The Case for Investing in Europe

The case for investing in Europe is stronger than ever. Joseph P. Quinlan comes to this conclusion in his latest report commissioned by the American Chamber of Commerce to the EU. Joseph Quinlan is a leading expert on the Transatlantic Economy. Presently he is a senior fellow at the Center for Transatlantic Relations in Washington D.C.

Europe continues to attract more than half of US aggregate FDI outflows. That Europe remains the favored destination of US firms runs counter to the fashionable narrative that Corporate America prefers low-cost nations like Asia, Latin America and Africa, to developed markets in Europe.

Some facts underlining this proposition:

US affiliates in Europe are among the largest and most advanced economic forces in the world. The global footprint of Corporate America in Europe is simply staggering and US foreign assets in Europe totaled roughly 60% of the global total according to the latest figures from the Bureau of Economic Analysis. US foreign affiliates are a major source of employment in Europe, increasing steadily over the years, reaching 4.5 million workers in 2016.

In 2014, the last year of available data, US affiliates sunk $30.8 billion on research and development in Europe. Europe remains a critical source of global profits for US firms. Rising US foreign affiliate earnings in Europe has underpinned more output and employment growth in Europe, more R&D expenditures across the continent and more bi-lateral trade not only between the US and Europe but also between Europe and other parts of the world.

Looking ahead the US and Europe will remain each other’s most important trading and investing partners. US firms that require global scope, external resources and growth markets outside the US cannot afford to ignore or pass on Europe’s wealthy consumer base, skilled labor pool, rule of law, ease of doing business, technology skills and proximity to many dynamic emerging markets.

AMCHAM COMMENTS BY EXECUTIVE DIRECTOR DANIELA HOMAN

This study drafts an optimistic future of the relations between the US and Europe, thus also of the US and Austria. However there is no reason to relax and sit back. In the latest Global Competitiveness Index of the World Economic Forum Austria is ranked number 18, with 6 European Countries in the top 10, and in the Ease of Doing Business report of the World Bank Austria is ranked 19th. To make sure that Austria gets its fair share of US FDI inflows, Austrian politicians are challenged.

The AmCham Business Barometer monitors the attractiveness of Austria as a business location for US companies. Several negative factors are mentioned regularly, such as the high level of non wage labor costs and the lack of flexibility in the labor market. Our next Business Barometer will be ready end of March. Read more about the latest findings in our next newsletter.
Goods and Services Deficit

The U.S. Census Bureau and the U.S. Bureau of Economic Analysis, through the Department of Commerce, announced that the goods and services deficit was $53.1 billion in December, up $2.7 billion from $50.4 billion in November, revised. December exports were $203.4 billion, $3.5 billion more than November exports. December imports were $256.5 billion, $6.2 billion more than November imports.

Unemployment Rate Steady

Total nonfarm payroll employment increased by 200,000 in January, and the unemployment rate was unchanged at 4.1 percent, the U.S. Bureau of Labor Statistics reported. Employment continued to trend up in construction, food services and drinking places, health care, and manufacturing.

Producer Price Index Up

The Producer Price Index for final demand increased 0.4 percent in January, seasonally adjusted, the U.S. Bureau of Labor Statistics reported. Final demand prices were unchanged in December and moved up 0.4 percent in November. On an unadjusted basis, the final demand index rose 2.7 percent for the 12 months ended in January.

Industrial Production Down

Industrial production edged down 0.1 percent in January following four consecutive monthly increases. Manufacturing production was unchanged. Mining output fell 1.0 percent, with all of its major component industries recording declines. Total industrial production was 3.7 percent higher in January than it was a year earlier. Capacity utilization for the industrial sector fell in January to 77.5 percent, a rate that is 2.3 percentage points below its long-run (1972–2017) average.

Consumer Price Increased

The Consumer Price Index for All Urban Consumers increased 0.5 percent in January on a seasonally adjusted basis, the U.S. Bureau of Labor Statistics reported. Over the last 12 months, the all items index rose 2.1 percent before seasonal adjustment.

The Conference Board Leading Economic Index®

The Conference Board Leading Economic Index® (LEI) for the U.S. increased 1.0 percent in January to 108.1 (2016 = 100), following a 0.6 percent increase in December, and a 0.4 percent increase in November.

“The U.S. LEI accelerated further in January and continues to point to robust economic growth in the first half of 2018. While the recent stock market volatility will not be reflected in the U.S. LEI until next month, consumers’ and business’ outlook on the economy had been improving for several months and should not be greatly impacted,” said Ataman Ozyildirim, Director of Business Cycles and Growth Research at The Conference Board. “The leading indicators reflect an economy with widespread strengths coming from financial conditions, manufacturing, residential construction, and labor markets.”

Gdp Increased

Real gross domestic product (GDP) increased at an annual rate of 2.5 percent in the fourth quarter of 2017, according to the “second” estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 3.2 percent.

United States Economic Data

<table>
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<tr>
<th>Indicator</th>
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<tbody>
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<td>GDP</td>
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<td>Industrial Prod.</td>
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<td>Jan 18</td>
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<tr>
<td>Consumer Prices</td>
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<td>Producer Prices</td>
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<td>Leading Indicators</td>
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<tr>
<td>Unemployment</td>
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<tr>
<td>Def. bn $</td>
<td>53.1</td>
<td>Dec 17</td>
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*change previous period
GREITER PEGGER KOFLER & PARTNERS
Management Center Innsbruck presents Teaching Award to Franz Pegger
Univ.-Prof. Mag. Dr. Franz Pegger, partner of the Innsbruck law firm Greiter Pegger Kofler & Partners, was one of the three teachers to recently be presented with the renowned Teaching Award by the Management Center Innsbruck (MCI), a higher education institution with 240 partner universities from all over the world.

The MCI Academic Council confers the award for outstanding teaching services based on student evaluations regarding aspects such as the teacher’s expertise, applied methodologies and didactics, as well as relevance and applicability of content. MCI has a number of partner agreements with US institutions, including Seton Hall University and Auburn University.

WIENER PRIVATBANK
Representatives from economy and culture in worthwhile exchange with adolescents
As part of the initiative “schülerInnen, gestalten.wandel” member of the board Eduard Berger discussed with highschool graduates of HBLFA Schönbrunn the topics digitalization and work environment of the future.

Apart from Eduard Berger, Roland Geyer, intendant of Theater an der Wien, Franz Braunsberger, manager of Kühne & Nagel, Franz Hartl, manager of Hartl Öle as well as Benjamin Jentzsch, manager of Druckerei Jentzsch, answered the questions of the interested adolescents. The dialogue was shaped by mutual interest.

“schülerInnen,gestalten.wandel” is an initiative aiming to include young people in everyday professional life and profit from their ideas simultaneously.

UBS
UBS recognized as best in the business
The bank landed the top spot in over 160 categories, across 9 regions and over 30 countries. Peers recognized UBS for offering the best banking services across segments, to international clients and family offices.

For the third consecutive year, UBS has been ranked first in the „Best Private Banking Services Overall – Global“ category in Euromoney’s annual Private Banking Survey. The annual Euromoney Private Banking and Wealth Management Survey recognizes outstanding wealth managers. Survey winners are selected by an independent peer review.

FULBRIGHT AUSTRIA
New Institutional Partnership with the University of applied Sciences St. Pölten
The department of computer science and security at the University of Applied Sciences St. Pölten will host a Fulbright U.S. scholar.

Beginning with the academic year 2019/20, U.S. scholars with a background in cyber security will have the opportunity to teach and research in St. Pölten for one academic semester.

The University of Applied Sciences St. Pölten has previously hosted scholars from the U.S. for short-term visits on several occasions. With the new agreement, which has initially been concluded for three years, the University will now host guest professors, who will teach and carry out research projects, for the duration of a semester.

The Austrian U.S. Scholar Program is currently the sixth largest in the world. This success is mainly due to the commitment of Fulbright Austria’s partner institutions, who host guest professors and engage in knowledge transfer between Austria and the U.S.

ROLAND BERGER
Automated Vehicles: Legal Framework Will Decide the Race to Full Automation
US and German carmakers still lead the field in autonomous driving. What will be crucial for the future though, is how governments shape the legal framework for test vehicles and type approval of self-driving vehicles in their individual countries.

As the technology evolves, the main focus will be on testing in real-life conditions – one of the key criteria determining a country’s attractiveness. This is among the findings of the “Automated Vehicles Index” which sees Roland Berger and Forschungsgesellschaft Kraftfahrwesen Aachen analyze the competitive positions of the relevant automotive nations.

German carmakers managed to defend their leading position and now offer ADAS* in almost all vehicle categories. That said, the crucial advantage in the race to achieve full automation will be found in developing the technology and testing it on the roads.

Legislation in the U.S. bolsters the country’s leading role and carmakers are enjoying great success due to the support of the regulatory framework. It is therefore very likely that the majority of the road tests planned or already underway will be carried out in the U.S.

Consequently, US companies are expected to further expand their leading position in this technology sector and even more high-tech companies will set up shop in the country.

The study authors predict that Germany will be the time being hold on to its position as a pioneer in technology and knowledge transfer, but there is no guarantee that the country will actually play a leading role in the highly automated mobility of the future. Added, China’s current ban on testing automated vehicles on public roads may be coming to an end, as work has already started on a law to define the corresponding regulatory framework and necessary requirements.

* Advanced Driver Assistance Systems


Zu den Marken zählen unter anderem Dom Perignon, Krug, Veuve Clicquot, Mercier, Belvedere Vodka, Glenmorangie und Ardbeg.
Culture

The Director’s Choice
Masterpieces from the Photographic Collection

March 7th – June 10th 2018
Albertina
1010 Wien

Director General Klaus Albrecht Schröder is compiling his own representative selection from the approximately 100,000 works of the ALBERTINA Museum’s extensive Photographic Collection. Schröder’s 120-work selection provides a wide-ranging look into the museum’s photographic holdings. This presentation introduces genres such as portrait photography, architectural photography, and landscape photography while also giving an impression of important photographic movements.

Featured photographers (selection):

Houston Symphony Orchestra
Hahn / Orozco-Estrada

March 15th, 2018
Wiener Konzerthaus
1030 Vienna

For its debut in the Wiener Konzerthaus, the Houston Symphony Orchestra will perform with the American star violinist Hilary Hahn as soloist. At the start of her career she chose a piece by Leonard Bernstein to perform — his Serenade after Plato’s Symposium — on her first orchestral album.

It is a virtuoso piece which is both tender and passionate and Hilary Hahn is performing it this year to mark the 100th anniversary of Bernstein’s birth. This violinistic jewel will be played between Antonín Dvořák’s dramatic symphonic poem, The Noon Witch and his Seventh Symphony.

Rajkamal Kahlon
Staying with Trouble

until September 30th, 2018
Weltmuseum Wien
1010 Vienna

Berlin-based American artist Rajkamal Kahlon reflects on how the staging of late 19th and early 20th century ethnographic portrait photography was often based on constructions of the “savage” or “primitive”, and thereby helped to form certain codes of representation that can still be found today. Through her visual analysis and transformation of archival images, the artist examines these continuities and invites visitors to question their own gaze.

In her work we witness an autopsy, a dissection of the visual legacies of empire. By redrawing and repainting the bodies of photographed native subjects, Kahlon allows for the rehabilitation of those bodies, histories, and cultures.

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AMCHAM TALKS MIT ALI MAHLODJI
CO-FOUNDER WHATCHADO, AUTOR, EU-JUGENDBOTSCHAFTER
„ACHTSAMKEIT IM ZEITALTER DER POTENTIALENTFALTUNG“

We look forward to welcoming you at the next AmCham Talks on March 16th with Georg Hirschi, MA, Senior Vice President of Sales, Marketing & Innovation, EMEA of Lee Hecht Harrison
Monika Marte erweitert das Team der Human Management Group Iventa als Personalberaterin am Standort Innsbruck. Ihre letzte berufliche Station war die Lanserhof GmbH, wo sie für die Therapieleitung und das Personalmanagement in der Therapie zuständig war.


Michael Woller steigt zum Contract Partner bei Schönerr auf. Der Beratungsfokus des 35-Jährigen liegt auf den Bereichen neue Technologien, Markenstrategie und unlauterer Wettbewerb.


Stefanie Ziegler verstärkt als Rechtsanwaltsanwärterin das Team der internationalen Anwaltsgruppe Eversheds Sutherland in Österreich. Zuvor war die 28-Jährige im Kartellrechtsteam einer internationalen Wirtschaftskanzlei tätig.
