

USA - TIMES OF DISRUPTION?

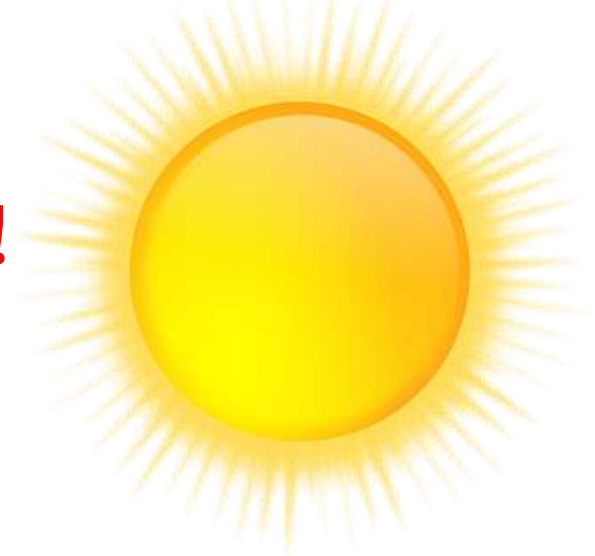
Fast Track USA, 6 November 2018

Mag. Michael Friedl, MIPP - AußenwirtschaftsCenter New York

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LET'S LOOK AT THE BRIGHT SIDE!



- GDP increase in 2018 by 3.1%
- Unemployment Rate 3.7% (!) (lowest since 1969)
- Inflation expected to be 2% in 2018
- September 2018 3rd interest rate hike to 2-2.25%
- EUR/USD-exchange rate around 1.14-1.18

THE DARK SIDE OF THE MOON



- Increasing national debt (record of 21 trillion USD), but no panic among rating agencies
- Growing fiscal deficit (3.5% in 2017, 4.6% in 2018?)
- Since 1974 chronic trade deficit
- Low unemployment, but also low wage growth
- Little income gains for middle class
- Recession likely end of 2019 or 2020



ECONOMIC DEVELOPMENTS

- First Tax Reform since Reagan 1986
- New Trade Policies:
 - Steel punitive tariffs (25%) and Aluminium (10%)
 - Trade War with China?
 - Automotive Tariffs?
 - NAFTA New (USMCA) and TPP-Exit

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ECONOMIC DEVELOPMENTS

- „Iran Nuclear Deal“ Pull-out and Sanctions
- Personnel Changes in the Government
- Immigration Policies
- Midterms November 6th



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LET'S GAZE INTO THE CRYSTAL BALL...

- Further Tax Reforms (Cuts)
- Proposals for further bilateral trade agreements (UK, India, China...), WTO-New?
- Further Import Tariffs likely
- Energy Policy and Infrastructure
- Role of the Federal Reserve Bank



LET'S GAZE INTO THE CRYSTAL BALL...

- Budget Increases for *Military and Security*
- Budget Cuts for Social Welfare Programs
- Investment in „Walls“
- Further Changes in the Government
- After the Election is before the Election...



ECONOMIC RELATIONS



Trade Statistics: 2017 Record Year!

- Austrian Exports: EUR 9.66 Mrd. (+10.7%)
- Austrian Imports: EUR 5.81 Mrd. (+16.2%)
- Austrian Exports 1-6 2018 already +5%
- Since 2015 US 2nd most important export market for Austria!

Direct Investments:

- About **700 Austrian Investments** in the US
(1/3 manufacturing facilities)
10 bn EUR, 38.000 Jobs
- 335 US-companies in Austria, 16 bn EUR, 21.600 Jobs



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THE MAIN CONCERNS

Regulatory

1. Taxes, Tariffs, Trade barriers
2. Predictability of Economic Policies
3. Bureaucratic Decision Making Processes
4. Visa for Investors and Intra-Company

Transfers



THE MAIN CONCERNS

Market-Dependent

1. Qualifications of Labor Market
2. Availability of Labour
3. Costs of Raw Materials and Import Products



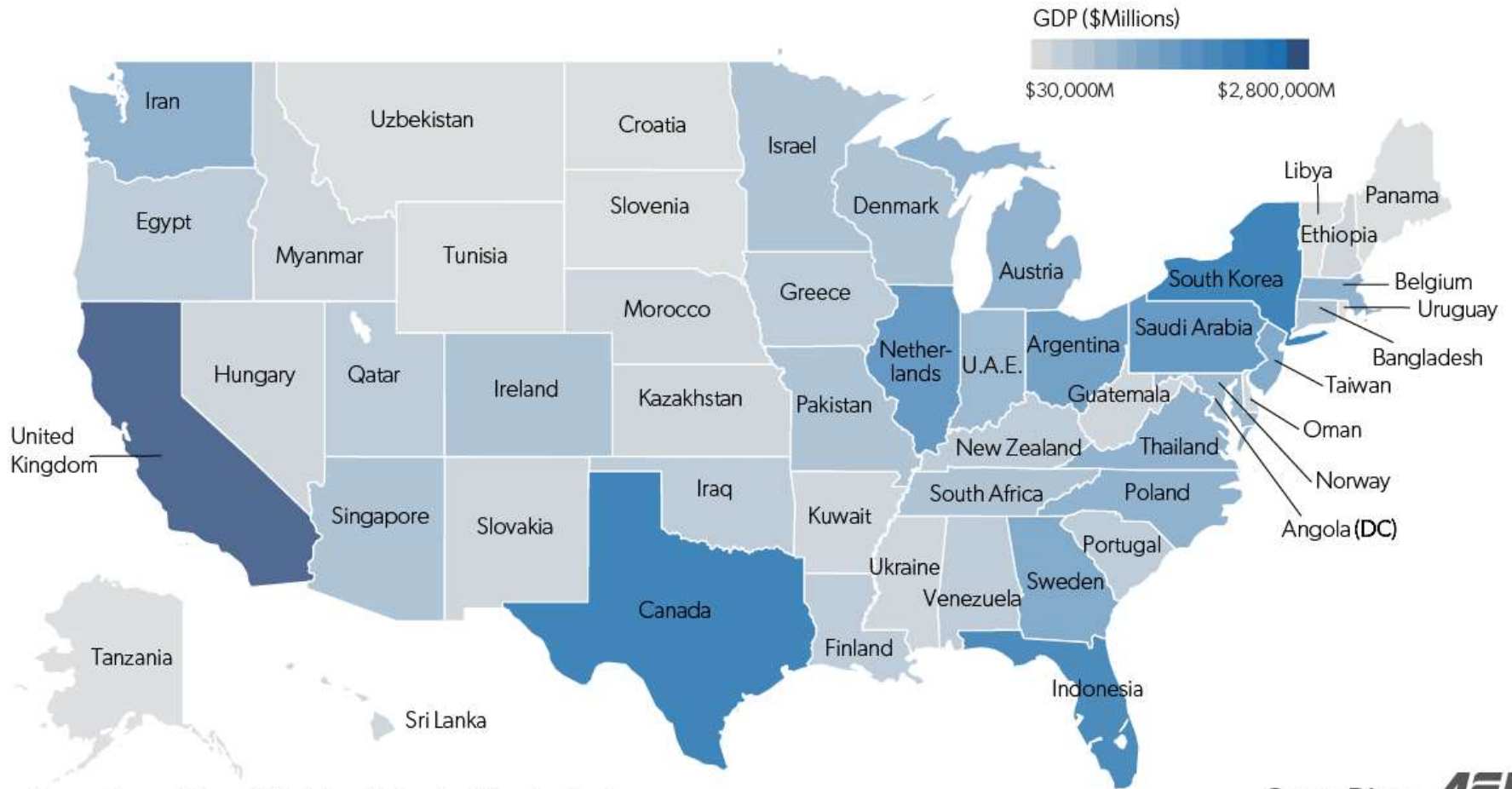
THE MAIN CONCERNS

Remedies



1. Independent dual-education programs
2. Strengthening of local contacts
3. Partnerships with clients (follow your customer)
4. Better preparation!

US States Renamed for Countries with Similar GDPs (2017)



Sources: Bureau of Economic Analysis and International Monetary Fund

Carpe Diem **AEL**





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HARVARD
UNIVERSITY



PRINCETON
UNIVERSITY



Yale University



Massachusetts
Institute of
Technology



Penn
UNIVERSITY of PENNSYLVANIA



BROWN



COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK



Stanford University



Cornell University



Duke
UNIVERSITY



Dartmouth

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SUBSIDIARIES IN THE US



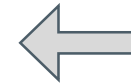
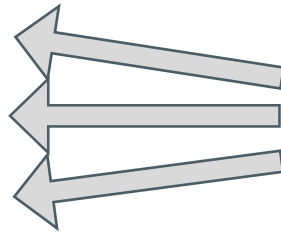
THE USA ARE...

- ❑ ...not only the President
- ❑ ...not only Washington DC
- ❑ ...divided? But not in business!
- ❑ ...profiting from Austrian investments
- ❑ ...no reason to panic!
- ❑ ...worth decent preparation!



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- 6 Offices / 25 Experts
- Market Entry and Market Intelligence
- Contacts and Platforms
- Studies and Programs
- Innovation Transfer and Coop. with Universities



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HIGHLIGHTS NEW YORK 2019

Innovation Trips

January | The Future of Retail | New York and Boston

February | The Future of PropTech | New York

March | Start-up Bootcamp NYC + SXSW | New York and Austin

April | AI in Health | Boston and New York

October | Cybersecurity and Data Protection | Washington DC and New York

November | R & D Trip to MIT | Boston

Conferences

March | MIT Conference in Austria | Vienna

April | Austrian Finance Summit | New York

May | Moving Forward Conference | New York

Trade Fairs

May | ICFF | New York

June | Fancy Food and Bio | New York and Philadelphia

Landing Zone Boston and New York (whole year)





THANK YOU!

