



ECONOMIC STRATEGY LOWER AUSTRIA

2025

Lower Austria for entrepreneurs.
Quality today and tomorrow.

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Lower Austria: A location with a bright future

Lower Austria is a welcoming and internationally attractive location. Its past development has been dynamic: once an agricultural region, it established itself as an industrial location before achieving its current status as a modern technology and research destination of international repute. International awards and cooperative agreements, internationally renowned companies and respected research, as well as significant growth in the relevant economic indicators all underscore these claims. Our new Economic Strategy 2025 will continue to guide us on this successful path.

Johanna Mikl-Leitner

Governor

PRESENT SITUATION

Lower Austria is a dynamic economic region with solid economic growth, often above the Austrian average.



Photograph: Robert Herbst

The Federal State of Lower Austria is highly diverse, both within and across its regions. These differences are expressed in various forms including demographics, economic structures and dynamism, purchasing power, workforce qualifications, supply chains and, last but not least, accessibility.

As in many European areas, the differences between vigorously growing central regions and peripheral regions are pronounced.

Lower Austria also benefits from several important transport networks. It is the site of major road, rail and waterway connections, as well as Vienna International Airport. This Federal State is also home to a varied range of business types, featuring a high proportion of SMEs. Over the past 20 years, the vitality of the region's research and education sector has encouraged 14 higher educational institutions to locate in Lower Austria.

STRATEGIC DEVELOPMENT PROCESS

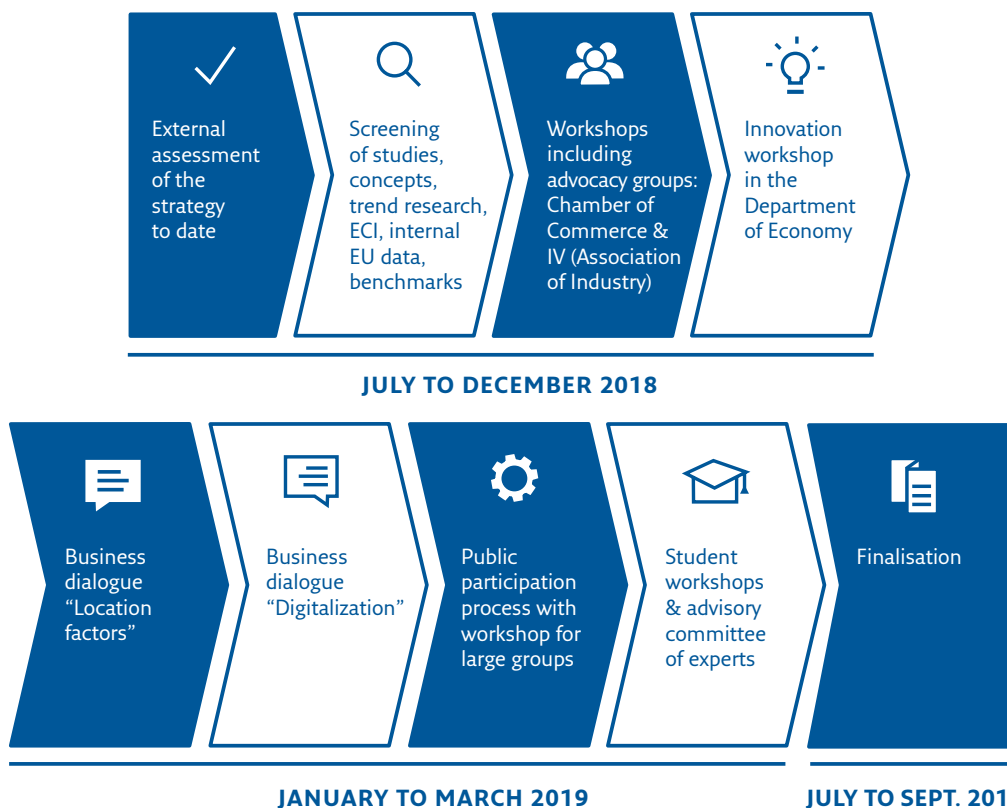
The economic policy framework for the years 2020 to 2025 is the culmination of a extensive survey and development process. It incorporated economic expertise, considered constraints to the diffusion of innovation, and examined relevant trends and challenges, the impact of overriding strategies and Federal economic policy, as well as the concerns and interests of advocacy groups and stakeholders. Key topics covered by the three pillars of Horizon Europe, including Digital, Climate, Energy and Mobility, Food, Bioeconomy, and Natural Resources, were also considered.

The point of departure was an external evaluation of the Economic Strategy Lower Austria 2020. It examined both the strategic approaches as well as implementation of the previous strategy. It also quantified the extent to which the

intended effects had achieved their objectives by comparing them with a benchmark analysis of structurally similar regions across Europe.

An entrepreneurial discovery process was also applied to involve all the stakeholders – corporations, experts, researchers, citizens and students – in developing the strategy. This was achieved by means of a public participation process.

There were also discussions with special advocacy groups including the Lower Austrian Chamber of Commerce and the Lower Austrian Association of Industry. Finally, an advisory committee of experts from business, finance, and science reviewed and assessed the results and observations.



LEITMOTIF

LOWER AUSTRIA FOR ENTREPRENEURS
**QUALITY TODAY
AND TOMORROW**



Photograph: Michael Liebert

A flourishing and competitive economy is the basis for the prosperity and quality of life of a region and its population. Continuous change and development are essential to maintaining and strengthening this economy. Standing still only results in falling behind. At the same time, care must be taken to preserve important resources and livelihoods.

“Lower Austria’s Economic Strategy focuses on creative solutions and innovations.”

Lower Austria’s Economic Strategy focuses on new and creative solutions and innovations, encouraging high-quality products and services, and mastering social and ecological challenges.

Key topics covered by the new strategy include innovative, high-quality production and products, high-quality and regional locations, digitalization, Big Data and new business models, as well as developments designed to protect the climate and environment and to conserve resources. Reducing greenhouse gases and raising energy efficiency are essential to creating a sustainable economy in Lower Austria. Only a healthy economy can provide Lower Austria’s citizens with a good quality of life and protect their environment. In doing so, the economy plays an important role in supporting social cohesion. Accordingly, the United Nations Sustainable Development Goals (SDG) in all their forms are an important basis for Lower Austria’s economic strategy. SDG 8, SDG 9, SDG 12 and SDG 13 in particular are addressed here (www.noel.gv.at/sdg).

With the necessary courage, substantial changes can be effected and new business models and cooperative ventures implemented. The added value this generates will create opportunities to develop new markets and enhance competitiveness, in turn ensuring the stability of the entire region.

OBJECTIVES

Three key objectives will be pursued over the 2020 to 2025 strategy period:

Objective 01	Objective 02	Objective 03
Ongoing enhancement of internationality and attractiveness of location	Ongoing development of highly innovative economic centre	Increasing sustainable company growth
Indicators: <ol style="list-style-type: none">1. Export dynamics2. Human resources in science & technology3. Broadband speed4. Congresses, symposia5. Direct foreign investments	Indicators: <ol style="list-style-type: none">1. Company R&D budgets2. Employment in cutting edge technologies3. Patent applications4. National & international cooperative research5. Promotions (third party) claimed	Indicators: <ol style="list-style-type: none">1. Incorporations/ survivals2. Regional corporate structures3. Corporate growth4. Fast growing companies5. Employed

The key objectives are to increase the region's international presence and attractiveness, to develop the region as a highly innovative business location, and to increase sustainable corporate growth.

A set of quantifiable indicators have been selected with which to monitor these developments over the strategy period.

Particular attention will be paid to export performance (Objective 1), corporate R&D budgets (Objective 2), and employment figures (Objective 3) as key metrics (adjusted for special effects).



Photograph: Robert Herbst

ACTION PRINCIPLES

Four action principles will guide the key players in the Economy Department.

01

Networked, flexible
and agile action

02

Create the new, retain the
proven, discard the outdated

03

Create a
sustainable economy

04

Cooperative and
international action

Networked, flexible and agile action

Legacy rules are often outdated, and there are almost no remaining barriers to market entry. New players act globally and fast. Consequently, in future the mantra will be unbureaucratic and agile cooperation and action, irrespective of sectoral or organizational structures and hierarchies.

Networking is the key to successful innovation and effectiveness. The ability to adapt rapidly to changing framework conditions is also vital.



Create the new, retain the proven, discard the outdated

Lower Austria is home to many well-established and traditional companies which form the basis of the local economy. Attracting new businesses to the region, innovations, and a structural shift towards high-tech enterprises are all significant drivers of growth and competitiveness, and are actively encouraged. At the same time, the state

must provide the optimal framework conditions for business to ensure the continued success of its entrepreneurial base. Less productive activities should be discontinued in favour of new ones, while obsolete measures should be discarded as replacement measures are introduced.



Photograph: Michael Liebert

Create a sustainable economy

Responsible enterprises continuously reflect on the purpose of their endeavours and their impact on the environment, climate and society. They act as role models and serve as leaders in the drive to create a sustainable economy. New approaches and initiatives help to secure jobs, conserve resources, and ensure social and regional stability in Lower Austria. Enterprises will be supported in their efforts to develop and implement solutions to ecological and social problems as a means of positively reinforcing these factors.



Photograph: Michael Liebert



Photograph: Robert Herbst

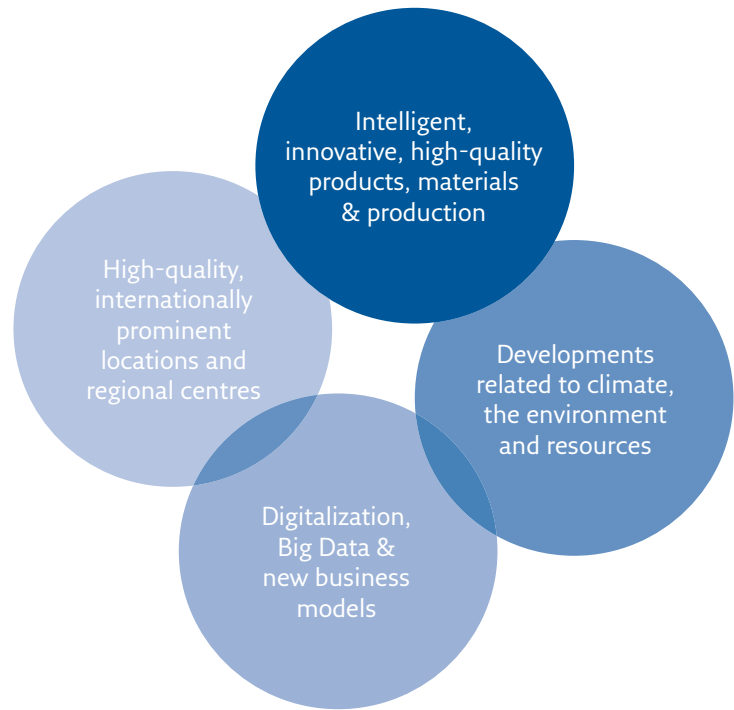
Cooperative and international action

Cooperation and joint ventures remain overriding success factors for bundling expertise, generating new ideas, and developing solutions. For that reason, contacts with strategic regional (e.g. institutions in Vienna) and cross-regional (e.g. the Danube region) cooperation partners will be sought or intensified, and international developments and opportunities for cooperation exploited.

CORE STRATEGIES

FOCAL POINTS

The Economic Strategy Lower Austria 2025 is based on four core strategies, each designed to strengthen and develop attractive, high-value economic locations. Their goal is to support promising areas of growth in order to drive development and more clearly position Lower Austria as an internationally competitive, high-tech, environmentally friendly and resource-conscious economy.



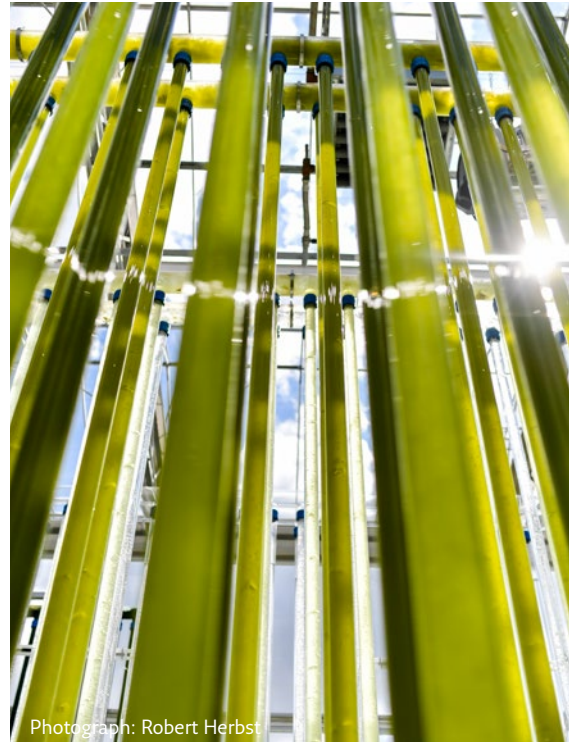
Photograph: Robert Herbst

Intelligent, innovative, high-quality products, materials & production

The Lower Austrian economic area has a traditional industrial core and is home to numerous manufacturing companies and innovative enterprises. They have a history of creating sophisticated products and services which are valued in the global marketplace. Intelligent and innovative, high-quality products will be the principal drivers of international competitiveness.

Other important success factors include intelligent production processes, new materials, and services which are innovative, supplementary, and modular.

The spectrum ranges from the development and deployment of innovations in production processes, new quality standards and material properties, self-learning machinery and the use of robotics (additive manufacturing), to the reduced consumption of resources (energy and raw materials). Consequently, support should be given to companies and institutions which consistently focus on innovation and intelligent products, materials and production systems, as well as associated services, in order to position Lower Austrian industry as a global frontrunner.



Photograph: Robert Herbst

Developments related to climate, the environment, and resources

Seen against the background of climate change, ever greater environmental risks, a rapidly growing population and raw materials scarcity, circular economies, minimizing CO₂ emissions, conserving resources and sustainable energy systems are becoming increasingly important as drivers of innovation. A holistic view of the value chain is required - from raw materials production and energy generation, including product design, material flows, re-use and recycling, through to proper disposal. Support should be given to creating such solutions, during the research, development, and production stages. Building up know-how and expertise in our region will drive this development.

The added value this creates will lead to new fields of business and novel technologies. These, in turn, will help to increase Lower

Austria's competitiveness and generate new jobs, while simultaneously giving rise to internationally marketable innovations designed to protect the environment.

“Circular economies, CO₂ reduction, conserving resources, and sustainable energy systems are all drivers of innovation.”





Digitalization, Big Data, and new business models

Digitalization, the intelligent processing and application of data volumes, new working environments, and agile working methods all offer enormous potential. Opportunities arise to develop novel business models. Digital solutions and innovative infrastructures stimulate increases in productivity, effectiveness, and efficiency. New and proven support mechanisms will be provided to better exploit the options created by digitalization.

Lower Austria's economy is based on numerous small and medium-sized enterprises with technical backgrounds. These are well-established and high-quality companies which have proven their agility and innovative flair in recent years. Progressive digitalization and digital solutions offer these enterprises not only enormous opportunities to grow and branch out into new markets, but also new challenges and obstacles. Programmes designed to engage with digital options, exploit their benefits, and overcome the challenges they present, will in future be intensified.

High-quality, internationally prominent locations and regional centres

Companies are making increasing demands of their locations. In addition to physical space, a qualified workforce, and infrastructure, key requirements include connections to research and educational facilities. Active networking opportunities, an attractive environment (quality of life, transport connections) and special facilities (e.g. laboratories, innovation labs, etc.) are also expected. Efficient administrative structures with transparent requirements and approvals processes are also important enterprise considerations.

The aim is to provide top-class infrastructure, a more attractive environment, and an expansion of service and networking facilities to turn the many attractive locations in Lower Austria – where companies, training centres and research

institutes are already engaged in cooperative endeavours – into prominent international locations.

The Lower Austria value creation map (economica) indicates that it is possible to generate relatively high levels of regional value at certain locations despite their remoteness from central regions and the main west and south traffic corridors.



Photograph: Robert Herbst



In addition to existing business hubs and technopoles, one or two regional (intercommunal) development hubs should be created as pilot projects, in accordance with the decentralization objective. These hubs are intended to strengthen the economic structures which create value in more remote regions.

As well as the focus on attracting businesses and cooperation with educational institutions, programmes should be established which enhance the area in terms of better quality of life, and more social opportunities, etc. Apart from critical size (companies and communities relevant to cooperation) and the requisite infrastructures, the region should also be positioned in terms of its thematic profile. The presence of an intercommunal culture of cooperation is also highly advantageous, supporting “intercommunal profiling”.

Central infrastructures are a key factor in determining the attractiveness of a business location. Lower Austria offers an excellent transport network, connections to public transport, a high-capacity international airport and adequate basic infrastructures (e.g. energy supply). The broadband infrastructure has also been significantly improved in recent years. As the free market cannot guarantee comprehensive broadband coverage in rural areas, enormous efforts are underway to ensure the expansion of state-wide broadband provision over the longer term.

A skilled workforce is a significant location factor

The availability of a well-trained workforce is essential to economic growth and competition. The training and further education opportunities available in Lower Austria should be expanded, taking into consideration the future challenges and demands faced by business. This will primarily be the responsibility of the State departments for labour and education.

The Department of Economy will support further education initiatives run by companies in a variety of industries, and launch a range of initiatives to assist Lower Austrian companies in training the skilled workforce they require.

“A skilled workforce
is a significant driver
of economic growth.”



Photograph: Robert Herbst

STRATEGY

IMPLEMENTATION

Instruments & sustainable networking systems

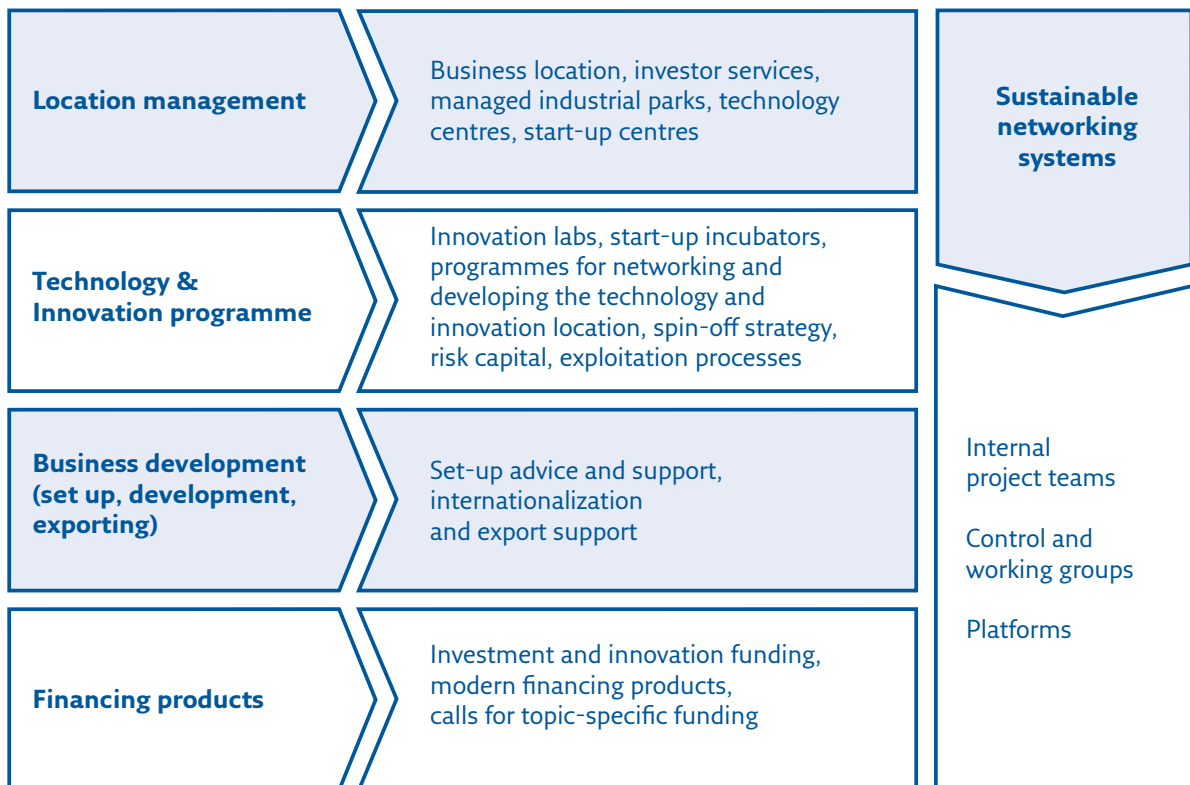
The Department of Economy will use its infrastructure of organizational units and programmes, together with a range of development and implementation instruments, to achieve the defined objectives and drive forward key topics.

As part of the Lower Austrian Economic Strategy 2025, organizations and instruments will be re-oriented and developed in accordance with the action principles (networking, agility, transparency) relevant in today’s business environment.

Central services will be chiefly provided by means of location management, technology

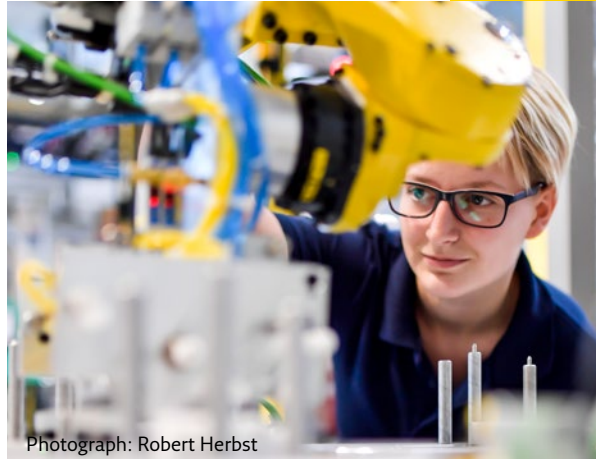
and innovation programmes, as well as corporate development and financial products. The entire portfolio of support services must be expanded to meet customer needs and new competitive demands, whilst retaining flexibility and project focus.

New forms of cooperation within the department and with external partners, should lead to new ideas, innovations and solutions. They should involve greater deployment of “Internal project teams”, “Fiscal and working groups” and “Platforms” (belonging to and in cooperation with companies, research and educational institutions, etc.).

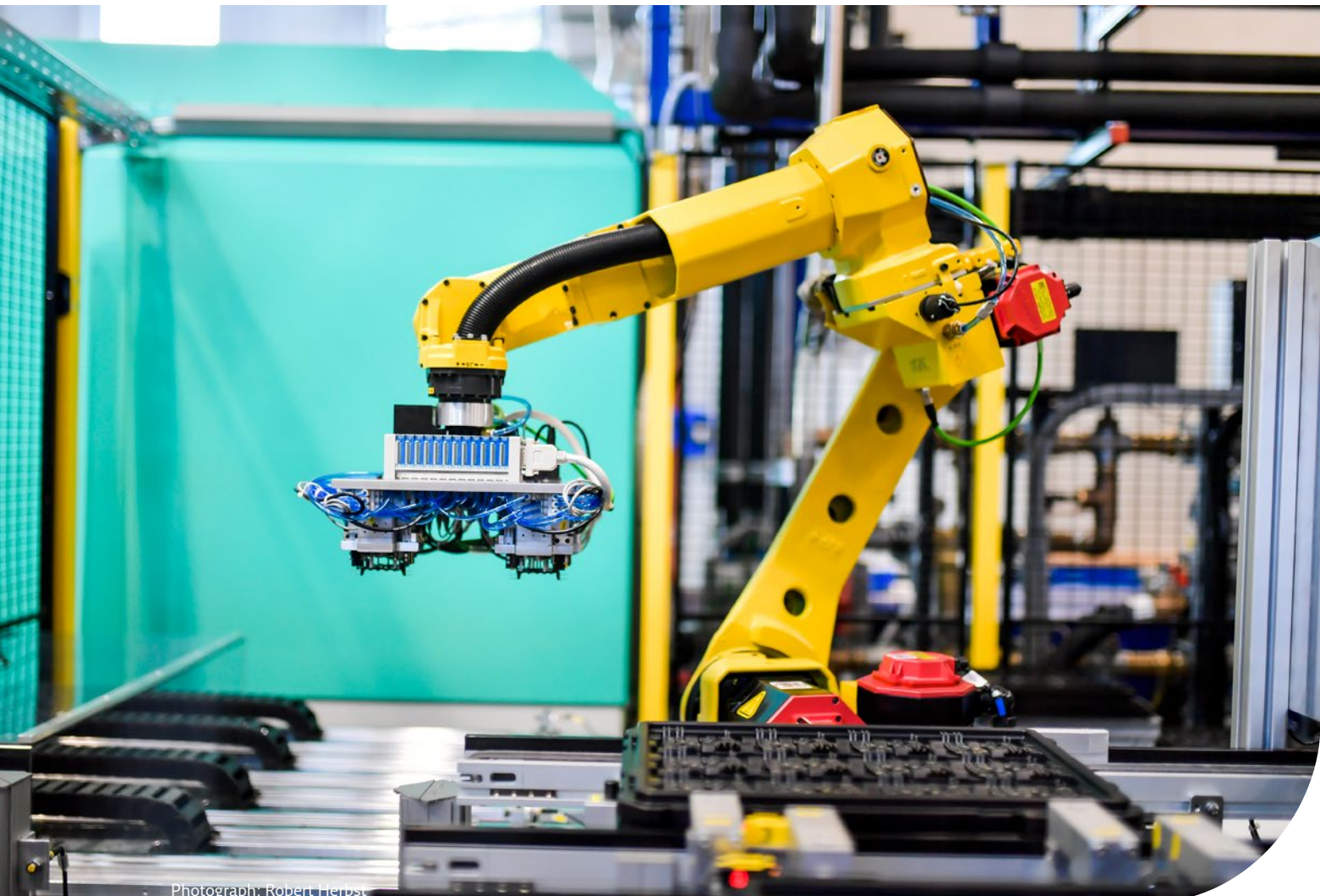


CONTROL SYSTEM

The tried-and-tested Balanced Scorecard System (BSC) will be applied to control all the business units in the Department of Economy, and ensure all activities are aligned with the strategy. Each BSC is guided by a set of measurable milestones to be achieved over the course of the current strategic period.



Photograph: Robert Herbst

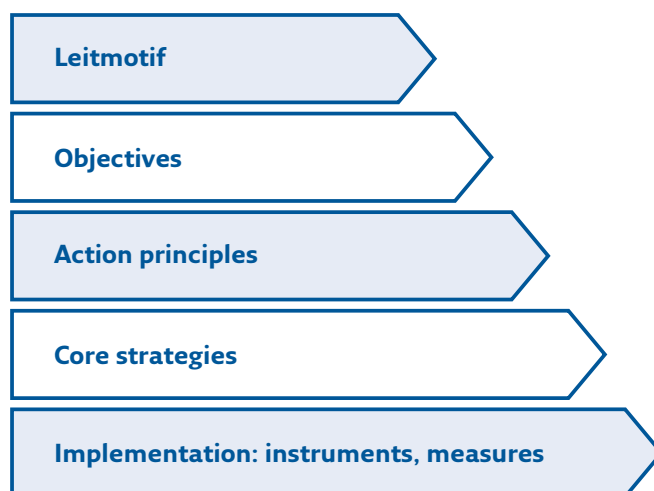


Photograph: Robert Herbst

CONCLUSION

The Lower Austrian Economic Strategy 2025 is based on four action principles, four core strategies, and a collection of instruments. The Economic Strategy serves to align all instruments, actions and measures taken by the organizational units of the Lower Austrian Department of Economy, as well as organizational units and institutions in other Lower Austrian departments or partner organizations whose measures shape and influence Lower Austria's economic structure and business activities.

The strategy described here serves as an alignment and orientation aid, rather than a rigid guideline. The strategy itself, and the relevant framework conditions for developing the economy, will be examined regularly in order to promptly respond to any new developments.





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