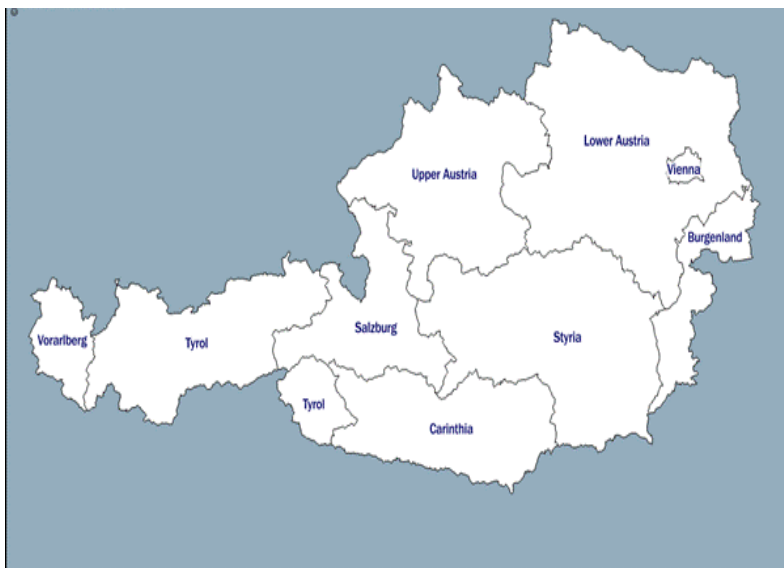


Upper Austria

November 2024

1. Introduction



Upper Austria is one of the nine states of Austria and is home to the capital of Linz, the largest city in the state. The region spans a surface area of 11.983km² and is situated in a unique stone-age landscape on the banks of the Danube River between the Bohemian Forest and Dachstein Mountain. With its 1.53 million inhabitants, Upper Austria's is one of the most successful regions in Austria due to its geographic advantages, strong export economy and future-oriented investments aimed at boosting the region's global network and innovation. It is also home to the Austrian Alps and the Danube River. The Danube River serves as a

transportation and trade utility and is also a tourist attraction. Upper Austria is recognised for its tourism appeal with its rich culture and heritage: the village of Hallstatt is a UNESCO World Heritage site. Upper Austria's sectoral synergy emanates through its initiatives such as the "Genussland Oberösterreich". A local culinary initiative for food enthusiasts, the event connects agricultural and manufacturing companies through tourism, specifically gastronomy and general food trade.

Table 1: General and economic information, 2023

Governor	Thomas Stelzer
Capital	Linz
Population (2023)	1.533.948
Area	11.983 km ²
Unemployment rate (2024) ¹	4.6%
GDP current prices (2023)	EUR473.23bn
GDP growth (2023)	5.63%
Export (2023)	EUR54.13bn
Export Growth (2023)	55.47%
Imports (2023)	EUR38.07bn
Import Growth % (2023)	-9.37%

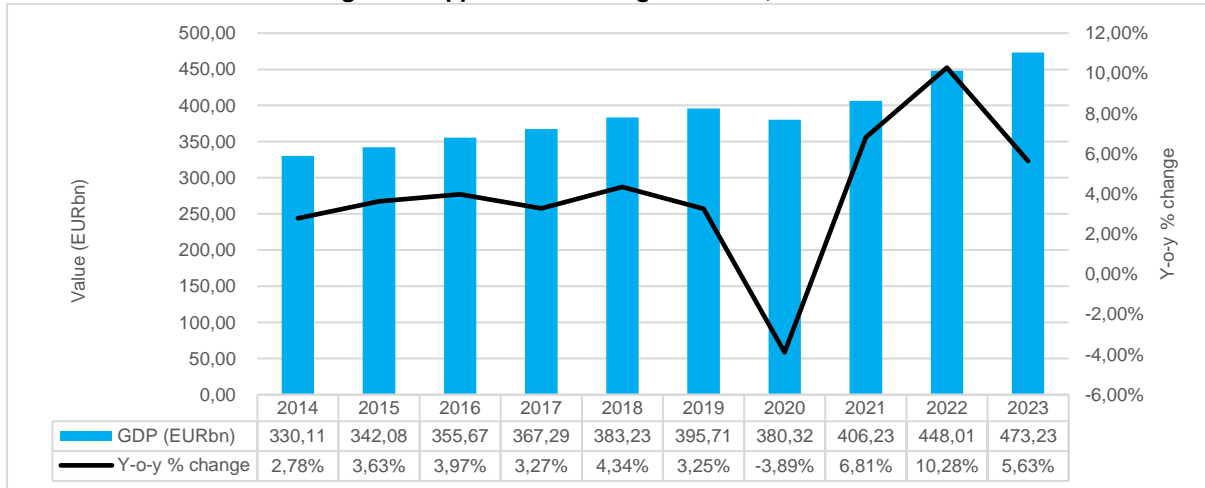
Source: State of Upper Austria, 2024; Wirtschaftskammer Oberösterreich, 2024; Statistics Austria, 2024

¹ Preliminary numbers, estimates

2. Economic Overview

Figure 1 illustrates Upper Austria's gross domestic product (GDP) between 2014 and 2023. The region's economic trajectory indicates a period of growth during the timeline under review (specifically from 2021 to 2023). In 2023, the region's GDP amounted to EUR473.23bn, whereas in 2022 it was EUR448.01bn. The increase in the region's y-o-y GDP growth rate in 2023 (5.63%) was influenced by capital investments in research and development (R&D), electric vehicles and green hydrogen projects. The region's average annual growth rate was 4.01% from 2014 to 2023.

Figure 1: Upper Austria's regional GDP, 2014–2023

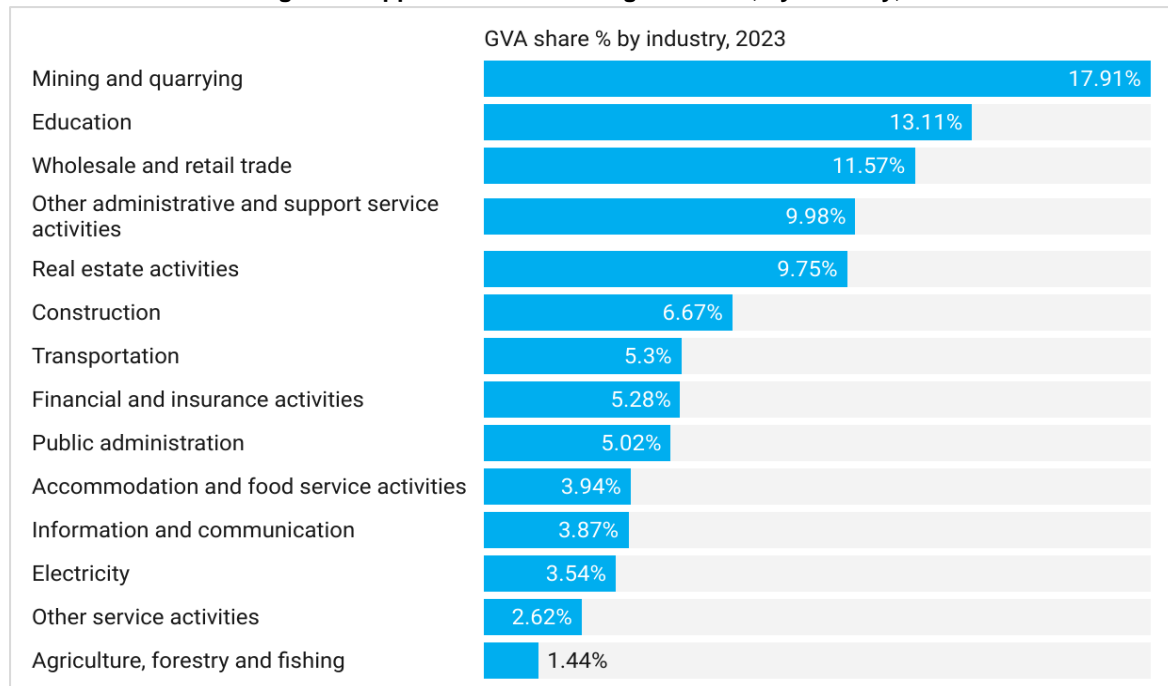


Source: Statistics Austria, 2024

Note: Upper Austria's GDP metric is in current prices for the values depicted above*

Figure 2 shows that Upper Austria's mining and quarrying industry was the region's top performing industry in terms of contribution to gross value-added (GVA) in 2023, with a contribution of 17.91%. Education followed with a contribution of 13.11% and the wholesale and retail industry was third with a share of 11.57%.

Figure 2: Upper Austria's real regional GVA, by industry, 2023



Source: Statistics Austria, 2024

Upper Austria's primary economic drivers include manufacturing, technology and the services industry. The manufacturing industry includes manufacturing of specific commodities such as metalworking, machinery and equipment; with manufacturing specifications in advanced manufacturing technologies such as robotics, automation and additive manufacturing. In 2023, Upper Austria made the largest industrial production contribution of non-ferrous metals and automotives, with a share contribution of 50% towards the Austria's total industrial industry in 2023, also accounting for 28% of Austria's exports.

Table 2: Key highlights of Upper Austria's industrial production in 2023

Key Industries for 2023	Upper Austria (EURbn)	Austria (EURbn)	Upper Austria share %
Machinery and Metal Goods Industry	15.3	48.5	31.5%
Automotive Industry	9.3	18.6	50.0%
Chemical Industry	6.0	18.4	32.6%
Electric & Electronics Industry	4.6	26.2	17.6%
Food Industry	3.5	13.7	25.5%
Non-ferrous Metals Industry	3.1	6.1	50.8%
Construction Industry	2.5	8.9	28.1%
Wood Industry	1.8	9.7	18.6%

Source: *Wirtschaftskammer Oberösterreich (Business Location Upper Austria), 2024*

Upper Austria's economic highlights include the following:

- Upper Austrian Development Agency: This agency is responsible for fund allocations and project management for the **Just Transition Fund** (the region received EUR76m out of a total of EUR136m from the European Commission). The agency collaborates closely with trade unions, as they hold a 15% share in the allocated funds through the Upper Austrian Chamber of Labour.
- The **Future Mobility Region** initiative for the region's automotive sector is an example of a project falling under the ambit of the **Upper Austrian Development Agency**. The initiatives approach is based on enhancing and developing technology; synthesising energy storage solutions and promoting R&D (research & development) in electric devices; and meeting the energy transition mandate of sustainable vehicle solutions, infrastructure and the general environment. Luckily for Upper Austria, the employee pool is saturated with highly trained specialists in the region's 50km radius which allows for the region to be recognised as the industrial and sustainability hub for economic advancement and innovation.
- The **Sustainable Plastics Solutions project**, under the Upper Austrian Development Agency, focuses on the circular economy to meet the 2030 and 2040 EU Climate Targets.
- By 2040, the region aims to form its own **Hydrogen Valley**. This has the objective of expanding the enhancement and specialties in the region so as to foster research and integration of production, storage and distribution, and end-use applications of hydrogen – thereby building the hydrogen economy.
- Linz, the economic capital of Upper Austria, is responsible for the **steel sector** that contributes 87% of greenhouse gas emissions (GHG) in the region. The hub joins the circular economy space to reduce GHG emissions through **carbon capture technologies** that will promote new energy in a sustainable way. Voestalpine AG aims to transform the entire steel production industry to becoming carbon neutral by 2050 through green hydrogen alternatives.

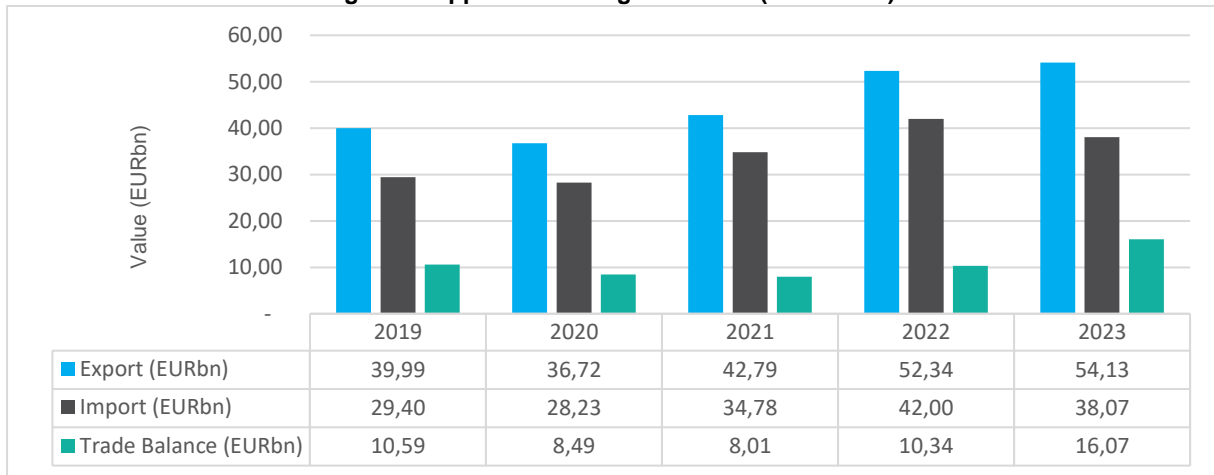
Source: *IndustriAll Europe, 2024; Vienna Times, 2024*

3. Trade

3.1 Upper Austria's Global Trade

Figure 3 presents Upper Austria's global trade flows between 2019 and 2023. In 2023, the region's global trade exports increased by 3.44% y-o-y growth rate to a value of EUR54.13bn up from EUR52.34bn earned in 2022. Upper Austria accounted for 26.99% of Austria's global export earnings, as Austria's total exports amounted to EUR200.55bn in 2023. The second leading export region was Vienna (15.69% share of Austria's exports) and the third leading region was Styria (14.33% share of Austria's export). Upper Austria's imports in turn decreased by -9.37% y-o-y growth to a cost of EUR38.07bn in 2023, from EUR42.00bn in 2022. The region accounted for 18.88% of Austria's imports and was the second-largest import region in Austria in 2023, as Vienna was the leading import region in 2023, accounting for 26.09% share of Austria's total imports for 2023.

Figure 3: Upper Austria's global trade (2019–2023)



Source: Statistics Austria, 2024

Upper Austria's **top export destination** markets in 2023 were:

- Germany at EUR18.29bn
- United States of America at EUR4.11bn
- Belgium at EUR3.22bn
- Italy at EUR2.91bn
- France at EUR2.23bn
- Czech Republic at EUR1.75bn
- Switzerland at EUR1.69bn
- Poland at EUR1.58bn
- Hungary at EUR1.29bn
- China at EUR1.27bn

The **top export products** in 2023 were:

- Nuclear reactor, boilers, machinery, and mechanical appliances at EUR14.40bn
- Iron and steel at EUR5.32bn
- Electrical machinery and equipment at EUR4.95bn

The **top import products** in 2023 were:

- Nuclear reactor, boilers, machinery, and mechanical appliances at EUR7.74bn
- Electrical machinery and equipment at EUR4.69bn
- Vehicles other than railway at EUR2.79bn

Germany was Upper Austria's **top source market** for 2023, at an import value of EUR13.40bn, followed by China (EUR3.09bn) and Italy (EUR2.80bn). The region's **top export markets** for 2023 were Germany (EUR18.29bn), the United States (EUR4.11bn) and Belgium (EUR3.22bn).

Germany is the most prominent trade partner for all Austrian federal provinces for 2023, for both import and export trading. Reporting from the regional foreign trade data by federal provinces and top-3 partner countries for 2023, Germany's total imports made up 66.33% of the total regional foreign trade by federal regions, alternatively, making up 64.41% of the total regional foreign trade by federal regions, in terms of exports.

Upper Austria was the leading exporting region to Germany, with an export share of 31.26%, followed by Lower Austria (14.34%) and Styria (13.46%). Germany's top import markets from Austria's federal regions, by import share, were Vienna (21.67%), Upper Austria (20.98%) and Lower Austria (15.03%)

Source: *Wirtschaftskammer Oberösterreich, 2024, Statistics Austria, 2024*

4. Foreign Direct Investment

4.1 Foreign Direct Investment from Upper Austria in South Africa

Between January 2014 and August 2024, Upper Austria's capital expenditure from foreign direct investment (FDI) in South Africa amounted to ZAR176.10m (in two projects). These projects led to the creation of 116 jobs.

Table 3: FDI projects from Upper Austria in South Africa, January 2014–August 2024

Project Date	Investing Company	Destination Province	Sector	Business Services	Capex (ZARm)	Jobs Created
Apr 2020	Fronius	Gauteng	Electronic components	Sales, Marketing & Support	3.07	2
Nov 2018	Polytec Group	Eastern Cape	Plastics	Manufacturing	173.04	114
Total Upper Austria FDI into South Africa					176.10	116

Source: *fDi Markets, a service from The Financial Times (2024). All Rights Reserved.*

4.2 FDI from South Africa in Upper Austria

According to FDI Market Intelligence, there is no evidence of FDI from South Africa in Upper Austria during the period reviewed (January 2014–August 2024). Likewise, there is no evidence of bilateral FDI between Upper Austria and Western Cape during the period reviewed.

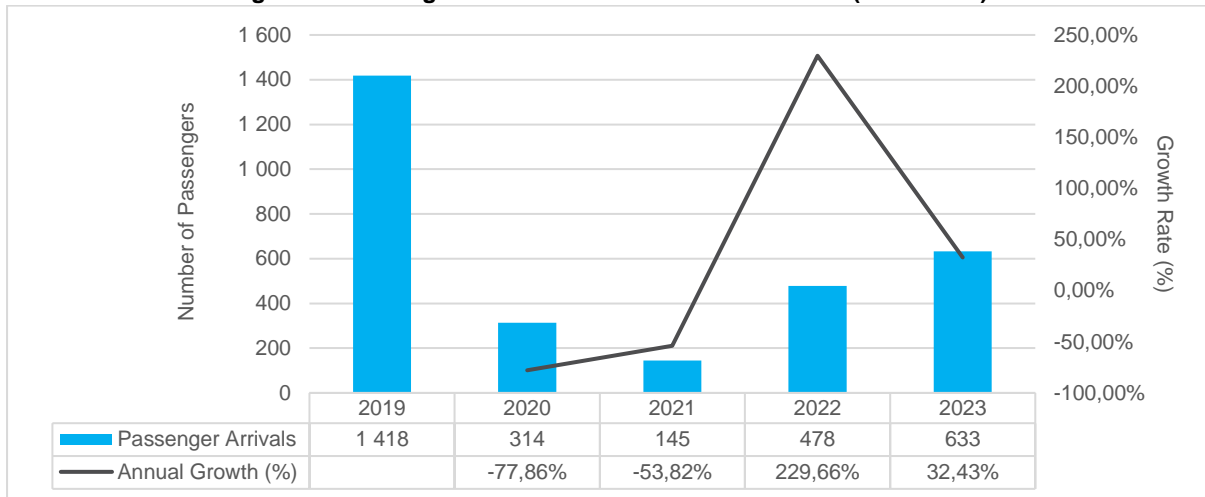
5. Tourism

This section provides insights into passenger arrivals from Upper Austria in South Africa and Cape Town over a five-year period (2019–2023).

5.1 Passenger Arrivals from Linz to South Africa

Figure 4 shows the number of passenger arrivals from Linz International Airport into South Africa between 2019 and 2023. In 2023, passenger arrivals from Linz into South Africa increased by 32.43% year-on-year, from 478 arrivals in 2022 to 633 passengers in 2023.

Figure 4: Passenger arrivals from Linz to South Africa (2019–2023)

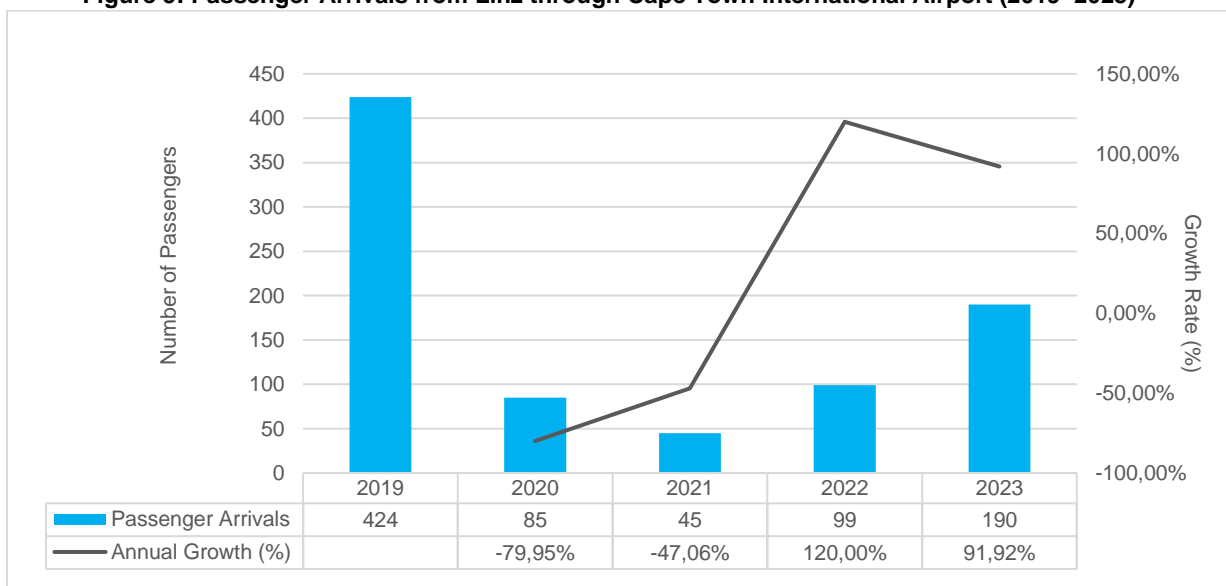


Source: OAG Traffic Analyser

5.2 Passenger Arrivals from Linz through Cape Town International Airport

Figure 5 shows the number of passengers arriving from Linz to Cape Town via Cape Town International Airport (CTIA) from 2019 to 2023. In 2023, the Cape Town International Airport welcomed 190 passengers from Linz International Airport, representing a year-on-year growth of 91.92% compared to the 99 passenger arrivals recorded in 2022.

Figure 5: Passenger Arrivals from Linz through Cape Town International Airport (2019–2023)



Source: OAG Traffic Analyser

Disclaimer

Wesgro has taken every effort to ensure that the information in this publication is accurate. We provide said information without representation or warranty whatsoever, whether expressed or implied. It is the responsibility of users of this publication to satisfy themselves of the accuracy of information contained herein. Wesgro cannot be held responsible for the contents of the publication in any way.

© Wesgro, 2024