Business Climate Survey Austria

Business Climate Survey for Swedish companies in Austria 2026

A report from Team Sweden in Austria

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59 respondents

(total +2,250 respondents for 41 markets)

Current business climate

Overall sentiment is mixed, with the majority holding a neutral to negative outlook

Industry turnover

53%

of Swedish companies expect their industry turnover to increase

Future investments

34%

of Swedish companies plan to increase their investments slightly or significantly in the next 12 months

Globally valued success factors

1. Sales competence
2. Cost efficiency
3. Brand awareness

Brand Sweden

59%

of Swedish companies abroad consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Personal safety
2. Infrastructure
3. Service providers

Local conditions with least satisfaction

1. Speed and/or regulations connected with green transition
2. Administrative procedures
3. Inflation (energy prices, consumer prices, raw material prices)

Environmental considerations

45%

of respondents believe the environment is a considerable factor in their customers' purchasing decisions

Corruption

– Very low risk in Austria

Human rights violations and labour rights abuses

– Very low risk in Austria

Foreword

Team Sweden is proud to present the 2026 Business Climate Survey for Swedish companies operating in Austria. This second edition provides an updated perspective on how Swedish companies experience the Austrian market in a time marked by economic adjustment, geopolitical uncertainty and gradual stabilisation. The survey also reflects the continued strength of the long-standing economic relationship between Austria and Sweden.

Austria remains a stable, well-functioning and attractive business environment at the heart of Europe. Today, around 200 companies with Swedish ownership or interests are active in the Austrian market, spanning a wide range of sectors. Strong infrastructure, a skilled workforce and close integration with neighbouring markets continue to support Austria's role as a strategic location for Swedish companies with regional ambitions.

This year's survey highlights three overarching conclusions. First, Swedish companies continue to demonstrate a strong and long-term commitment to Austria, maintaining their presence and investment activity despite moderating growth prospects and declining profitability. Second, the outlook is differentiated: some sectors like the industrial and consumer goods sectors face tighter margins and greater uncertainty, but geopolitical developments and rising fuel costs are also creating opportunities. For example, respondents observed a shift as customers delay major investments and instead focus on maintaining and upgrading existing assets. The increasing fuel costs are also creating short-term opportunities for companies active within the electromobility sector due to greater demand. Third, the Swedish brand remains a key strength, reinforcing trust, quality and credibility across all industries.

Sustainability and innovation remain important for Swedish companies and their customers in Austria. However, the 2026 survey focuses on an economic environment that puts an increasing emphasis on affordability in customers' purchasing decisions. As a result, opportunities increasingly arise for innovative and green solutions that can also compete on price with less sustainable alternatives.

The Business Climate Survey in Austria forms part of Team Sweden's global survey initiative, conducted in close collaboration between the Embassy of Sweden, Business Sweden and the Swedish Chambers of Commerce. Its purpose is to provide insight into the experiences of Swedish companies abroad and to support decision-makers, businesses and stakeholders in strengthening bilateral economic cooperation.

We would like to express our sincere appreciation to all participating companies for sharing their experiences and perspectives. Team Sweden looks forward to continuing its work to support Swedish companies in Austria and to further deepen the strong economic ties between our two countries.

Annika Ben David
Ambassador of Sweden
to Austria

Maja Zoric
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Business Sweden
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Executive summary

The 2026 Business Climate Survey in Austria presents a picture of cautious market sentiment alongside continued business resilience for Swedish companies. While seventy-five per cent of respondents assess the current Austrian business climate as neutral to negative, Swedish companies operating in the market largely remain profitable and committed to their local presence. Nearly two-thirds of surveyed companies reported profitable operations, a slight decrease from the previous year, but still indicative of a resilient Swedish business presence in Austria.

> **Geopolitical tensions and high energy prices are accelerating interest in electric vehicles. Despite wider market uncertainty, this supports our electrification strategy, and we continue to see strong demand in Austria.**
>
> **CFO Volvo Cars Austria**
> Automotive company

Economic conditions in Austria have been weak, with low growth (less than 0.8 per cent projected GDP growth in 2025) and high inflation driven by subdued consumption and an industrial downturn. However, signs of stabilisation are emerging, with gradual improvements expected from 2026. In this context, 53 per cent of companies expect increased turnover in the coming 12 months, reflecting cautious optimism. At the same time, customers are more price-sensitive and hesitant to spend, leading to more selective and delayed purchases.

Investment intentions remain broadly stable. While fewer companies plan to increase investments compared to last year, 70 per cent of respondents expect either to maintain or increase their investment in Austria, highlighting a long-term commitment to the market. This is particularly evident among newer entrants and companies within professional services, which show comparatively higher investment appetite.

The Austrian market continues to be characterised by strong foundational business conditions. Swedish companies report high levels of satisfaction with factors that support operations, such as personal safety, infrastructure, access to suppliers, and service providers. At the same time, administrative procedures, inflationary pressures, and the pace and complexity of regulatory processes, particularly those connected to the green and digital transitions, remain key challenges. Geopolitical uncertainty further influences customer behaviour, contributing to delayed purchasing decisions in some B2C sectors.

Beyond commercial functions, Swedish companies in Austria also maintain a broader operational footprint, with 26 per cent engaging in R&D or engaging in manufacturing and assembly activities. While marketing and sales remain central, competitiveness is driven above all by strong sales competence, cost efficiency, and brand awareness. At the same time, the Swedish brand continues to be perceived positively in Austria, contributing to trust and credibility in the market, particularly in quality-driven and innovation-oriented sectors. Although sustainability is currently less central to competitiveness, environmental considerations are increasingly influencing customer demand, particularly in industrial and consumer-oriented sectors. This is also reflected in how companies operationalise sustainability locally, with AstraZeneca Austria highlighting a focus on embedding sustainability into day-to-day operations through concrete measures aligned with customer expectations, rather than treating it as a standalone initiative.

Overall, the survey highlights Austria as a stable and business-enabling market for Swedish companies, offering long-term opportunities despite short-term economic headwinds. Success in the Austrian market is closely linked to local presence, relationship-building, and the ability to adapt to a fragmented and regulation-intensive business environment, with companies such as Saab Aeronautics highlighting the importance of investing time in building strong local networks and establishing long-term industrial partnerships to succeed.

About the survey

A Team Sweden collaboration

The Business Climate Survey is a Team Sweden project based on a partnership created by Business Sweden and Swedish Chambers International. The survey is conducted among Swedish companies in 42 markets worldwide, with responses from more than 2,300 respondents.

The survey serves as an important tool to identify opportunities and challenges that Swedish companies and their subsidiaries face when doing business abroad. The survey is conducted annually to monitor market conditions and assess the performance of Swedish businesses internationally. This report presents the results from Austria.

By providing key facts about the Austrian economic outlook and insights into the success factors of Swedish companies in Austria, Team Sweden aims to support institutions, investors, and other relevant stakeholders in fostering Swedish investment and business activity in the country.

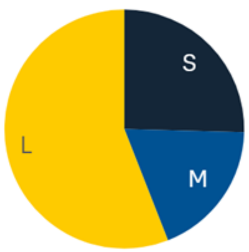
In 2026, the survey was distributed to approximately 200 local executives representing companies with Swedish ownership or interests in Austria. A total of 59 responses were received, which is considered sufficient to provide a representative overview of Swedish business presence in the country. The responses were collected in February and March 2026.

Among the respondents, 56 per cent represented large companies (companies with more than 1,000 employees), 19 per cent represented medium-sized companies (companies with between 250 and 1,000 employees), and 25 per cent represented small companies (companies with between 0 and 249 employees), based on their global number of employees. Many of the subsidiaries identified in the survey have relatively small local operations in Austria, as reflected by the fact that 88 per cent of Swedish companies in Austria employ between zero and 249 local employees (small companies).

In terms of industry representation, 50 per cent of respondents came from the industrial sector, 30 per cent from the professional services sector, and 20 per cent from the consumer products sector. Of the participating companies, 55 per cent have been operating in Austria since at least 2004, while 21 per cent are newcomers with five or fewer years of experience in the Austrian market.

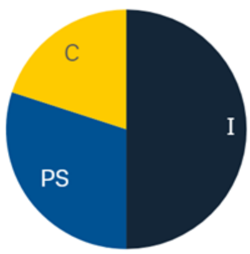
The report is structured into four main sections: ‘Economic outlook’, ‘The market’, ‘How Swedish companies succeed in Austria’, and ‘Acting sustainably’.

Size of companies



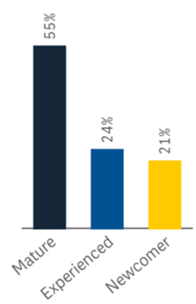
NOTE: Global employees
56% are large (L) with >1000
19% are medium (M) with 250–1000
25% are small (S) with 0–249

Main Industry



NOTE: Industrial (I) 50%
Professional services (PS) 30%
Consumer (C) 20%

Age of companies



NOTE: Mature (–2004)
Experienced (2005–2020)
Newcomer (2021–)

Economic outlook

63 per cent of surveyed Swedish companies reported a profitable year in 2025 (a 5 percentage point decrease)

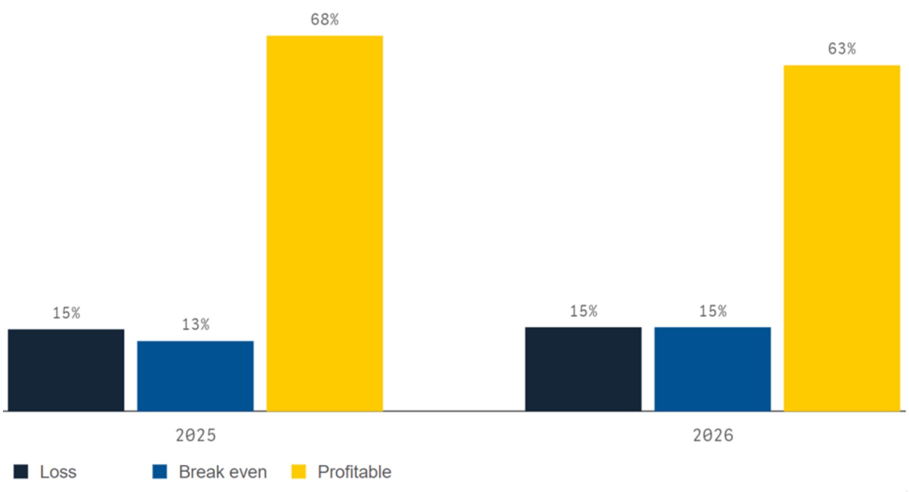
In this year's Business Climate Survey, 63 per cent of respondents reported a profitable year in 2025, a decrease of 5 percentage points compared to 2024, in which 68 per cent of respondents reported a positive year.

Breaking down financial results by company size, 79 per cent of the survey's large firms (more than 1,000 global employees) reported a profitable 2025, with only nine per cent of large enterprises reporting a negative financial performance. In comparison, 45 per cent of medium-sized firms (250–1,000 global employees) reported profitable financial results, which is a 23 percentage-point decrease compared to 2024, in which 68 per cent of the surveyed medium-sized companies reported a profit. At the same time, 40 per cent of small-sized enterprises reported a profit in 2025, which is a slight increase compared to 2024.

Professional services and consumer goods are the sectors with the most significant change in terms of loss, with 20 per cent of respondents in each sector reporting a loss in 2025. Compared to 2024, in which seven per cent of respondents within professional services and 11 per cent of respondents in the consumer sector reported losses. However, these sectors remain as the most profitable sectors with 70 per cent of respondents in consumer goods and 67 per cent of respondents in professional services highlighting a profitable year. The industrial sector remains unchanged with only a slight majority (56 per cent) of respondents reporting profitability.

When considering the relationship between the length of time that enterprises have been established on the market and their financial performance, a significant portion (81 per cent) of mature enterprises reported profitability. Since last year, the survey results show an increase in mature enterprises reporting a loss, up from zero to nine per cent. Newcomer enterprises are the group facing the greatest challenges, with 33 per cent reporting a loss. Thirty-three per cent of companies in this group also reported a profitable year, and the remaining per cent, a break-even year.

How would you describe your company's financial performance in Austria in 2025?



NOTE: The number of respondents for this question was 59. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

Austrian economy is forecast to strengthen in 2026

The weak consumption and industrial recession are continuing to impact the Austrian economy which is experiencing its longest period of weakness since 1945.

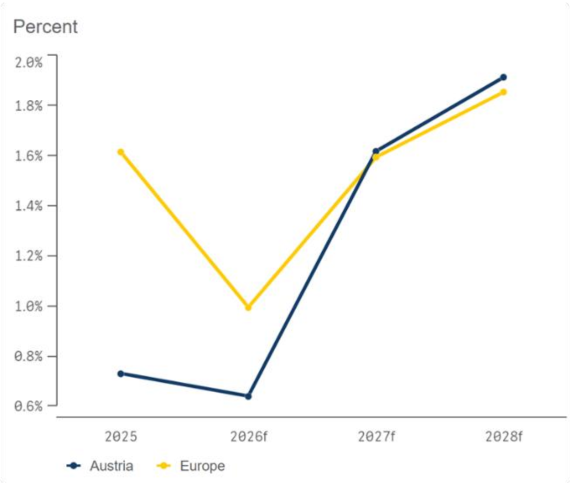
After a steep GDP decline of 1.2 per cent in 2024 (steepest drop in the EU) and stabilisation in 2025, the growth is forecast to strengthen beyond the EU average in 2026. Inflation is expected to stabilise from 3.8 per cent in the last year to 2.4 per cent. The end of the monetary tightening and the initial phase of interest cuts have also served to stabilise the financing conditions, providing some relief to businesses and households.

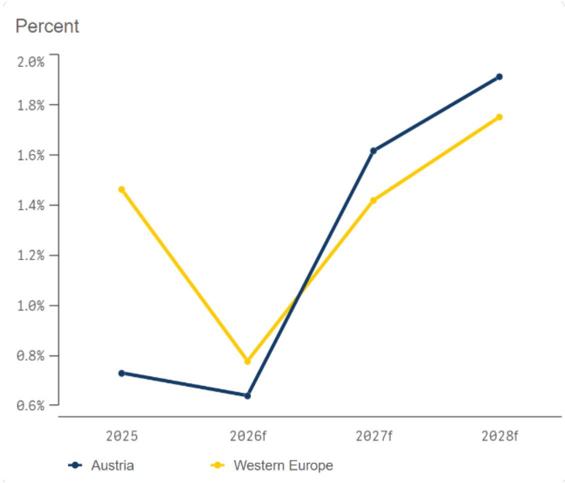
This gradual return to growth has been accompanied by a tentative improvement in industrial and consumer sentiment over the course of 2025 and into early 2026. While confidence indicators remain below long-term averages, the earlier downward trend has eased, supported in part by a moderately improved growth outlook in key export markets, particularly Germany.

Economic activity stabilised in the second half of 2025, although a negative carry-over from the previous year resulted in broadly flat output for the year as a whole (–0.1 per cent). The recovery is expected to strengthen gradually, with real GDP growth of around one per cent per year projected for 2026 and 2027.

The labour market has been very resilient despite the weak economy. Unemployment has increased only moderately in the past 10 years and will remain at approximately 5.5 per cent in 2026. Only from 2026 onwards will the economic recovery be robust enough to contribute to a decline in unemployment. Inflation fell sharply in 2024 but rose again at the beginning of 2025, driven mainly by a temporary surge in household energy prices following the phase-out of government support measures and higher network charges. These effects gradually faded over the course of 2025, and by early 2026 inflation had eased again, although services inflation remained relatively persistent.

Projected GDP growth in Austria





NOTE: Constant prices and exchange rates
SOURCE: Oxford Economics 2026

Most Swedish enterprises in Austria expect industry turnover to increase in the next 12 months

Despite a decrease of 11 percentage points in 2026, a majority of 53 per cent of respondents still expect turnover in their industry to increase. Thirty-three per cent expect it to remain unchanged, and 12 per cent foresee a decline in industry turnover during 2026.

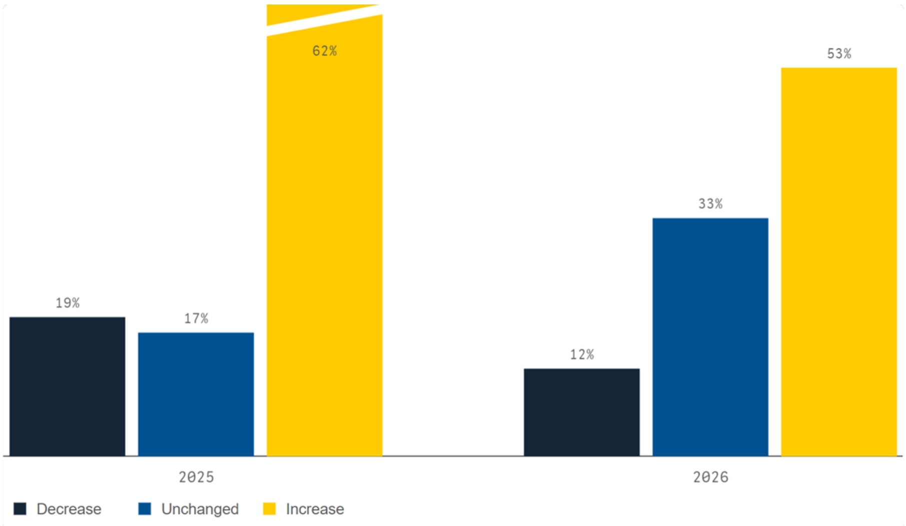
Small enterprises have the most positive outlook, with 60 per cent of respondents anticipating an increase in turnover and only seven per cent foreseeing a decrease. This is followed by medium-sized enterprises, in which 55 per cent are expecting an increase in turnover and nine per cent a decrease.

Compared to large enterprises, where 50 per cent believe that the turnover will improve and 16 per cent project a decline.

Most positive change is visible among experienced firms and newcomers, with 71 per cent and 67 per cent, respectively, expecting an increase in turnover. This represents a notable increase in optimism among newcomers and experienced companies compared with 2025. For context, 50 per cent and 40 per cent, respectively, expected the industry turnover to increase during the last year, while for mature firms, the picture remains unchanged.

Across different sectors, the consumer and professional services sectors showed the highest anticipation for a significant turnover increase in the next 12 months. Expectations in the industrial sector are less optimistic, with 52 per cent of respondents foreseeing either a decrease in industry turnover or for it to remain unchanged.

Compared to the development in the past 12 months, what are your expectations for the coming 12 months for your industry in Austria regarding turnover?



NOTE: Decrease and increase represent aggregations of slight/significant development changes. “Don’t know/Not applicable” responses are included but not shown in this figure.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

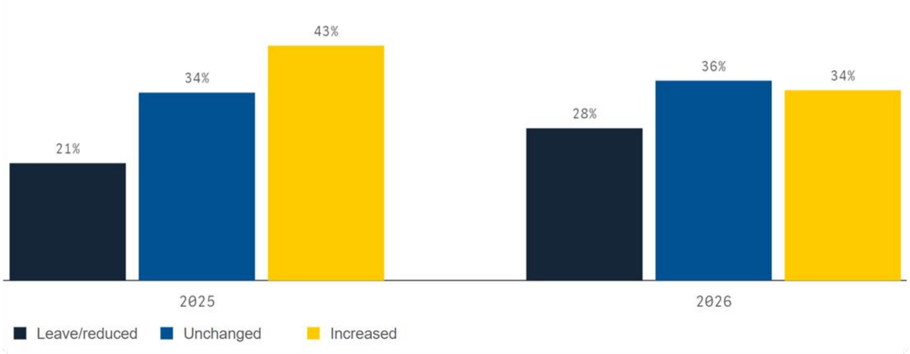
Despite economic headwinds, most respondents will increase or maintain investment levels in Austria

When asked about their investment plans in Austria for the coming 12 months, 34 per cent of respondents indicated that they plan to increase investment levels, down 9 percentage points from 2025. Meanwhile, 36 per cent plan to maintain current levels, and 28 per cent are considering a reduction, up 7 percentage points from 2025.

The professional services sector stands out, with 60 per cent of firms planning to increase investments. Despite this being a decrease of 11 percentage points compared to last year, this is still significantly more than in the consumer sector (40 per cent) and the industrial sector (24 per cent). The consumer sector is also the sector in which the most increase in the number of respondents reports a consideration of reducing investments or exiting the Austrian market (40 per cent, which has almost doubled since last year). This is significantly higher than in the industrial (28 per cent, an increase of 9 percentage points versus 2025) and professional services (13 per cent) sectors.

Investment plans vary by company maturity, with 58 per cent of newcomers, 36 per cent of experienced companies, and 25 per cent of mature companies reporting plans to increase investments in the next 12 months. Compared with last year, the most significant changes occurred among newcomers and among mature companies, with 50 per cent and 43 per cent, respectively, reporting plans to increase investments in 2025.

What are your company's investment plans for the coming 12 months in Austria, compared to the past 12 months?



NOTE: Reduced and increased represent aggregations of slight/significant development changes. "Don't know/Not applicable" responses are included but not shown in this figure.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

The market

Austria is a regional hub with sustained appeal from a broad mix of Swedish firms

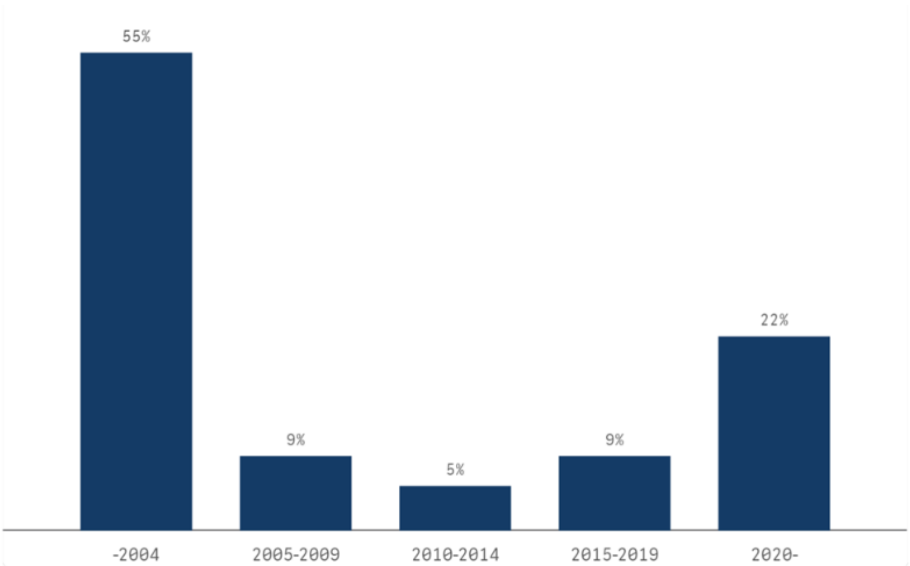
Austria is emerging from a prolonged period of economic weakness. While recent years have been marked by subdued growth, signs of stabilisation are beginning to appear, supported by a resilient industrial base. With a population of over nine million, the country benefits from a skilled workforce that supports key sectors, including the food and drink industry, mechanical and steel engineering, the chemical and automotive industries, as well as the electrical, electronics, and wood, pulp and paper sectors. These industries account for most of Austria's goods exports and form the backbone of its manufacturing strength.

Against this backdrop of gradual stabilisation and strong industrial fundamentals, Austria continues to play an important role in Sweden's trade landscape, despite short-term fluctuations in bilateral trade flows. In December 2025, Sweden exported goods worth SEK 1.38 billion to Austria and imported SEK 1.43 billion from Austria. Between December 2024 and December 2025, imports to Sweden from Austria decreased almost six per cent to SEK 1.43 billion, and the exports of Sweden to Austria decreased as well by 11 per cent to SEK 1.38 billion. However, over the past five years, bilateral trade has grown at an annualised rate of 4.21 per cent.

Austria's strategic location at the crossroads of Central and Eastern Europe, along with its cultural and historical ties, makes it an ideal gateway to neighbouring markets. Its economic stability and regional connectivity continue to attract investment. Thirty-one per cent of surveyed companies have established operations in Austria within the last decade, reflecting strong and sustained interest in the market.

Sources: Advantage Austria (2026), OEC (n.d.), Statistics Austria (2025)

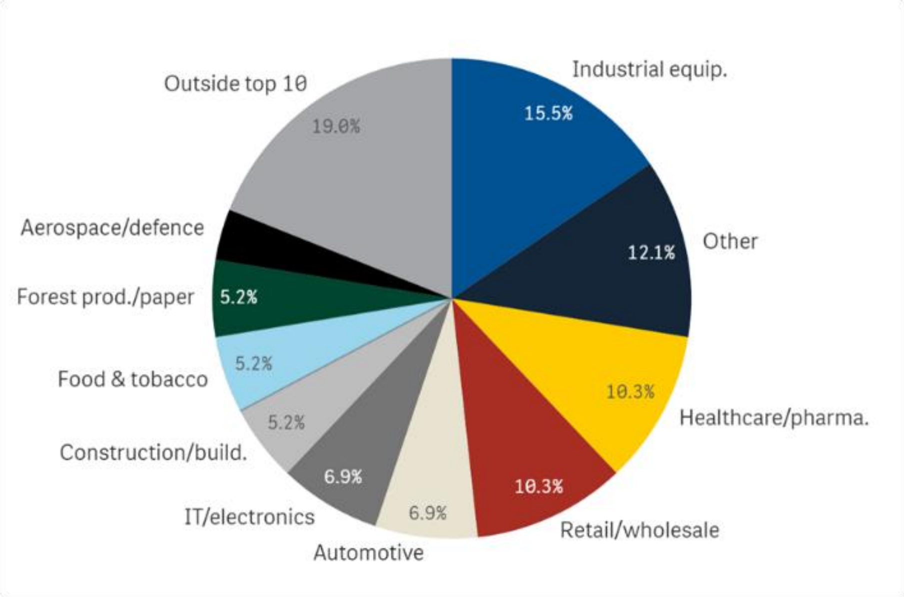
In what year did your company establish operations in Austria?



NOTE: The number of respondents for this question was 58. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

This year's survey reflects the broad appeal of the Austrian market for Swedish enterprises, with respondents spanning over 19 different industries. Industrial equipment now represents the largest share at 15.5 per cent, rising from second place last year with an increase of around 5 percentage points, while healthcare and pharmaceuticals have fallen from first place to 10.3 per cent (a decrease of 2.5 percentage points), and retail/wholesale remains at 10.3 per cent with only a marginal decline of less than one percentage point.

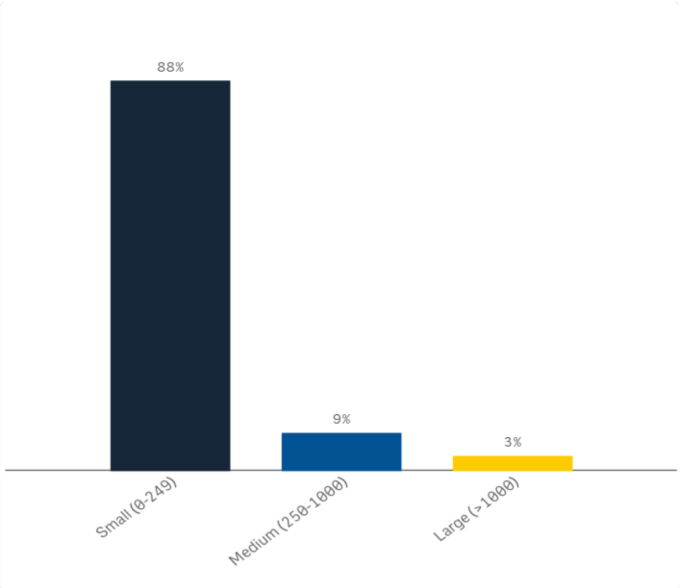
What is your company's main industry in Austria?



NOTE: The number of respondents for this question was 58. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

Out of the companies that participated in the survey, a large majority (88 per cent) of the subsidiaries in Austria are small in terms of workforce, employing 0–249 local employees. Subsidiaries in Austria that have a local workforce of more than 1,000 employees represent three per cent, and nine per cent of the companies in this year's sample have 250–1,000 local employees.

Swedish firms' local number of employees in Austria in 2026



NOTE: The number of respondents for this question was 58. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

Swedish companies' views of Austria's business climate shift from negative to neutral

Compared to 2025, sentiment towards Austria's business climate has improved. In 2026, the share rating the business climate as 'poor' to 'very poor' has declined to 33 per cent, while 42 per cent now view it as 'neutral' and 25 per cent as 'good' to 'very good'. Compared with the previous year, when 45 per cent of respondents assessed the climate as 'poor' to 'very poor' and only 26 per cent described it as 'neutral'.

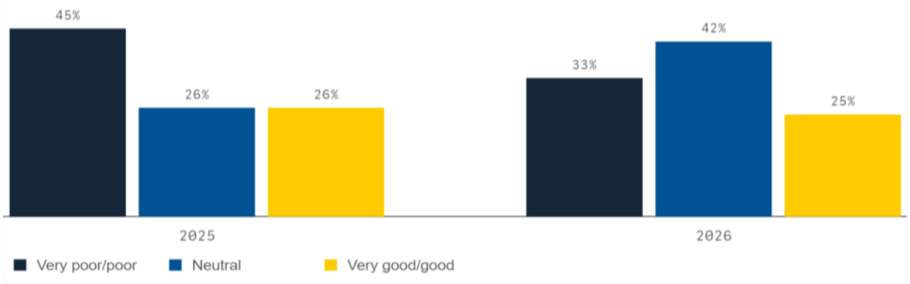
Despite this improvement in sentiment, opinions remain divided. While 34 per cent of respondents indicate intentions to increase their investments in Austria and a further 36 per cent plan to maintain current investment levels, the overall assessment suggests that companies remain cautious. These results indicate that, although optimism regarding prospects has strengthened compared to the prior year, current market conditions continue to be approached with restraint.

Compared to 2025, sectoral perceptions of Austria's business climate have become less negative, with a noticeable shift towards more neutral assessments across most industries. A sector-specific breakdown shows that the negative perception is mainly attributed to respondents from the industrial and consumer sectors, where 46 per cent and 30 per cent, respectively, rate the business climate as 'poor' to 'very poor'. This is an improvement on last year's results when 75 per cent and 50 per cent of respondents in the consumer and industrial sectors, respectively, rated the business climate as 'poor' to 'very poor'. In contrast, only 14 per cent of respondents in the professional services sector share this view. The professional services sector reports the most positive perception, with 36 per cent rating the business climate as 'good' to 'very good'. The consumer and professional services sectors show the highest share of neutral responses, at 50 per cent.

Examining company maturity, the most significant development since last year is a shift from a negative perspective towards a more neutral one across all maturity levels in 2026. Among newcomers, 33 per cent rate the current business climate in Austria as 'good' to 'very good', while the share describing it as 'neutral' has risen to 50 per cent, up 39 percentage points from the previous year. Experienced companies show a similar shift towards neutrality: 36 per cent rate the business climate as 'good' to 'very good', while 36 per cent describe it as 'neutral', up from 25 per cent in 2025. At the same time, the share reporting a 'poor' to 'very poor' business climate declined from 40 per cent last year to 29 per cent in 2026. Mature companies are notably more neutral than positive, with only 13 per cent rating the climate as 'good' to 'very good', while 43 per cent now consider it 'neutral', reflecting a 10-percentage-point increase from last year. In contrast, negative perceptions are less prevalent among newcomers, with only 17 per cent rating the climate as 'poor' to 'very poor', compared to 29 per cent of experienced companies and 43 per cent of mature companies.

Compared to 2025, perceptions by company size have shifted most markedly among medium-sized enterprises, where the share rating Austria's business climate as 'poor' to 'very poor' fell sharply from 83 per cent to 36 per cent, alongside a clear shift towards neutral assessments, now reported by 55 per cent of medium-sized companies compared to none in the previous year. When comparing company sizes (global), small-sized enterprises report the most polarised perceptions, with 40 per cent rating the business climate as 'good' and 47 per cent rating the business climate as 'poor', the highest for both perceptions of all three company sizes. This compares to 36 per cent of medium enterprises rating the business climate in Austria as 'poor' to 'very poor', down from 83 per cent in the previous year, and 26 per cent among large enterprises. Following small firms, large enterprises are the most positive, with 23 per cent rating the business climate as 'good' to 'very good', compared to 9 per cent of medium-sized enterprises, down from 17 per cent in 2025.

How do you perceive the current business climate in Austria?



NOTE: The number of respondents for this question was 57. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

The top factors impacting doing business in the Austrian market, identified by Swedish companies as being 'challenging' to 'very challenging' by 69 per cent of respondents each, were inflation (energy prices, consumer prices, raw material prices), administrative procedures, and speed and/or regulations connected with the green transition. Austria has one of the highest inflation rates in Europe – 3.8 per cent (Statista, 2026), and slow economic growth – 0.6 per cent in 2025 (Eurostat, 2026).

When discussing administrative procedures in Austria, Managing Director of Alfa Laval Mid Europe Austria highlighted that "Each industry has different regulations, so you always need a specialist. This makes it difficult, expensive and time-consuming, since sometimes you must fly those experts in". It was also highlighted by respondents that Austria "has a lot of paperwork" involved in their administrative procedures, further highlighting the time commitment required when operating in the country.

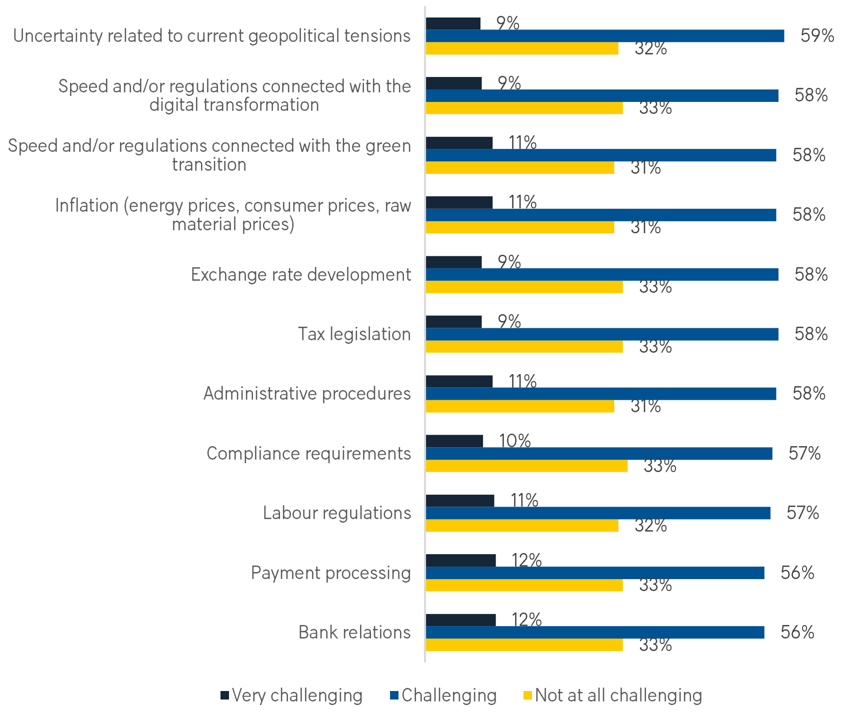
Interviews conducted in connection with this survey also show that inflation is affecting companies through several channels. Rising energy and input costs are increasing overall cost pressure, while higher consumer prices are contributing to greater caution among both end customers and business clients. As a result, companies report that their customers are postponing purchasing decisions, scaling down capital investments, and shifting towards shorter planning horizons. Even where demand remains relatively resilient, heightened uncertainty regarding future cost developments and the lack of clear, time-bound policy measures are leading customers to delay spending decisions, reinforcing the perception of a hesitant market environment.

An additional factor viewed as 'challenging' to 'very challenging' by 68 per cent of respondents was uncertainty related to geopolitical tensions. Interviews conducted across Swedish companies operating in Austria show that geopolitical uncertainty primarily affects business through increased risk aversion, as they are unsure how the Austrian market will be impacted. Companies highlighted that concerns related to supply chain stability, access to key components and raw materials, and potential cross-border disruptions have made customers more cautious when committing to long-term or large-scale investments.

Interviews show that geopolitical uncertainty has already had tangible effects on demand. One interviewee noted significant declines in order volumes in certain business areas, while others highlighted increased customer caution and delayed investment decisions. For example, one interviewee observed a partial shift in customer behaviour, with greater focus on maintaining and servicing existing assets rather than investing in new equipment, in a context of heightened uncertainty combined with rising energy costs and inflation in Austria.

This suggests that while geopolitical tensions are dampening investment appetite, their interaction with broader cost pressures is also reshaping purchasing priorities. Rather than leading to a uniform slowdown, these dynamics are resulting in uneven impacts across business segments, including reduced investment in new equipment and, in some cases, a greater focus on maintaining existing assets.

What factors do you consider particularly challenging for your business in Austria today?



NOTE: The number of respondents for this question was 56. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

In general, Swedish companies view the local business environment as neutral

Several factors determine if a market's business environment is conducive to success. Swedish companies were asked to evaluate to what degree selected market conditions meet their needs in Austria. All factors studied were rated neutral or above average, and Austria is assessed as a market offering business-enabling conditions for Swedish companies.

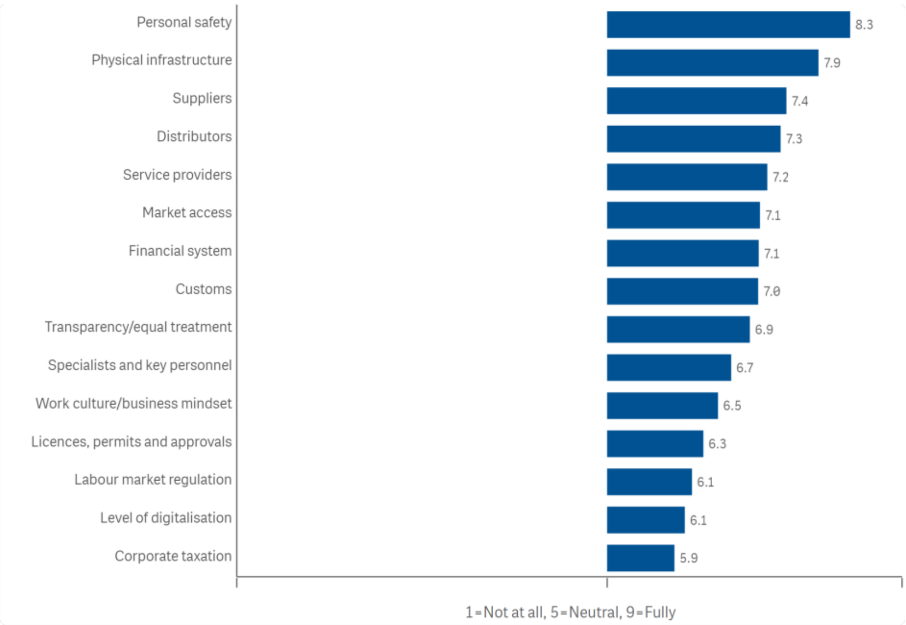
Among the conditions examined, those that support safe operations continue to receive the highest ratings. Personal safety improved slightly to 8.3 compared to last year (7.9 in 2025), while physical infrastructure remains unchanged at 7.9 out of 10. Other strong market conditions include access to and supply of critical value chains. Swedish companies indicate that Austria's availability of suppliers and distributors largely meets their needs, with these conditions rated 7.4 and 7.3, respectively, broadly in line with last year's already strong assessments.

The lowest-rated conditions were labour market regulation, digitalisation, and corporate taxation, all of which continue to receive neutral assessments. Labour market regulation and digitalisation both score 6.1, while corporate taxation is rated slightly lower at 5.9, reflecting a modest improvement compared to 2025's ratings of 5.7, 6.0, and 5.0, respectively. While still meeting the needs of the average respondent, Austria's corporate income tax rate of a record-low 23 per cent is nevertheless perceived as less-than-ideal. Despite a gradual reduction from 25 per cent in 2022, the rate remains higher than Sweden's corporate income tax of 20.6 per cent.

By contrast, transparency and equal treatment have improved markedly, increasing from 5.6 in 2025 to 6.9 in 2026 and moving from among the lowest-rated conditions to a mid-range assessment. Although digitalisation remains a comparatively weaker area, Swedish companies are likely well positioned to operate within or contribute to digital solutions in Austria, given Sweden's strong global standing in this field. This is reflected in the IMD World Digital Competitiveness 2025 Ranking, where Sweden placed eighth out of 69 countries, compared to Austria's 24th position.

Lower scores were also assigned to Austria's licences, permits and approvals (6.3), indicating that Swedish companies perceive that there is a slight administrative burden associated with conducting business in Austria, as mentioned in the previous section of this report.

How well do the following conditions meet the needs of your company in Austria?

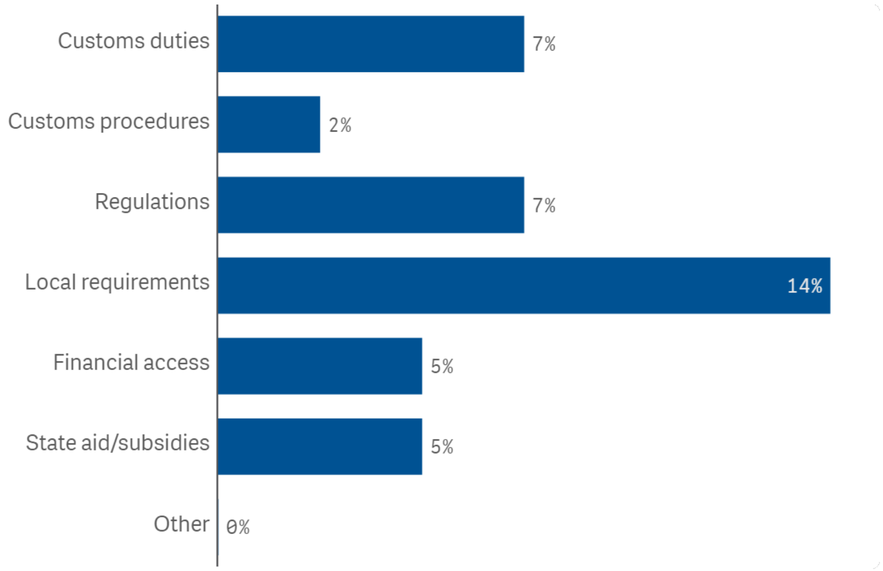


NOTE: The number of respondents for this question was 59. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

Few trade barriers reported, and local content requirements replace regulations as the main challenge

Most Swedish companies in Austria continue to report few trade barriers that negatively impact their operations. Compared to 2025, the nature of reported trade barriers has shifted, with local content requirements emerging as the most frequently cited issue in 2026, affecting 14 per cent of respondents and replacing regulations as the primary concern last year (16 per cent in 2025 compared to seven per cent in 2026). In contrast, the share of companies citing broader regulatory barriers has declined. Other barriers remain limited, with seven per cent of respondents pointing to customs duties and technical regulations or standards.

Has your company in the past year encountered trade barriers in Austria with a noticeably negative impact on operations in any of the following areas?



NOTE: The number of respondents for this question was 59.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

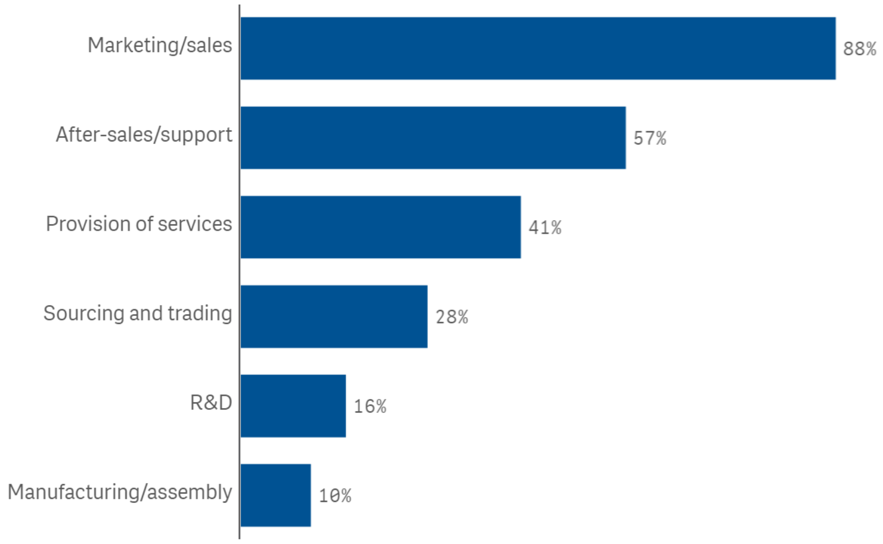
Local requirements highlighted as important in Austria include access to local networks and relationships with key stakeholders, as Austria is a very relationship-driven business environment, particularly in certain sectors.

How Swedish companies succeed in Austria

26 per cent of Swedish companies engage in R&D and undertake manufacturing/assembly activities

The vast majority (88 per cent) of respondents indicate they are involved in marketing and sales activities – an increase of 11 percentage points from last year. Fifty-seven per cent operate in aftersales and support activities, 41 per cent of companies in our sample provide services, 28 per cent operate in sourcing and trading, 16 per cent perform R&D activities, and 10 per cent undertake manufacturing or assembling activities in Austria.

Operations of Swedish firms in the market



NOTE: The number of respondents for this question was 59. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

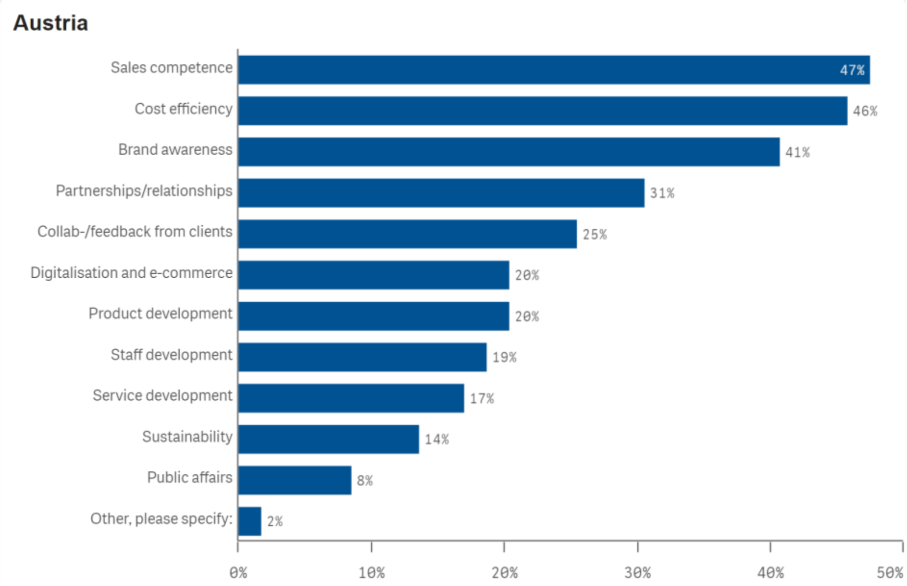
Sales competence and cost competitiveness drive success in a price-focused market

Several factors continue to contribute to the strengthening of Swedish companies' competitiveness in the Austrian market. Compared to 2025, the importance of sales competence has increased, with 47 per cent of respondents now identifying it as a key factor, up from 34 per cent last year. Cost efficiency has also become more prominent, rising to 46 per cent in 2026, representing a 10-percentage-point increase compared to 2025. Brand awareness is cited by 41 per cent of respondents and has moved up from fourth place last year to become the third most important driver of competitiveness, while partnerships and relationships have fallen from second to fourth place, despite only a marginal decline in share from 34 per cent in 2025 to 31 per cent in 2026. In contrast, public affairs and sustainability continue to be rated as less critical to maintaining competitiveness in the Austrian market.

In an interview with the CFO of IKEA Austria, it was highlighted that "For IKEA, sustainability has been, still is, and will always be an integral part of our core business concept and therefore has the highest priority. While sustainability is also a very important factor for Austrian consumers, our latest market data shows that they have also become very price-sensitive and place-driven in their decision-making processes. This is especially true during the current affordability crisis in the country. Austrians are among the strongest when it comes to unwillingness to spend, as seen by their very high saving rate – almost 12 per cent. Even though people have more money to spend, prices have gone up so far that people are hesitant to do so". It was highlighted that this is very likely connected to the uncertainty due to current geopolitical tensions, as customers do not know what to expect.

> **For IKEA, sustainability has been, still is, and will always be an integral part of our core business concept. However, consumers in Austria have also become very price-sensitive and value-driven in their decision-making processes.**
>
> **CFO, IKEA Austria**
> Retail company

To date, which of the following areas have been important in maintaining competitiveness in Austria?



NOTE: The number of respondents for this question was 59. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

Positive perceptions of the Swedish brand remain, despite a decline of nine percentage points since 2025

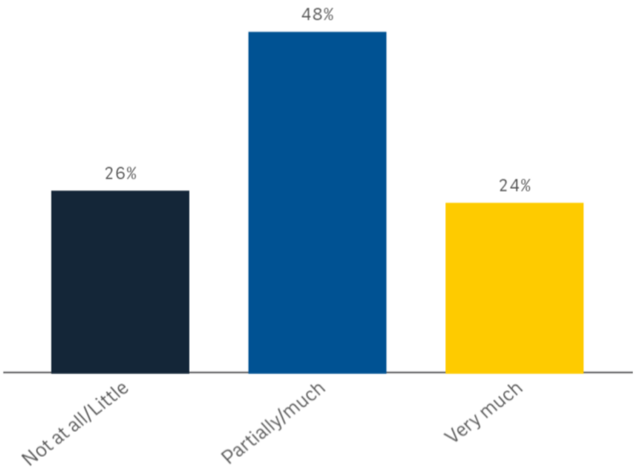
Austrians continue to hold a very positive view of Sweden and strongly associate the country with high-quality services, management, goods, technical know-how, innovation, and sustainability. Sweden's reputation in Austria remains well established and is closely linked to the high level of trust placed in the Nordic countries. While the share of companies reporting that the Swedish brand contributes positively to their business has declined compared to 2025, when it stood at 68 per cent, the overall perception remains strong, with 59 per cent of respondents in 2026 reporting a positive contribution, rated '4' or '5', where '5' denotes 'to a great extent'. Almost a quarter of Swedish companies operating in Austria continue to report that the Swedish brand contributes 'very much' to their business, unchanged from last year.

During the interviews with industry experts, it was highlighted that while the Swedish brand does positively contribute to their business, there is a preference for Austrian or German products over other European products. It is for this reason that it was also highlighted that while being a Swedish brand is helpful, investing in building relationships with local counterparts, like customers, in addition to this is crucial.

“For us, being present in Austria is about being a long-term partner. By combining our local engagement with the strengths of Sweden as a brand – innovation, sustainability, and trust – we aim to partner with Austria’s ecosystem in a way that creates shared value over time.

Managing Director, Saab Aeronautics Austria
Defence company

To what extent would you estimate that the “Swedish brand” contributes to your business in Austria?



NOTE: The number of respondents for this question was 58. Don’t know/Not applicable” responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

Acting sustainably

Environmental aspects continue to play an important role in customers' purchasing decisions

Sustainability is important among the respondents' customers in Austria, with a large majority of Swedish companies reporting that their customers consider environmental aspects in purchasing decisions.

Breaking down the results by sector, the most notable change since 2025 is observed in the consumer sector, where the share of respondents considering environmental aspects in their purchasing decisions to be 'partially' to 'very important' increased markedly, from 66 per cent last year to 80 per cent in 2026. The importance of environmental aspects has also strengthened slightly in the industrial sector, rising from 81 to 84 per cent, where it remains most pronounced overall. By contrast, the professional services sector reports a lower emphasis on consideration of environmental aspects, with 57 per cent rating it as 'partially' to 'very important', representing a slight decline compared to 61 per cent in 2025. These sectoral differences reflect a broader dynamic observed in the Austrian market, where sustainability remains an important consideration, but purchasing decisions are increasingly shaped by affordability and price sensitivity, as highlighted earlier by IKEA.

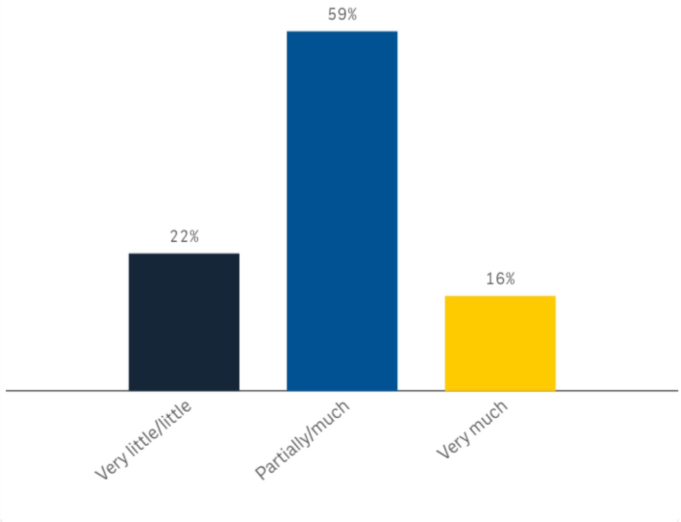
This is further emphasised in an interview with the Country President of AstraZeneca Austria, where it was highlighted that "sustainability is an integral part of how we operate in Austria. It is clearly valued by our customers and healthcare professionals, and we focus on making sustainability tangible through practical measures in our daily operations rather than treating it as a standalone initiative. This means implementing concrete operational changes, like transitioning to more sustainable mobility solutions, that align with both our customers' expectations and our own responsibility as a healthcare partner."

When results are analysed by company size on a global basis, 29 per cent of small companies (249 employees or fewer) reported that customers in their industry consider environmental aspects to a very great extent, compared with only nine per cent of large companies reporting the same level of importance.

> **Sweden and sustainability are closely interconnected, as the country has been "walking the talk" for a long time, reinforcing customers' trust in Swedish brands.**

CFO, Volvo Cars Austria
Automotive company

To what extent do customers in Austria consider the environmental aspects of a product or service in their purchasing decision?



NOTE: The number of respondents for this question was 58. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

Only seven per cent of Swedish companies report being exposed to corruption in Austria

When asked whether their companies had been exposed to any cases of corruption, such as attempts at bribery or fraud, only a small share of respondents (7 per cent) reported that this had been an issue for their business operations in Austria, down from 14 per cent in 2025. Overall, reported exposure remains low across sectors, company size, and experience in the market. Where exposure was reported, patterns vary by counterpart type, company size, and company experience.

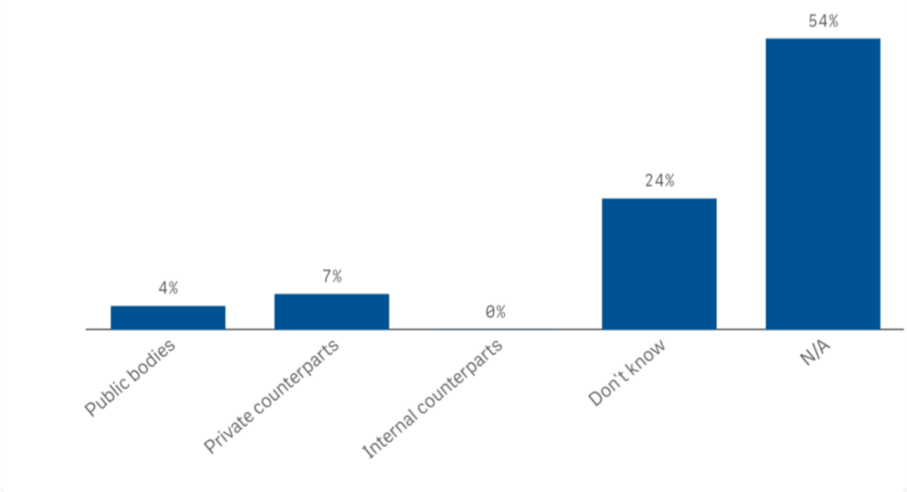
Compared to 2025, reported cases appear more dispersed across sectors, whereas last year, no respondents from the industrial sector reported exposure. In 2026, exposure relating to public bodies is reported primarily in the consumer sector (14 per cent) and to a lesser extent in industry (six per cent), while exposure in the private sector (private counterparts) is reported in professional services (eight per cent) and industry (six per cent). No exposure is reported in relation to internal counterparts across sectors, consistent with last year's findings.

By company size, the limited cases reported in 2026 are most concentrated among medium-sized enterprises, where 14 per cent report exposure involving public bodies and a further 14 per cent involving private counterparts. This contrasts with 2025, when reported exposure among smaller firms was more pronounced, with small enterprises reporting exposure of around 20 per cent involving both public bodies and private counterparts, and medium-sized enterprises reporting roughly 25 per cent involving private counterparts. In 2026, small enterprises report only limited exposure involving private counterparts (eight per cent) and none involving public bodies, while large enterprises continue to report low levels of exposure (four per cent each for public bodies and private counterparts).

Looking at company experience, reported exposure in 2026 is largely concentrated among newer entrants, with 25 per cent indicating exposure involving both public bodies and private counterparts. By contrast, no cases are reported by experienced companies, consistent with the overall finding that direct exposure to corruption remains uncommon among established operators in the Austrian market.

The most pronounced year-on-year shift is observed by company experience, with reported exposure in 2026 concentrated entirely among newer entrants. In 2026, 25 per cent of newly established companies report exposure involving both public bodies and private counterparts, while no cases are reported by experienced companies, and only limited exposure is reported by mature firms. This contrasts with 2025, when reported exposure was more evenly distributed across experience levels, with both newer and mature companies reporting exposure involving public bodies and private counterparts (11 per cent among newcomers and six per cent among mature companies), while experienced companies reported comparatively higher exposure involving private counterparts (13 per cent).

Has your company in Austria been exposed to corruption such as, but not limited to, attempts of bribery or fraud in contacts with any of the following areas?

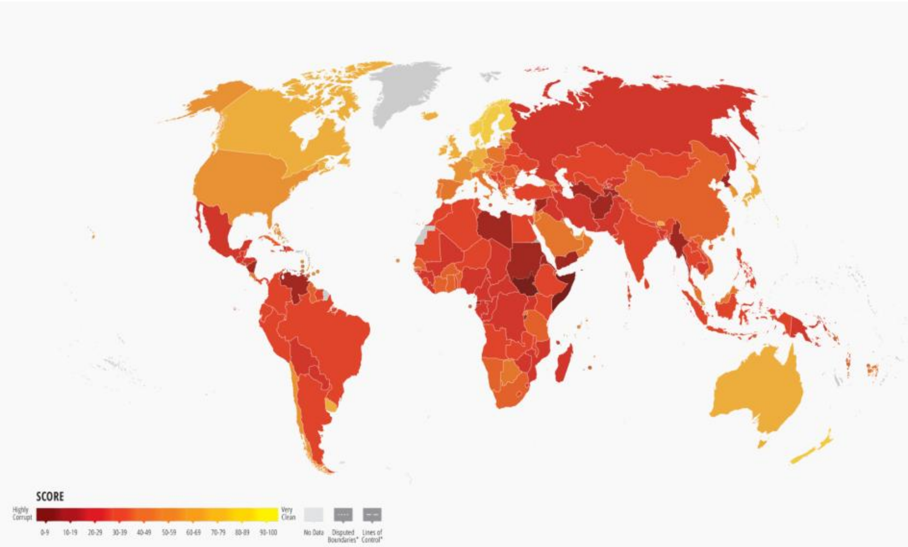


NOTE: The number of respondents for this question was 59.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

Comparing Austria with international benchmarks, like the Corruption Perceptions Index 2025 (ranks 182 countries on a scale from zero to 100 based on perceived public-sector corruption), Austria scores 69 out of 100, which is slightly above the EU average of 64. This gives Austria a ranking of 21st out of 182 in 2025, which is an improvement compared to 2024, in which Austria was ranked 23rd. Although in line with the EU average, the score is significantly lower than that of Sweden at 80 out of 100, placing Sweden 6th out of 182 countries in 2025.

To conclude, Austria continues to perform well globally and is positioned broadly in line with other Western European economies. Other high-ranked European countries alongside Sweden are Denmark and Finland, which rank first and second, respectively. Germany also performs strongly, ranking tenth globally, comparable to several other Western European peers. While Austria does not rank at the very top of the index, its position within this high-performing Western European cluster aligns with survey findings indicating that exposure to corruption among Swedish companies in Austria remains low.

Corruption perception index 2025



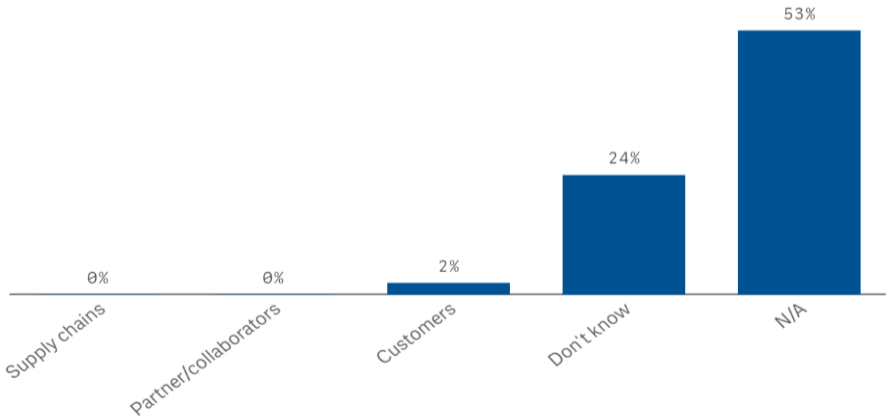
NOTE: Austria has a score of 69 out of 100, securing 21st position globally
SOURCE: Transparency International

Swedish companies in Austria encounter no known instances of human rights or labour rights issues

Similarly to the results pointing to low levels of corruption in Austria, the survey has also found that Swedish companies report little to no exposure to human rights or labour rights abuse in their operations, be it in their supply chains, in connection with their partners, or among their customers. This is broadly in line with the 2025 results, when respondents reported no known instances of such abuses.

Concluding the findings related to corruption and rights abuses, the survey results indicate that Austria enjoys a good reputation for its low levels of corruption and low levels of human rights and labour rights violations, reaffirming the overall picture presented in last year's survey.

Has your company in Austria encountered any form of human rights violations and/or labour rights abuse in contacts with any of the following areas?



NOTE: The number of respondents for this question was 59. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Austria 2026

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