Federal Ministry
Economy, Energy
and Tourism
Republic of Austria

SMEs in Focus 2025

Executive Summary

Report on the situation and development of small and medium-sized enterprises in Austria

Vienna, 2026

Executive Summary

SMEs as a Central Pillar of the Austrian Economy

High significance of SMEs for employment and value added: Small and medium-sized enterprises form the backbone of the Austrian economy. In 2024, approximately 604,100 enterprises (2023: approx. 601,200) were classified as SMEs, accounting for 99.7 % of all enterprises in Austria. These businesses employed around 2.46 million people (2023: 2.48 million), including approximately 52,200 apprentices. SMEs thus account for 65 % of all persons employed and 57 % of all apprentices in the market-oriented economy – making them a defining force in Austrian employment and vocational training. SMEs contribute around € 169 billion (2023: € 165 billion) to gross value added, representing a 56 % share of gross value added in the market-oriented economy.[1]

Subdued development: Compared to 2023, the number of SMEs increased slightly in 2024 (+0.5 %), while the number of employees declined by 0.8 %. The nominal increase in gross value added (+2.5 %) is primarily attributable to price increases; in real terms, a decline of 1.5 % was recorded. In the 2023/2024 comparison, Austrian SMEs performed below the EU average in terms of both employment and value added. Although 2025 marks the passing of the economic trough, the recovery remains moderate: the number of SMEs is growing by 0.5 %, while employment figures and real gross value added are stagnating.[2]

Declining profitability, stable equity base: In the 2023/24 financial year, enterprises recorded a decline in profitability, while the equity position remained stable. SMEs achieved an average return on sales of 5.5 % (indicative value 2024/25: 5.2 %) and maintained an equity ratio of 37 % (indicative value 2024/25: 38 %).[3]

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[1] Sources: Statistics Austria (preliminary values) and estimates by the Austrian Institute for SME Research (for details see methodological notes in the report)

[2] 2024: preliminary data/estimates; 2025: forecast (for details, see methodological notes in the report document); Sources: Statistics Austria, Austrian Institute for SME Research, European Commission, Labour Market Database (Public Employment Service Austria, AMS, and Federal Ministry of Labour, Social Affairs, Health, Care and Consumer Protection, BMASGPK), Austrian Institute of Economic Research (WIFO)

[3] Source: Austrian Institute for SME Research, balance sheet database

Strengths of Austrian SMEs

High specialisation and niche market strength: Austria has a high density of highly specialised niche market leaders – so-called Hidden Champions. A total of 171 such companies are identified, corresponding to approximately 19 per million inhabitants. This places Austria, together with Germany and Switzerland, among the countries with the highest density of Hidden Champions.[4]

Strong degree of internationalisation: At 44 %, the share of Austrian SMEs exporting goods or services substantially exceeds the EU average of 28 %. Integration into international value chains is also pronounced: 42 % of Austrian goods exports and 32 % of exports to third countries are attributable to SMEs; their share of imports stands at 52 % (EU: 43 %).[5]

Good access to finance: 73 % of SMEs rate their access to private and public financing as good (EU: 52 %). 82 % expect to be able to obtain external financing if needed (EU: 68 %).[6]

Eco-innovation activities: 31 % of SMEs introduced an innovation with positive environmental impacts in the twelve months prior to spring 2025 (EU: 21 %). In addition, 61 % rate the support available for sustainable transformation as good (EU: 44 %).[7]

High propensity for cooperation: 71 % of SMEs assess their collaboration with business partners, public administration and research institutions positively (EU: 65 %). Support offerings are also rated slightly higher than the EU average (58 % vs. 53 %).[8]

Challenges of Austrian SMEs

Bureaucratic hurdles and high labour costs: 83 % of SMEs consider administrative and regulatory requirements a problem in their day-to-day business (EU: 64 %). 40 % report payment delays (EU: 39 %). More than 70 % of SMEs regard labour costs as an obstacle

[4] Source: Simon, H. (2022): Hidden Champions and the Development of Regions. IAR Journal of Business Management, 3(1).

[5] Sources: European Commission, Flash Eurobarometer 559, data for 2025; Eurostat, International Trade by Enterprise Characteristics

[6] Sources: European Commission, Flash Eurobarometer 559; European Commission, Survey on Access to Finance, data for 2025

[7] Source: European Commission, Flash Eurobarometer 559, data for 2025

[8] Source: European Commission, Flash Eurobarometer 559, data for 2025

to their competitiveness. Bureaucracy and regulatory requirements (63 %), taxes and levies (53 %), and energy costs (48 %) are also identified as major competitive barriers.[9]

Underdeveloped equity and risk capital markets: In Austria, venture capital expenditure amounts to only 38.6 % of the EU level, or 0.04 % of GDP as a three-year average for 2022–2024 (EU: 0.10 %). 18 % of Austrian SMEs report being confident of achieving the desired outcomes in discussions with venture capital providers (EU: 19 %).[10]

Digitalisation in the EU mid-range: 73 % of SMEs have at least a basic level of digital intensity (EU: 71 %).[11] 23 % sell online (EU: 20 %); the share of online sales in total turnover stands at 13 %, in line with the EU average. The use of artificial intelligence (AI) rose to 29 % in 2025 (2024: 19 %), exceeding the EU figure of 19 %. Catch-up potential exists in data analytics (25 % of Austrian SMEs vs. 39 % of SMEs EU-wide) and cloud technologies (40 % vs. 46 % EU-wide).[12]

Declining innovation performance: The share of innovation-active SMEs is declining and most recently stood at 55 % (2020–2022). Despite this decline, Austria remains above the EU average of 50 %. 8 % of SMEs hold patented innovations (EU: 6 %). The main barriers to innovation include uncertainty about market responses (35 %), regulatory requirements (27 %), and a lack of technical and managerial skills (17 %).[13]

Skilled labour shortage: Only 43 % of SMEs rate the availability of qualified personnel positively (EU: 55 %). 49 % report difficulties in recruiting or retaining staff (EU: 43 %).[14]

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[9] Source: European Commission, Flash Eurobarometer 559, data for 2025; WKO Economic Barometer, Winter 2025

[10] Source: European Commission, European Innovation Scoreboard 2025, Survey on Access to Finance, data for 2025

[11] A basic level of digital intensity requires the use of at least four digital technologies from the following list: https://ec.europa.eu/eurostat/cache/metadata/Annexes/isoc_e_dii_esmsip2_an_Digital_Intensity_Index_compos.pdf

[12] Source: Survey on ICT Usage in Enterprises, Eurostat

[13] Source: Eurostat, Community Innovation Survey (CIS); European Commission, Flash Eurobarometer 559, data for 2025

[14] Source: European Commission, Flash Eurobarometer 559, data for 2025

Requirements and Potentials of SMEs: Business Phases and Sectors in Focus

For a dynamic SME sector, it is essential to properly tailor the framework conditions to the highly diverse range of enterprise types. Against this background, a dedicated thematic chapter of the report analyses the situation of SMEs along their key development stages – from start-up to closure – as well as with regard to the most relevant economic sectors and industries.

Business Phases in Focus

Business entry phase: In 2024, approximately 37,800 enterprises were newly established in the Austrian market-oriented economy (+0.5 % compared to 2023); the business entry rate stood at 6.2 % in 2024, well below the EU average of 10.5 %. 80 % of new businesses are established as one-person enterprises (OPEs); the average number of employees at the time of founding stands at 1.3 persons. Across the EU, 83 % of enterprises are founded as OPEs, the average number of employees at founding is, at 1.06 persons, lower than in Austria. Particularly high business entry rates are observed in Austria in the services sector, information and communication, and transport.[15]

Growth phase: 46 % of Austrian SMEs indicated in 2025 that they intend to grow in the coming years, with 18 % targeting growth of 10 % or more. 28 % plan to expand into other EU countries. In 2024, there were 4,070 high-growth enterprises with around 228,000 employees, accounting for just under 10 % of all employer enterprises with at least ten employees. 215 gazelles (young high-growth enterprises) employed approximately 8,800 persons.[16]

Business succession and family enterprises: Between 2025 and 2034, approximately 52,500 enterprises with at least one employee face a potential business succession – representing 22 % of all employer enterprises and around 705,000 jobs. In 2024, almost 7,800 business transfers took place (2023: approx. 7,400). The transfer intensity, i.e. the share of business transfers relative to active members of the Federal Economic Chamber, increased to 1.33 % (2023: 1.29 %).[17]

[15] Sources: Statistics Austria, Eurostat, estimates by the Austrian Institute for SME Research

[16] Sources: European Commission, Flash Eurobarometer 559, Statistics Austria

[17] Sources: Austrian Institute for SME Research – Rapid Estimate on Business Transfers, Austrian Federal Economic Chamber (WKO)

Family businesses (narrow definition, excluding OPEs) comprise around 194,800 enterprises (32 % of enterprises in the market-oriented economy), employing approximately 2.2 million people (58 %) and generating a turnover of around € 580 billion (56 %).[18]

Business exit phase: In 2024, just under 32,000 enterprises were closed; the business exit rate of 5.3 % is below the entry rate of 6.2 %. In European comparison, Austria exhibits a low exit rate (average 2021–2023: 5.5 % vs. 8.2 % in the EU-27) and a higher business survival rate: the five-year survival rate stands at 54 % (EU-27: 46 %).[19]

Sectors in Focus

Sectoral structure: The three largest economic sectors by value added are manufacturing (2023: approx. € 72 billion, or 24 % of value added in the market-oriented economy), wholesale and retail trade (€ 47 billion, or 16 %), and construction (€ 26 billion, or 9 %).[20]

Development: Between 2024 and 2025, real value added declined across many sectors. Growth was recorded in wholesale and retail trade, information and communication, and manufacturing. Construction as well as accommodation and food service activities have not yet returned to their pre-pandemic real levels, and wholesale and retail trade also remained below this benchmark in 2025.[21]

Innovation and digitalisation: Particularly high innovation rates (80 % – 90 % innovation-active enterprises) are found in parts of manufacturing (e.g. electrical equipment, chemicals, machinery and equipment) as well as in information and communication. High digital intensity is likewise found in information and communication and knowledge-intensive services, while construction and transport rank among the least digitalised sectors.[22]

Supporting and unburdening SMEs

Against the background of growing transformation demands driven by digitalisation, climate neutrality, volatile energy and raw material markets, and geopolitical uncertainty, the **Industrial Strategy Austria 2035**, presented in January 2025, establishes a policy orientation framework for industry and Austria as a business location. The strategy's vision is to place Austria among the top 10 most competitive economies by 2035. It consolidates 117 measures across seven fields of action addressing key SME-relevant topics such as

[18] Source: Estimates by the Austrian Institute for SME Research
[19] Sources: Statistics Austria, Eurostat, estimates by the Austrian Institute for SME Research
[20] Source: Statistics Austria
[21] Sources: Statistics Austria, Austrian Institute of Economic Research (WIFO)
[22] Source: Statistics Austria

research, technology and innovation; energy; education, skilled labour and the labour market; the circular economy, bioeconomy and transformation; infrastructure, mobility and economic resilience; Europe and geopolitical challenges; and the reduction of bureaucracy and improving access to finance. A central focus is the Key Technology Offensive, comprising nine key technologies and fields of strength, which aims to strengthen investment, cooperation and the transfer of innovations into marketable applications.

In this context, small and medium-sized enterprises in Austria benefit from a broad range of support – from funding in the areas of innovation, digitalisation and sustainability to government measures aimed at reducing regulatory burdens, facilitating market access and improving access to finance. A selection of current measures, structured along the strategic pillars of the SME Strategy for a Sustainable and Digital Europe, is presented in Chapter 3 of the report.

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