

USDA Foreign Agricultural Service

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Global Agricultural Information Network

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## **Austria**

### **Exporter Guide**

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**Report Highlights:**

In Austria, consumer-oriented food and beverage products remain the most important agricultural import category from the United States. In 2017, the consumer-oriented sector accounted for almost 59 percent of total agricultural, fish, and forestry imports from the United States. Austrian consumer trends are creating good market opportunities for organic, health, diet, convenience, and 'sustainable' food products. Market opportunities for U.S. products include fish and seafood products, tree nuts, processed fruits and vegetables, bourbon whiskies, fresh fruits and vegetables, wine, pet foods, dried fruits, fruit juices, snack foods, and high quality beef.

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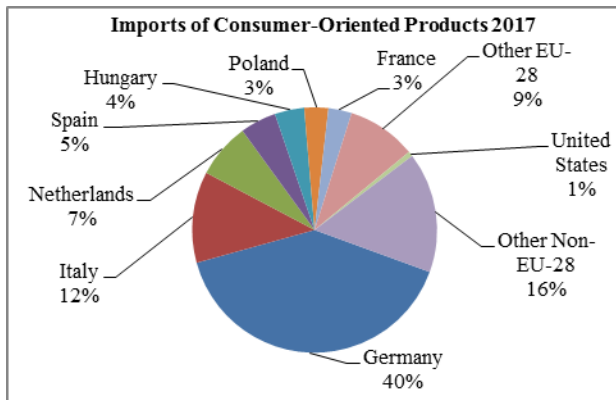
# Market Fact Sheet: Austria

## Executive Summary

Austria has a small, but highly developed, market economy with a high standard of living. It occupies a strategic position in the center of Europe and is closely tied to other European Union (EU) economies, especially Germany's. Austria is a part of the EU single market and customs union and is a Eurozone member. The Austrian economy is characterized by a large service sector, a strong industrial sector, and a small, but highly developed, agricultural sector. Austria has an export-driven economy and EU countries are its most important trading partners. In 2017, total imports of agricultural, fish, and forestry products reached US\$111.5 million. Although foods and beverages from Austria, Germany, and other EU countries dominate Austrian retail shelf space, there are good opportunities for U.S. products, particularly at the upper end of the market.

## Imports of Consumer-Oriented Products

Consumer oriented food and beverage products remain the most important agricultural imports from the United States. In 2017, the consumer oriented sector accounted for 58.7 percent of total agricultural, fish and forestry imports from the United States, valued at \$65.4 million. During the same period, fish and seafood imports from the United States were at \$2.5 million.



## Food Processing Industry

More than 200 food processing companies employ about 26,000 people. The sector is dominated by small and medium size companies. In 2017, the sector generated a turnover of roughly US\$ 9.4 billion<sup>1</sup>. The subsectors with the highest revenues are confectionary, non-alcoholic beverage, meat, and the fruit juice industry.

## Food Retail Industry

Austrian food retail sales in 2017 reached US\$ 23.5 billion. The sector is saturated and highly consolidated. The top three retail chains together account for 68 percent of the revenues.

Food Industry Output	9.4
Food Exports	8.1
Food Imports	9.6
Retail	23.5

- 1) REWE Group
- 2) Internationale Spar Centrale BV
- 3) Aldi Group
- 4) Schwarz Beteiligungs GmbH
- 5) M-Preis Warenvertriebs GmbH
- 6) Markant AG
- 7) Pfeiffer Handels GmbH
- 8) Royal Duch Shell PLC
- 9) ENI SpA
- 10) Sutterlütty Handels GmbH

## Strengths/Weaknesses/Opportunities/Challenges

Strengths	Weaknesses
High income level of the Austrian population and stable economy.	U.S. exporters face competition from tariff-free products from other EU member states and FTA partners.
Opportunities	Threats
Growing market for sustainable, organic, fair trade, upper class, and health foods.	Non-tariff barriers such as phytosanitary restrictions and traceability requirements can make exporting to Austria complicated.

## Data and Information Sources:

Global Trade Atlas (GTA), Austrian official statistics institute (Statistik Austria), Austrian Federal Ministry of Sustainability and Tourism (BMNT)

## Contact:

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<sup>1</sup> Exchange rate:  
 2017: 1 USD = 0.8852 Euro

## Section I. – Market Overview

Austria has a small, but highly developed market economy with a high standard of living. It occupies a strategic position in the center of Europe and is closely tied to other European Union (EU) economies, especially Germany's. Austria is a part of the EU single market and customs union and is a Eurozone member. The Austrian economy is characterized by a large service sector, a strong industrial sector, and a small, but highly developed agricultural sector. Austria has an export-driven economy and EU countries are its most important trading partners. The Austrian economy tends to perform better than the EU average and Austria has one of the highest gross domestic products (GDP) per capita in the entire EU.

### ○ **Population and Key Demographic Trends**

As of January 1, 2018, some 8.8 million people lived in Austria, which compares to an increase of 0.56 percent year-on-year. Most of Austria's population growth is due to international migration gains; however, natural population growth also contributes to the overall increase. Like in other industrialized countries the population of Austria is aging. The population over 65 (official retirement age) is increasing constantly. On January 1, 2018, almost 19 percent of the total population was 65 years old and older. (Source: [Statistik Austria](#))

### ○ **Size of Economy, Purchasing Power & Consumer Behavior**

In 2017, the Austrian GDP accounted for \$376 billion (Euro 329.9 billion). The economic growth in 2017 was at 2.6 percent in real terms, which is a somewhat over the average growth of the EU and significantly higher than the Austrian growth within the last decade. The average GDP per capita is the fourth highest within the EU and was at \$43,548 (Euro 38,200) in 2017. A rising disposable income and a rather low unemployment rate, a growing population, including an increasing number of migrants including refugees seeking asylum, private consumption is projected to remain high and grow even further. (Source: Statistik Austria)

### ○ **Overall Business Climate**

Austria has a well-developed market economy that welcomes foreign direct investment, particularly in technology and research and development (R&D). The country benefits from a skilled labor force, and a high standard of living, with its capital Vienna consistently placing at the top of global quality-of-life rankings. Positive aspects of Austria's business and investment climate include political stability; high levels of productivity and international competitiveness; high levels of security; and very good infrastructure. Negative aspects include high taxes and extensive bureaucracy. The current government seeks to reduce bureaucracy and provide positive business incentives. (Source: [U.S. Department of State](#)).

Although foods and beverages from Austria, Germany, and other EU countries dominate Austrian retail shelf space, there are good opportunities for U.S. products, particularly at the upper end of the market. Consumer oriented food and beverage products remain the most important agricultural imports from the United States. In 2017, the consumer oriented sector accounted for 58.7 percent of total agricultural, fish and forestry imports from the United States, valued at \$65.4 million (Source: [Global Trade Atlas](#)). During the same period, fish and seafood imports from the United States were at \$2.5 million. Official import numbers do not include significant transshipments of U.S. products from other EU countries and actual U.S. trade may be considerably larger.

## ○ Recent Trends

The traditional Austrian diet is rich and based on meat, flour, and vegetables. Cakes and bakery products are important parts of the diet. However, there is an increasing interest in healthy lifestyles, especially among younger to middle aged consumers concerned about excess calories and healthy diets. The younger generation also appreciates trying new products and is a logical segment to aim for with many new food product introductions. Since the population is steadily becoming older, the 50+ generation is an important target market for food products considering their specific needs, including health foods.

Biotech, genetically engineered (GE) or ‘GMO’ food products have a very negative image among the Austrian public. Food products that have to be labeled as biotech do not sell in Austria and cannot be found in Austrian retail stores. Austrian retailers even promote biotech free food. There is an Austrian label for biotech free products issued by “[ARGE Gentechnik-frei](#)” (Platform for ‘GMO-Free’ Food Products – in German) which follows the requirements for biotech-free food products laid down by the Austrian food codex. The label states “produced without biotech” (*ohne Gentechnik hergestellt*). Major products are milk and dairy products (cows must not be fed GE feed), bread and bakery products, eggs (laying hens must not be fed biotech feed), soybean products, meat, fruits and vegetables.

A counterpoint to the negative view of biotech foods is Austria’s strong and still growing market for organic agricultural and food products. The market share of organics in food retail accounts for about eight percent. Austria is very proud of its claim to hold the highest percentage of organic farm land under production within the EU. All big retail chains have their own organic brand. Thus, opportunities exist for U.S. organic companies and exporters interested in the Austrian market.

Driven by the Austrian government and non-governmental organizations (NGOs), Austrian consumers are highly aware of environmental issues. This creates a rapidly growing market for sustainably produced food products. In reaction to this trend, retail chains started launching private labels promoting the so-called sustainability of their products. The [REWE](#) retail chain, for example, introduced the “Pro Planet” brand that claims to offer food products that are produced in an environmentally and social responsible way. Also the second large retail chain [SPAR](#) promotes its sustainability concept. The biggest Austrian discounter [Hofer](#) promotes its improved carbon footprint for organic products sold under the label “*Zurueck zum Ursprung.*” Some retailers also promote fair trade products.

An increasing awareness of allergies is also raising the demand for special allergy-related food products such as gluten-free and lactose free. There is also trend towards vegetarian and vegan diet.

The number of single-person households, including the rising number of older people, has brought about changes in demand for specific products and services. For instance, the number of pets should continue to increase as single-person households seek companionship, thus further stimulating demand for pet food. The rise in single households also boosts demand for convenience products and for food eaten outside the home. The rising number of elderly people, many of whom have significant disposable income, creates additional demand for health and specialty nutrition products.

In many households, both husbands and wives work outside the home, thus there is little time for cooking. As a consequence, the demand for convenience products is rising which is reflected in Austrian retail shelves. In most supermarkets, home meal replacements are offered.

**Advantages and Challenges for U.S. Suppliers on the Austrian Market**

Advantages/Opportunities	Challenges/Constraints
High income level of the Austrian population and stable economy	Foods containing or made from biotech products are not accepted by consumers and retailers
Urban population growing, which boosts demand for international food	Competition from EU member states
U.S. style food is popular, especially among the younger generation	Products must meet strict Austrian/EU/retailer requirements; regional and sustainable products are highly promoted
Good reputation of certain U.S. products like dried fruits and nuts	Austrian buyers demand quality but also low prices
Growing market for organic, sustainable and health food products	High promotion costs to increase consumer awareness
The Austrian climate limits growing seasons and types of products grown	Highly concentrated food retail market
Good infrastructure, efficient distribution system, most importers speak English	Difficult to acquire shelf space in large supermarket chains
Only fresh water fish production (landlocked country); 95 percent of Austrians fish and seafood consumption needs to be imported	Growing retailers' promotion and consumer awareness of carbon footprint results in disadvantage for products with long-distance shipping
Growing interest in ethnic foods and sea foods due to rising vacations in distant and coastal areas	Lack of awareness of high U.S. quality by consumers
Growing pet food market	Retailers rarely import products into Austria, they prefer purchases from central buyers including other member states (mainly Germany)

**Section II. – Exporter Business Tips**

○ **Market Research**

Market research on the Austrian food and retail market can be obtained (mostly for a fee) from Austrian and international market research institutes.

Following are some of many market research institutes which provide information on the Austrian food and retail market:

- [Euromonitor](#)
- [RegioData](#)
- [Nielsen](#)
- [Regal](#)
- [Cash](#)
- [KeyQuest](#)

○ **Local Business Customs and Trends**

In general, food retailers buy domestic and imported products from Austrian and/or German wholesalers. The large supermarket chains have their own purchasing sections, which buy and store foodstuffs centrally for their own retail stores. The central purchasing sections import directly in some instances. However, some items are purchased through wholesale importers (i.e. almonds). Due to the strong concentration of the food retail sector, the supermarket chains are very powerful vis-a-vis producers and slotting fees for retail space are the norm.

○ **General Consumer Tastes and Trends**

Traditionally, Austrians have conservative tastes which are reflected in the local cuisine and in local production methods and marketing. However, an increasing number of people especially younger ones appreciate trying new food products and beverages. The latest food trends stress a traditional diet prepared in more modern ways using high quality products and ingredients.

Austrians prefer foods without artificial flavors, stabilizers, emulsifiers, and preservatives. In addition, consumers reject foods containing biotech products. For this reason, the leading supermarket chains have banned such products from their shelves.

Organic food products have developed from a niche market to having a significant market share. As of today, sales of organic products account for about seven percent of retail sales. Industry watchers believe that organic products may someday reach ten percent of the total food market. Similarly, there is significant interest in “sustainable” food products. Recently, almost all Austrian retail chains introduced their own voluntary “sustainability” strategies and labels to promote products with environmental, social and economic benefits. “Light” products are also on a rising trend; however, consumers do not seem to tolerate a loss in flavor as compared to “normal” products.

Beef and pork consumption has been somewhat declining in the last couple of years, whereas poultry consumption has been increasing as poultry meat is considered to be more healthy. Fish consumption is also on a rising trend due to the health aspect. Cheese consumption, which is already high, continues to remain high. This is particularly true for semi-hard and fresh cheeses.

With fruit juices, tartness (higher acidity) is preferred over sweeter products. This also applies to white wines. Jams and marmalade are more appealing to Austrians if fruit pieces are included and if they are not too sweet. Cereals sell better if they are crunchy.

**Section III. - Import Food Standards & Regulations**

○ **Customs Clearance**

Incoming goods go either to the customs storage or to a freight forwarder’s facility at transport terminals or airports. Storage and removal from storage is carried out under the supervision of a customs officer who compares the documents with the commodities. Later, the invoice for import duty is issued. Food inspectors at the port of entry do not routinely check packaged foods. However, the customs officer may take samples to double check for ingredients (sugar, milk powder, alcohol) and that customs duties are paid for these ingredients according to their proportion of the processed product.

Veterinary and customs import documents must be in German. Veterinary certificates are usually bi-lingual. There is no appeal of decisions by the customs office or the veterinary service.

If an importer objects to the quality of the product, the case can be brought to the arbitration center.

For detailed information on import food standards and regulations see the latest EU (as an EU member EU regulations apply to Austria) and the latest Austrian (for Austrian specific regulations) Food and Agricultural Import Regulations and Standards (FAIRS) GAIN report –which can be found on the USDA GAIN database: <http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>. In those reports you can also find information on the following processes and requirements: custom clearance, documents generally required by the country authority for imported food, country language labeling requirements, tariffs and FTAs, trademarks and patents market research.

Complete information on EU import rules for food products may also be found at: <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/>

#### **Section IV. – Market Sector Structure and Trends**

The three biggest food retail companies (REWE, Spar, Hofer) supported 68.3 percent of the domestic food retail market in 2017. Apart from Spar, the leading food retailers in Austria are large and influential German retailer groups. Competition from these groups is contributing to the decline of local independent retailers in Austria and has over the years changed the structure of the Austrian retail landscape. Some small regional or local suppliers with individual services (e.g., party catering and delivery; special products) and niche products are still able to survive. REWE Austria covers mainly the eastern part of Austria and Spar the western part. The food retail market share of REWE Austria in 2017 was 26.3 percent, the market share of Spar accounted for 24.5 percent. (Source: [Euromonitor](#)).

Even though some efforts have been made during the last couple of years to liberalize the Austrian retail sector, it still remains very traditional with a high degree of government control. Most Austrian retailers are still not allowed to open their shops on Sundays or on official holidays. This rigid control restricts the competitiveness and flexibility of the retail sector. Gas station shops take advantage of an exemption in the shop opening law that allows them to sell food and sundries after regular shopping hours. Intense competition between supermarkets/hypermarkets and discounters has led to greater efforts to copy these key success factors. Non-discounting retailers strengthen low-priced product lines, especially private labels. Discounters, on the other hand, have made efforts to improve by offering more fresh products and the introduction of organic and sustainable products.

##### **○ Top Five Sectors**

#### **Fish and Seafood Products**

The Austrian market offers small but lucrative opportunities for fish and seafood products. Fish consumption in Austria is growing as consumers associate fishery products with a modern healthy diet. Domestic fish production is marginal and limited to fresh water fish like trout and carp. Due to transshipment within the EU, the real value of imports from the United States is thought to be much higher than indicated in customs statistics. From 2013 to 2017 fish and seafood product imports from the US increased by 141 percent. Best prospects for U.S. fish and seafood exports are salmon smoked and frozen, lobster, shrimps, crabs, caviar substitutes, catfish, scallops, and pollock.



### **Tree Nuts**

In 2017, the United States was the fourth supplier of tree nuts (in value and quantity) to Austria. Most tree nuts are used as ingredients by the food processing sector. Almonds are the most important commodity within this category. Further products with good sales potential include walnuts, pistachios, pecans, and hazelnuts.

### **Processed Fruits and Vegetables**

Austrian imports of processed fruits and vegetables are mainly prepared nuts/seeds and dried fruits. Those products are mostly used as ingredients by the food-processing sector for the production of pastries and breakfast cereals. Dried fruits and prepared nuts are also popular as a snack.

### **Whiskies (Bourbon)**

When it comes to hard liquor, Austrian traditionally drink Schnapps but it is becoming more and more popular to drink high quality, expensive whiskies. The United States is the second largest supplier to Austria, after the United Kingdom. Although on a slightly declining trend between 2013 and 2017, U.S. Bourbon whiskey exports are catching up again in 2018. There are still expectations for good export opportunities for U.S. whiskies (bourbons).

### **Fresh Fruit and Fresh Vegetables**

After the locally grown fruits like apples and pears, citrus fruits are very popular especially during the winter season. In recent years other exotic and ethnic foods have become more popular due to Austrians traveling abroad and foreign immigration into Austria. Strong growth of exports from the United States can be seen for sweet potatoes and avocados.

- **Retailer Information**

[Structure of Austrian Food Retail 2017](#) (in German) published by Regal (data source: RegioData).

- **Market Opportunities for Consumer-Oriented Products in the Hotel, Restaurant and Institutional, Retail Food and Food Processing Sector**

Austria has a strong tourism sector, and hotels and restaurants provide an important contribution to the Austrian GDP. In general, tourists, particularly those from Germany, favor the local Austrian cuisine during their vacation. However, in recent years ethnic foods have become more popular in restaurants for tourists as well as for the Austrian population.

More than three-quarters of all agricultural supplies, including ingredients for the food industry, comes from other EU countries. Regarding imports of processed foods, about 90 percent come from other EU countries. The strongest branch of Austria's food industry is the beverage sector, particularly the brewing industry and the fruit juice industry. The latter imports concentrated citrus juices, particularly orange juice. There is also a strong confectionary and meat industry. These industries offer opportunities for U.S. exporters.

**Section V. – Agricultural and Food Imports**

○ **BICO Table for last Five Years**

<b>AUSTRIA (CUSTOMS) IMPORTS OF AGRICULTURAL, FISH &amp; FORESTRY PRODUCTS FROM UNITED STATES</b>					
<b>CY 2013 - 2017 AND YEAR-TO-DATE COMPARISON</b>					
<b>(IN THOUSANDS OF DOLLARS)</b>					
<b>IMPORTS MARKET: UNITED STATES</b>					
PRODUCT	CALENDAR YEARS (JAN-DEC)				
	2013	2014	2015	2016	2017
<b>CONSUMER-ORIENTED AGRICULTURAL TOTAL</b>	69,077	70,048	67,642	65,604	65,435
SNACK FOODS (EXCLUD. NUTS)	1,284	1,014	713	1,066	1,247
BREAKFAST CEREALS/PANCAKE MIX	11	29	17	34	25
RED MEATS,FRESH/CHILLED/FROZEN	8,088	7,758	6,838	5,405	5,192
RED MEATS, PREPARED/PRESERVED	450	56	408	210	66
POULTRY MEAT	19	0	1	0	0
DAIRY PRODUCTS (EXCL. CHEESE)	169	191	237	743	121
CHEESE	0	45	53	319	20
EGGS & PRODUCTS	1,686	1,622	506	258	606
FRESH FRUIT	691	753	854	890	740
FRESH VEGETABLES	52	68	105	204	75
PROCESSED FRUIT & VEGETABLES	4,956	5,722	5,367	8,501	11,207
FRUIT & VEGETABLE JUICES	3,342	4,914	3,363	2,544	1,985
TREE NUTS	14,718	17,845	21,885	16,774	17,203
WINE & BEER	5,061	5,141	4,756	4,925	5,153
NURSERY PRODUCTS & CUT FLOWERS	2	16	5	3	16
PET FOODS (DOG & CAT FOOD)	1,882	1,828	354	302	204
OTHER CONSUMER ORIENTED PRODUC	26,667	23,045	22,181	23,427	21,576
<b>FISH AND SEAFOOD PRODUCTS AGRICULTURAL TOTAL</b>	1,959	1,897	1,577	3,691	2,450
SALMON	58	97	438	1,711	888
SURIMI	0	0	0	0	0
CRUSTACEANS	208	137	153	139	151
GROUND FISH & FLAT FISH	26	14	16	9	19
MOLLUSCS	704	555	320	363	294
OTHER FISHERY PRODUCTS	963	1,094	650	1,469	1,098
<b>AGRICULTURAL PRODUCT TOTAL</b>	108,280	104,053	109,628	113,237	101,151
<b>AGRICULTURAL, FISH &amp; FORESTRY TOTAL</b>	123,370	116,613	121,761	126,902	111,485

Source: Global Trade Atlas

- **Best High-Value, Consumer-Oriented Product Prospects Categories**

Market opportunities for U.S. products include fish and seafood products, tree nuts, processed fruits and vegetables, bourbon whiskies, fresh fruits and vegetables, wine, pet foods, dried fruits, fruit juices, snack foods, and high quality beef.

## **Section VI. – Key Contacts and Further Information**

[American Embassy Vienna](#)

[FAS Vienna - Office of Agricultural Affairs](#)

[Bundesministerium für Bildung, Wissenschaft und Forschung](#) (Austrian Federal Ministry of Education, Science and Research)

[Bundesministerium für Nachhaltigkeit und Tourismus](#) (Federal Ministry for Sustainability and Tourism)

[Bundesministerium für Arbeit, Soziales, Gesundheit und Konsumentenschutz](#) (Federal Ministry of Labor, Social Affairs, Health, and Consumer Protection).

[Agrarmarkt Austria – AMA](#) (Agricultural Market Austria)

[Wirtschaftskammer Osterreich](#) (Austrian Economic Chamber)

[Oesterreichische Agentur fuer Gesundheit und Ernaehrungssicherheit](#) (Austrian Agency for Health and Food Safety)