companies, and currently investing heavily in helping Austria transition to 100 percent renewables by 2030, is a national grid operator Austrian Power Grid. “We create the basis for Austria as a location of industry and commerce,” says its chief financial officer Thomas Kardl. Part of the European interconnected Grid, the country is “the electricity hub of Europe,” adds chief technical officer Gerhard Christiner.

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Quality workforce and innovative spirit are key for Austria’s future

Mr. Christoph Neumayer, Director General of IV Federation of Austrian Industries, describes the future paths lying in front of the Austrian industry.

How is the Federation challenging its members to lead the way in chang-
ing in the global market place, advocating innovation in Austria and antici-
pat ing what changes in the industry in the future?

Over the last few years a lot of changes took place in the industry. On the one hand, large companies are investing a lot in order to help or train their workforce for the era of digitalization. On the other hand, small and medi-

uum-sized companies have many more challenges to face. Our role is to help those small and medium-sized companies through the bigger ones and their respective supply chains, bringing them on a level that they could value the opportunities coming along with digitalization. We, as Federation, founded a platform dedicated to Industry 4.0, alongside the Ministry of Infrastructure and Innovation, as well as the trade unions and major companies. In order to implement this strategy, we are using a lot of instruments, including workshops and private training.

What are some of the key growth areas you have identified that foreign investors should look into Austria?

“The automotive industry appears quite robust, even though we have some challenges ahead. Furthermore, we have multiple companies that are involved in machinery, pharmaceuticals and IT. We are very proud that we have two big industrial investments in Austria now. The first one was a 750-million-euro investment and the second one, Infineon, with a 1.6-billion-euro investment, being one of the greatest industrial investments in Europe last year. We are very proud to have them here and they are important, as some leading competence are joining us.”

Mr. Christoph Neumayer
Director General of IV Federation of Austrian Industries

In terms of expansion, how and where is the Federation encouraging the reach of Austrian industries abroad?

“The structure of the Austrian economy is dominated by the ‘Mittelstand’. We have a lot of small and medium-sized companies communicating through international relations with big companies. However, this situation forms the backbone of our economy. Small companies have taken the first step to go into Germany, Switzerland or other neighboring countries. Their second step was their expansion into the Central and Eastern Europe region. The third step includes companies going to the US or China and Southeastern Asia. The European market is still primordial for a lot of Austrian companies. From our point of view, it is fundamental to delve deeper into a single market and establish ourselves. We, as a Federation, work closely with our partners in Central and Eastern Europe, all those other federations for over a decade.”

How is the Federation spearheading talent development and integration of “new blood” on the economy, particularly advocating an entrepre-
neurial spirit?

“We need young startups and entrepreneurs carrying this revitalizing spirit for our industry. The youth organizations of our Federation, ‘young industrie’, organize once a year a pitching event, in which we bring together startups with the established companies. These big companies scale up through innovation and the small startups through exposure. The benefits flow both ways. Bringing these companies together provides an innovation boost to the established companies but also boosts the Austrian economy in its entirety.”

In a competitive and rapidly changing international market, where competence proceeds origin, how is the Federation assisting in ad-
ressing certain matters concerning the integra-
tion of foreigners, the elderly and the women into the workforce?

“We are in lack of trained workforce. Including the social groups, you mentioned has been a challenge on its own and a lot of companies are doing great efforts to achieve that. From our point of view, we need qualified migration. The last ten to twenty years were not focused on qualified migration. We need to do more about the trademark of Austria in order to bring people that are well-educated and can contribute not just on the lower levels of labor force. The government has understood this concept and we hope that the current situation will become better in the near future.”

A Federation paving the way for Austria’s leading companies

Axel Greiner, President, IV Federation of Upper Austria, unveils the true importance of Upper Austria in the overall success of Austria.

What are your projections for 2019 for the performance of the Austrian market economy? What challenges should be addressed?

“We expect that the economy in 2019 will have a little decrease in terms of growth, even though it is still growing. The well-known problems we have around like Trade Wars, Brexit or the Italian Banking Crisis are expected to play a factor in this.”

How is the Federation challenging its members to lead the way in chang-
gs in the global market place, advocating innovation in Austria and antici-
pating what changes in the industry in the future?

“The main question is how we can transform our industry into Industry 4.0. This process is on the way for several years and we see real use of opportunities for our industry, given that we are strong in mechanical engineering as well as assembling different vehicles. This way, we have to make some changes in our educational system, research system as well as universities as well.”

I think that the main challenge is to focus more on the application of the internet at the university. For us, that fiber backbone for the data transmission is much needed at this point. We see it as a job-engine and not as a job-killer. In the 80s it was the Mechantronics, the combination of electronics and mechanical engineering. Nowadays the term Informatics is used more and more. Computers can help us to do these things better.

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Axel Greiner, President, IV Federation of Upper Austria

How are companies keeping ahead of the competition? What makes them different?

“The answer to that question will always involve the educational system and especially our universities and R&D institutions. These are the engines of change, technology and innovation in a process that has been the same for years now. Our task is to consult politicians to invest more here in Upper Austria, focusing in R&D institutions and the University of Linz.”

Our main topics revolve around S.T.E.M., which stands for Science, Tech-
ology, Engineering and Mathematics. On another note, we have a huge gap in terms of employees and skilled workers. This is the main issue for us. We are getting talent from across the borders, especially in IT, regardless of the competition in the area.

How do you attract talent pool for these highly technological industries?

“We have a campaign, mostly on the internet, for young candidates from 14 to 18 years old. While focusing on S.T.E.M., we are trying to change the mentality of the whole population, in a way, in order to keep up with today’s world. We have the apprenticeship system, also known as the Dual Education System. The second strength in that regard is our Higher Educational System. This is the backbone of the success of the Upper Austrian industry.”

Last but not least, what would be your final message for our readers at Newsweeks?

“We, as Austria, the southern part of Germany, Switzerland and Northern Italy, are the ‘Silicon Valley’ in terms of vehicle manufacturing and mechanical engineering. This is our key competence. We are gradually progressing in terms of software and social media. Besides, for mechanical engineering you have to be present here. We are in lack of professionals in this industry system. Nevertheless, we have many good and skilled people here. That is why we have a lot of industry. We should not be pessimistic, but we should be able to focus on our flows and treat them. We may not find enough skilled people, but the people we have here are skilled and hardworking. Upper Austria is truly a great place to live and work in.”

Axel Greiner, President, IV Federation of Upper Austria, unveils the true importance of Upper Austria in the overall success of Austria.
Upper Austria is a culturally rich country that always had a strong industry, recently showing even more commercial success. Could you provide an introduction to the developments under your tenure?

2018 was one of the most successful years for us, especially in terms of employment and economic growth. We managed to surpass 3.5% of economic growth, which is over the Austrian average in that regard. It has been really well-received and we will put all the effort to keep this momentum going in the years to follow. Of course, this would not be possible without our basis, which is metal and lightweight industries, followed by mechatronics. We have many important and strong companies in these industries, not only in the center of our country, meaning Linz, but also in other regions.

What is the strategic importance of Upper Austria for the entire country, and what are the main growth drivers in the region?

Exports have been one of the strongest focuses for us. Of all of Austria’s exports globally, the automotive and the aircraft industries represent the Generally speaking, we have a strategically crucial good geographical position. Furthermore, our companies invest a lot in R&D. We, as the State, try to fund the majority of those efforts, but they do so much more on their own, sometimes in cooperation with universities. In terms of tourism, we are growing gradually, year by year, so in the near future we even expect more guests in this regard. In Upper Austria everything is close, either lakes or mountains, forming a great mixture for a various number of tourists with different interests.

“Everybody here should have perspectives and possibilities that he would not have anywhere else. We usually say that ‘if you want to find success, you have to come to Upper Austria’.”

Mr. Thomas Stelzer, Governor of Upper Austria

You are quite a proactive, dynamic leader, regularly visiting local businesses that are making waves in Upper Austria. As a hands-on governor, what is the importance of visits to businesses across Upper Austria?

It is one thing to read or hear what is important and a completely other thing to see things for yourself, in-person. It is really fundamental being able to hear what the entrepreneurs and the employees have to say, alongside to what are the needs and challenges in the industry. I ought to know, especially when it comes to digitalization, which is the buzzword of our time.

Multiple companies could not produce nor be successful if it were not for digitalization. This has also been a challenge for us in terms of infrastructure and how we get there, hence the quality internet lines, in which we are going to invest more in the years to come.

Given Upper Austria’s proximity to powerful neighbors Germany and the Czech Republic, what ways does Austria collaborate with European entities? Do you have concrete examples?

We and our neighbors have a lot of regional projects crossing the borders. These projects are sponsored and funded by the European Union, allowing us to aid companies and boost the local economy, even in regions that had suffered in the past due to historic reasons. Everything we have achieved there can be traced back to the fact that we are a part of the European Union.

Another note worth mentioning, the noteworthy rates in exports can take place and provide substantial growth from year to year because we are part of the European Union. Another important topic that we need to underline is our agriculture. This has been a great responsibility for us, it is directly related to our landscape and is driven by small units owned by families.

Upper Austria is experiencing positive economic growth, making its presence known in Europe and actively promoting the circular economy. If Newsweek were to come back to Upper Austria in 5 years’ time, what would we see?

My message when I became Governor was that I wanted to see Upper Austria to be seen as a state of opportunities. Everybody here should have perspectives and possibilities that he would not have anywhere else. We usually say that ‘if you want to find success, you have to come to Upper Austria’. Our young talents are attending universities throughout the world. They should have in mind that if they want to achieve a great career and work in prospective companies, Upper Austria is a great place to come back and bring that international experience with them. This is the vision; to be a very vibrant state and a second center next to our capital, Vienna.

In 2017, Upper Austria was the largest exporter in Austria with EUR 36.5 billion in exports.

Services and industry represent 95.2% of the Upper Austrian regional gross product.

Upper Austria is Austria’s third largest state by population, with 1.45 million people.

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Linz has a long way since its ‘involuntary’ industrial beginnings in 1945. As Austria’s third city, Linz has a thriving arts scene and Linzers have built up a reputation as being very patriotic. How would you describe your role as Mayor and what are your priorities for 2019?

Linz is connected to transformation, moving from a traditional city of steel into a modern city of digitalization and industry. Followed by a climate change construction of the necessary infrastructure for our public transport system. Second point would be our social infrastructure. Our economy would not operate without the labor force of women and Linz has a long history in enabling them with remarkable skills. This also applies for people with immigrant background, given that social integration is fundamental in our agenda. The third goal for Linz is to become a champion regarding digitalization. We are on a higher level than the rest of the Republic, hence we consider digitalization our industrial backbone.

For that purpose, we are working on a digital agenda with the help of experts from the private sector. We abide from bureaucracy and formalities, promoting fluidity and innovation. Even though some people seem intimidated, digitalization and R&D promote our society as a whole.

The goal for Linz is to become a champion regarding digitalization. We are on a higher level than the rest of the Republic, hence we consider digitalization our competitive edge. Vienna is oriented towards finance and security, while our strength lies in industry players.

For that purpose, we are working on a digital agenda with the help of experts from the private sector. We abide from bureaucracy and formalities, promoting fluidity and innovation. Even though some people seem intimidated, digitalization and R&D promote our society as a whole.

In comparison with other European and Austrian cities, what is Linz’s value proposition?

We firmly believe that Linz is one of the best places to live, offering a unique combination of nature, with rivers and forests, and industrial infrastructure. Furthermore, we need to improve our image as an open-minded society. Rebranding may be difficult, due to different strategies from federal governments. Coming from different political parties forms vague disparities. From our point of view, a city has to offer mobility, accessibility and security. Linz has to enhance its branding and promote the profile of an international city that embraces people, regardless of their ethnicity, religion, sex or sexuality. On a general note, we, as people, should not focus on the differences that set us apart. The pivotal step towards a better world relies on the foundation of equality. Everyone should take into consideration the common will and the supreme values of humanity.

Mr. Klaus Luger, Mayor of Linz

How do you match your previous industry experience with your present role as Mayor?

I think that the first characteristic for us is our competence. Here we have the advantage of having a construction company. Half of our more than 300 employees have a technical background. This is what makes UBM Development AG different from other competitors.

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What is the relative importance of digitalization in your strategy for Linz?

In 2018, we had the best year throughout our 145-year history. Our total output is EUR 900 million. We have a 35% equity ratio, which is pretty high for our industry and financially we are sounder than we have ever been. We could afford more than half a billion in investments last year. When I joined UBM 3 years ago, one of the first things I established was an executive committee. We have the top 20 managers comprised of the local management teams, not only Austria, Germany, Poland, and the Czech Republic.

In April 2019, UBM hit a record dividend of EUR 2.20 per share

How do you assess UBM’s financial and business results in 2017 and 2018 and what are the expectations in 2019?

UBM Development is the leading hotel developer in Europe. The strategy focuses on three asset classes – hotel, office and residential – and three core markets – Germany, Austria and Poland. What is the health state of this sector in your principal markets and in the EU?

We have gone through the longest boom in the history of real estate. Everybody is expecting this boom to come to an end. With the lack of room for maneuver in Europe in terms of interest rates we believe that the boom may continue for the foreseeable future. There is always the danger of thinking that you are better than you really are and that is a trap the industry could fall into.

UBM Development AG headquarters are located in Vienna. What are your landmark projects in this part of the world?

I believe that everybody who has traveled to Warsaw, has stayed overnight in the InterContinental Hotel. That is definitely the landmark hotel we have developed in Warsaw. However, our focus of business, with 50% of our future projects being there, is now Germany. We have 25% in Austria and the remaining 25% in other countries, like Poland. Similarity to Germany, Poland is a decentralized country, with the population being spread over a number of cities. For the rest, we are also active in the Netherlands, where we are currently developing a hotel in The Hague. We are also considering other countries on an opportunistic basis, because we build for the big international and global hotel operators, such as IHG, Marriott and Hyatt. Currently, the breakdown of our pipeline is 46% in hotel, 40% in residential and 20% in office.

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How is innovation changing the sector and, in particular, NOVOMATIC business?

NOVOMATIC is one of the biggest companies in the world regarding gaming technology. We are by far the market leader in Europe. We are operating about 2,100 gaming facilities around the globe, including casinos and sports betting facilities mainly in Europe. As a result, innovation and technology are key for our industry. The most important high-tech area where one has to be strong in our industry is the online space. We have founded the NOVOMATIC Biometric Systems company, where we are currently replacing the player card by biometric systems, like face recognition and fingerprints. The final objective is to have a biometric access system that can act as a biometric payment system. This industry has managed to keep up with the trends, making innovation a core element for its development.

“Every time we move into a new market, we have to consider the different consumer habits. We are moving from Europe to the U.S. In Europe, the average gambler is an older man, spending 2 to 3 hours on the gaming machines. In the U.S., the U.S. gambler is female above 60 years old, spending 3 to 4 hours on the gaming machines. We have invested into our game studio in Chicago, through the acquisition of about 53% of the Australian gaming company Ainsworth Game Technology. With their support we are developing casino games for the U.S. market. Asia is a very difficult market, given that big countries in Asia, like China and Japan, have prohibited gambling. Africa is an interesting market for us and South America is highly dependent on the North American market.”

What is your agenda in terms of growth, partnerships, business and social responsibility for the next years?

Prof. Johann F. Graf owns additional companies, amounting to more than 30,000 employees and a turnover of roughly EUR 5 billion in 2018. As a result, it was a successful year for us, regardless of the challenges we faced. We had some very intensive regulatory changes in Germany and we had to invest millions of Euros to replace all our gaming machines. We wanted to become strong in our industry in terms of player behavior, is completely different in comparison with the European market. The typical European player is male, between 40 and 50 years old, and is willing to risk more on the game machines. For example the typical U.S. gambler is female above 60 years old, spending 3 to 4 hours on the gaming machines without losing too much money. We have invested into our game studio in Chicago, through the acquisition of about 53% of the Australian gaming company Ainsworth Game Technology. With their support we are developing casino games for the U.S. market. Asia is a very difficult market, given that big countries in Asia, like China and Japan, have prohibited gambling. Africa is an interesting market for us and South America is highly dependent on the North American market.

What would you highlight as the major trends and challenges in the industry in terms of public opinion?

Especially in Middle East, there would be room for improvement in the gaming sector in comparison to the U.S., where we see much more enthusiastic reception. The only way to act against money laundering, illegal gaming and player addiction is by having a strong player protection framework. The U.S. trend comes more and more towards Europe with those regulatory frameworks focusing on player protection and anti-money laundering policies. We are investing into that area given that it secures our business, helping us support a differentiation from our competitors.

In terms of online sports betting we are the current market leader in Europe, holding out platforms in Italy, Spain, also considering Germany and the U.S. We are talking about quite a regulated market, but it is worth investing given the everchanging nature of our environment in terms of policies and trends.

Mr. Harald Neumann, CEO, NOVOMATIC AG

Given the regulatory framework in the E.U., do you expect to grow more in places like Asia, the U.S. or any other part of the world?

Our main objective here is to maintain our market share and provide our customers with the best technologies. Our first target is the U.S. market, which, in terms of player behavior, is completely different in comparison with the European market. The typical European player is male, between 40 and 50 years old, and is willing to risk more on the game machines. For example the typical U.S. gambler is female above 60 years old, spending 3 to 4 hours on the gaming machines without losing too much money. We have invested into our game studio in Chicago, through the acquisition of about 53% of the Australian gaming company Ainsworth Game Technology. With their support we are developing casino games for the U.S. market. Asia is a very difficult market, given that big countries in Asia, like China and Japan, have prohibited gambling. Africa is an interesting market for us and South America is highly dependent on the North American market.

What’s the technology behind biometric access systems? What are the key elements of your technology?

Biometric Systems company, where we are currently replacing the player card by biometric systems, like face recognition and fingerprints. The final objective is to have a biometric access system that can act as a biometric payment system. This industry has managed to keep up with the trends, making innovation a core element for its development.

“Our obligation is to keep these rules and support them through the latest player protection technologies, in order to create an environment where people feel comfortable.”

Mr. Harald Neumann, CEO, NOVOMATIC AG
Versatility is the key for Austria’s ambassador of manufacturing

Mr. Wolfgang Eder, Chairman of voestalpine, explains how the geopolitical aspect of Austria will support its growth in the future.

As voestalpine, we have two long-term strategic markets, East of Europe, China and South Africa as well. Our clear focus is on creating new, lighter, stronger and better applicable steel grades as well as parts and components made from steel but also aluminum for the industries we are in. Furthermore, we are focusing on completely new concepts for railway infrastructure, high-speed rail tracks and underground systems, heavy haul systems and track solutions including safety measures. A great example is the fact that we have delivered the railway infrastructure including the safety measures and haul systems and track solutions including safety measures. A great example is the ‘long loop’ of recycling, being involved even into the business of recycling electronic scrap through mobile phones and other appliances.

What are your projections for the future of the global steel industry and what do manufacturers need to do in order to maintain a competitive edge? What is the particular vision for your company?

For us, the steel industry should underline intensively the advantages of the material. Thanks to its recyclability, steel is the best product in terms of sustainability. I have a lot of hope for the ones following me. There will be some further additions, but with all the high-tech products in place and the successful implementation of our downstream strategy, voestalpine will focus even more on the most attractive business areas in the future.

New aspects in the automotive industry must be integrated in our strategic configurations. Then, we have a very intense focus on the aircraft industry. We will certainly build further on our leading position in the railway infrastructure segment. Additionally, we have multiple activities in metal additive manufacturing, known as 3D printing. We are also delivering to the aircraft industry and ESA. We are related to every sector that needs to develop high-tech tools. One cannot be competitive enough when it comes to producing special products here in Europe.

As a true ambassador of the Austrian private sector manufacturing community, what would be your final message to the readers of Newsweek, as a vote of confidence in the Austrian economy?

Austria is a great destination for vacation, but also an extremely interesting option for business purposes. On the one hand we have the political and social stability of the country. On the other hand, we have the solid basis for long-term growth through our high-skilled workforce. In geopolitical terms, Austria is the center of Europe; hence it is not limited to one area of the globe. When one thinks of doing business in Europe, there should be an immediate focus on Austria.

What is the most important aspect for the metal industry manufacturers to consider for their sustainable development?

How has Ögussa and the market changed in the past few decades?

When we were sold over to Umicore, we were again at the core business of a company. Umicore can offer the whole precious metals cycle. Most of our customers deliver the residues and get the end-products. Umicore now sold many of their non-precious metals businesses and completely concentrated on ‘closing the loop’. The business of the Umicore sites in Belgium and the sites in Germany and Austria is complementary. Umicore in Hoboken is specialized in the ‘long loop’ of recycling, being involved even into the business of recycling electronic scrap through mobile phones and other appliances.

Based on your experiences, what are the major trends, the challenges and the latest opportunities in this sector?

One of the major trends that we see is the price decrease in platinum and a price increase in palladium. One of the reasons is the ‘Dishonest’, given that there is an increase in the demand for palladium in the automotive industry, which is used more for gasoline motors, and less for platinum that is used in Diesel cars. We are a part of Umicore N.V., which is one of the major players in the field of automotive catalysts. Changes in metals prices have no impact on our P&L, but we are interested in fair prices. We are the biggest precious metal recycler in Austria. We do everything here in this location in Vienna. Many years ago, we moved here due to the lack of space from our former location. We are recycling besides gold and silver, also palladium, platinum and other precious metals in that particular site.

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During 2017/18, voestalpine’s annual revenue reached EUR 13 billion

The same year, the company invested EUR 173 million in R&D activities

63% of voestalpine’s annual revenue is originated from the mobility and energy industries

“Recycling has always been a part of our business. We are always investing millions, trying to use the best available technology. Nothing leaves our facilities without testing.”

Mag. Marcus Fasching, Managing Director, Ögussa, explains current and potential phenomena within the precious metal industry.

Ögussa is focused on the so-called ‘short loop’. We take materials that contain a higher portion of precious metals and make high precious metals products out of these. One of the other major changes, that was to be foreseen due to the change in terms of consumer behavior. Decades ago everybody possessed luxury items, but now that value has transcended towards technological advancements.

Ögussa represents about 1-2% of Umicore. Our major market is Europe including countries like Austria, Germany, France and U.K. We have also some customers in Asia, U.S. and Canada.

What is sustainability for a company of your type, considering the materials and products you work with and how do you achieve it?

Recycling has always been a part of our business. We are always investing millions, trying to use the best available technology. Nothing leaves our facilities without testing. We have 100% of all the waste analysed before we pump it in batches to the sewer system. The annual output in the most systems in terms of metals is less than 5 kilos, including common metals. In addition, we are part of the Responsible Jewelry Council, an organization with more than 1000 members.

However, including Ögussa, there are only 35 refineries worldwide in that organization that are part with the most stringent ‘Chain of Custody’ Standard. Umicore worldwide does a lot in that regard and not only for precious metals, but especially regarding the Cobalt supply chain. This becomes all the more important, as committed citizens and consumers increasingly ask where are all those materials come from. We stick to our plan in any case. Especially small mines without certifications can cause this type of trouble. The bigger mines are independently audited, which is always better in every type of operation.

Where do you see your organization in the next 10 years?

Ögussa is known throughout its vast history in the Austrian public for two main reasons. The first one is the gold bars and the second is the recycling process for precious metals for private customers. We are completely transparent, allowing people to see the purchase prices and the sales at any given point. We are a household name in Austria, but very few people know that we are also in the automotive industry, the chemical industry and the medical products industry, among many others. For medical products, we deliver semi-finished products, like tubes and wires, but we also do parts for in-ear implants and contacts. For the next 10 years, we want to keep on following this path. Producing in Austria is not cheap so we need to be on top of technical developments and quality.
Flexibility is key for Austria’s market leaders in the robotics niche

Dr. Ronald Naderer, CEO, FerRobotics, explains how automation can become a greater market entity than it is today.

One of the interesting achievements of FerRobotics, is equipping robots with sensitivity. Can you explain the comparisons made between robots and humans and how do you see the robotics industry evolving in the near future?

Here, at FerRobotics, we manufacture contact-sensitive automatic robots for operational use. In other words, we provide robots with actuators, granting them tactile sense. This way, they can do multiple applications in the market that are currently done manually. These tasks are usually really repetitive and redundant for humans and, in many cases, provide an unhealthy work environment. We can automate those jobs and allow those people to work in posts where they can exercise their mental abilities.

You personally lead the company in many areas. How challenging is that for you?

FerRobotics is distinguished by a very modern structure. We aim for flexibility in terms of structure because we believe that this allows us to make quick, yet effective, decisions. On the other hand, this is also challenging as it means we need self-driven and highly skilled employees to staff our flexible structure—and they are not that easy to find. However, in our open work culture qualified people benefit from their excellence creating vital value for mutual success.

Where do you find your talent and what attracts them to you?

Undoubtedly, a major source for our company has been the Johannes Kepler University of Linz. There we are able to find many talented people, interested in working for an attractive company, like ours. We are really innovative, providing quality products. Furthermore, we are very future-oriented regarding our progress in the market of robotics. All the above are major advantages for our company for the purpose of attracting people.

What have been the keys to making your ideas successful in the market?

First of all, we offer high functionality, in the way that the customers value the utility and benefit more than the cost. User friendly automation of burdened handwork convinces, especially in an era where time and quality count. Alongside the perfect performance of a fine product appearance is indispensable.

Perfection is our mantra, thus we are considered a partner, not just a supplier, offering high quality products. On that basis, our strongest clients are original equipment manufacturers in Germany, France, Czech Republic, US, China and Japan. We cooperate with the largest OEMs in the world such as VW Group, Ford, PSA Group, etc. We consider Germany our home market, due to its size and proximity. From there we managed to reach all those international customers, with robotics for the automotive industry, as our starting point.

How do you see the robotics industry evolving in the near future?

Robots lack intelligence and are unable to communicate nor sense. This has been the status for years, even when FerRobotics started. We develop contact-intelligence alongside the robot, through tactile sense. Innovative breakthroughs are very important for our company and we aim for them in all of our fields. We are able to help our partners raise their income of be part of fruitful partnerships.

Are there any exciting projects in the pipeline?

Our vision is to optimize every single aspect of automated physical contact between machine, product and human. Thus, attaining better results in terms of both quality and productivity, as well as to create the optimal conditions for everyone involved in the process. However, we have some promising projects in the aerospace industry, which has become our second most important market. In addition, there is huge potential for us in the U.S. but also in Europe and Asia, especially in China. We provide optimized end-of-arm solutions based on innovative know-how including peripheral accessory, respective services, consumables. Enhancing each customer’s production is our main goal.

“Our strongest clients are original equipment manufacturers in Germany, France, Czech Republic, U.S., China and Japan. We cooperate with the largest OEMs in the world.”

Dr. Ronald Naderer, CEO, FerRobotics

When the perfect surface becomes a passion, FerRobotics offers as a world leader in flexible automation superior solutions for grinding, polishing, deburring and handling. International users like the VW Group, Ford or PSA Group rely on our solutions because they strive for perfection. ferrobotics.com
Innovation, inspiration and organization through sheer automation

Mr. Gerhard Luftensteiner, CEO, KEBA AG, counts the three main business areas acting as core pillars for KEBA’s international success

What are the biggest challenges you expect to face as a company in the next 5 to 10 years? Could you provide us an overview of your company?

We are part of this world of volatility, complexity, uncertainty and ambiguity, given that we are within a market of technologies, under the umbrella of the KEBA Group. We employ nearly 1,800 people in total, being active in three main business areas. First, we have industrial automation, providing controller systems, human-machine interfaces and drive systems for machines and robots.

We are the world market leader in metal bending machine control systems. We are also one of the two leading companies for our plastic injection molding machines. We are continuously developing the product range for robotic solutions. For every new customer interested in building up their own robots, through HMI and drive systems, KEBA offers an all-in-one package. We are one of the great companies in the market of mobile operating panels. Last year we bought LTI Motion Germany, which will be branded as KEBA Drive Solutions by the end of this year, integrating their server drive solutions, which constitutes a great addition to KEBA’s industrial strategy.

The second pillar is the handover division, where we focus on transmitting the physical work to the digital world, being also active in the banking automation area, producing cash recycling machines. Having the 7th generation of systems into the market, we are strong in Austria, Germany and several other markets. For some clients every cash-in and cash-out machine is the only contact between the customer and our company. Inside the company we have a small team dedicated for ‘Business Innovation’. This business innovation think-tank is not only meant to be theoretical. They are continuously discussing about innovative concepts that are to be applied either on our company or our products for our clients. They are also really crucial during our strategic process, suggesting potential future steps.

With the growing importance of technology, materials, blockchain, robotics, big data, internet of things and more, how are you adapting?

We are doing a vision plan every 5 years, trying to predict what we should expect in the future. We are working on multiple solutions in terms of Industry 4.0. Moreover, we are a part of the world of robotics, continuously evolving our robotics solutions. In our second pillar, we are working towards enabling our customers to bring solutions for the transfer from the physical to the digital world. Last but not least, we are part of the energy revolution in terms of electric cars, providing stable charging solutions.

How is it to run a business in Linz comparatively with other places in Austria and in nearby Europe?

In Linz there is such a strong innovation-oriented culture that make excellent circumstances for us. The University of Linz has also provided us with much help in terms of digitalization, electronics, AI and in many other fields. Here everything is safe and clean, compared to the past. There are very good business networks here and many professionals.

Where do you see you and your organization in 10 years in regards to products and services, internationalization and markets?

We wish to be number one in the hearts of our customers and our own people. We want to be performing well for the success of our customers but also for the progress of our people within a modern developing company, which is very important for me but also the organization in general.

Could you explain to us how do you translate the motto “innovation by automation” for the development of industry solutions?

“The spirit of our company is innovation. Unless we provide our customers with new ideas, we will be out of the market in short time.”

Mr. Gerhard Luftensteiner, CEO, KEBA AG

KEBA – Automation by innovation.

KEBA is constantly working on new developments and industry solutions in the business sectors of industrial automation, banking and logistics automation, and energy automation. The goal of the company is to provide customers with sustainable competitive advantages. Optimized systems for target markets are developed through intensive cooperation with customers. A comprehensive understanding of markets, processes and requirements down to the smallest detail is KEBA’s top priority and forms the basis for successful long-term partnerships.

Technology from KEBA helps people make their private and work life easier.

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In 2018, KEBA Group achieved a sales growth of 20%, with a turnover of EUR 304 million

In recent years, KEBA Group’s export quota reaches up to 87%

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Austria’s electricity future to be intertwined with renewables

Gerhard Christiner, CTO, & Thomas Karall, CFO, Austrian Power Grid AG, provide a preview on Austria's challenges and opportunities.

Austrian Power Grid AG operates the high and extra-high voltage grid in Austria with the voltage levels 500-220- and partially 110-kV. Can you explain what this means in terms of market share, leadership and contribution to the Austrian economy?

We are the Transmission System Operator (TSO) in Austria, managing the transmission grid and all electricity flows. We create the basis for the Austrian society and Austria as a location of industry and commerce. Within Austria, we are operating the horizontal grid to which all the distribution companies and customers are connected to. With our strong interconnections to our neighbouring countries we are managing cross border physical electricity imports and exports alongside other European TSOs. Our role is a technical one, keeping the lights on, so to speak, and assuring security of electricity supply. Furthermore, we also play a central role in further improving electricity markets in order to provide a level-playing field for market participants.

What would you say about the electricity market and infrastructure in Austria? What are the challenges your company faces?

Over the last few years, we have gradually developed the electricity market in Austria, starting with the liberalization and now we have the transition towards renewables. The Austrian government released a climate and energy policy, transition 2030, which we absolutely support. This plan leads to having 100% renewables in the electricity sector by 2030 in Austria. To achieve this we will have a long way to go - we need to expand our wind and solar capacities. Consequently, the future will provide us with a new situation that, depending on wind and solar production, over certain periods there will be too much electricity. However, there will be times when we are still not going to have enough production. This need for flexibility is the biggest challenge that the future holds for us.

I would say that we have three main tasks. First, we have to focus on the system operation, given that all we do relates to security of supply. Then, we have the whole issue of the asset management, which means planning, construction and expansion of the grid. We have an investment of roughly EUR 2.5 billion and EUR 300 million annually on this task. We need to expand the grid for the integration and transportation of renewables. At the same time there is an urgent need to develop technologies regarding ways to store energy. However, over the next years the most efficient way for the system is still expanding the grid.

Lastly, we are acting as market facilitator. The transmission grid is a platform for the market and we are looking for ways to develop it even further. We need to work on these three tasks in order to succeed with integrating renewables in the electricity system. In any case, this has been a global challenge, not affecting Austria solely.

Is there a new solution or technology that you are putting into practice, which you could share with us?

We continuously optimize our existing grid. In that respect, we are measuring many parameters, such as wind speed, temperature and radiation. Based on those information we can calculate how much can be transported over our lines. In the system foreseeable in the future, dominated by volatile generation patterns flexibility is key. Therefore we are also assessing different new technologies. For example we have a research project analysing the potential of batteries in this regard.

Another important topic of the future will be sector coupling, i.e. combining the electricity with the gas grid. In general, our role is not just to operate the grid, but develop the whole system accordingly. This is what we are very eager in achieving and bringing the APG network development plan to reality.

ENERGY SECURITY FOR THE AUSTRIAN ECONOMY AND SOCIETY

Austrian Power Grid is responsible for guaranteeing the supply of electricity in Austria and ensuring the country’s optimum integration into the European electricity market.

APG operates Austria’s supra-national power grid. The APG team of 500 specialists see to it that Austria has reliable access to the vital resource of electricity 24/7, 365 days a year. Energy security also forms the basis for doing business successfully in Austria. As part of the integrated European energy system, APG plays a pivotal role as an importer and exporter of electricity via the APG power hub located in the heart of Europe. In this capacity, APG is actively involved in developing a marketplace for European electricity trading and is therefore making an essential contribution to maintaining a stable and efficient energy system in Europe.

The overall system length of the grid of Austrian Power Grid AG is over 6,700 km. Based on their 10-year strategy, APG AG will invest more than EUR 2.5 billion.

Providing energy security 24/7: now and in future APG’s Power Grid Control center forms the heart of the Austrian electricity supply system. The control center collects and processes all data and information pertaining to the Austrian electricity system. This is where the supply of electricity for Austria and electricity interchanges with Austria’s European neighbors are coordinated. The APG infrastructure is essential to this process. With a corridor length of 3,500 km, the domestic grid transverses all of Austria and connects to the rest of the European electricity system. To ensure that all Austrians and Europeans continue to enjoy a secure and affordable supply of electricity going forward, APG will be investing around €2.5 billion in expanding and optimizing its grid infrastructure over the next ten years.
What is the state of the MICE sector in Austria?

Meetings industry in Austria is quite important for our tourism. We have the Austrian Convention Bureau, as well as the local convention bureaus in each country, which all have their own office. In the city of Linz, we have the Linz City Tourism Board, with the additional mandate to create services for the organization of several events. Both units, Upper Austria Convention Bureau and Linz City Tourism Board, are non-profit organizations. Their main purpose is to support the industry in general. We see our branch as a way to provide services supporting other organizing companies in every kind of event, from congresses and meetings to shows, fairs and other presentations.

Our topic in the Design Center is going away from rental fees of m². You can book and experience these events without a price, including the m². That is the reason why we are investing in a lot of technical equipment, over the last 15 years. We do not only offer the building, the m² and the capacities. We are selling Linz in general, through our venue.

"The symbolism of our building, alongside its unique structure, are timeless and often used by many, even in groups with landmarks like the Eiffel Tower."

Mr. Thomas Ziegler, Managing Director, Design Center Linz

Another thing that we are in charge of is technologic support. Cyber meetings can sometimes be used instead of personal meetings, but the latter is always the superior option. The branch should have more destination manager company factions, given that they are good for the cities and the regions.

In our business networking is extremely important, given that we need to attract clients to come. Alongside Mayor of Linz, Mr. Klaus Luger, we are trying to connect the activities of Design Center, LIVA and the museums together, with myself being the head of all three institutions.

What is the position of Linz within the Austrian MICE sector?

We are in the top 5 in the meeting industry, concerning how many congresses and delegations we have held in Austria, after Vienna and Salzburg, our region is rich, thanks to the industry and its geographic location.

How would you define the Design Center Linz? What is your main business and what makes you special?

90% of our business is B2B. We take part in conferences, meetings and presentations. As a result, getting people closer is part of our mandate, but not in a public manner. At the Design Center, we have a very multifunctional room concept, based on flexibility given that nothing fixed. When a space has been adapted for the event, we can create a big assembly.

We also take consideration the architecture and the daylight illumination. The symbolism of our building, alongside its unique structure, are timeless and often used by many, even in groups with landmarks like the Eiffel Tower.

"Austria one of Europe’s best places to invest and to grow a business! Austria stands for nature in combination with all possibilities to make sports, in water and mountains, through running or even cars. Then, Austria is very clean and safe. The population of Austria is very friendly. We also have great infrastructure for the event and meeting industry. In every capital in each country, we have very good and modern convention centers. We may be competitors, but we maintain a friendly spirit.

The size of Austria and the distances amongst the cities are not that big. This is one of the advantages Austria can offer, especially in our area. The river Danube is also an element of nature and connection for Austria, given that you also have the chance to Vienna by ship.

Where do you see the Design Center Linz in the next 5 years?

I think that the position of this company is very promising for the future. We are the first in the market with location management. With just one partner, us, the customer can have access to the majority of services for a successful event.

We are using this package selling method, because, if you are organizing a congress, we know what you need. We are going more into the world of production of event facilities around the main content. I hope that we are in the right way and we become number one at some point in this branch. In 5 years, I know for sure that we will have done the best possible effort for Design Center and Austria.

Let yourself be inspired. Design your congress, trade fair, gala or product presentation at Design Center Linz. Take advantage of the many possibilities of the modern, elegant and versatile location for your event. 10,000 m² of column-free area and technical expertise in interaction with creative minds will be remembered.
Mr. Gerald Schatz, CEO, Linz Center of Mechatronics, explains how digitalization and innovation have driven the industry into a new era.

How would you define the scope and business of Linz Center of Mechatronics (LCM)?

Founded in 2001, we have been lucky enough to cherish a fairly good economic situation, while we are focused on sustainability. We have currently around 170 employees, with 120 being fixed employees at LCM and 50 working on projects in the scope of our respective business and research portfolio supported by our scientific partner. We strive to earn a good profit and exist as a research company, hopefully for a long time. We wish to provide our partners with R&D solutions. Our mission is to transfer the scientific results into the economic sector.

In addition, we cooperate with scientific entities, like universities and other research networks, building a network of over 50 universities. We have built a bridge between the scientific part and the economical part, giving the customers the chance to introduce their projects in terms of scientific ideas or value chains.

What is the COMET K2 Center and how important is its work for the LCM?

In the COMET Center, we are deepening our scientific knowledge, through cooperation with scientific organizations. Symbiotic mechatronics are the headline of this center, where we cooperate with our partners, making publication alongside companies with scientific background, including Diplom-Thesis and PhDs in the frame of long-term cooperation on research projects.

Linz is rather small compared to the other international cities, but its possibilities are immense. It has focused more on innovation, enjoying the benefits of that decision.”

Mr. Gerald Schatz, CEO, Linz Center of Mechatronics

What is the scope and business of Linz Center of Mechatronics (LCM) currently?

The scope of our 300 customers, as of today, is mainly in Germany, Austria and Switzerland. We have two types of customers. The first one is international companies and the second is SMEs. The Austrian economic structure contains about 95% SMEs. Out of our 300 clients, about 200 are SMEs.

Our vision is for international companies to reach further down the road more quickly. Because we are focused on sustainability, we need to consider the economic situation, while we are focused on sustainability. We have currently around 170 employees, with 120 being fixed employees at LCM and 50 working on projects in the scope of our respective business and research portfolio supported by our scientific partner. We strive to earn a good profit and exist as a research company, hopefully for a long time. We wish to provide our partners with R&D solutions. Our mission is to transfer the scientific results into the economic sector.

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Mr. Gerald Schatz, CEO, Linz Center of Mechatronics

How long does it normally take for a product to get to the market?

We have different technology cycles. A traditional cycle may last more than 4 to 5 years, while the software and electronics usually have a cycle of 1 year. We have developed a software called SynSpace. In that platform, we have a toolkit that can be used to develop digital twins from a physical device. This virtual platform that could be of use for any customer of our area. We have developed this software, optimizing the creation process of the machine. In the same spirit, we have created another tool, which helps in making the software needed in order to control those machines. We have shown this in the Hannover Fair and it has been nominated for the Hermes Award. In digital form, you can scale up or down the product and optimize it, even allocating the energy consumption that is needed. This is the future of the development given that it can be adapted to any sector.

There are a lot of research organizations and companies here. The biggest comparative advantages of Linz are the high concentration of SMEs and the international companies with a particular focus on family ownership. Another reason for Linz’s success is the importance of research and education facilities. Our vision is for international companies to reach further down the road more internationally customers, getting a prominent position in the supply chain. Linz is rather small compared to the other international cities, but its possibilities are immense. It cannot become larger than Vienna in terms of size, but it has focused more on innovation, enjoying the benefits of that decision.

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Could you give us a glimpse into the sector including challenges and opportunities, main trends, the exports and its economic impact on the Austrian economy?

Within our metal technology and machinery business we have 1,200 companies in Austria. We have about 135,000 employees. The production value we have per year is roughly around EUR 40 billion. As Austria is a small country, you can imagine that most of our production has to go outside. Most of our businesses are family-owned, a very typical attribute for Austrian and German companies. In our case, it is more than 85% of family-owned businesses. Out of that, we are mostly composed of small and medium enterprises. We are talking about 80% ratio of SMEs. 40% of the total number of apprentices in the industry are within our members. Furthermore, more than 30% of the R&D expenditure is also coming from our members.

What would be the main challenges and opportunities for this sector?

The major challenge at the moment is getting the right people. In the areas of mathematics, informatics and technical work as well as engineering, especially when we also take digitalization into account. This is also not so easy because all the labor countries are lacking in skilled workforce. If we compare with the Eastern Europe, we are higher, but compared to Asia, the labor costs are still quite high. This is mainly due to the social security system we have in Austria, which is good, but most of the social security expenses are added to the labor costs.

“...I think that a lot of the companies need time to understand well what digitalization entails. We need the proper education as well as information behind this.”

Mag. Christian Knill, Chairman of MetalTechnology Austria

We have a lot of very good hidden champions. We may have higher costs, but still the education is very good in Austria. In addition, the skilled personnel we get from our universities is respectable. Education of apprentices in Austria is quite thorough and a major asset for our industry. There is a strong connection between technical education and the market itself, facilitating a smooth transition from the first towards the second.

Could you list the top priorities at a domestic and an international level?

Besides people, another significant factor is the support we have been receiving from R&D, either tax-wise or support-wise from the government. We have a close connection to the universities and other sources of education. The important thing for us, but all industry in general, is how can we use digitalization in the best way possible in the future. As we are mostly composed of SMEs, I think that a lot of the companies need time to understand well what digitalization entails. We need the proper education as well as information behind this. In any case, there is no way out of that, so everybody, regardless of their size, has to think about the future within the industry. We could be talking about a new business model or new interconnected pieces of machinery. We have several supporting systems in Austria, which is good, but compared to Asia, we are higher, but compared to Eastern Europe, we are lower. But compared to Asia, we are higher, but compared to Eastern Europe, we are lower. 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Could you introduce us to Zeman Bauelemente, your business, products and services, the company historic landmarks and your current market position?

We are focused on steel but not limited just there. We are acting as a general contractor in many markets, even for projects that do not have any steel built in. The most experience we have is with steel materials. We know how to handle it, design it, produce and improve it. I believe that we are quite creative and maybe this is what separates us from the other companies in our market. We are among the big steel construction producers in Europe. A share of 78% of our turnover is created outside of Austria.

Could you give us a glimpse into your understanding on the current state of the steel industry in Europe and globally?

Our business has been affected very much over the last years by political changes. Consequently, at times we were forced to search for new places where we can put our services in. This has worked quite well over the last few years, but it was not easy at all. We have our native markets, especially in Austria, Germany and Czech Republic within the Central Europe. Poland may be the biggest single market we are present in. On the other side, Turkey is also another native market for us. Turkey is also not so easy now; it could be doing quite well, but politically it may produce some serious issues. I have to say that the whole business is very good, given that we still have great profits and margins, even though we are heavily affected by the abovementioned problems.

What is your assessment on the group performance in 2018? Could you highlight your strategic priorities for 2019?

2018 was a great year for us and in 2019 we are going to be much better. In terms of strategic priorities, we would like to continue with our developments, which is the fixed part within our business. We want to stay on the top level of our industry. We should also focus a bit more into better internal organization as well as efficiency. We have a thorough expansion plan that is not linear. In total, thus far we have sold 72 Robotic Assembly Lines. The growth is amazing over the last two to three years, alongside all that we have managed to achieve. We hit a certain niche on the market, given that we know that automation is kicking off in the structural steel industries. There is lack of qualified people. As a result, this is a niche in which we are very successful.

We believe that everyone has to follow the rules of the transformation due to digitalization these days. When we stop doing that we are left behind.

Andreas Hofer, Managing Director, Zeman Bauelemente

Zeman's innovative Steel Beam Assembler technology was presented for the first time about ten years ago in 2009. How has this technology changed over time?

SBA could be described as a revolutionary initiative, given that it was never done before. We have been successful, but it was an extreme procedure to get here. I would describe it as evolution, that being a result of hard work. It was presented on the market 10 years ago, but I have to say that this technology was not expected all over the world. As a company, we have gained a vast knowledge of this industry that we have tried to transfer it into a machine. In that context, there are thousands of parameters one has to take into account, which make you feel immense respect for the people who do it by hand. We are well-experienced and we are working all together in the group to improve in any way possible. Working with computers puts us on another level, being much more experienced with machines.

How is technology changing the way you run the business?

On the one hand, we are trying to use all those available means in the market and we integrate as much as possible. On the other hand, we have to integrate the new demands, such as clean energy, into our business. We do not want to buy everything from our own companies. Instead we try to find local partners, under our supervision. The sector, in the case where it is available, should be convinced about the importance of the way of transportation of building materials around the world.

Could you highlight on the group performance in 2018?

Zeman Group is active worldwide with more than 20 subsidiaries and more than 600 employees

Zeman Group achieves an annual turnover of more than EUR 130 million

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The AIT Austrian Institute of Technology is Austria’s largest research and technology organization. Could you quantify the socio-economic impact of the institute and offer some examples of the research and solutions the institute has developed?

The institute is working on solutions for the grand challenges. In certain areas, solutions are of pressing need, like in the field of mobility concepts. This is something we need to be fast with in terms of generating solutions that are more economic, environmentally sustainable and affordable. This is where we position ourselves, more on the holistic approach to generate an understanding of a complete system. Urban development is another multifaceted direction, where energy is one aspect.

We have to consider the fact that also an aging population has to lead a comfortable life. Vienna is a good example. There are other cities in the world that would love to have a similar infrastructure, similar access to healthcare and transportation. We are more about long-term impact. On the other hand, we have a clear mandate to translate this systemic knowledge into business cases for our partners from the industry. Around 240 PhD students are working with us. This is a lot of return to society, by training people in top-notch projects. We have worked on gaining visibility and we have positional sureness according to our mandate from ten years ago, to play a role in Europe.

“We are fully aware of the challenges that we are facing with digitalization. But we should not forget that it also offers a lot of opportunities.”

Prof. Wolfgang Knoll, Managing Director, AIT Austrian Institute of Technology

What is the level of cooperation and the synergies between public and private sector in Austria and how does this translate into effective and efficient research?

Austria is largely an SME country. We have only a few big players, some of which are not completely independent, but subsidiaries of their mother operations in Germany. There are many others that have developed very strong partnerships with us. Clearly what we have to offer now is a lot more attractive for their increasingly competitive situation worldwide. This is something which is impressive from our country’s point of view. When you look at who recovered from the 2008-2009 economic crisis, it was essentially three countries; Germany, Switzerland and Austria. Many others are idling on a very moderate level. Some never really fully recovered. That probably reflects in some of the political situations in Europe. In that sense, we are helping to make Austria a competitive partner in Europe.

How is technology transforming research and from your privileged viewpoint, what will be the most disruptive technologies in the next 5 years?

We on the technical side are fully aware of the challenges and opportunities that we are facing with digitalization. It is all about realizing what opportunities there will be. We have an expert group on blockchain. They observe the whole blockchain traffic in the Bitcoin area. We need to understand what our customers will face. It is not that we develop tools ourselves. We have to think for our customers.

We work a lot on the energy grid. If there are new business models based on blockchain technology, we need to understand that. This is what I meant by systemic competence that our customers expect us to provide. You have to get this done according to their business model. Having the meta-level of understanding the system, then breaking it down to individual cases for industry partners. This is an important contribution of AIT, reflected in the expectation of our two owners, the Ministry for Transport, Innovation and Technology as well as the Federation of Austrian Industries, expressed in the early stage of the four-year cycle of our current strategy. On the one hand, we have decarbonization and, on the other one, digitalization. This has not been a major redirection of what we are doing and is naturally the next upcoming step.

Where do you see yourselves in ten years’ time?

I think we are on a good way to having a major role as a trusted technology developer, which is independent from political bias. Our way of offering solutions is only based on scientific and technological competence. A lot of these things need political decisions, but that is not our business. We can offer what is doable and affordable, what is acceptable.

Learn more about the future by visiting www.ait.ac.at
Groundbreaking plans within the market of recyclable products

Mrs. Angelika Huemer, Managing Partner, Starlinger, takes on sustainability from the perspective of a global player in the sector.

Based on your experience, could you review and explain Starlinger’s landmarks?

Starlinger is a private and family-owned company with more than 180 years’ experience in the business of textile machinery. We started at a small scale in Vienna but we moved to Wiessenbach, Lower Austria, where we own two factories now. We are one of the market leaders in our business. Our machinery produces woven plastic bags, starting with tape extrusion lines, weaving machines, coating machines, printing machines, and conversion lines for the production of finished bags. Woven plastic bags made by our machines save raw material and they are robust in comparison to plastic film.

Can you identify the main challenges and opportunities for Starlinger and the sector as a whole?

The big challenge for us is to make woven bags a standard for the industry. For example in industrial countries paper bags are used for cement packaging factories now. We are one of the market leaders in our business. Our machinery produces woven plastic bags, starting with tape extrusion lines, weaving machines, coating machines, printing machines, and conversion lines for the production of finished bags. Woven plastic bags made by our machines save raw material and they are robust in comparison to plastic film.

“Groundbreaking plans within the market of recyclable products”

Mrs. Angelika Huemer, Managing Partner, Starlinger

The second big challenge that we are facing is the problematics of plastics itself. However the great thing about plastic is that it can be recycled; with our divisions Starlinger recycling technology and Starlinger viscotec, we have managed to recycle used bottles to turn them into new bottles. We have already more than 60 installations worldwide for bottle-to-bottle recycling. Under the food safety agencies like EFSA in Europe and the FDA in the US, big brands have to meet even higher restrictions. We are reciprocating to the trend of turning bottles into packaging through one of our new product range that allows us to make tapes out of the old bottles for woven bags.

What are some of your opportunities in the sector?

Whenever there arises an opportunity, we must seize it. One such opportunity that lies in the field of bottle-to-bottle recycling is a line for sheets for thermoforming, processed through recycled bottle pellets. Our machine can produce a thick film, a sheet that can be used for trays or cups, and so on. As they are decontaminated they can be used for food packaging.

Can you give us a glimpse into your international operations and your most important markets?

We are present in 130 countries worldwide however Austria is our main market that makes up 35-40% of our exports. Our other major markets are Africa, South America and Middle East. Now, with our recycling machinery, we are penetrating into European and North American market as well. In 2005 we have opened a factory in China to manufacture for the Asian market. We have 10 sales and service centers across four continents. Provision of service operation to our customer is very important to us. Our local employees help us to overcome the language barriers. Our customers can speak to our local engineers, who offer them immediate technical support. We invest heavily in R&D too. Recently we have founded a new subsidiary in plant monitoring systems, which provides our customers with data about their workshops on their mobiles.

Has Austria been a centre of opportunity for your organisation?

We are proud of our Austrian as well as of our European heritage. It is a stable and safe country and we have a high level of education, even if getting skilled people can be challenging. This part of the world has a long tradition and reputation of building fine machineries, so as a machine producer, it makes sense to be in Austria, in order to realise ideas of our customers and design machines to suit their specifications.

First a PET bottle, then a big bag with a load capacity of 2 tons?

With Starlinger technology, flakes from collected PET bottles are used for producing heavy-duty FIBC fabric. The use of up to 100% recycled PET is possible.

This is only one of numerous innovations to reduce CO2 emissions with environmentally-friendly packaging solutions from Starlinger.

Let our experience work for you!

Starlinger, an innovative European engineering company, world market leader, and A-Z supplier, specialises in machinery and process technology for:

- the production of woven plastic packaging,
- the recycling and refinement of a wide scope of plastics,
- and the conversion of PET flakes to sheet and fabric.

www.starlinger.com
Turning Seestadt into a sustainable and modern business hub in Vienna

Gerhard Schuster, CEO, Wien 3420 aspern Development AG, describes the thought process behind this project as it comes to fruition.

The property market has changed over the years and so have the consumers’ needs and requirements. Based on your experience, what are the main trends and challenges the sector is facing?

Current developments are very different in the diverse sectors of economy and the real estate market. The population is growing and this has a lot of impact, for instance, on the price level of land, which is limited. This dynamic development is in some areas limiting the business and economic development. Fortunately, this is not the case in Vienna. Housing is still affordable and the city of Vienna does a lot to safeguard that basis for development. One of our most important aims is that we provide a very diverse mix of housing opportunities to people which is also important for the economic development.

So we provide this variety of high-quality housing, as well as a very good research and development network, mainly in the energy supply area, the digital production area and in the field of digital building solutions. This is of growing importance for the development, so that we invest in this digital support for businesses. We see ourselves as an urban lab for smart city solutions, in these three very important economic areas. The other aspect is that most research work shows that development is still very dynamic in the middle of Europe. There is a growing need for modern office buildings, modern commercial buildings, as flexible as possible. In any case, we see a very disruptive and unforeseeable development, partly triggered by digitalisation.

“All these new solutions should be very resource-saving, environmentally sound, without producing the emissions that the traditional forms of production and construction did in the past.”

Gerhard Schuster, CEO, Wien 3420 aspern Development

Are you harnessing new technologies for your development?

We have the possibility here to develop that multifunctional sub-center of a very attractive European capital, which gives the opportunity to go with those new needs and provide buildings that keep up with the new technologies. All these new solutions should be very resource-saving, environmentally sound, without producing the emissions that the traditional forms of production and construction did in the past. We have developed very sophisticated systems of construction management and logistic solutions. These solutions can be also rolled out in other development areas in Vienna and they would also be a perfect blueprint to be emulated. We are a public-private partnership company. The city of Vienna and the Federal State of Austria are the public shareholders, our two private shareholders are based in the financial industry. On that structure we could have a promise that all investors will receive a return on their investments.

Is aspern Seestadt going to change the landscape of Vienna and become a reference for the years to come?

We understand that smart city solutions are very close to the needs of the people that live, work, have their leisure time in their neighborhood. Also, we already have a wide range of enterprises. The last figures list about 150 different enterprises from very large ones to small start-ups. Just in the neighborhood there is HOERBIGER, an extremely successful globally acting technical enterprise. They concentrated their Austrian headquarters, R&D and production, here in aspern Seestadt.

Quite important is also one of the biggest training enterprises, where more than 10 different professions are being taught, counting a staff of more than 600 people, from all branches of production industries. The timeline is more or less 20 years from the very beginning of the project in 2007, when the City Council of Vienna adopted that masterplan unanimously. We want to finish the development work and the sales activities in the meantime, we have here more than 7,000 inhabitants and more than 2,000 workplaces, primary and secondary schools. We also have a private university campus here, as well as 3 very important and continuously growing R&D centers in the digital production area and in the energy efficiency area. ASCR (Aspern Smart City Research) company, for example, is a partnership of one of the worldwide biggest technology enterprises, Siemens, and the Vienna utilities company’s energy sector as well as the city of Vienna. In 2016, Aspern Smart City Research were elected as the world’s best smart city project. They work on smart buildings, smart grids, smart ICT and smart users.

For more information on Wien 3420 aspern Development, visit www.aspern-seestadt.at
Success through the international aspect of a family-owned business

Mr. F. Peter Mitterbauer, CEO of Miba AG, delves into the 91-year strategy that forged a global manufacturer out of a simple shop.

Miba AG was founded in 1927 by your grandfather Mr. Franz Mitterbauer. What would be the secrets behind your successful story?

The basis of our philosophy revolves around the idea of local to local. This means that we manufacture and engineer our components in the region, for that region. If our customers need something, we want to be close to them. This is how we have managed to develop over the last 91 years. We cherish an export-oriented country like Austria, because it allows us to be strong as long as we are able to use these global opportunities. Our location, Austria, and our workforce act like an insurance for our international success.

A key aspect for us has been our Dual Education Program, which guarantees that our workforce possesses the know-how to run highly sophisticated equipment. Material education, as the second generation, internationalized the company. Following him, I want to hand it over to the next generation. This model of family ownership is the very backbone for the Austrian economy, giving them long-term perspective, especially during turbulent and geopolitically uncertain times.

According to Mr. Klaus Luger, Mayor of Linz, a major problem in Upper Austria is lack of talent. How do you find this issue within Miba? Living in Upper Austria, the unemployment rates are extremely low. The answer, besides convincing the market to work with Miba, is to train our own people. In our case, this is achieved through our Dual Education Program. A key aspect is that everybody who starts this program in Miba gets a job afterwards. Second, education requires continuous training. Lifelong learning is one of our four core values and we offer a lot of programs in order to upgrade our know-how. On the other hand, we also have to attract more talent coming from outside of Austria, in Europe and other countries in the world.

How would you describe Miba’s 2020 strategy in terms of goals, focusing on innovation, especially in the e-mobility sector?

"This model of family ownership is the very backbone for the Austrian economy, giving them long-term perspective, especially during turbulent and geopolitically uncertain times." Mr. F. Peter Mitterbauer, CEO of Miba AG

Mr. F. Peter Mitterbauer, CEO of Miba AG, delves into the 91-year strategy that forged a global manufacturer out of a simple shop.

With its HQ in Austria, 90% of Miba’s revenue is based on exports.

In 2018, Miba showed a total revenue of EUR 985 million, aiming for EUR 1 billion by 2020.

Until 2019, Miba has invested more than USD 100 million in the U.S. market since 2010.

We, as a business agency, provide services to 3,000 different companies per year. 85% of them are small and medium-sized. Most of them are international oriented and family-owned.

In 2018, Biz Up promoted more than EUR 500 million in investments.

Upper Austria has 25% more major company HQ than Vienna. Biz Up’s incubation program supports 50 startups per year.

Werner Pamminer, CEO, Business Upper Austria, describes the investment environment of Austria's industrial backbone.

With Upper Austria boasting some impressive figures, could you please provide a brief introduction to the founding of the Biz Up group, your role and any standout projects you’ve had overses?

Biz Up represents the business agency for the state of Upper Austria. Our role involves around the promotion of investors in tandem with the endorsement of innovation inside Austria. We are trying to help companies that are based and invested here to differentiate from their international competition through innovation and digitization. Regarding our innovation activities, we are facilitating more than 300 projects in terms of helping companies with their innovation projects.

For 2019, we will focus on helping companies to find skilled labor, supporting their human resources departments. There are the main reasons why companies invest here instead of abroad. Our Talent Attraction program allows us to fully sold within Austria as well as the eastern European countries. As a region, we count for 25% of exports of the whole nation and 28% of its total industrial capabilities. We want to keep that high level of industrialization, high value and high quality-added jobs to that region, because we know that this is that single most important source of our prosperity.

Biz Up works as a one-stop-shop for tailored services to businesses that come to Upper Austria, reaching even to the startup community. Could you provide us with some examples, highlighting the necessary resources for Austria’s growth?

Two years ago,ABB acquired Beneracke and Rainer, making them their headquarters for their industrial automation activities. Another example is a startup from Quebec, LedarTech, producing positioning systems for self-driving cars. In terms of startups, we have the most successful incubator in Austria, running separately from our business. They provide about 50 startups per year, serving as platform for business incubation, especially for high-tech startup companies, like Lanesafe, an application that went through us to be acquired by Adidas, or Smartbox, which was acquired by 3M. In this incubation and startup field we can provide an environment that neither Berlin, London or Silicon Valley can provide, namely when it comes to interaction with manufacturing companies. We are very successful in interconnecting startups with our manufacturing industry and see this as a big source of innovation. This is our unique selling point, that we are trying to exploit on an international scale.

Broadband infrastructure is being developed in the region to deepen digital connection amongst businesses. How are you embracing 5G technologies and reading yourself for Industry 4.0?

We, as a business agency, provide services to 3,000 different companies per year. 85% of them are small and medium-sized. Most of them are international oriented and family-owned. Our main focus on Industry 4.0 is not for the sake of its own, but as a means of keeping productivity high. We have many companies that would consider Industry 4.0 companies nowadays.

In fact, we have our own company dealing with autonomous driving capabilities, named DigInn, DigInn is an owns-entity industry-end company working in cooperation with universities and R&D centers, in order to develop autonomous driving technologies. We are not just an automotive hub, we are also a logistics hub. Those things go together nowadays, hand in hand, because modern production manufacturing concept rely on robust and stable logistics.

As a leader of Biz Up, what makes Upper Austria special for you and what is your vision moving forward?

Long-term orientation is a unique feature of our region, forming our way of doing business and setting the standards of long-term prosperity. We are large enough to maintain a differentiated value chain. However, we are small enough, that we can reach out to different partners in these fields. We have been doing cluster-based policies for 20 years in Upper Austria, forming right-kind connections in these sectors, across all value chains through digitization.
How do you build your partnership and what is the final benefit for your company to be based in Austria?

As a leader of one very important organization, what is your agenda in the long run?

As of 2018, Infineon Austria, alongside all its subsidiaries, reached revenue of EUR 2.96 billion. In 2018, Infineon Austria spent 17% of its revenue on R&D, which reflects to EUR 498 million. In 2018, Infineon Group has a global market share of 19% in power electronics.

Energy efficient electronics: Market leading know-how from Austria

In this procedure, we learn from other industries, introducing new technologies like blockchain technologies and artificial intelligence, adding them to our research stages. We believe that AI will be able to support the decision of the air traffic controller, but it should be limited there. An AI will never decide instead of the air traffic controller, given that there is a personal liability aspect.

In our sector there is a lot of bureaucracy and paperwork, which will eventually be erased completely from an air traffic control center thanks to digitalization. Data will play a much more important role in the future. Big Data were in an incubator for the commercial industry about ten years ago; now they are an incubator for the safety-critical area.

As a leader of one very important organization, what is your agenda in the long run?

What are your personal objectives as CEO of Infineon Technologies Austria?

I want to make this current investment a success. This is a huge responsibility, because it has been the largest private industrial investment in Austria for the last decades and the largest investment of its type in Europe currently. In addition, one of my goals is also to look actively into the innovation ecosystem, making sure that we can use this opportunity to further strengthen the interaction with universities, startups, research organizations and SMEs. This is a once-in-a-life-time opportunity and I want to make sure that it turns out to be an opportunity that shapes the future for Austria and Europe.
Digitalization and innovative initiatives based on strong foundations

Reinhard Wolf, CEO RWA Raiffeisen Ware Austria AG, describes his vision regarding the future of the world’s oldest industry.

How do you assess the current state of the agriculture sector in Europe and in Austria?

We see that there is a rapid change in terms of structure, especially in the smaller countries. Sustainability has to be supported by the European Union, through their rules and legislations. I see that in the Central Europe and especially in the so-called Eastern countries, there is a lot of growth potential in agriculture, given that for them that is still the main industry. Last but not least, we see a shift, even on a smaller scale, towards organic farming. The awareness has certainly risen, but there will always be the parameter of welfare.

Can you please give us a glimpse into the cooperative sector in Austria, especially in the sector your organization operates?

In Austria, the cooperative sector is very strong and traditional. We have about 80 “Lagehaus” corps, counting 130 years of existence. Farms in Austria are the members and owners of this corps, either agricultural or dairy. The corps are very important to support the rural areas. Everybody is looking for those regional corns, trying to invest or purchase assets. Austria’s Lagehaus corps have some noteworthy developments over the last few years and make a total turnover of more than EUR 4 billion.

“Agro is the oldest industry in human history. We have the potential to remain relevant and robust in the future, as we align ourselves with the new technologies”

Reinhard Wolf, CEO of RWA Raiffeisen Ware Austria AG

RWA is wholesaler, franchisee, service provider and developer. Could you introduce the group and the relative importance of each of the above-mentioned roles for the business?

RWA is at the center of Austria’s agricultural activity. We are a supply chain manager for the food industry, which means that we are the bridge between the farmer and the processing industry. We collect e.g. grain for the mill industry or offer the right seed varieties for our climate area. In addition, we supply our farmers, in terms of omnichannel services. We are looking towards modern tractors as well as drones.

Can you give us more information on the international expansion of RWA?

We are present in 8 other countries around Austria. We are still open for partnerships and acquisitions. Austria is a bit more difficult, because we have to grow behind our local corps. We are looking for small and special companies, that are specialized in niches. Due to climate change we will expand our activities in the field of water irrigation or in the promising photovoltaic sector.

Where do you see you and your organization in 10 years?

Undoubtedly, in Austria we will stay the number one partner in terms of agriculture and an important local supplier for people living in the rural area. In the internationalizations, we will strengthen our efforts in the 8 countries around Austria, where we are already active. We want our affiliates in CEE/SEE-region to grow with us, offering them all our expertise and the networking. Agriculture is the oldest industry in human history. We have the potential to remain relevant and robust in the future, as we align ourselves with the new technologies.

What is your assessment of the economic performance and investment inflows in Austria?

2018 was a tremendous year for Austria, not only as an economy but as a whole. In terms of economic performance overall, we are still booming and pushing. We had an increase in exports of 5.7% after 6% in 2017, so it was another record year for us. However, due to the general world-wide economic situation, there is some anticipation of a coming slowdown. That said, when we look at the situation in terms of what it holds for us in 2019, we will still expect 3.5 to 4% of growth. Of course we also have to pay attention to political situations such as Brexit for the U.S. and China relationship. That said, the majority, three fourths of our population to be exact, appear optimistic about 2019 and beyond.

What is your opinion of the overall fiscal system as well as all other factors that have an impact on a business?

First of all, we have a major geographic advantage. Austria represents a bridgehead between North, South, East and West of Europe. Second, we have a strong focus on Research and Development (R&D). Our tax incentives in this regard have resulted in a large number of companies locating their headquarters in Austria. Third, is our Dual Education System, which is connected with our workforce and is one of the key assets of the Federal Economic Chamber. This is one of our biggest strengths, having the companies train their own staff in a way that also incorporates their vast work experiences. The Chamber acts as the driver behind this Dual Education System. In fact we have multiple agreements with Balkan countries to export the System to other regions. This System is an important pillar that allows us to better address the challenges of finding skilled labor. We have about 106,000 apprentices per year receiving training from Austrian companies. Having a skilled labor force is definitely one of Austria’s advantages and it is going to get even better in the years to come.

Another significant Austrian advantage is the unavoidable quality of life it can provide which has a particular appeal to a skilled labor force.

Michael Otter, CEO, Advantage Austria

Long-term perspective is key for Austria’s numerous ‘hidden champions’

Austria and represent the main pillars in this ‘bridge-building’ process with other nations. In 2018, Austria managed to break the threshold of EUR 150 billion in exports. In Vienna alone there are more than 400 international headquarters.

Our role is that of a ‘bridge builder’ with many political, cultural, social and business dimensions. I have a strong belief that our business men and women are the true ambassadors of Austria and represent the main pillars in this ‘bridge-building’ process with other nations. In 2018, Austria managed to break the threshold of EUR 150 billion in exports. In Vienna alone there are more than 400 international headquarters.

Could you explain what your objectives are and what you do and what your objectives are in the short, medium and long-term? We want companies to come to us for the hands-on services we can provide. We will support all of them. In fact, we recently initiated a new field of operation in order to support subsidiaries of Austrian companies abroad. In order to bring them together we have established around 100 service stations for the farmers with John Deere as well as other technical products. Furthermore we are a franchisor for building Austria. We are still family-owned, acting as the ‘hidden champions’ of Austria.

Michael Otter, CEO, Advantage Austria

What is the contribution of your organization member companies, what are the main factors that allow Austrian companies to be competitive as bridge builders?

The Austrian Economic Chambers represent more than 517,000 member companies.

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Mr. Daniel Fallmann, Founder & CEO, Mindbreeze, explains how diversification set them aside from competitors leading them to success.

Could you introduce us to the world and business of Mindbreeze and to the services and products the company offers? What makes you stand out from other players and why?

Our customers get tons of information in various applications. Mindbreeze connects to all those data silos, analyzing the data and updating them in high frequency. Furthermore, we take care of all the excess information, judging which is allowed to see, what connecting the information collected from the various sources into one report. That has been really critical for our mission, given that it helps improve the business of our customers, which has been a major strategic goal for most of the organizations out there over the past decade. Our product constitutes a disruption itself, given that we do not sell it as software, but as appliance and cloud service. Mindbreeze is an easy-to-use, easy-to-run and easy-to-integrate product, which is the key aspect of what we offer.

“In most of the cases, when I meet the customer, they have already bought the product. That is how we have managed to be successful against some titans of the sector.”

Mr. Daniel Fallmann, Founder & CEO, Mindbreeze

What is the state of the software market in the EU and in Austria as if compared with global competitors in the US or Asia? Where do you position Austria and Linz in such a scenario?

Austria is a sensational place to do software programming and product development. The reason is that we have the Universities of Linz and Vienna, which are connected. We also have the Fischlachschule in Hagenberg and several schools, with a computer science background and focus. On another note, if we had to make a living out of Austrian customers only, we would not be able to manage our business as we do. Our market is Europe and North America. The market that is growing very fast is North America for us and it is the most important market for us to this day. We also have some government organizations there.

We have transformed our own business especially in the direction of inside and online sales. Most of the deals are closed online. We typically see our customers from our Vienna or Chicago offices, but both offices take care of selling the products to customers online. In most of the cases, when I meet the customers, they have already bought the product. That is how we have managed to be successful against some titans of the sector. At first, we tried to convince people for our product the same way that they do, but we realized that we had to diversify. From 2005 we stopped going through the traditional way and since 2009 we have launched our try-out programs. As Mindbreeze we are not offering anything else besides trying or buying. We are not going to delve into large presentations and discussions, like the others.

Where do you see the company in 10 years and why?

Not only we are a leader in our market, but we are the ‘thought leaders’ in this area of knowledge management. I think that we want to have strong partners out there that use our sensational technology to understand structured and unstructured information to their meaning. Mindbreeze could easily be one of those billion players in the market. It is just a question of how fast and efficient can we be in finding really large partners in order to grow internationally. On the one hand, we will grow in an organic manner. On the other hand, we will grow through partnerships to expand internationally.

“Mindbreeze is included in the Top 100 Companies That Matter in Knowledge Management for 10 years in a row”

Mr. Daniel Fallmann, Founder & CEO, Mindbreeze

A ‘breeze’ of tangible innovation in appliance and cloud services

We also have Deutsche Telekom as customer, using our services for internal knowledge management. They had this challenge of providing to their users the information at the point where they needed it. Initially we deploy for the broad area of people and then we delve into specific departments, trying to help people from the customer service, the R&D or purchasing. Our main market is Europe and North America. The market that is growing very fast is North America for us and it is the most important market for us to this day. We also have some government organizations there.

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What is the state of the plastics sector, what are its principle challenges and opportunities globally as well as in the EU and Austria?

We work with plastics for the automotive industry. Here we face a double challenge, because the automotive industry is facing challenges as well just like the plastics industry. There is a big slump down on diesel cars without much consideration of the consequences of these decisions. Banning diesel cars in cities is one thing, but promoting the reduction of CO2 emissions in the way that they are doing, is destroying the German automotive industry. The following ripple effect will impact employment, with a lot of added-value industries switching to other markets. This has created uncertainty for the buyers, because nobody is certain about what the mid-term effect will be.

We are not seeing a slowdown in car sales, but the CO2 legislation brought in last year, has caused a significant shortening of our orders. There were more volumes before, but what we experienced was a total shift in product portfolio. Some of the engines were not certified by WLTP and they could not be produced. There was more demand for the engines that were certified, so we had to deliver more of one part and did not have the capacity to produce it at that level. We had shortages of the other parts, where we were confronted with empty capacity. This year we have WLTP 2 coming, and that is creating uncertainty.

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“Mindbreeze GmbH is 76% owned by Fasabos AG

Mindbreeze InSpire allows the customers to link more than 450 data sources”

Mr. Daniel Fallmann, Founder & CEO, Mindbreeze

A great example is the case of knowledge management for Lufthansa.

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Constant progress and evolution on stable and balanced foundations

Markus Huemer, CEO, Polytec Group, goes in depth regarding their holistic approach in regards to digitalization and the market’s future.

What is your role as a company like yours when it comes to sustainability?

We focus heavily on digitalization for the sole purpose of empowering people to take decisions when they are necessary, without having to ask management.

Markus Huemer, CEO, Polytec Group

What is the role of a company like yours when it comes to sustainability?

We can contribute is through weight using, which significantly reduces CO2 emissions. On the other hand, by creating workplaces we contribute to social responsibility, retaining more employees. It is not just a matter of providing a workplace; it is about creating an environment that people want to work in with education opportunities. This year we started a talent management initiative to get young people between the ages 25 and 40 that have ambitions to take over management functions. We have different education programs in leadership and line management to provide our staff with qualifications.

To what extent is innovation and new technological advancements changing the business, services, and industrial sector in Austria and Polytec Group?

For Polytec Group, we have focused on the use of digital tools and digital efficiency. We do not develop digital technology ourselves, but we buy technologies that improve efficiency, and we use them. We focus on digital efficiency and connecting information to the point where we can have transparent information and information processes that have standards, which can be automated.

As the moment, we have done about 20 to 25 acquisitions, meaning that all of our plants look different. We have to introduce IT systems, automate them and have standard information across the whole group. We focus heavily on digitalization for the sole purpose of empowering people to take decisions when they are necessary, without having to ask management.

Are you planning to diversify from the automotive industry?

Digitalization will not change our business model. We have no internet sales to OEMs and in the short term, this business model will not change. We have diversity of technology and diversity of products. We have a very deep understanding of the technologies and this is a USP that not a lot of companies have. It creates complexity, that we want to overcome with digitalization, and it creates the possibility to use innovation and create new products that nobody else can develop.

Historically, things were isolated, but now we have combined everything together in-house to create a product that requires all of these technologies and services working together, so we can deliver the final product.

We want to transfer this to other industries, using the combination of our technologies this is our USP. As the digitalization approach came along, it gave us the space to design a blueprint, and now people are motivated because they can design new things, they can create new solutions and new products. 2019 will be a very challenging year, with potentially more challenges than we faced last year, but at the same time, we see a lot of opportunities in this area. We have made ourselves agile enough to benefit from the chances we are given. We are transforming, dedicated and prepared.

AUSTRIA

In 2018, Polytec Group achieved sales of EUR 636.4 million

Polytec Group numbers 28 plants across the world, with some 4,500 employees worldwide

In 2018, 56.4% of Polytec Group’s sales were in Germany

www.country-reports.net
How would you define the Tabakfabrik? What is your main business and what makes you so special?

We represent an architectural gem, originally designed by Peter Behrens. On this site, there has been industrial production for more than 350 years. It all began with textiles moving onto tobacco. We are still a factory, but we are more than just a factory. We bring people together and making business with them.

On this site, there has been industrial production for more than 350 years. It all began with textiles moving onto tobacco. We are still a factory, but we are a democratic country with strong legislative framework and trust-worthy security. We have a remarkable education system, as well as talent in the field of industrialization. We are very good in terms of adopting from the startup into the industrial sector, which, to me, is one of our greatest attributes. We are one of the most stable countries for decades now. People have all amenities and can do whatever they wish. When we think of all the qualities people get to cherish, they are everyday winners. In times where the world is complicat-ed, I think this acts as a silver lining. People should invest into the Austrian real estate sec-tor and health care, in order to enhance their security and stability.

What is the position of Linz in Austria as an innovation hub and in regards to creative industries?

We are just a small city with about 200,000 inhabitants. However, we are very fast, reaching the spotlight alongside some major centers.

Chris Müller, Director of Development, Tabakfabrik Linz

What is the complex’s main business as well as contribution to the city?

A vast industrial history behind a signature location for Linz

Mr. Chris Müller, Director of Development, Design and Artistic Agenda, Tabakfabrik Linz, goes back to the roots of this industrial complex.

Mr. Georg Spiesberger, Managing Director, TechCenter Linz, describes his vision regarding Austria’s upcoming startups and scaleups.

The startup community from the perspective of a major facilitator

How would you define the TechCenter? What is your main business and what makes you so special?

Our business revolves around the support of young startups companies, concentrating on scaleups. These companies are that have already started their business, having also their first earnings. We help them get in contact with other companies, which is the most important aspect in our view. When a young startup or scaleup comes to us, they need some problems solved, we have a list of people that can help them. First of all, we help them in terms of infrastructure, like package and collection as well as telephone services. We search through our companies’ needs and we try to offer them as much as possible. The experience we have is about 95% technology startups. We know how to make their ideas commercially successful providing solid marketing solutions. We try to educate them, proving that it is not only technology that sells. For a successful business, one would need more than this. We had a lot of startups that grew up here and stayed here. This was also the reason why we started a second project in 2014. There we have at the moment 24 companies, out of which 20 are technological scaleups. We also have an incubator that produces around ten startups every quarter.

“I believe that it is important for companies to get high quality personnel. Usually, high quality personnel will seek high quality life and I think that we offer that in Austria.”

Mr. Georg Spiesberger, Managing Director, TechCenter Linz

TechCenter prizes itself for being the incubation center for innovative companies in Austria. What are the services you offer and sectors you are specialized in?

On the tech sector, we do not have a real concentration. A lot of the companies start in the IT sector. Most of our companies are champions in their respective fields. The second biggest sub-sector would be that of mechanical engineering. This is a mixture of mechanical and electric, where we have special locations for these startups, called the “Tech Lab”. So far, we have supported around 120 companies, 60% of them are still in the market and I would say that half of them also operate internationally.

What is the TechCenter true contribution to the city of Linz and in Upper Austria as a whole?

I think that the contribution to the Austrian economic system can be described through two points. First, we provide a place to grow for these scaleups. Furthermore, we provide a picture to the regions, showing the current state of startups in the country. We have here about 100 IT companies with over 2600 IT consultants, creating a local cluster. One of our problems in Linz is that we have very few IT specialists. This situation has led us into working together, given that we know that it is pointless not to share our people when they are lacking. This way we contribute to the city of Linz as well as Upper Austria as a whole by providing startups and scaleups, carrying young innovation. Besides, one of the major benefits of Upper Austria is successful startups.

Is Austria one of Europe’s best places to invest and to grow a business?

I would say that Austria is one of the best places to live. I believe that economy has changed over the last years. I believe that it is important for companies to get high quality personnel. Usually, high quality personnel will seek high quality life and I think that we offer that in Austria. In Upper Austria we have a strong community with a robust network. We are very good in terms of cooperation, with clusters that are running smoothly.

Are you targeting Austrian new companies only or do you expect to attract other entrepreneurs from elsewhere in the EU or the rest of the world?

My main focus is on startups and scaleups. However, I see beyond the TechCenter. In terms of the city of Linz, if someone is interested in that or the TechCenter, I would be glad to make things possible. If a company is interest-ed, has a plan that can benefit both sides, I see no reason not to facilitate their introduction into our markets. I would say that our door is open.

Where do you see the Tech Center in the next 5 to 10 years?

Tech Center has been doing a great job with all those startups and scaleups. We are dealing with upcoming startups and people full of emotion. Those people are excited and convinced for the product they are putting out. I believe that when you have fun in what you do, success is somewhat easier.

Mr. Luger, Mayor of Linz, suggests that we have to be the innovation city of Linz and Upper Austria. Now we are also well-known in Germany. We keep on growing, getting more and more international exposure.

How could you describe the TechCenter? What is your main business and what makes you so special?

Our business revolves around the support of young startups companies, concentrating on scaleups. These companies are that have already started their business, having also their first earnings. We help them get in contact with other companies, which is the most important aspect in our view. When a young startup or scaleup comes to us, they need some problems solved, we have a list of people that can help them. First of all, we help them in terms of infrastructure, like package and collection as well as telephone services. We search through our companies’ needs and we try to offer them as much as possible. The experience we have is about 95% technology startups. We know how to make their ideas commercially successful providing solid marketing solutions. We try to educate them, proving that it is not only technology that sells. For a successful business, one would need more than this. We had a lot of startups that grew up here and stayed here. This was also the reason why we started a second project in 2014. There we have at the moment 24 companies, out of which 20 are technological scaleups. We also have an incubator that produces around ten startups every quarter.

“I believe that it is important for companies to get high quality personnel. Usually, high quality personnel will seek high quality life and I think that we offer that in Austria.”

Mr. Georg Spiesberger, Managing Director, TechCenter Linz

TechCenter prizes itself for being the incubation center for innovative companies in Austria. What are the services you offer and sectors you are specialized in?

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Mr. Georg Spiesberger, Managing Director, TechCenter Linz
A European design software much different than others

Dr. Wolfgang Stöger, CEO, XEOMETRIC, explains the mentality behind the promising motto of their company: ‘Future is our business’.

Could you provide us with an overview of your company?

We started with development of Computer-Aided Design software in the early 1980s. At first, our products were used in architecture, mechanics, design, facility management and manufacturing likewise. In 2001, we decided to focus on two main business areas, specializing on CAD software for architecture and for mechanics and industry. Our business fields have the parametric 3D model as the core element for subsequent processes in common. Another shared characteristic is the very fast and very intuitive creation of the 3D models in ELITECAD.

What kind of target group are your customers forming?

Our clients are architects, engineers, building contractors – anyone who works in building modelling, plant design or mechanical engineering. We support small owner-operated architecture studios with single workstations as well as big industrial plants with numerous installations. Our customers appreciate the vast functionality of ELITECAD and its detailed implementation of industry-specific regulations but also the innovative features we add in each new release such as the interactive Virtual Reality that we have directly integrated in our CAD software.

“The past decade has been all about digitalization and building information modeling (BIM). Still, the building sector has a lot of untapped potential compared to the manufacturing sector.”

Dr. Wolfgang Stöger, CEO, XEOMETRIC

Are there any new software developments that you are working on?

First of all, the ELITECAD core can be used as a software library by partners for different applications. For instance, a partner company in Germany develops software based on ELITECAD for designing railroad tracks. We have another partner company that does cost calculations based on the 3D building model. Our partners are constantly developing and enhancing their products together with us. Of course, we keep updating and upgrading our own products too. A vision for the future is a multi-mediated VR environment for example. You have different people in different places loading the same building and they are walking with their controllers through the building and you are an avatar of the other person. We want to connect people from different places and update their position to the model that is loaded onto each computer.

Could you name some of your main markets?

We are selling our products worldwide, though we still focus on German-speaking countries. Our software is available in different languages, including English, French, German, Russian, Polish and Greek.

In your opinion, is Austria one of Europe’s best places to grow a business?

We have a good education system in Austria, especially in technical fields, and particularly here in Linz. We have the Johannes Kepler University as well as the University of Applied Sciences Hagenburg near our head office for example. Computer science has become a key focus in many educational institutions including high school in Austria. From hardware and software design to software for media, the offer is and around Linz has grown a lot over the last years.

How do you assess your financial and business results in 2017 and 2018?

What are your expectations in 2019?

Well, the business is good, because we have high time in the building sector. We see a lot of opportunities thanks to digitalization and BIM, which is a method of collaborating in the creation of building models with intelligent information. The past decade has been all about building information modeling, BIM. Still, the building sector has a lot of untapped potential compared to the manufacturing sector. In 3D modeling, each component has a lot of information. As an example, a simple window has geometric and material information plus data for manufacturing, fire protection and a lot of other information from the manufacturer that could be added to a 3D model and transferred to other programs and involved parties for further processing. This is still a huge topic in the sector and small companies are afraid of that a little bit. We are supporting and mentoring them in this transition period. Only few companies do that in such a way. This is a continuously growing process and a new opportunity for us.

Where do you see your company in 10 years?

We will still have our focus on CAD software. We love being involved in that area and there are so many ideas to be implemented. Wherever 3D creation is needed or required, an opportunity for us. Thus, we will be broader than we are now with more products and a wider network. A subject that is also very important to me is sustainability. We will integrate features and standards like the German DGNB system for sustainable buildings.
An upcoming Austrian headquartered CSEE bank at the forefront of changes

Razvan Munteanu, CEO, Addiko Bank AG, describes the aspirational and modern nature of their specialist approach in the CSEE.

What is your assessment on the state of the economy in the EU, the CSEE region and especially in the South-Eastern Europe region, which is where you have a stronger presence?

I think that we are confident in our region. There is this belief that growth will become significantly faster than in the rest of the EU region. We are privileged to work in one, or even the last, EU convergence region in Europe. We are headquartered in Austria and present with c. 70% of assets in the EU countries Croatia and Slovenia, and c. 35% in EU accession countries Serbia, Bosnia & Herzegovina and Montenegro.

The prospect of being part of a bigger structure like the EU, whether it happens or not, can generate considerable growth and convergence. We are also benefiting particularly well our business model. We are a bank that decided not to operate like most of the others, as a universal bank. We decided that we wanted to specialize in certain areas, like consumer lending, payments and SME banking. The convergence process affects predominantly consumption and borrowing, which benefits in particular our target segments. In the region where we, in particular, are focused, there is a long way to go in terms of organic growth.

Austria, Montenegro, Serbia, Bosnia and Herzegovina, Croatia and Slovenia. Which of the 6 markets is your strongest and why?

We are headquartered in Austria, but there we have a very marginal business. Our main focus is in the five countries in the Adriatic region, Slovenia, Croatia, Serbia, Bosnia and Herzegovina and Montenegro. Out of those, the largest one is Croatia. In Slovenia and Bosnia and Herzegovina, we have a very significant presence. We are growing in Serbia as well. We are a considerable player in Montenegro, even though this is a relatively small market.

“It is important that we do our job well, being a quality service provider for our customers. We want them to have access to our standard banking products in a convenient manner.”

Mr. Razvan Munteanu, CEO, Addiko Bank

What are the defining moments in the history of Addiko Bank and why?

As a bank organisation in our current format we are less than 4 years old. Addiko resulted from the takeover of former Hypo Group Alpe Adria by funds advised by the international private equity firm Advent International and the EBRD. That is a very important landmark for us.

What are your unique selling points?

Our promise to our customers is that we will focus on essentials, deliver on efficiency and communicate simply. In essence, our value proposition is around two main aspects: convenience and speed. We focus on those banking products and services, which are part of what we call ‘daily banking’. We recognize that the fact that there is a relatively low level of emotional engagement of the customers with the banks. Therefore, it is important that we do our job well, being a quality service provider and facilitator for them. We want them to have access to our standard banking products in a convenient manner. This gives us the opportunity to introduce practices, processes and products, that may be common in EU and other developed markets, into the markets we operate in, trying to move the entire financial services sector in those markets forward.

To what extent has Addiko Bank embraced innovation and technology?

First and foremost is that we have to be able to serve our customers’ digital channels. Being able to make payments by using digital platforms unlocks multiple possibilities. The second element is to anticipate the transformation of the regional environment, the society and the legal framework. The third pillar is the element of process automation, which is very important though less visible to the customers, and this is where we put in a lot of effort. It helps us in terms of delivering our value propositions in some of convenience and speed, while also creating efficiency, which is also very important. To be both competitive in price and profitable, you need to be quite efficient.

Last but not least, we have the brand. I think that the banking industry is in considerable flux, given that there are influences that are, in certain ways, conflicting and we need to figure out how to navigate between all these societal changes. On the other hand, you also have the right legal interest of regulators, consumer protection and agencies focusing on data privacy. We are obliged to keep the deposits of our customers safe. We need to find the right balance in order to extract some of those exciting things technology has to offer, without creating risks or slowing customer data to be misused.

In 2018, Addiko Bank noted an increased net interest income of EUR 173.2 million

By 2018, Addiko Bank had established 198 branches in their region of interest

Addiko Bank has around 0.8 million customers in CSEE

Based on your understanding and experience, what is the state of the European refractory industry, in regards to global market share, R&D, innovation and investments?

The European refractory industry is probably more advanced than other respective industries around the world in terms of technology. However, it is a shrinking industry compared to the U.S. market and even more compared to the Chinese and Indian markets. As a result, it will become more of a niche industry. Overall the refractory industry, in every part of the world, is consolidating step by step, being also more modernized with multiple capabilities. What are some of the biggest challenges and opportunities as of today?

The refractory industry is an industry that uses minerals that are available around the world. We need these natural and raw materials to convert them into ceramics, through a process that creates as much CO2 as it would be to create normal ceramics by chemistry of nature. As producing CO2 gets all the more expensive, this is also one of the biggest challenges for the industry, given that these costs need to be somehow absorbed by the value chain. In some parts of the world, CO2 taxes are more aggressive than others. We are not opposed to taxing CO2, but it should happen all around the world, more or less, on an equal basis. Another challenge is the need to become more and more efficient with the use of these raw materials and still improve the performance for our customers.

“In 2018, RHI Magnesita reached more than EUR 3.1 billion in terms of revenue RHI Magnesita invests EUR 70 million per year on R&D and Technology In 2018, RHI Magnesita noted significant growth in China, 36%, and India, 21%”

Stefan Borgas, CEO, RHI Magnesita N.V.

Can you give us an overview of your business on the global level?

In North America, we have a little less than 25% of our sales. In addition, a little less than 20% goes to South America, while 30% goes to Europe and the Middle East. The rest 20% goes to Asia. There is an obvious strategic interest in China and India, trying to apply there what we have managed to achieve in all those other markets. This is where we need to build, whereas in the other parts of the globe we need to maintain our footprint.

Could you highlight the company’s socio-economic contribution to the Austrian economy?

We are one of the main exporters of Austria. We are one of the very few really globally global companies that maintain their headquarters in this country. We help people here, especially since we merged with Magnesita. We have managed to internationalize our headquarters, contributing to the socio-economic growth of the country. Besides that, we have a major R&D center in Austria that is also internationalized. Vienna does not come first on people’s minds, but whenever we invite someone here, we have no problem convincing him to stay.

We have to become more efficient, or move our operations elsewhere. Now we are planning on building a technical vocational training center in one of our plants in the west of Austria. We want to attract young talents, bring them there, teach them German and then provide them with a 3-year vocational education. Later on, we want them to move onto our other European sites. Last but not least we go to structurally weaker countries like Romania, Bulgaria or Turkey, where young people are looking for opportunities.

To what extent is innovation and technological advancements shaping your future?

There are two major parts where digitalization affects us. The first is the production costs. We bring robotics, data analytics, trace ability of a product all the way from the mine to reach the consumer. The second area would be the value on the customers’ side. The problem we have is that our operating environment is very hostile to all these technological advancements.

When we look at destinations for expansions, we are focusing on China, India and Turkey. These are three markets in which we are still very under-represented. Later on, we could also move onto Korea, Japan and Russia. We also want to modernize our production network of 35 plants around the world with the new technology that we have, in order for it to become more flexible but also cheaper. The refractory industry may be small and not very well-known, even having a little antiquated image by those who know less, it is a very place to be.
Could you introduce us to the business of iSi Automotive and give us a glimpse into the Austrian automotive sector? What makes it important for the country’s economy and for the EU automotive industry?

That particular industry is very important for Germany. If you look into the macroeconomic data between Germany and Austria, you will find that the exposure is the same. The industry-related jobs to costs are more or less the same ratio as in Germany. We have the same importance in this industry, even though it is not as recognized. In Germany, a lot of things are logical in terms of awareness for the industry. Governmental awareness of the situation is not given to a good extent. We do not put the importance on this part of the industry in this country. We should get a different mindset in public opinion in order to get more recognition and support from the government.

What are your main markets and why?

We are working on safety. Everything connected with airbags is our business. We export everything we sell. Our main markets today are in China, as well as Mexico for North American market. We have very high legal and governmental licensing between us and the car manufacturer. For example, for us to develop an airbag business. We export everything we sell. Our main markets today are in order to get more recognition and support from the government. In Germany, a lot of things are logical in terms of awareness for the industry. Governmental awareness of the situation is even though it is not as recognized. In Germany, a lot of things are logical in terms of awareness for the industry. Governmental awareness of the situation is not given to a good extent. We do not put the importance on this part of the industry in this country. We should get a different mindset in public opinion in order to get more recognition and support from the government.

What are the major trends and transformations you are experiencing at iSi Automotive?

We produce safety products and we need full traceability on every step, every piece and every operation in our products. Every machine is equipped with a controller and connected with our network, working on plausibility schemes with SAP and other systems. We integrate more and more in our processes and product life cycle management. I am very happy that we, as iSi Automotive, do not depend on an electric or combustion engine. Electric cars behave differently but still need airbags. There are some challenges if we talk about autonomy in driving. If I look at the marketplace, I see a lot of volatility and insecurity. Consumers are somewhat initiate about what to buy. The whole electric discussion makes people hesitate about mobility investments. The whole political discussion and the readiness of e-mobility is currently making our customers hesitate. The market is a bit more hesitant and volatile.

Is Industry 4.0 a reality or is it still on the making?

It is still in the making. These companies that started quite early and invented a lot in Industry 4.0 technology claim themselves that they are just at the start of the process and that gives an indication that we will never reach a final target. The journey is the target, meaning improving continuously all the processes. New business models are becoming more and more important, while the initial idea, the definition of Industry 4.0, has been expanded over time.

To my mind, there is a strong facet of a political term and the initial idea was a short of re-industrialization in terms of the German Industry 4.0. Industry 4.0 is a radical change, not only because it reconsiders a lot of different technologies. It could be among others Internet of Things, Machine-to-Machine communication, AI or Blockchain among others. There are certain technologies where a lot of companies are already quite advanced, like in Internet of Things. Now, the big question is on 5G, which would be one of the backbones of efficient production.

“Is Industry 4.0 a reality or is it still on the making?”

Mr. Dietmar Schaefer, CEO, iSi Automotive

Austria one as one of the frontrunners in terms of new technology incorporation

Roland Sommer, Managing Director, Association Industry 4.0 Austria, delves into the world of digitalization and the future of the industry.

Why did Austria feel the need to create an association of this type? What are your objectives and how are you contributing to the implementation and development of Industry 4.0 in the country?

The basic idea was that we saw there are a couple of topics which are far beyond the possibilities of one institution, one company or one university. Platforms, like ours are very good tools, given that you have different interest groups and they level out. What is unique about the Austrian platform of Industry 4.0 is that, one ministry, 3 employers associations and 2 employees associations are founding members. From the very beginning, the trade unions and the federal chamber of labor are involved who represent employers. We have chosen a structure that is unique in the world, including employers’ associations, industries, scientists, regional and national governments, employers’ associations and others. We have a couple of big companies, like Microsoft, Siemens, Gamma, but also a couple of Austrian ones like Riesenbeutel, Frontin, and AVL.

The association, Industry 4.0, was established in 2015. What is your assessment on the achievements so far?

We managed to set up good structures and an atmosphere of trust. We published a couple of strategy papers in a very transparent process. We attributed to a much better awareness of what is going on with Industry 4.0 technologically, but also on the non-technological aspects of Industry 4.0. With all these kinds of new ideas, but also disruptive data-driven new business models, I think we came up with quite interesting ideas and solutions. Individually, I think it is very hard to managed to create a good understanding among members. Scientists and employers’ associations came closer to each other and I think we contributed also to a science and fact-based policy making idea.

Is Industry 4.0 a reality or is it still on the making?

With technologies such as 5G, AI and blockchain will Industry 4.0 accelerate even further? If so, why?

We are a huge amount of data that is being generated, which means you need more capacity and also 5G and AI. Then, you need IoT, you need the platforms and the communication between machines. The key ingredient is data and around that a couple of different technologies are being established or will be established further. Technologies like high-performance computing and quantum-computing will come further, but it is always around data. Data is key - the one who has access to data and who has a lot of data available, that is who will be more successful.

Is there any final message you would like to deliver?

I am always asked where is Austria’s position when it comes to industry 4.0. I tend to say that we are well-positioned. In general, I think the notion of industry 4.0 is well-established.

With technologies such as 5G, AI and blockchain will Industry 4.0 accelerate even further? If so, why?

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We have the technologies and the understanding. If the organizational work does not comply with the technology, the new technology will simply fail. We are thinking about these non-technological effects. In this context, the trade unions are very helpful, because they can very quickly what is going on in the companies and that is very important for me to say that trade unions are part of the solution, not part of the problem.
Thomas Birtel, CEO, Strabag SE, describes how their special business model works, including what its strengths as well as weaknesses.

For us digitalization is an interdisciplinary project with multiple aspects, including IT, personnel, technological and operational. It has been a huge project for us that is being executed by the three involved parties: our central technical department, our IT department and our operational units. For building construction and civil engineering, the huge keyword is building information modelling, through the creation of virtual twins. That allows us to better master the design of the construction project, as well as master redesign, which we are very often in our industry. Opportunities for optimization in our industry are somewhat limited, compared to normal manufacturing industries. When it comes to infrastructure, it is more about logistics. Hence, we have two big interdisciplinary projects. The first one is in building construction and civil engineering and the other one is in transportation infrastructure. They are both under the roof of 'smart construction', but they are two different projects.

Why is Austria one of Europe’s best investment destinations?

Vienna represents at least 20% of the Austrian economy and is the fastest growing German speaking city in the world. This is thanks to the quality of life, the security, the economic and political stability.

Based on all major figures, Strabag SE is the largest construction company in Austria

In 2018, Strabag SE generated a record output volume of EUR 13.6 billion.

In 2018, Strabag SE earnings before interest, taxes and depreciation (EBITDA) is EUR 952.6 million.

What is your assessment on the current state of the construction industry in Austria and internationally?

Since 2011, we have an exclusive partnership with Knight Frank, the world’s largest private real estate consultant who specializes in upscale residential properties.

Headquartered in London, Knight Frank has 523 offices in 60 territories and more than 18,170 employees. Austrian customers thus have access to global markets, their real estate is given an international presence in Knight Frank publications and is also incorporated into a comprehensive global real estate platform.

“Me for me it is also primordial to further develop the well-deserved reputation that the company has had for 60 years and be a trusted advisor for all of our clients.”

Dr. Eugen Otto, Managing Director, Otto Immobilien

What is success for Otto Immobilien and for its leaders?

What we are striving for is to have a balanced and happy life, both professionally and personally. This has always been extremely important to me here in Vienna and for more than 90 people who come to work in our offices every morning. It is critical that our employees like what they do and that having a good education, training and leadership will allow them to do their work well and professionally.

For me it is also important to further develop the well-deserved reputation our company has had for the past 60 years and to remain a trusted advisor for all of our clients. The best compliment for us is to have repeat customers. We are at times consulting and working with third and fourth generation families who have used our services, properties. Our aim is to connect people and properties perfectly. People come to us because they look for experienced experts in real estate who will guide them in a trustworthy manner to reach their goals.
Dr. Bernhard Sagmeister, Managing Director, aws Austria Wirtschaftsdienste, breaks down the means of support towards Austria’s enterprises.

**Support throughout the entire enterprise life cycle is fundamental**

why is aws a strategically important institution? Can you help us navigate into the organizations three main areas? Who do you help and how?

We promote innovative enterprises and rapidly growth-driven companies. This has been our history for 65 years in Austria. aws is the federal promotional bank, which is fully-owned by the government. It is quite important to share some risk in different stages of the enterprise life cycle. That is during the pre-funding stage, but also during the funding as well as later on.

We provide our services via four plus one financial instruments. The first financial instrument is through grants. We have some programs where we set that they end up very successful. The second is soft loans. We provide soft loans with a long-term maturity as well as a fixed interest rate. We also provide guarantees. They have a huge leverage effect to mobilize especially commercial loans with a long-term maturity as well as a fixed interest rate. We also provide that they end up very successful. The second is soft loans. We provide soft loans through our financing programs. We also have programs where we see some extraordinary grant programs. On an average year, we provide around EUR 1.2 billion. We support about 6,000 programs each year.

Based on your knowledge, how is the startup scene in Austria? How easy is it to launch a startup and find all the necessary help to grow?

The Austrian scene has developed very well over the last years. This has also to do with the strong focus and persistence of our own activities.

“The Austrian scene has developed very well over the last years. This has also to do with the strong focus and persistence of our own activities.”

Dr. Bernhard Sagmeister, Managing Director, aws Austria Wirtschaftsdienste

The establishment of a company, in order to create a kind of entrepreneurial spirit. We have some youth programs where we try to create awareness, for youth between 15 and 18 years old. We accompany outstanding students through the program, which provides coaching and mentoring for one year, in addition to a fixed monthly fee.

The second area of focus for us is startups. If you think about an innovative startup, you have multiple criteria. They have to have a scalable business model or innovative products and services. In total, we have around 400,000 companies in Austria, but just 25,000 of them belong to our clientele. Those are the really-innovative ones and the high-risk-takers. The third area is for already established companies, with a maturity of more than 5 years. When they undertake major growth steps or internationalizing, we provide them with financial, operational and non-financial results in 2018? What are the prospects in 2019?

It is always about the contribution of the development of an enterprise which is economically sufficient and successful. The aws has a strong focus on innovative companies to make a positive impact on the Austrian economy. They need much more contribution than other business models, because they have to invest very strongly in advance to become self-sustaining but have problems to get the right funding. Therefore, the State contribution has to be higher in order to support them. 2018 was a very strong year for us, thanks to some extraordinary grant programs. On an average year, we provide around EUR 1.2 billion. We support about 6,000 programs each year.

Could you give us a glimpse into Fachhochschule Technikum Wien, the strong points of the university, its top research fields and some other key performance indicators, such as students, employability after study, international network and partnerships?

We focus purely on natural sciences and studies in engineering technology, and that will remain our focus. We are small compared to international universities. We have about 4,500 students in 30 programs. Compared to competitors in Austria we are strong in research. Funding is a special situation in Vienna, due to the vast competition. In principle competition is not bad, but other universities have basic funding from their own federal states. We have no big influence from politics. I think we are the only university of applied sciences whose maintenance organization is completely driven by industry and companies. There is no political agenda and that gives us a lot of freedom. Our board has the right leadership, we maintain a good relationship with industry. We have partnerships with the industry and we do a lot of research together. One interesting cooperative research area is in renewable energy systems, which we do with Finland, in association with the University of Jyväskylä. Additionally, we focus on urban systems and photonics and building infrastructure, combined with smart cities.

Could you highlight the main targets of FH Technikum Wien development plan?

In research we want to further develop cooperative PhD degrees. We have two parts in this organization. The older one is teaching and education, and the newer one is research and development. We need to focus on balancing them. In development in terms of students and new programs we have a lot of ideas with the industry, but we depend heavily on public funding. Currently we are lucky, because the political world wants to support engineering and telecommunications.

Could you highlight the main targets of FH Technikum Wien development plan?

In research we want to further develop cooperative PhD degrees. We have

**Technical universities in Austria bring new dynamic in higher education**

Dr. Fritz Schmöllbecke, Rector, FH Technikum Wien, gives us an inside view of one of Austria’s main incubators for qualified personnel.

Could you give us a glimpse into FH Technikum Wien, the strong points of the university, its top research fields and some other key performance indicators, such as students, employability after study, international network and partnerships?

We focus purely on natural sciences and studies in engineering technology, and that will remain our focus. We are small compared to international universities. We have about 4,500 students in 30 programs. Compared to competitors in Austria we are strong in research. Funding is a special situation in Vienna, due to the vast competition. In principle competition is not bad, but other universities have basic funding from their own federal states. We have no big influence from politics. I think we are the only university of applied sciences whose maintenance organization is completely driven by industry and companies. There is no political agenda and that gives us a lot of freedom. Our board has the right leadership, we maintain a good relationship with industry. We have partnerships with the industry and we do a lot of research together. One interesting cooperative research area is in renewable energy systems, which we do with Finland, in association with the University of Jyväskylä. Additionally, we focus on urban systems and photonics and building infrastructure, combined with smart cities.

How is a ‘technical university of applied sciences’ perceived within the system of higher education in Austria?

The perception is changing and interest from prospective students is high. If you look at the number of students studying in the universities of applied sciences, you have 280,000 in the university sector and 50,000 in the universities of applied sciences. The universities had 53,000 graduates from the universities in 2016 and 2017, and 13,000 were from the universities of applied sciences. The impact on the labor market is comparable. Students find their studies on time for the most part. As other universities people take longer to finish.

Could you highlight the main targets of FH Technikum Wien development plan?

In research we want to further develop cooperative PhD degrees. We have
Optimism and creativity to turn potential into profitability

Mr. Eduard Berger and Dr. Helmut Hardt, Board Members at Wiener Privatbank SE, give us a glimpse of their position in a demanding market.

What is your assessment of the state of the economy in the EU and especially in Austria?

After the record period for the economy we see some slow down this year. Overall the Europeans as well as the Austrian economy are in better shape than people might think and we are optimistic, despite the reduced forecast. Austria benefits from the growth in Eastern Europe and the high growth in the Central Europe. Regarding banks, we wish interest rates would go up. Banks are operating in a difficult environment due to interest rates and heavy regulations. For the real estate sector, the interest rates provide significant help. You can get ten years financing at very low rates for a fixed ten-year period. This gives investors the opportunity to work with equity and banking loans.

What are the defining moments in the history of your organization?

We are an equity and private banking player in the Austrian sector. We have been on the market for fourteen years but we have a clear vision and mission. We focus on real estate services and investment advice. Consequently, we have been on the market for fourteen years but we have a clear vision and mission.

Mr. Eduard Berger, Board Member, Weiner Privatbank SE

In Austria one of Europe’s best places to invest and to grow a business is very diverse.

Europe is a good investment destination, even though it was underestimated in the past. With the start of the boom in Austria, the country’s position is brilliant as a door to Europe. We have a great airport and a lot of energy coming out of a small country, which was forced to move quickly to compete with its bigger peers, managing to become successful. The question now is whether the state can provide the right environment for foreign investors. Austria provides a stable environment and we are not at that changing. Vienna has a strong position for Russian and CIS citizens. We have a strong Russian community here and we see people coming here to invest and live. We are starting to see Chinese investors as well. In the high-level real estate market 10 to 20% of our investors are foreign.

What are the challenges of a bank of the type of Wiener Privatbank SE?

Digitalization is on everyone’s mind. The challenge for a private bank is to optimize workflows in the back office as much as possible, without losing the personal touch. We cannot compete on the technical side, but we compete on the personal side. We do not handle their day-to-day life needs; we are their second bank handling their specialized real estate and wealth management needs. We are working to digitize our client on-boarding behind the scenes in the infrastructure. Our business is face-to-face, we cannot compete with electronic banking tools and we think our high-level customers pursue face-to-face interaction.

Where do you see the bank in 10 years and why?

We will be in a strong market position with private clients and market shares in CSS and CEE. We will have a strong position on the balance sheet with about a 20% tier one ratio, which shows a stable and profitable bank. We are well prepared for new clients, and with the partnerships and cooperation we have in place we are happy to do face-to-face business.

Dr. Andreas Bierwirth, CEO, Magenta Telekom, describes the future of the telecommunication sector within Austria and beyond.

Digitalization as the main vehicle for superior connectivity

Besides your well-mastered managerial skills, you have also had a vast experience in the airline industry. Which of your past professional experiences have you found useful in your current business and why?

I think the main similarity between the two industries, airline and telecoms, is that we are dealing with infrastructure. The problems with telecoms is that, once your infrastructure is in place, it is not modifiable. On the other side, the aviation market is much more dynamic and dependent on economic cycles, while the market for telecoms infrastructure is much more stable, independent from typical economic cycles, but even more dependent on local competition. The key difference between aviation and telecoms is that the rules governing how you do business are aligned throughout Europe. In the telecoms industry, these rules are not aligned, because this spectrum auctions are set up country by country.

Could you give us a glimpse into your understanding on the current state of the sector both in Europe and especially in Austria?

We are at the heart of digitalization. We have to produce the networks and keep up with them, doubling in size each year. We have to digitize ourselves which requires clear thinking and access to people in IT.

How is technology changing the business in the telecoms sector?

We are at the heart of digitalization. We have to produce the networks and keep up with them, doubling in size each year. We have to digitalize ourselves which requires clear thinking and access to people in IT.

As a marketing expert, how important is branding today telecoms sector?

We are an industry where retaining loyal customers requires a lot of marketing. On the other hand, you really have to make sure that your technical performance is good. Without performance the branding will have no effect. For me, first comes technical performance and then customer service.

Based on your previous answers, could you please highlight your strategic priorities for 2019 and beyond?

We are going to become a converged company. That means that we understand our customers, not only in terms of a single customer. That is strategic priority number one. Number two is R2B. We feel responsible for the Internet of things, not only in terms of setting up networks, but also in terms of solving problems and exploiting opportunities, no matter what is their sector of origin.

The environment remains challenging. In 2018 we focused on successfully managing our high-level customers pursue face-to-face interaction.

In 2018, the total assets of Wiener Privatbank amounted to EUR 411.04 million.

In 2018, the core capital ratio increased to 19.71%, compared to 17.7% in 2017.

In 2018, Wiener Privatbank reduced all administrative expenses to EUR 16.48 million.

The network of Magenta Telekom claims to reach 98.5% of Austrian households.

Magenta Telekom has more than 5.7 million customers.

UPC Austria

On May 2019, T-Mobile Austria rebranded as Magenta Telekom, following the merger with UPC Austria.

As a leading telecommunications company in Austria, what are your thoughts on the impact of 5G on the industry?

There has been a lot of negative press about 5G and about its damaging effects. What's your view on that?

We have not had this kind of press over the last 10 years. However, this discussion is growing large in the public interest. You can say there are five levels of 5G and one of the possible layers of 5G is super-high spectrum, but it is still not dangerous.

Could you assess the future of 5G in the context of Austria’s position within Europe and beyond?

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Mitigating climate change - how an Austrian niche player enables weather-driven decision making

Michael Fassnauer & Manfred Spatzierer, founders & CEOs, UBIMET, explain to us how our future is heavily dependent on the skies.

Can you give us a glimpse into your products and services?

We represent a company that addresses digitalization as well as a major topic of this century, which is the climate change. We focus on taking huge amounts of data, correlating them and produce what we call ‘nowcasting’, meaning what is the weather's situation currently. These data packs can be used by a private person but also a company. For example, our services can be helping an airport reduce downtime due to storms by a percentage up to 50%.

How did you find Vienna as a base for your company?

Vienna is a great place to start your business or keep it going. On the one hand, you have this really special geographical position. On the other hand, Austria provides an extremely stable economic environment. An advantage we have seen from the American companies we have got in contact with is that they also have a market due to their market size. Taxes are adequate and the workforce is quite skilled.

“We are not going into quantification of success. We just want to make an impact in the world. We aim for challenges, even when they lack the big capital behind it.”

Dr. Michael Fassnauer, CEO, UBIMET

How are new technologies going to impact your company and overall the industry?

The eruption of those new technologies influences our daily business at least in two ways. First, we are highlighting the internal aspect and the way these technologies affect our business. Big Data and anything that comes along with it is a big topic. We are working in several projects where we correlate weather-technologies affect our business. Big Data and anything that comes along with past is that they also have a relative stability, due to their market size. Taxes are austria provides an extremely stable economic environment. An advantage we have seen from the American companies we have got in contact with is that they also have a market due to their market size. Taxes are adequate and the workforce is quite skilled.

What are the risks for our lives and our companies’ futures in the short-term due to global warming? How can you mitigate such risks?

The climate models predict that the process of warming up will continue. We have certain forecast scenarios for certain areas in the world. Amongst extreme weather phenomena, we will have to brace for what we call the ‘silent killers’. These do not describe something happening, but instead the absence of a phenomenon. That will be for instance the lack of precipitation during the spring and summer periods, in the Central Europe and the Mediterranean Sea. A lot of people have their opinions, but facts are not bent by opinions. Migration in such events can be a part of a discussion, in parallel with efforts like ours. We give them the information on how to react or at least expect what is going to happen.

What does success mean to you as people and UBIMET?

On the business side that would be having a healthy growth and satisfied customers and partners. We find incredibly fulfilling to do something that actually makes sense. There are so many things that are being produced and practically waste people's time. With our services we can make people understand more about our world. We are not going into quantification of success. We just want to make an impact in the world. We aim for challenges, even when they lack the big capital behind it. Solving real problems and delivering stable solutions is the foundation of what we do.

An Austrian company specially ‘designed for precision’

Wolfgang Grumeth, CEO, Airborne Technologies, explains the meaning behind their slogan: ‘Innovation with responsibility’.

What are the company unique selling points and why are your products and services successful? Among the services and products offered, what is your core business and where do you see the greatest opportunities?

Our core business is the cutting-edge surveillance equipment for fixed and rotary wing aircrafts, specifically for the police and military sector. What makes us stand out from our competitors is our combination of aviation and sensor expertise united under one roof. As an approved Design and Production organisation, our scope of work involves the whole process from aircraft-operation to design and modification. The world’s current state of safety creates an increasing need for general security, which in turn leads to a growing demand of airborne surveillance – that’s where we come in.

Could you give us a glimpse into the global integration operations and markets?

We are all over the globe, except North America and China. With business partners in many different countries, we see ourselves as an expanding international company. Currently we are developing a steady foothold in the Middle and Far East, as well as in several Asian countries. In any case, our core market and home base remains in Europe.

“Important reasons for choosing Austria were and still are the good infrastructure, low crime rate, stability in the legal system highly educated technicians and an overall good reputation of the country.”

Wolfgang Grumeth, CEO, Airborne Technologies

How is technology, sustainability, the use of efficient energy and shaping your future?

Considering the fact that our work consists of complex technical projects in an ever-changing market, we need to be flexible and adapt to various customer requirements. Today’s surveillance systems are transmuting more and more to data as both the crew in the air and on the ground. We see it is our mission to optimize this data in a way to make it more accessible to someone who is not necessarily a ‘tech-nerd’. Our in-house development “Airborne LINKS” for instance leads the field in simplifying the management of all sensor and communication systems on a simple-to-use touch screen, reducing the daily workload of pilots and operators.

Was Austria a center of opportunity for your organization? If so, why and how?

When we founded this company eleven years ago, we also had the possibility to do it somewhere else. Staying here was a focused decision, because I was aware of the fact that we have a very good aviation knowledge how here in Austria, especially in this area.

Other important reasons for choosing Austria were - and still are - the good infrastructure, low crime rate, stability in the legal system, highly educated technicians and an overall good reputation of the country.

Where do you see your organization in the next 10 years and what are you doing in order to fulfill this vision?

In the future, I am confident that we will be serving the same markets, though possibly more in the unmanned sector. This sector specifically is growing, although it will not completely substitute the manned sector just yet. In 10 years, our company plans to double its current size as well as triple the turnover. Our main goal though remains to become the first choice for ambitious and sophisticated airborne surveillance solutions. Is there anything else you would like to add for our readers?

Airborne Technologies’ field of work is anything but simple. The complexity of the customer’s project requirements can seem overwhelming at first glance. We are a one-stop-shop for airborne surveillance solutions. Our customers enjoy the benefits of having one single point of contact compared to the hassle of running around and coordinating with various suppliers. Due to our operating experience, we have a lay-up on understanding our customers and supporting their needs.
Groundbreaking technologies forming a niche transcending industries

 Lukas Silberbauer, Managing Director & Co-Founder, taurob, guides us through the company’s early yet successful steps in the industry.

Could you give us a glimpse into the products and solutions the company has developed?

Originally, my co-founder, Matthias Biegl, and I founded a company to build fire-fighting robots. Firefighters have three very distinguishing requirements. One, the robots must be ATEx-certified. That means the robot can go into an exploitable atmosphere. Second, it needs to be very easy to operate, very intuitive, because they do not have specialties like the military or the police forces. Third, it must fit into their budget. Eventually, we founded a company of around 10 people. We started off as the firefighting market and the security market, but I mean CBRS (Chemical, Bacterial, Radiological, Nuclear), police forces, civil defense, but predominantly, the oil and gas market. They wanted those robots to conduct autonomous routine operations across offshore platforms.

What is the importance of partnerships?

As we set out our company initially in the firefighting segment, it was clear to us that we cannot be successful alone. We could either focus on the development of unique and innovative products or the sales side. Our chance was to focus on the development side and we would manage our sales side through partnerships. As an SME in Austria, we simply could not provide a presence in Africa, or perform maintenance to offshore sites. Therefore, we are very happy to have signed a strategic partnership with Dietsmann, the leading independent Operations & Maintenance provider in Oil & Gas & Power industry last month.

Could you identify the two most disruptive technologies that will transform our lives in the next 10 years?

For me, it is all about machine learning and AI. This is a big topic for us, given that, in the end, our robots are supposed to do what a human does. A human relies on his or her intelligence to perform those tasks. As a result, we promote AI-driven algorithms already today in order to figure out multiple crucial parameters. Everything keeps getting smarter and interconnected. Our robots are embedded in this Internet of Things reality. Personally, I hope that blockchain is setting up. This technology is very exciting and it fascinates me. Unfortunately, like many others, I do not see a business need for the Blockchain as of now.

Where do you see yourselves in the next 10 years?

We see ourselves as a robot design company that designs specialized robots for various industries. There are a lot of interesting industries that could make good use of our robots. We see ourselves as a company that can offer its service through its partnered companies. We cannot see ourselves as a company with a global footprint. We are looking at expanding this relationship to other big players in the oil and gas industry.

Could you give us a glimpse into your company’s products, technology and services?

We were founded in 1999. We have at the core of our name SAIL LABS. SAIL, primarily delivers a product called the ‘Media Mining System’, trying to analyze media in multiple languages and in all their fascinating ways of distribution. This provides an overview on what is going on in the media about a company, a product, directors, officers or even politicians. We ingest all formats (TV, Radio, Web, Social Media, Press Agency Reports) into a big database in multiple languages in an attempt to find the international footprint of a story. We allow analysts to spend their time doing what they do best, analyzing rather than finding. This allows journalists and everybody that has to do with media, including tourism, marketing and politics, understand a given situation.

How do you differentiate your offer from government to commercial and why?

We are distinguishing our services to governmental and non-governmental customers. Commercial customers are primarily interested in how their offices, organization or products are mentioned in the news. In the government sector, we are in contact with the Ministry of Interior, Tourism, Defense and other agencies. We cater to people who need to understand what is happening in the news. We want them to gain awareness and make the right decision.

The most groundbreaking part that we are working on is a true engine, based on a combination of several technologies, allowing our customers to know whether something is trustworthy or not.

Does your company help governments and companies overcoming the risk and impact of digital security and ‘fake news’?

We provide the tools so that our customers use them in their entire systems, in any way they see fit. It is the customer who decides which social media or channel is interesting to him. When it comes to ‘fake news’ and misinformation, it is something that many of our customers have asked us to deal with. There is a lot of misinformation, that sometimes is even well organized. We have software that helps us identify whether a photo has been ‘photoshopped’ or not. When it comes to tweets, we have built a technology that allows us to determine whether something comes from a bot or not. In order for us to tackle ‘fake news’ more effectively, we need to come with additional mechanisms and technologies, such as a trust model, that allows us to slowly calculate whether you trust a source or not. We are in several EU projects and we do our own research as well in order to tackle ‘fake news’ in the media.

Are technologies such as 5G, big data and blockchain going to shape and have a major impact on your company and the overall industry?

Coming to next-generation technologies, we are a highly technological-driven company. We highly benefit from the advances of Big Data, collecting millions of documents every day that need to be processed and analyzed in multiple domains. A groundbreaking part that we are working on is a truth engine, based on a combination of several technologies, allowing our customers know whether something is trustworthy or not.

In 2013, taurob was the first company worldwide to produce an ATEx-certified robot

In 2011, all machines at taurob are ISO 9001 certified, by TUV Austria

Mr. Lukas Silberbauer, Managing Director & Co-Founder, taurob

A large portion of our customers comes from Europe, Middle East and Africa. Interestingly, we found the whole region to be really receptive of our technologies, through press agencies and larger organizations that are using our tools. We sell all the way back to Asia and the Americas. We would like to do a bit more in North America, that is still an area that we have not found the best roads of entry. There is still a lot of potential in Europe.

What would you highlight about your story, the challenges you have faced but also the opportunities you have found as an entrepreneur in Austria?

As an international company, what are your priority markets and why?

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What would you highlight about your story, the challenges you have faced but also the opportunities you have found as an entrepreneur in Austria?

I have always wanted to live an interesting life. I started this journey and certainly there were some quite difficult days. I tried to surround myself with people that I like and tried to have a climate of mutual respect in my company. For the company itself, we want to achieve reasonable growth, so that the investments that our shareholders have made prove to be worthwhile.

Data mining and analytical tools never seen before made in Austria

Christoph Prinz, CEO, SAIL LABS Technology, introduces us to the next generation of professional analysis and research tools.

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Christoph Prinz, CEO, SAIL LABS Technology

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www.country-reports.net
“We have more experience than others”

Thomas G. Winkler, CEO of UBM Development AG

City tourism is booming—and UBM is booming along with it. As the largest hotel developer in Europe, we have built up incredible expertise in this segment. It’s a fact: you can only do something really good when you are fully focused. That is why we focus on our core expertise—the development of real estate, with hotels as the central point. The interaction between experience, strict quality standards and the dedication to identify trends at an early stage have made us a reliable partner for the best-known international hotel operators and investors.

The current financials confirm our course: with the highest earnings in our company’s history, an equity ratio of 35 percent and a record dividend, 2018 was our best year ever.

City tourism is one of today’s megatrends. People have grown accustomed to regularly discovering new cities or revisiting their favorite destinations time and time again. If you want others to sleep well, you need to be wide awake. And that is just the state of mind at UBM. We invested in the future at the right time and acquired a range of attractive properties from Vienna to Prague, Gdansk, Berlin, Hamburg and The Hague. With a total of 16 hotel projects currently under development, UBM’s pipeline has reached an all-time high. Because the future belongs to the people who build it.

UBM is the leading hotel developer in Europe and also internationally successful in the office and residential asset classes. In Germany, Austria and Poland we realize large-scale projects in the best locations. Our share scores in the prime market of Vienna Stock Exchange. By purchasing UBM real estate you win a renowned partner as well.

www.ubm-development.com