



## THE AUSTRIAN FEDERAL ECONOMIC CHAMBER

Representing the Interests of Business



## Contents

- Basic Organisational Structure of the Chamber ←
- The Austrian Federal Economic Chamber (WKÖ)
- Subsidiaries of the WK organisation

**“The Austrian Chambers of Commerce represent the interests of business, promote the economy and communicate knowledge.**

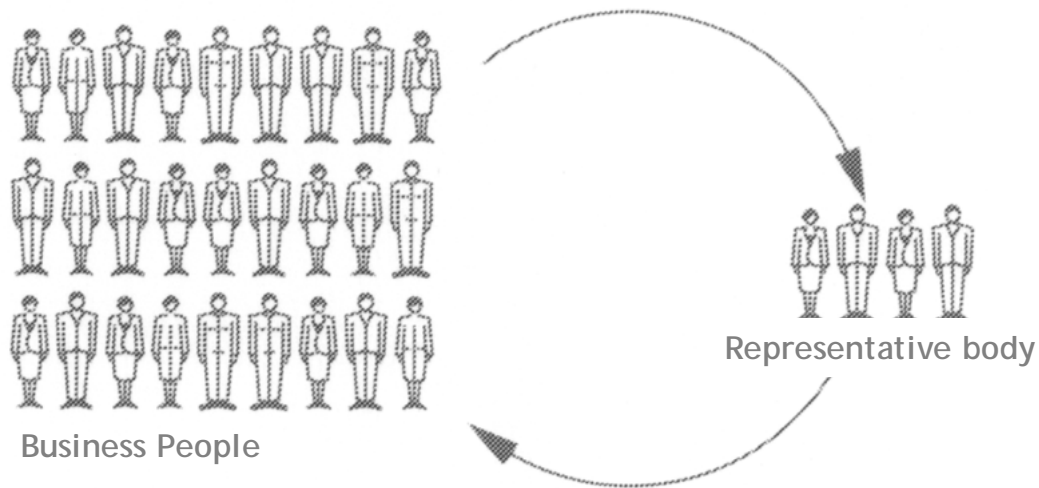
**In this sense, we feel we have a sociopolitical duty towards the citizens of this country.”**

Dr. Christoph Leitl,

President of the Austrian Federal Economic Chamber

## We represent the interests of commerce

There are about 350,000 businesses in the commercial sector



The Chambers of Commerce were established by the Austrian legislative body to safeguard the interests of particular social and professional groups.

**>> Statutory Representation of Professional interests**

**Employer**



Austrian Federal  
Economic  
Chamber

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Chambers of Commerce




Austrian Chamber  
of Agriculture

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Chambers of Agriculture




**Employee**



Federal Chamber of  
Labour

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Chamber of Labour

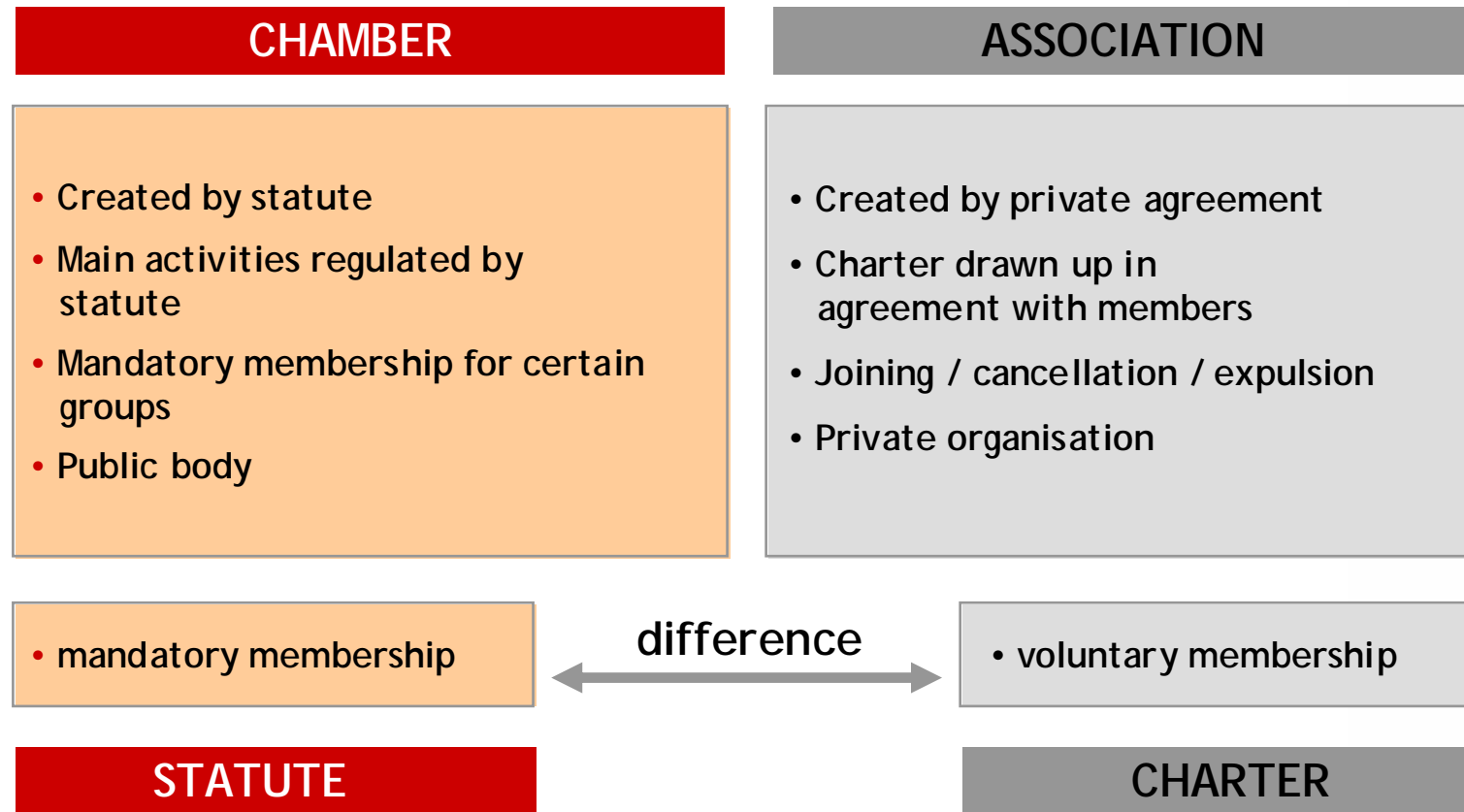


Austrian Federation  
of Trade Unions  
(Association)

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Industrial Trade  
Unions

## The difference between a Chamber and an Association



## History of the Chambers (1)

**1848** - First Chamber of Commerce (HK) set up in Vienna

**1850** - New law regulating the establishment of the HK

**1868** - First definitive Chamber of Commerce Law (HKG)

**1946** - New Chamber of Commerce Law - setting up the Federal Chamber,  
inclusion of the trade organisations as individual legal entities  
with own budget;  
commencement of the Social Partnership

**1950** - First free elections to the Chambers of Commerce

**1991** - Extension of the laws on elections and the rights of  
members, minorities and regulatory bodies; reduction of  
registration fees and annual charges

## History of the Chambers (2)

### 1993 - New Financial Regulations:

Abolition of the trade tax >>

Introduction of a new system for Chamber charges based on:

- Turnover [KU1] and
- Total wages [KU2 (Assessment basis FLAF)]

Abolition of AF-contribution >>

VAT prepayments form basis of assessment for KU1

### 1995 - Entry to EU:

Inclusion of the WKÖ in the EU survey procedure as well as in the Austrian permanent representation in Brussels

### 1998 - New Chamber of Commerce Law (WKG, formerly HKG):

New electoral laws, different system of representation

### 2001 - WKG amendment (based on extensive reforms in the Chambers)

## Our principles and how we abide by them

- Reward achievement and act in solidarity
- 'Think European'
- Act internationally
- Self-government and subsidiarity
- Continue to develop the social partnership - actively shape change
- Accept social responsibility



## Economic self-government

resulting from the liberal bourgeoisie revolution in 1848

The Chambers of Commerce as a professional  
**self-governing body**

>> A section of the civil service which has been delegated to the Chambers. The Chambers enjoy complete autonomy within the scope of their mandate:

- The state has the right to supervise only
- The supervisory authority is the relevant Minister

## Duties of the Chambers of Commerce (1)

The Chambers of Commerce have additional roles, in which they act as part of the civil service

>> when carrying out these duties they are subject to instructions from the relevant Federal Minister

- Certification as master craftsman
- Apprenticeships
- Issuing of certificates of origin

## Duties of the Chambers of Commerce (2)

- To represent the interests of their members
- To remain independent thereby strengthening their position in negotiations with the state and representatives of unions and management
- To participate in the law making process in respect of both federal and provincial laws and regulations
- **Goal:** to provide the best possible framework conditions for the conduct of business

The Chambers of Commerce represent the interests of Austrian businessmen and women  
- 9 Chambers of Commerce und  
the Austrian Federal Economic Chamber



### Regional Structure

- WKÖ
  - 70 trade delegations
  - 30 marketing offices
- 9 provincial chambers
- 82 district offices

**Industrial sectors:** the industries in the Austrian economy are divided into seven sectors



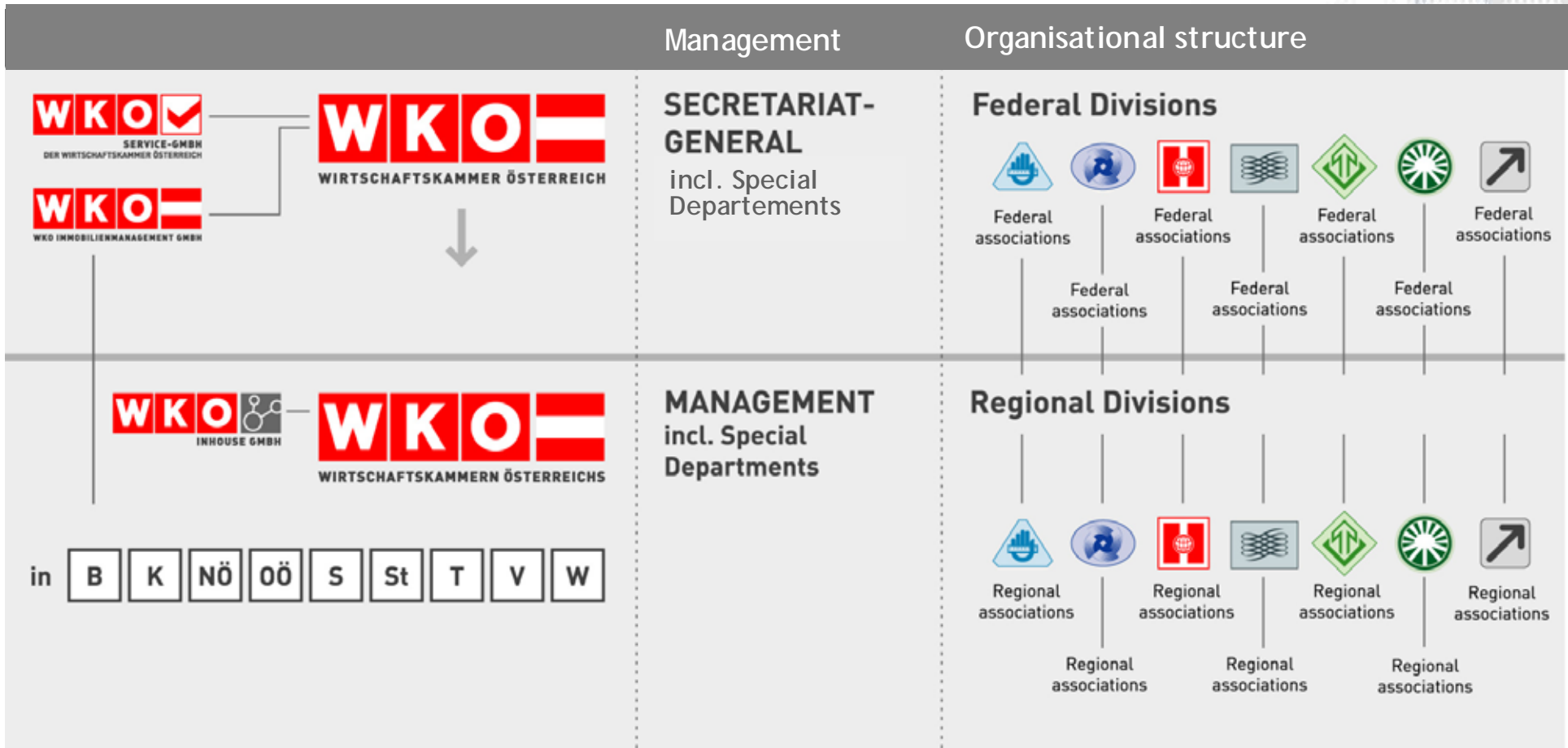
The seven sectors are subdivided into individual trade associations.



### Industrial classification

- 7 sectors
  - Federal Trade Associations
  - Provincial Trade Associations
  - Trade representatives
- 
- professional committees within the trade associations

# Basic Organisational Structure of the Chamber



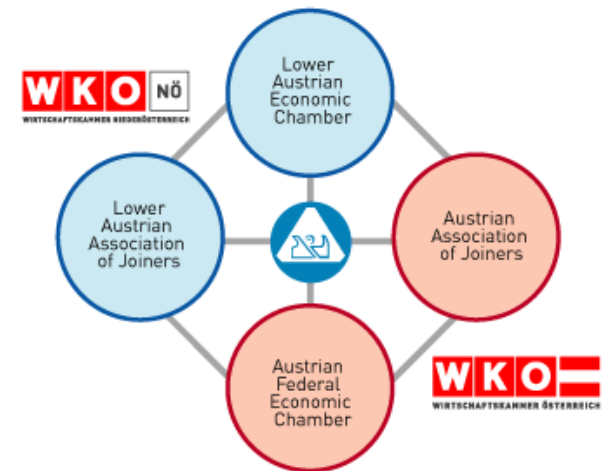
## Membership of the Chambers within each Federal Province

Burgenland	13,496	3.04 %
Carinthia	28,572	6.44 %
Lower Austria	81,847	18.45 %
Upper Austria	65,604	14.79 %
Salzburg	34,949	7.88 %
Styria	58,622	13.21 %
Tyrol	40,478	9.12 %
Vorarlberg	20,283	4.57 %
Vienna	99,761	22.49 %
<b>Austria</b>	<b>443,612</b>	<b>100.00 %</b>

As of: 31.12.2004  
incl. inactive members

All Austrian business people have concurrent membership of a number of organisations within the Chambers of Commerce

- The Provincial Chamber of Commerce, according to business location and entitlement
- The Provincial Trade Association
- The Austrian Federal Economic Chamber
- The Federal Trade Association

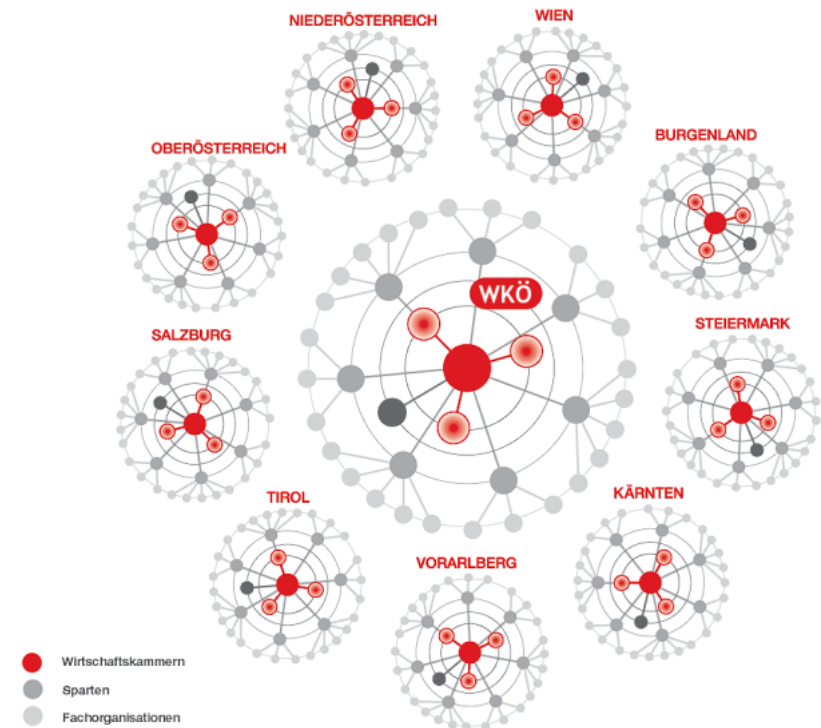


Various entitlements >>

Member of various trade associations and groups

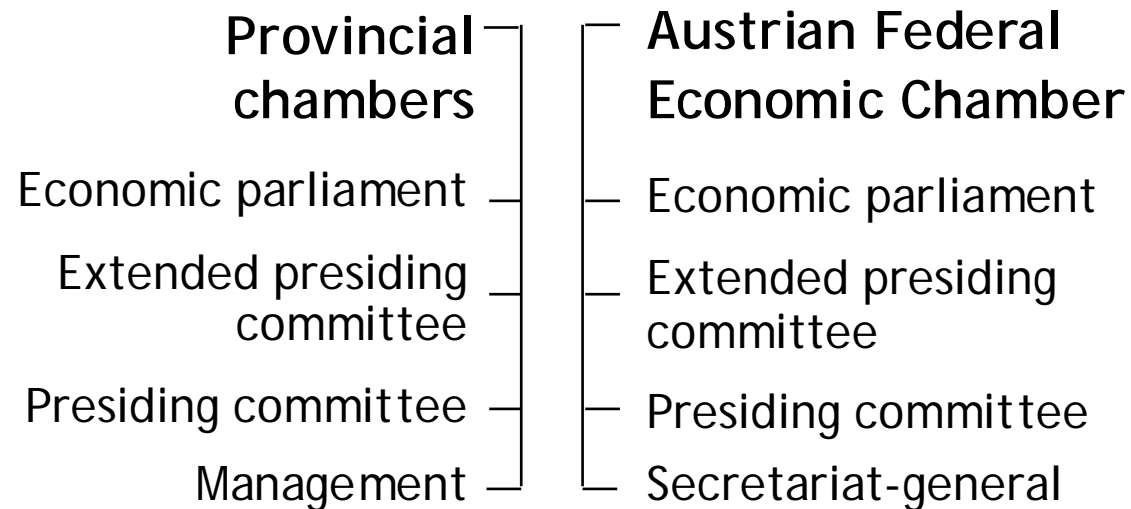
## “Foundation” of the Chambers of Commerce:

- 1194 trade organisations and 7 provincial sectors
- 128 trade associations and 7 federal sectors
- Presiding committees, extended committees and economic parliaments at both federal and provincial level
  - >> focus on important matters and make decisions



## Members, elected representatives and employees of the Chambers

Organisation of the Chambers of Commerce by industrial sector and location



## Elected representatives and employees of the Chambers of Commerce

Approximately 10,500 elected business representatives

- focus on important matters
- make decisions

The elected representatives are elected by their own membership (according to the principles of self governance).

As well as representing the professions, the elected representatives also look after their own business.

>> **full-time staff members** are necessary

This close cooperation between staff members and elected representatives is known as **dualism**.

## The financing of the WK organisation (1)

### Chamber charge 1 (KU1)

- Basis for assessment = prepaid VAT, import tax, internal market VAT
- Highest rate 3.2 ‰ (at present 3.0 ‰, of which WKÖ receives 1.2 ‰ and PC receives 1.8 ‰)
- Exemption € 150,000 net turnover per annum

### Chamber charge 2 (KU2)

- Supplements employee's contribution under § 41 FLAG
- Highest rate for PC 0.29 %  
for WKÖ 0.15 %  
0.44 %

## The financing of the WK organisation (2)

### Basic charge

- Depends upon entitlement
- At fixed rates, based upon a transparent basis for assessment or a combination of factors (total of wages and salaries, number of employees, social security contributions, etc.)
  - >> until 2007 the basis for assessment is standardised for each trade organisation.

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## Division of responsibilities between WKÖ and the provincial chambers

- **District and regional offices**  
regional points of contact for the provision of WKÖ services
- **Provincial chambers**  
Provision of services for members and representation of specific provincial interests
- **Austrian Federal Economic Chamber**  
Representation of interests at the federal and EU level, trade delegations and provision of services for the organisational structure of the chambers of commerce as a whole

## The Presiding Committee of the WKÖ

PRESIDENT

Dr. Christoph LEITL



VICE-PRESIDENTS

Dipl.-Ing. Dr. Richard SCHENZ  
Commercial counsel



Dr. Hans Jörg SCHELLING



Dr. Christoph MATZNETTER, MP  
(co-opted)



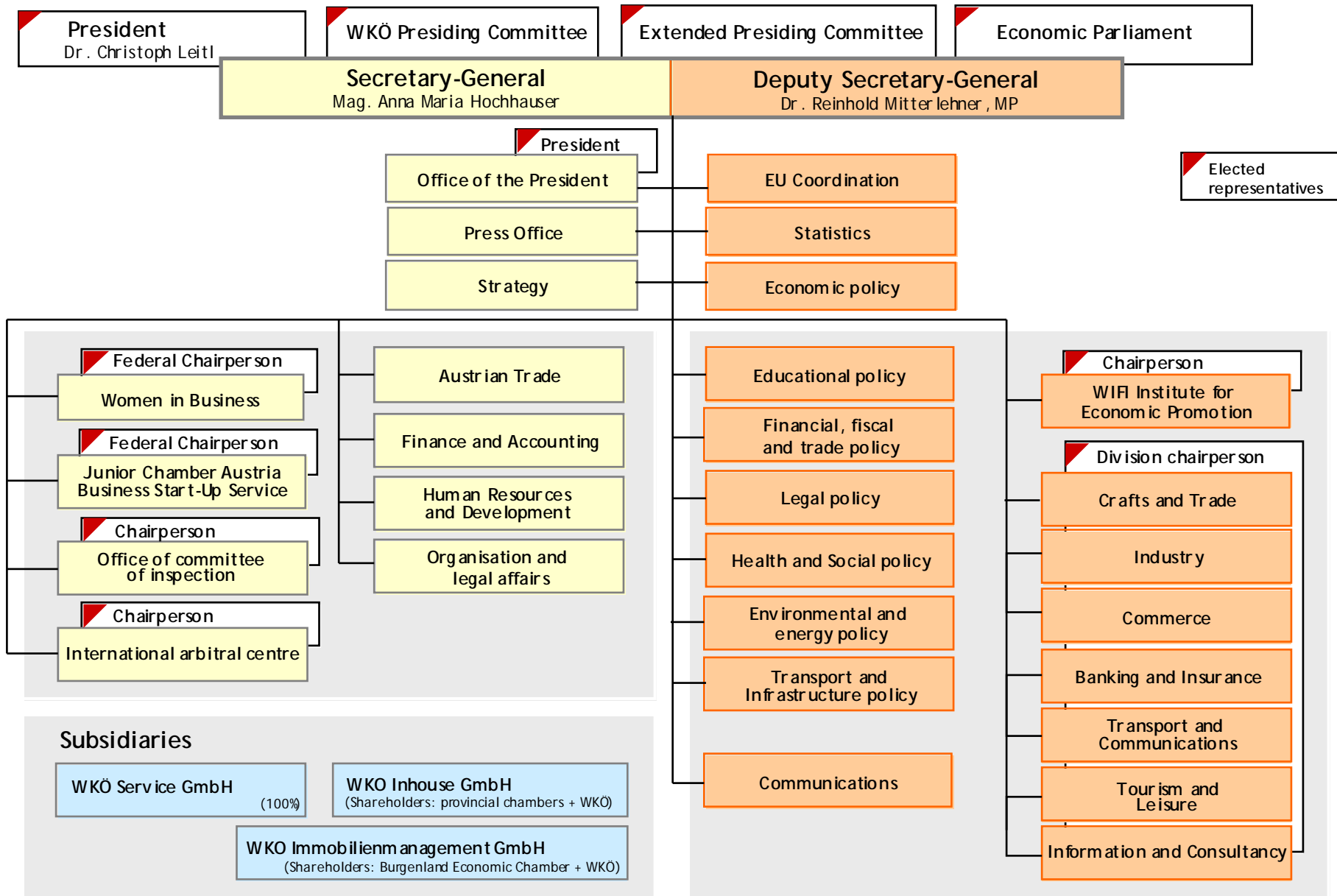
Matthias KRENN, Mayor  
(co-opted)



Renate RÖMER  
Commercial counsel  
(co-opted)



# WKÖ Organisation Chart



## Key responsibilities of the Austrian Federal Economic Chamber

- The power conferred by statute to represent the interests of members both at the federal and the EU level
- The duty to weigh the competing interests of diverse groups
- Austrian Trade is the largest provider of services in the export sector - with 70 trade delegations in 58 countries, and 30 marketing offices in 20 countries
- The responsibility to provide **internal services** for the entire organisational structure of the Chamber
- The implementation of a key co-ordinating role in support of strategic planning

## Advice and Service

- **Legal matters:** employment and social issues, tax law, environmental law, trade and factory law, etc.
- **Export Trade Organisation**
- **Women in Business**
- **Junior Chamber Austria/Business Start-Up Service**
- **WIFI:** Institute for Economic Promotion, further education and training, economic promotion programmes etc.

## EU Office in Brussels

The EU Office of the Austrian Federal Economic Chamber (located within the offices of Austria's Permanent Representation to the EU) develops useful contacts

- with the relevant departments at the Commission
- with the European trade associations  
(e. g. EUROCHAMBRES, Eurocommerce, UEAPME, UNICE)
- and members of the European parliament

### Duties:

- Involvement in the legislative process
- Observation of the internal market
- Legal advice
- Promotional programmes



## Austrian trade

- 70 trade delegations,  
30 marketing offices
- 2004: 13% increase in exports
- Objectives:
  - To double the number of exporters:
    - >> to introduce SMEs to export markets
    - >> to take experienced exporters into overseas markets
  - To reach these objectives by 2007 means (in numbers)
    - >> exports of €100 billion
    - >> 30,000 exporting businesses



## Women in Business

With increasing numbers of women in business the Chamber of Commerce offers a forum for the provision of specific services and assistance

### Objectives:

- **Tax deductible** housekeeping and childcare expenses
- **No limit on earnings** whilst in receipt of child allowance
- **More flexible opening hours** for kindergartens and better child care facilities
- Provision of micro credits or loans



## Junior Chamber Austria/ Business Start-Up Service

Representing the interests of young business people: issues which have an impact on the future of more than 100,000 young people in business.

- **The Business Start-Up Service:** a one-stop shop for those starting a new business
- **Junior Chamber Austria:** a forum for more than 30,000 members and 100,000 young people in business
- **Current demands:**
  - Increased share capital stakes - Tax allowances for capital investors
  - More policies for those starting up and for young people in business, sponsorship initiatives
  - Parity of support for those taking over a business - via extended provisions of the law relating of new start-ups (NEUFÖG)



## Institute for Economic Promotion - WIFI

The WIFI is a market leader in professional training and further education.

- Raising the performance and competitive edge of Austrian businesses
- Enhancing Personal career development by providing expert advice and offering high-quality further education and training programmes
- Communicating knowledge skills and expertise and introducing economic promotion programmes
- Shaping markets through the export of specialised knowledge and expertise
- Exchanging experiences and building networks



<http://wko.at>

WKÖ invites Austrian business to navigate its way to success

- Focusing on 10 areas of specific economic interest
- Continually updated
- Subscription service
- Online market place
- Sponsorship and subsidy database
- Database of collective agreements



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- Organisation of the Chamber: basic structure
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- **WKO Immobilienmanagement GmbH** (shareholder: WKB, WKÖ)  
Dealing with buildings operations
  - Facility management
  - Management of both domestic and foreign real estate
    - >> reduction in running costs
    - >> use of tax advantages for future modernisation work
- **Service GmbH** (WKÖ is the sole shareholder)  
produces, distributes and coordinates information, products and services for members with a view to selling these items at a profit
  - >> meeting demand
  - >> satisfying customers

- **Inhouse GmbH** (shareholder: all provincial chambers and WKÖ)  
Provision of standardised services in support of the core activities of the entire organisational structure of the Chambers of Commerce.
  - >> tag existing potential,
  - >> avoid duplication of effort

#### Areas of Inhouse GmbH:

- Service and development centre (SEZ) personnel
- Statistics
- Marketing
- WKO.IT
- WKO.at

**INHOUSE**  
WKO | INHOUSE GMBH  
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Profits for the economy  
means profits for us all.

Austrian Federal Economic Chamber

