

# FAST TRACK USA

## “A ROSY FUTURE FOR AUSTRIAN MACHINERY AND PLANT ENGINEERING?”

Peter Sedlmayer, ADVANTAGE AUSTRIA Chicago



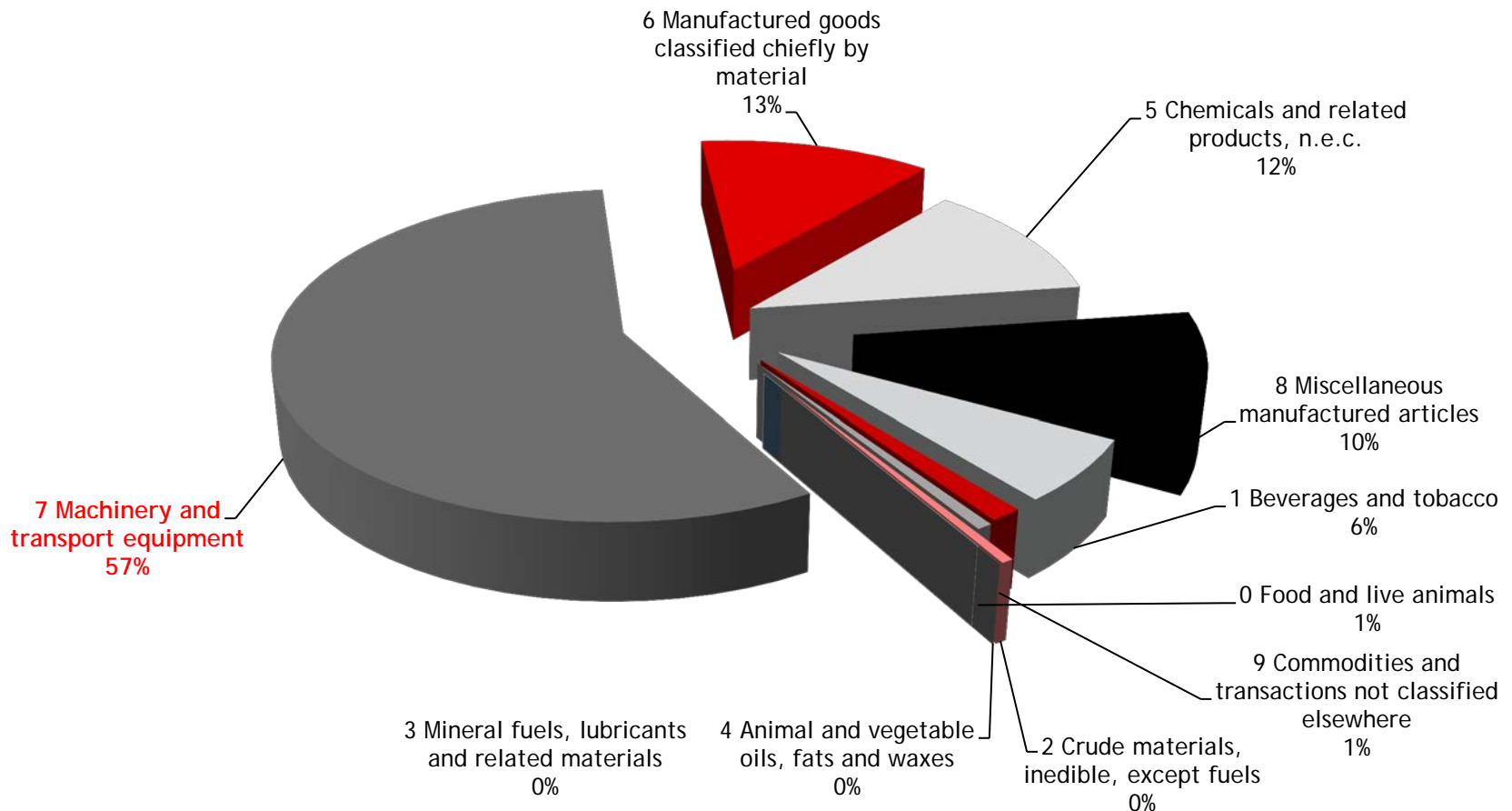
# AUSTRIA AND THE USA - FACTS

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- 2015: US\$9.9 billion Austrian investment in the U.S.  
(Increase of 14% from 2014)
- Currently Austrian-related firms provide more than 30,000 jobs in the U.S.
- Austrian firms invest US\$35-40 million annually for research and development in the U.S.
- Top 5 industry sectors making direct investments into the U.S., measured in number of projects (from January, 2003 to January, 2015):
  1. **Industrial machines**
  2. **Polymer industry**
  3. Software and IT services
  4. **Metals industry**
  5. **Automotive supply industry**



# COMPOSITION OF AUSTRIAN EXPORTS TO THE U.S. (2015)



Source: ÖSTAT

# TOP 5 AUSTRIAN EXPORT SECTORS

*by Standard International Trade Classification (SITC) number*

	In Euro	percent*)
7 Machinery and transport equipment	<b>5,156,485,963</b>	57%
6 Manufactured goods classified chiefly by material	1,160,197,029	13%
5 Chemicals and related products, n.e.c.	1,048,381,013	12%
8 Miscellaneous manufactured articles	934,240,119	10%
1 Beverages and tobacco	559,945,232	6%

\*) percent of total Austrian exports to US, 2015

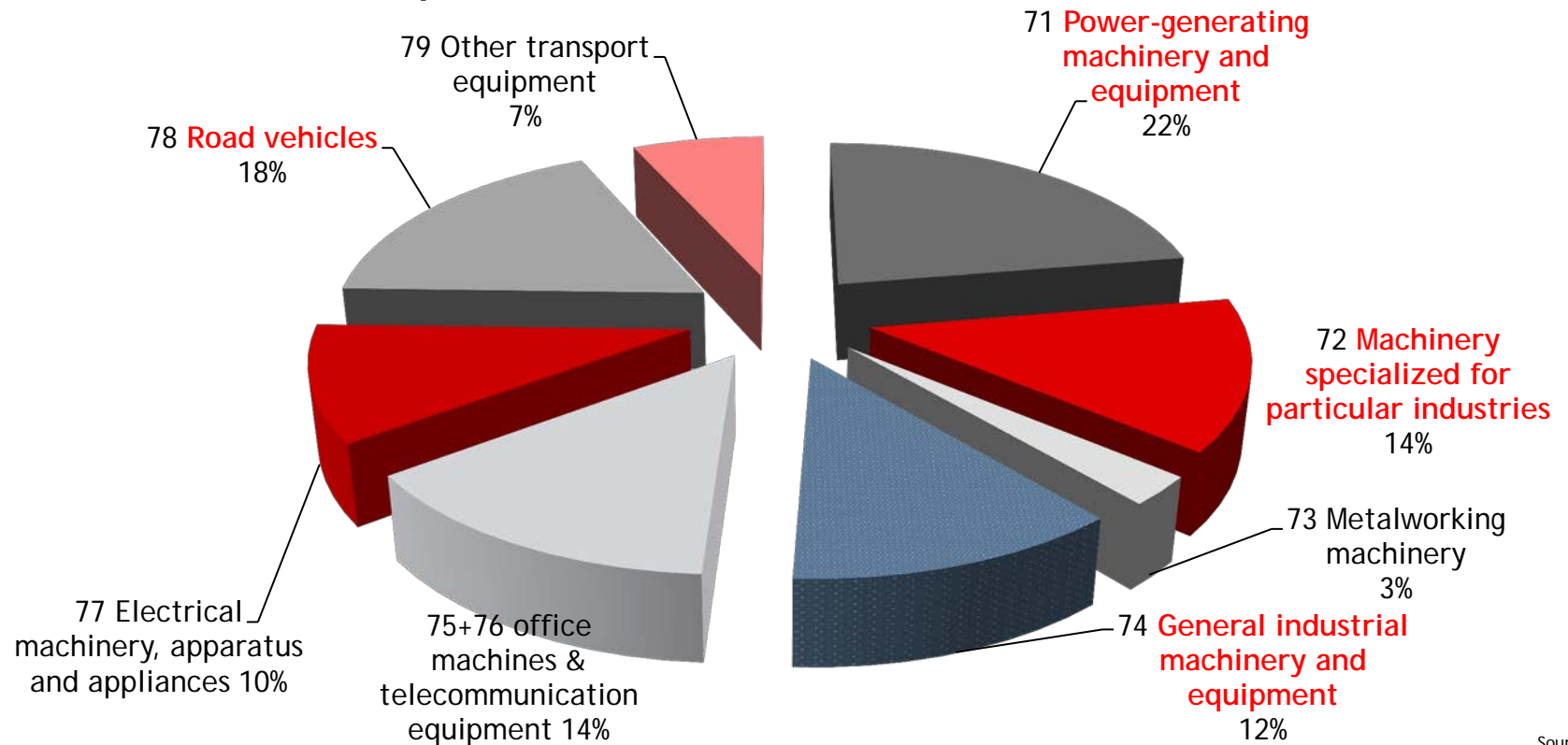
Source: ÖSTAT

# THE U.S. – WORLD'S LARGEST MARKET FOR MACHINERY

- US = world's largest market for machinery and third largest machinery supplier in the world
  - U.S. manufacturing market contracted -2.5% in 2015 to approx. US\$397 billion; recovery expected in 3Q of 2017 \*) according to AMT - Association for Manufacturing Technology
  - Foreign-held firms account for 41.2% of the US machinery market (China, Japan, Germany)
  - U.S. offers a strategic location for advanced manufacturing to serve e.g. Canadian and Mexican markets
- Best chances for Austrian companies:  
meet emerging needs in innovative niche applications

# AUSTRIAN EXPORTS OF MACHINERY AND TRANSPORT EQUIPMENT TO THE U.S. (2015)

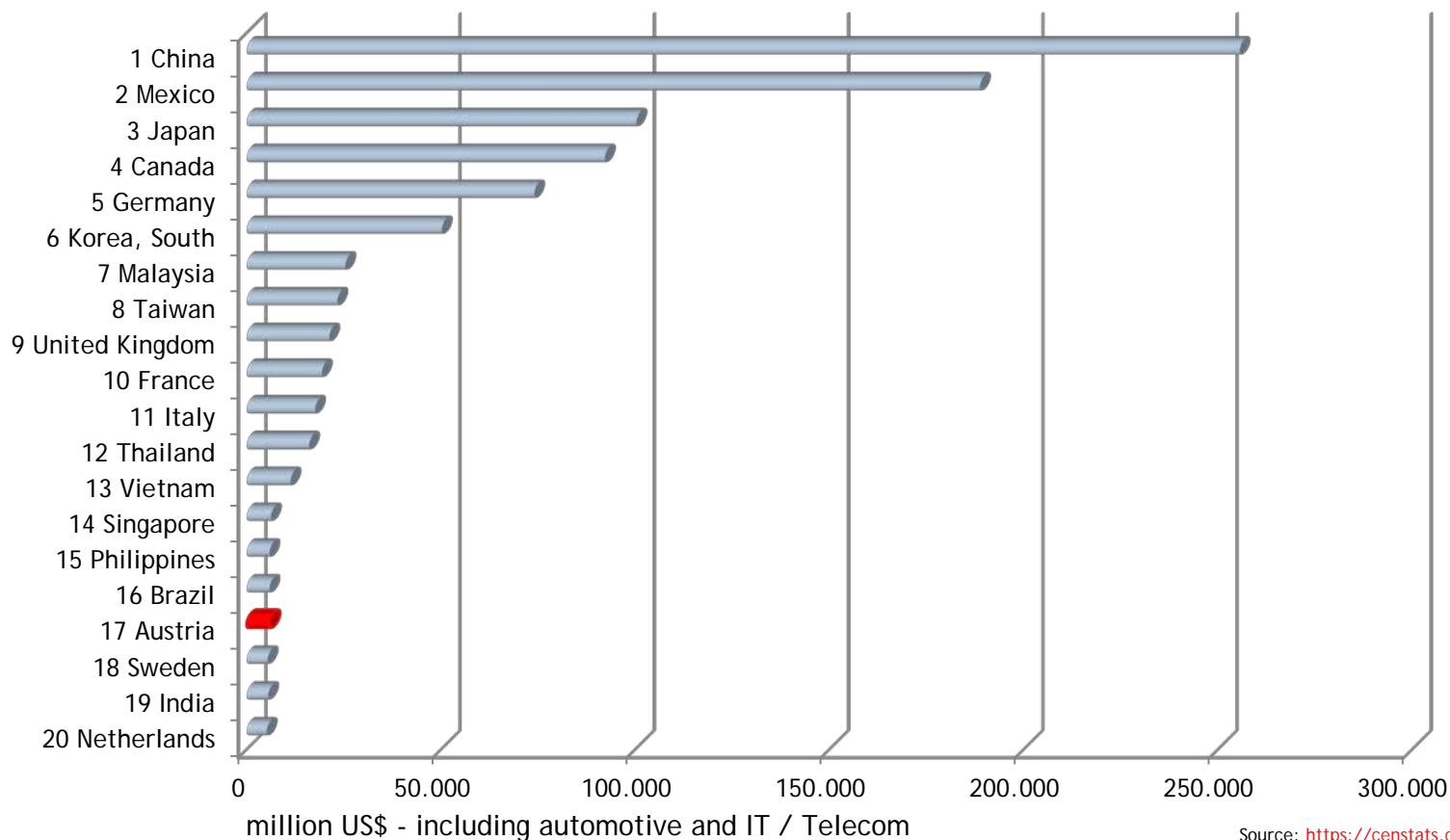
## SITC 7 - Machinery and transport equipment Austrian exports to U.S. in 2015



Source: ÖSTAT

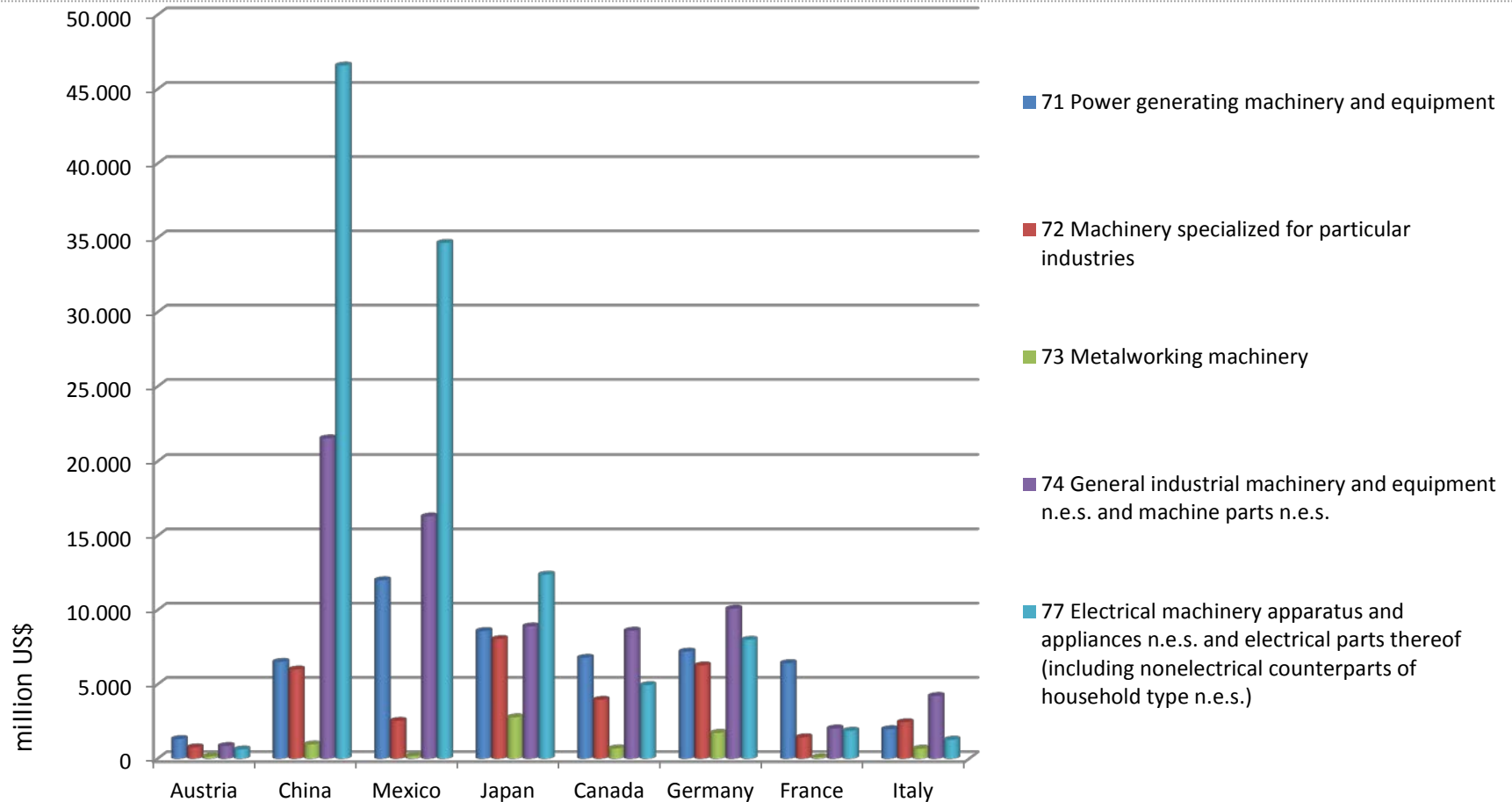
# THE U.S. - WORLD'S LARGEST MARKET FOR MACHINERY

## U.S. Imports of SITC 7 Machinery and Transport Equipment (2015)



Source: <https://censtats.census.gov/sitc/sitc.shtml>


# THE U.S. - WORLD'S LARGEST MARKET FOR MACHINERY



Source: <https://censtats.census.gov/sitc/sitc.shtml>

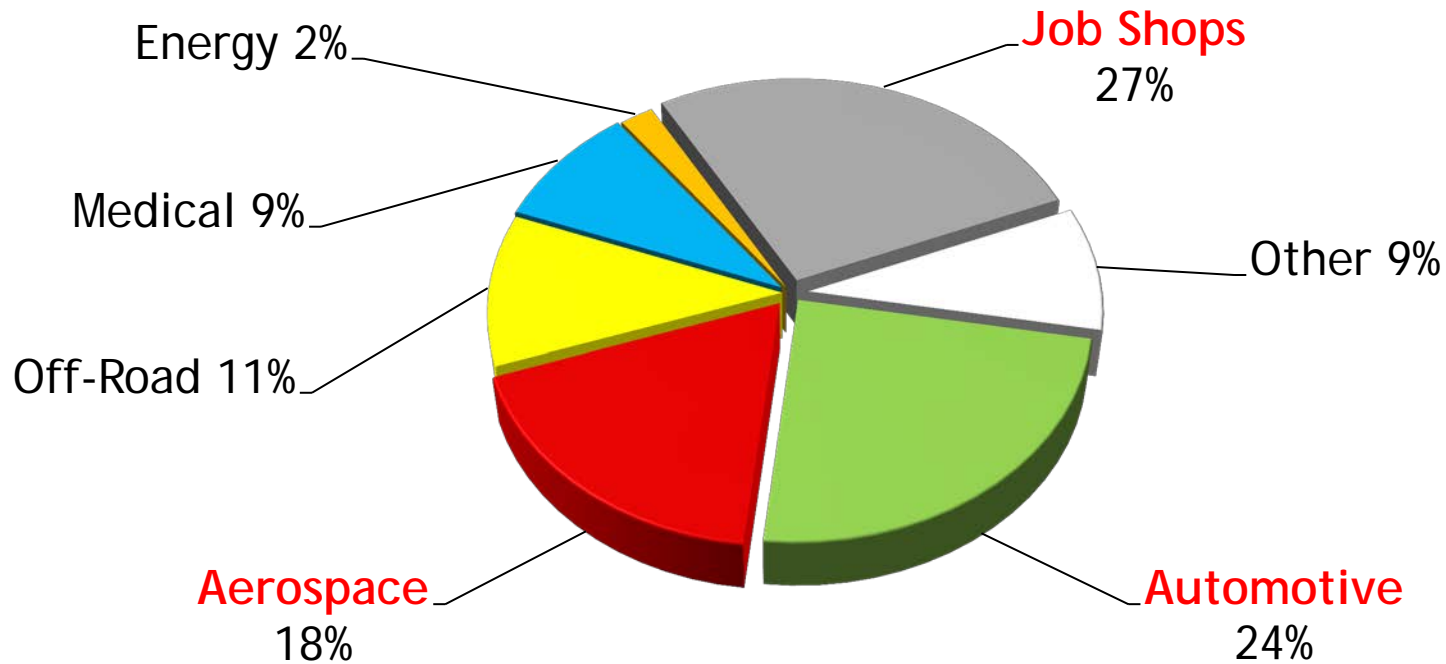


# CURRENT U.S. DEMAND FOR MACHINERY

- Over 40% of the total U.S. demand for industrial machinery is currently met through imports
- Positive manufacturing conditions: currently dampened ... but output, capital investments and production capacity expected to increase 
- Increased demand for industrial machines based on:
  - Machines have reached end of life cycle and need to be updated
  - High investments in modernizing existing production facilities
  - Trend to invest in automation for more flexible manufacturing options vs. manual labor and dedicated production lines
  - New material utilization (advanced high strength steel AHSS, composite materials)
  - „Reshoring“ - moving industries back to the U.S. (goal of President-Elect D.T.)

# U.S. MANUFACTURING ORDERS BY INDUSTRY

## 2016\* US Manufacturing Orders by Industry

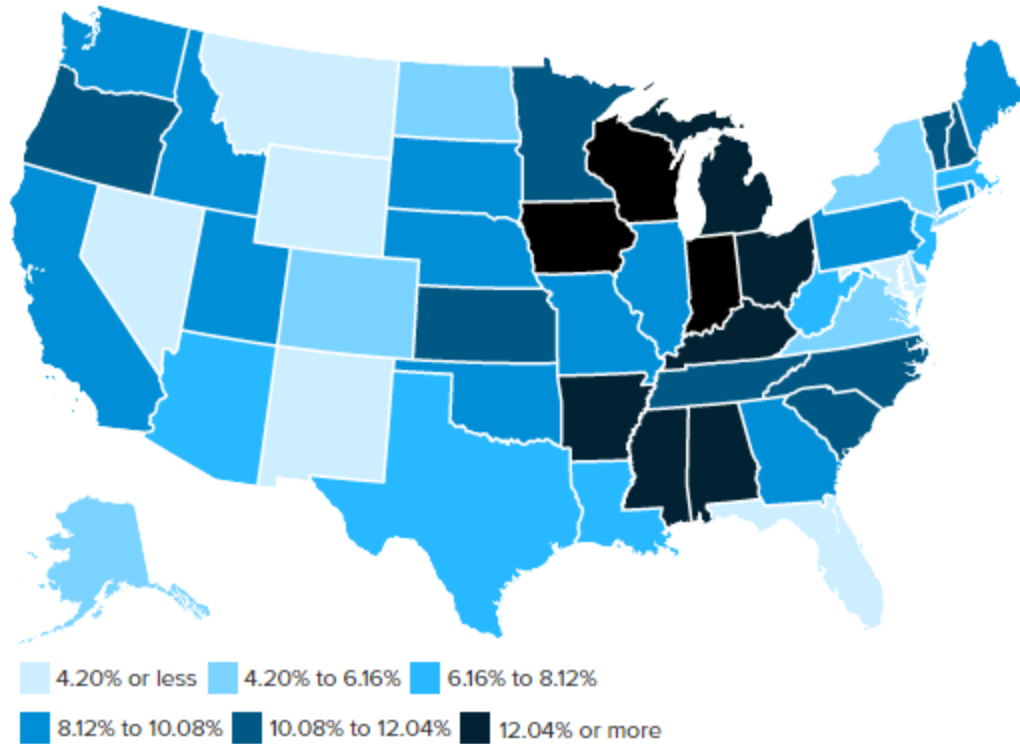


\*January - August 2016

Source: Tim Shinbara,  
AMT - The Association For Manufacturing Technology

# THE U.S. MANUFACTURING INDUSTRY

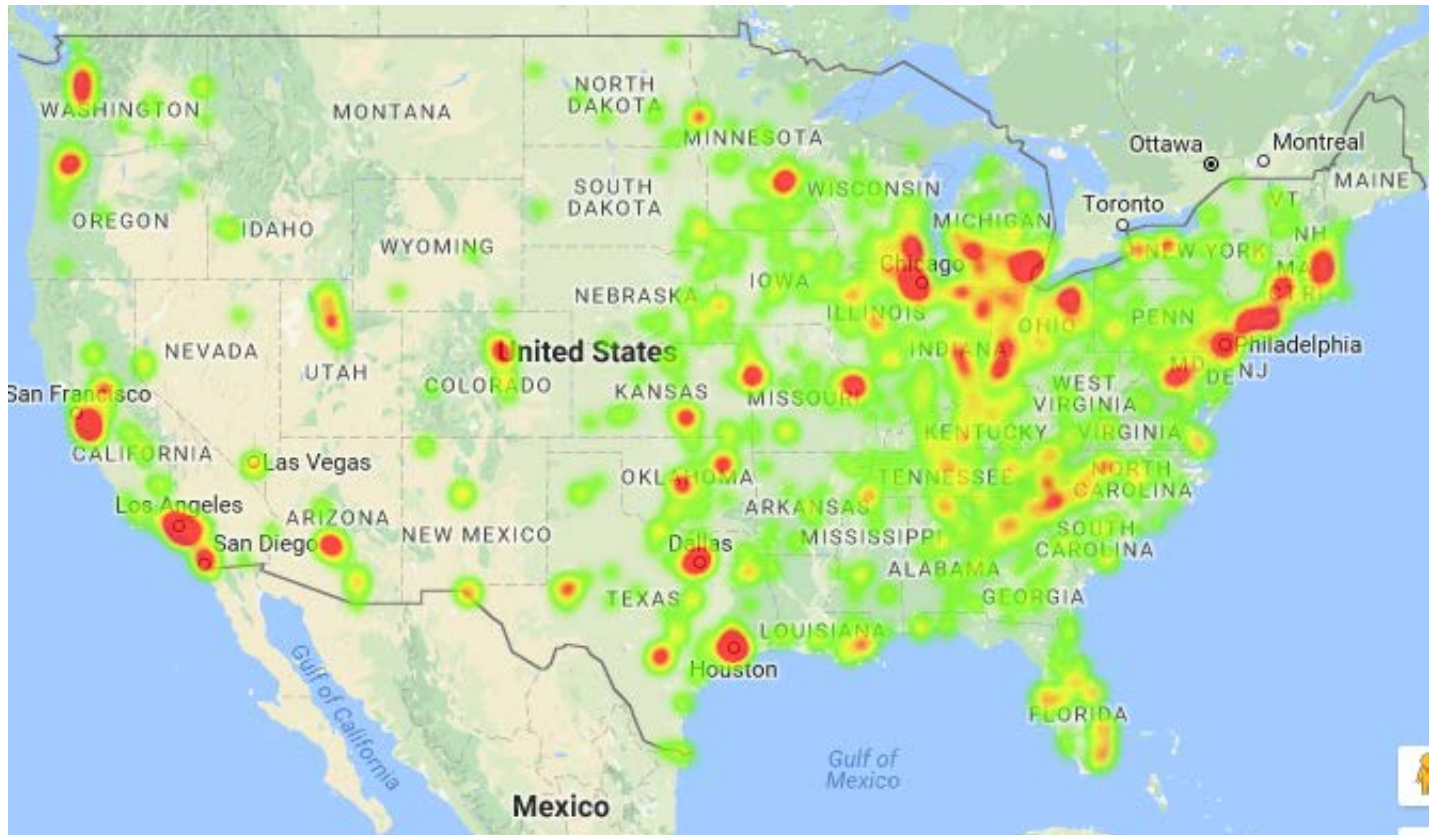
Ratio of Employees Working in the Manufacturing Sector



Economic Policy Institute Manufacturing Footprint Map, based on 2014 data from US Bureau of Economic Analysis

# CONSOLIDATED HEAT MAP MANUFACTURING INDUSTRY

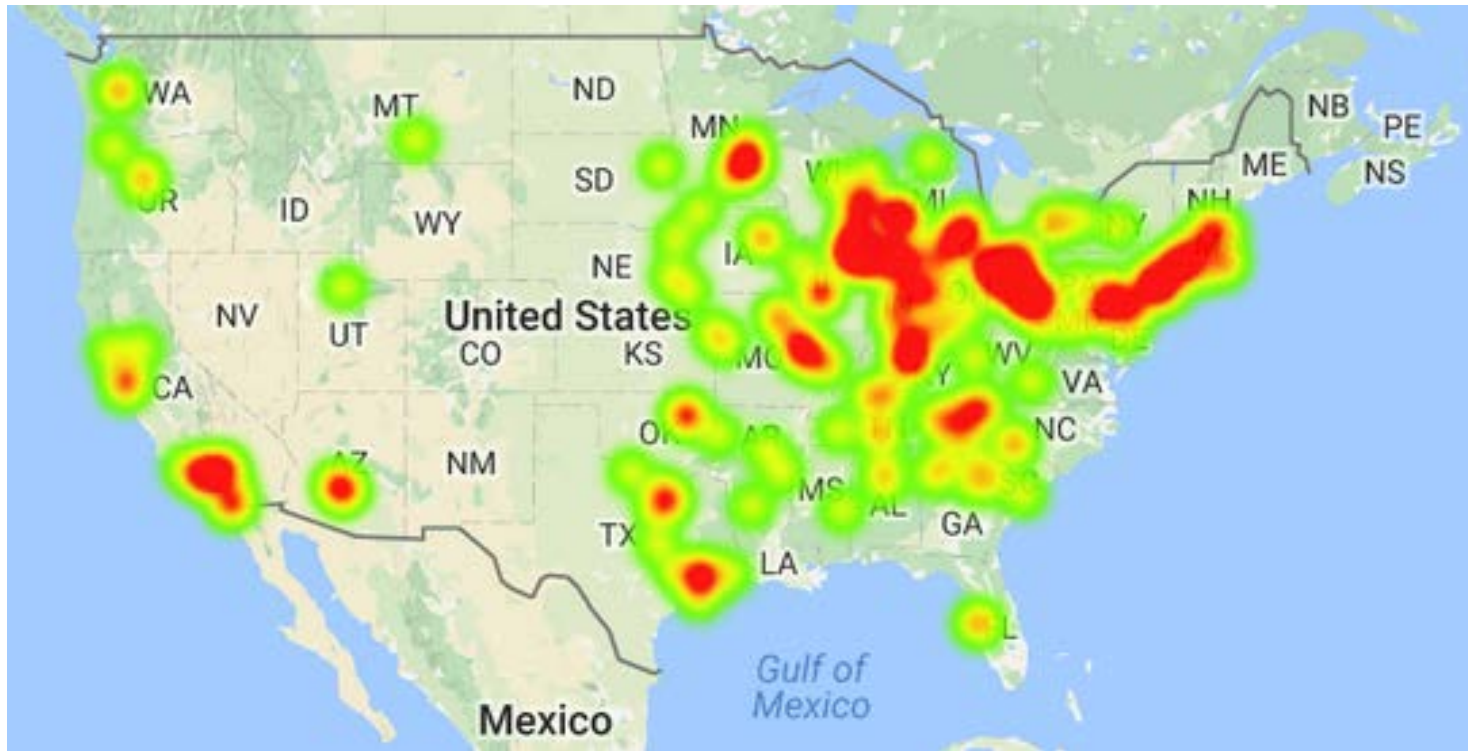
NAISC 3331, 3345 3363, 3364 Manufacturing; US\$50-500 million revenue



Codes according to NAICS - North American Industrial Classification System  
Heat maps: [referenceusa.com](http://referenceusa.com)

# HEAT MAPS - US FIRMS US\$20+ MILLION REVENUE

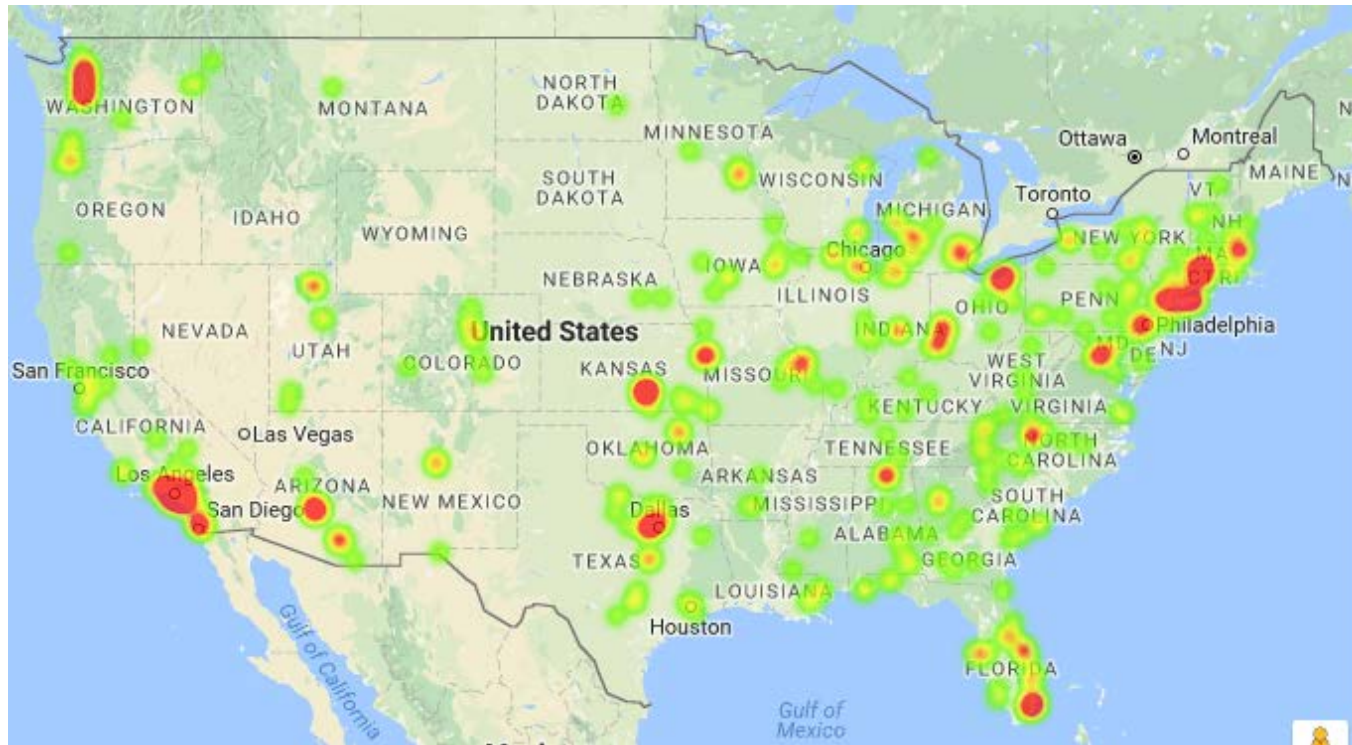
3363 Automotive Part Manufacturing



Codes according to NAICS - North American Industrial Classification System  
Heat maps: [referenceusa.com](http://referenceusa.com)

# HEAT MAPS - US FIRMS US\$20+ MILLION REVENUE

## 3364 Aircraft Manufacturing



Codes according to NAICS - North American Industrial Classification System  
Heat maps: [referenceusa.com](http://referenceusa.com)

# HEAT MAPS - US FIRMS US\$20+ MILLION REVENUE

3331 Agricultural and Mining Equipment



Codes according to NAICS - North American Industrial Classification System  
Heat maps: [referenceusa.com](http://referenceusa.com)

# HEAT MAPS - US FIRMS US\$20+ MILLION REVENUE

3345 Medical / Instrument Manufacturing



Codes according to NAICS - North American Industrial Classification System  
Heat maps: [referenceusa.com](http://referenceusa.com)



# KEY MANUFACTURING TECHNOLOGY CLUSTERS IN THE SOUTHEAST U.S.

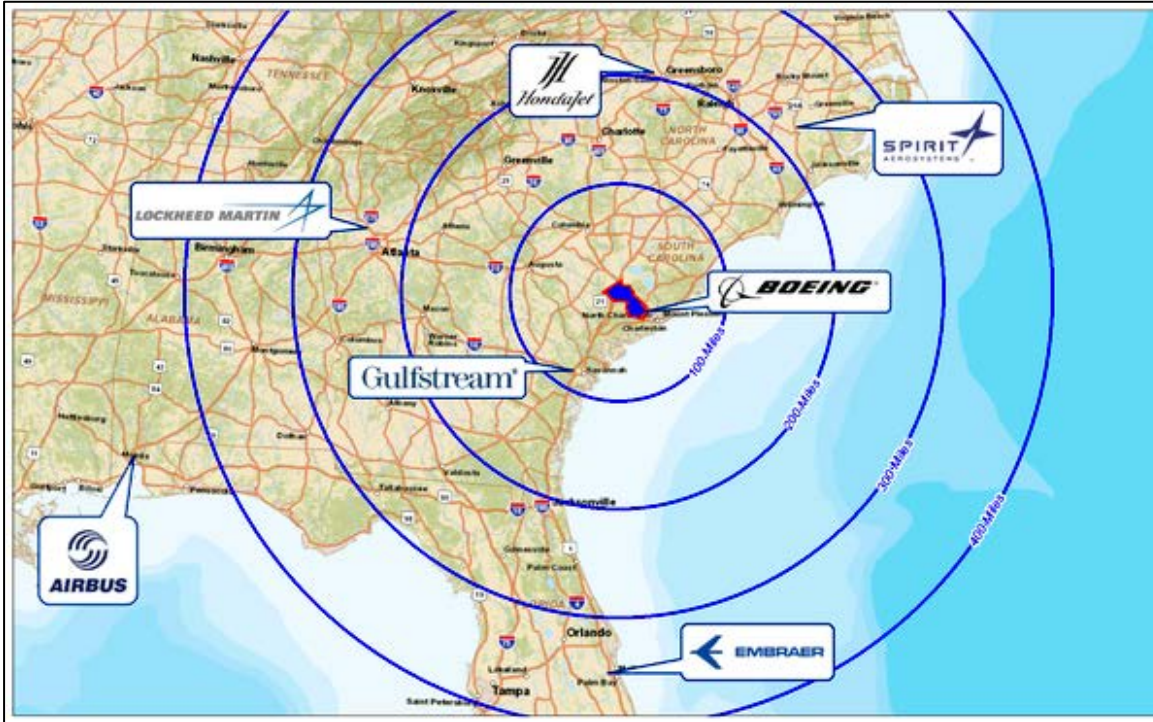
- **Southeast U.S.** - strong growth in manufacturing
- Diversified clusters offer opportunities for manufacturing technology
- Three main clusters include:
  - ✓ **Automotive Cluster** (BMW in South Carolina, Mercedes Benz in Alabama and Volkswagen in Tennessee, including suppliers)
  - ✓ **Textile Industry** (particularly technical textiles): concentration in GA, SC and NC
  - ✓ **Aerospace and Defense** (e.g. Boeing in South Carolina, Airbus in Alabama, Lockheed Martin in Georgia, South Carolina and Texas)
  - ✓ **AMT (Association for Manufacturing Technology):**  
“The Southeast recorded the **second largest new investment and job levels in the country** with nearly a billion dollars in new capital investment creating more than 3,000 jobs.”

# AUTOMOTIVE CLUSTER IN THE SOUTHEAST



- Ongoing expansion of the auto industry from the Midwest to the Southeast
- Southeast accounts for 26% of U.S. automotive production (an increase of 4% from 2009 to 2014)
- In addition to the three German OEM's, Honda, Hyundai, Toyota and General Motors are active in Southeast
- Supply chain follows OEM's

# AEROSPACE AND DEFENSE IN THE SOUTHEAST



- Four key firms are present in the Southeast:
  - Boeing in SC
  - Airbus in AL
  - Gulfstream Aerospace Corp. in GA
  - GE Aviation in NC
- Strong market potential for lightweight components
- Energy efficiency trend demands innovative products and machines

Source: Dorchester County Economic Development, South Carolina

# A LOOK AHEAD

- **FABTECH 2017**  
November 6 - 9, 2017 in Chicago, IL  
Largest North American show in metal forming and welding

- **IMTS 2018**  
September 10 - 15, 2018 in Chicago  
Largest North American show in manufacturing technology

- **NPE 2018**  
May 7-11, 2018 in Orlando, FL  
World's largest plastics trade show

- **SAE World Congress 2017**  
April 4-6, 2017 in Detroit, MI  
Largest North American congress for automotive engineering innovation

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# ...THANKS!



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