THE CASE FOR INVESTING IN EUROPE 2018

Every year Joseph Quinlan, a leading expert on the transatlantic economy, writes a report called “The Case for Investing in Europe”, commissioned by AmCham EU. Joseph Quinlan is a senior fellow at the Center for Transatlantic Relations based in Washington DC. Here is an executive Summary of his newest report published in November 2018.

Notwithstanding the incessant swirl of change, one strand of continuity remains: the deep integration of the U.S. and Europe, with each party drawing strength and stability from each other. Today, the transatlantic economy remains the bedrock of the global economy. Indeed, as 2018 draws to a close, it is the emerging markets—Turkey, Argentina, and South Africa, for instance—putting the most strain on global growth. The United States leads the global expansion, followed by China and the European Union. For American firms that have stayed the course in Europe, and persevered through the last few years of sluggish growth, as well as the political ripples of Brexit, Europe remains among the most attractive markets in the world.

The case for Europe rests on ten building blocks:

• One of the world’s largest and wealthiest markets, with roughly 25% of world output
• Highly skilled and productive workforce
• 500 million consumers and rising incomes; 21% of global personal expenditures in the EU (2016)
• Economy on the upswing; Cyclical uptrend in GDP growth, with dropping unemployment
• Innovation and world-class R&D infrastructure
• Ongoing long-term structural reforms; Embracing change in labor markets and the public sector
• Renewed political vision for the EU; Stronger institutional framework of the EU and the Eurozone
• Most competitive economies in the world: 6 European countries in the top 10
• Easy to do business; Most business friendly nations: 14 European countries in the top 25
• Access to a large and attractive periphery; Springboard to growing economies at Europe’s door

The bottom line: whether it’s trade in goods or services; whether the activity is expanding R&D in France; or hiring new workers in Germany or Spain; building out a facility in Ireland or Poland; driving profits from the United Kingdom or the Netherlands—whatever the activity, the simple message is the following: Europe matters to Corporate America. Outside the United States, no other region of the world has such an outsized influence on the economic success or failure of U.S. firms as Europe.
The U.S. monthly international trade deficit increased in September 2018, according to the U.S. Bureau of Economic Analysis and the U.S. Census Bureau, from $53.3 billion in August to $54.0 billion in September, as imports increased more than exports. The goods deficit increased $0.6 billion in September to $77.2 billion. The services surplus decreased $0.1 billion in September to $23.2 billion.

The Producer Price Index for final demand rose 0.6 percent in October, seasonally adjusted, the U.S. Bureau of Labor Statistics reported. Final demand prices advanced 0.2 percent in September and declined 0.1 percent in August. On an unadjusted basis, the final demand index increased 2.9 percent for the 12 months ended in October.

Real gross domestic product (GDP) increased 3.5 percent in the third quarter of 2018, according to the second estimate released by the Bureau of Economic Analysis. The growth rate was unrevised from the advance estimate released in October. In the second quarter, real GDP increased 4.2 percent.

Total nonfarm payroll employment rose by 250,000 in October, and the unemployment rate was unchanged at 3.7 percent, the U.S. Bureau of Labor Statistics reported. Job gains occurred in health care, in manufacturing, in construction, and in transportation and warehousing.

The Consumer Price Index for All Urban Consumers increased 0.3 percent in October on a seasonally adjusted basis after rising 0.1 percent in September, the U.S. Bureau of Labor Statistics reported. Over the last 12 months, the all items index rose 2.5 percent before seasonal adjustment.

The Conference Board Leading Economic Index® (LEI) for the U.S. increased 0.1 percent in October to 112.1 (2016 = 100), following a 0.6 percent increase in September, and a 0.5 percent increase in August.

“The US LEI increased slightly in October, and the pace of improvement slowed for the first time since May,” said Ataman Ozyildirim, Director of Economic Research and Global Research Chair at The Conference Board. “The index still points to robust economic growth in early 2019, but the rapid pace of growth may already have peaked. While near term economic growth should remain strong, longer term growth is likely to moderate to about 2.5 percent by mid to late 2019.”

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<tr>
<th>United States Economic Data</th>
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<th>Period</th>
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<td>GDP</td>
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<td>Industrial Prod.</td>
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<tr>
<td>Consumer Prices</td>
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<tr>
<td>Producer Prices</td>
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<tr>
<td>Leading Indicators</td>
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<td>Unemployment</td>
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<tr>
<td>Def. bn $</td>
<td>54.0</td>
<td>Sept 18</td>
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*change previous period
ABA - INVEST IN AUSTRIA

The life sciences sector in Austria has developed positively:

The industry, which already accounts for 6.1 percent of the country’s GDP, generated record revenue of EUR 22 billion, a rise of 17 percent.

More than 900 companies (a rise of 11 percent) with a staff of close to 55,500 employees already operate in the sector. This was the conclusion of the Life Science Report Austria 2018, compiled by aws Austria Wirtschaftsservice on behalf of the Federal Ministry of Digital and Economic Affairs. About EUR 290 million in fresh capital was injected into biotech companies in 2017. Revenue of the 127 biotech startups amounted to approx. EUR 313 million.

The study was carried out for the first time since the initial study took place in 2014. At that time investments, funding and loans amounted to about EUR 87 million, and revenue was at EUR 198 million.

The lion’s share of financing came from venture capital investors. Biotech firms raised about EUR 137 million in risk capital in 2017, comprising a three-fold increase compared to the year 2014. "In past years Austria has established itself as an internationally respected location for companies along the entire value chain. This dynamic development is also reflected, for example, in the extensive interest displayed by international companies which want to cooperate with national players”, says aws Managing Director Bernhard Sagmeister.

EY

Companies risk irrelevance due to a lack of bold transformation plans

Consumer-facing companies must change how they are transforming their businesses and take bold steps in order to remain relevant to the technology-enabled smart consumer, according to „EY FutureConsumer. Now” research which identified five business imperatives to act on.

1. Challenge every assumption
Companies will need to address these requirements: maximize the benefits of existing business models to fund transformation; build on current capabilities that drive new business models and create new capabilities that enable a pivot into new opportunities.

2. Choose your tribe
By differentiating on their purpose and embedding it across every facet of their organization, business stand to form deep, lasting, and profitable connections with consumers, talent and other stakeholders.

3. Win every micro-moment
Companies will need to customize and adapt what products they offer, at what price and when, as consumers make purchasing decisions in split seconds (“micro-moments”), regardless of brand.

4. Deliver measurable outcomes
As technology provides the consumer with more insight on purchases than ever before, generalized brand promises will become redundant as consumers demand more measurable, personalized outcomes.

5. Master the ecosystem
Companies need to identify the consumer-centric ecosystem they want to create and decide where in this ecosystem they want to play.

SEMPERIT

Mit Mega-Factory zur Herstellung von Industrie- und Hydraulikschläuchen; Vorzeigewerk im Semperit-Konzern mit weiterem Ausbaupotenzial


LEONARD BERNSTEIN. A New Yorker in Vienna

Until April 28th 2019
Museum Judenplatz
1010 Vienna

Leonard Bernstein, who was introduced to music in the synagogue of his childhood in Boston, studied at Harvard, and was based in New York, had a lifelong relationship with Vienna. From 1966 until his death in 1990 he returned on several occasions to work above all with the Vienna Philharmonic. He reintroduced the Vienna Philharmonic—despite initial resistance—to the suppressed Gustav Mahler, and even played a role in Austrian domestic politics.

An exhibition to mark the 100th anniversary of the birth of the star conductor and composer that focuses on the New Yorker Bernstein’s relationship with the music city of Vienna, looks at the great artist’s Jewish roots, and also pays homage to his political activities.

MODEL ARBUS GOLDIN

December 6th 2018 until March 24th 2019
WestLicht
1070 Vienna

With the help of Lisette Model, Diane Arbus and Nan Goldin, WestLicht presents three great American photographers whose images have radically expanded the view of human society. They captured the social life of America at different stages of the 20th century. Over three generations, starting with Model, who grew up in Vienna, they re-formulated the dialogue between photographer and portrayed in their own way and combined the documentary and the subjective. Their works are expressions of their time and the different milieus in which they moved on the one hand, and tributes to the diversity of being on the other.

ED RUSCHA - DOUBLE AMERICANISMS

From November 16th, 2018 – January 20th, 2019
Secession
1010 Vienna

In more than sixty years, Ed Ruscha has built an oeuvre encompassing conceptual photographs, paintings, drawings, artist’s books, prints, and films that chronicle the development of the American West and of Los Angeles in particular in a singular artistic idiom. Widely acclaimed as a sober-minded and dispassionate witness and historian, outspoken and enigmatic at once, Ruscha is gifted with a keen sense for linguistic humor and the comedy of everyday life.

THE CHRISTMAS GOSPEL

From December 7th until December 22nd 2018
Karlskirche
1040 Vienna

Gospel classics like “Oh Happy Day”, “Amazing Grace” and “When the Saints” are of the repertoire of the ensemble, which, above all, convinces with the harmony of women and men’s voices.
AMCHAM TALKS BUSINESS BREAKFAST MIT SÖREN BUSCHMANN
PARTNER BDO ÖSTERREICH
„DIGITALISIERUNG UND DIE AUSWIRKUNG AUF MENSCH UND ORGANISATION“
Christine Antlanger-Winter wird Country Director von Google Austria. Vor ihrem Wechsel verantwortete sie als CEO von Mindshare Österreich die digitale Unternehmensentwicklung der Media-Agentur. Sie studierte an der FH Hagenberg Medientechnik und Design.

Judith Niederwieser erweitert den Bereich Key Account Management/Kundenbetreuung bei IQVIA. Die Pharmareferentin war u. a. Clinical Trial Manager & Regulatory Affairs Specialist, sowie Health Center Manager des Gesundheitszentrums am Flughafen Wien.

Andreas Buhl wird neuer Geschäftsführer von RUAG Space Austria, Österreichs größter Weltraumfirma. Er war zuletzt im Bereich Aerospace und Railway bei einem österreichischen Technologieunternehmen tätig.

Victoria Prymaka ist neu im Key Account Management/Kundenbetreuung bei IQVIA. Die studierte Pharmazeutin war u. a. Clinical Trial Manager & Regulatory Affairs Specialist, sowie Health Center Manager des Gesundheitszentrums am Flughafen Wien.


Thomas Pühringer erweitert die Führungsetage der Steuerberatung-, Wirtschaftsprüfung- und Beratungsikanzlei PwC am Standort Linz, wo er den Bereich Consulting mit Fokus auf die Industrie auf- und ausbauen wird.


Simon Wöss übernimmt die Leitung des IQVIA Leihaußendienstes „Integrated Engagement Services“. Er war bereits in verschiedenen Positionen im Bereich Pharma Marketing und Vertrieb in Österreich und Deutschland verantwortlich und ist seit 2014 für IQVIA tätig.