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THE ECONOMIC CHAMBERS IN AUSTRIA  
AND THE  
FOREIGN TRADE PROMOTION ACTIVITIES  
OF THE AUSTRIAN ECONOMIC CHAMBER  
ORGANIZATION 1/

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## I. THE AUSTRIAN ECONOMIC CHAMBERS

In Austria all Chambers (not only the Economic Chambers) are not voluntary and loose associations but organizations of public law which have been created by an Act of Parliament to serve the interests of certain groups of people.

This special Act of Parliament (i.e. "Chamber of Commerce Act 1946") distinguishes the Chambers from other associations. Membership is here foreseen as legal so that no further application has to be made by those entitled to be members.

In spite of this legal basis, the Chambers are independent bodies. The government only sees to it that the Chambers keep within the law; it has no right to give directions to them. The Chambers, therefore, are autonomous bodies with specific and legally defined rights and obligations. They conduct their activities through decisions of their own elected representatives.

The Chambers have two main fields of activities:

The autonomous functions; they cover all those activities which concern the common economic interest of their members; this includes giving expert opinions on bills of law and offering advice to Parliament and governmental authorities on practically all matters touching interests of the business community.

The delegated functions: in a number of cases the Chambers have the legal authorization to assist in fulfilling or even to fulfill tasks which are normally done by public authorities, like the issuing of certificates of origin, vocational training for apprentices etc.

In addition to the Economic Chambers which are by far the oldest ones and which are commonly called Chambers of Commerce, there are Chambers for other professional groups, equally based on law. Examples are the Chambers of Agriculture, the Chambers of Labour, the Chambers of Lawyers and the Chambers of Physicians.

## A. THE ORGANIZATION OF THE AUSTRIAN ECONOMIC CHAMBERS

a) Membership Almost all natural and legal persons who are entitled to run an enterprise are members of the Economic Chambers. Included among them are enterprises under public ownership and control. There are neither separate chambers for industry and commerce nor special guilds. On January 1, 1973 the Chamber Organization counted 251.600 members.

b) Regional Structure Austria is a federal republic consisting of nine federal states. The organization of the Chambers is based on this division. In each of the nine states there is one Regional Economic Chamber dealing with matters concerning businessmen established within its boundaries. Each enterprise having been granted a licence automatically becomes a member of its regional and at the same time of the Federal Chamber.

The Federal Economic Chamber in Vienna deals therefore with all problems exceeding the regional scale. The Federal Economic Chamber co-ordinates regional and professional interests and cultivates international contacts. Also, it is a member of the International Chamber of Commerce.

c) Professional Structure A special feature of the Austrian Economic Chambers is their professional subdivision. The Federal as well as the Regional Chambers consist of six sections: 1. Small-Scale Production, 2. Industry, 3. Commerce, 4. Financial, Credit and Insurance Enterprises, 5. Transport, 6. Tourism.

On the regional as well as on the federal level these sections are subdivided into appr. 130 professional organizations. The professional groups and professional associations are also associations of public law; they are autonomous in their sphere of activities. Each individual firm is a member of the regional professional group as well as the federal professional association.

d) Organs of the Economic Chambers Each of the Chambers (Federal Chamber and Regional Chamber) is headed by a President; he controls the current affairs and is the external representative of the Chamber. The President and his two Vice-presidents form the Presidency.

The Plenary Meeting (Assembly in the Federal Chamber) has to deal with principal questions. Moreover, there is one Executive Committee in each of the Chambers which ranks between the Plenary Meeting (Assembly of the Chamber) and the Presidency.

e) Elections The Economic Chambers and their professional organizations are democratic institutions resting on the free will expressed by their members.

Each member is equally entitled to vote and to be elected without any discrimination as regards the size of the enterprise or its tax-contribution. Each member of a professional group has one vote. The polls are secret.

f) Employees The staff employed in the Chambers and in the Professional Organizations has to assist and to advise the organs and the elected officials in their activities. First in rank among the employees of the Federal Chamber is the Secretary General. In the Regional Chambers the corresponding position is known as Director of the Chamber.

Both the Federal and Regional Chambers use the following departments for their current affairs: Presidential Department, Department for Economic Policy, Department for Social Policy, Department for Trade Policy and Foreign Trade, Department for Legal and Trade Policy, Department for Financial Policy, Department for Transport Policy, Institute for Economic Development.

g) Sources of financing The main financial resources are levies, i.e. the basic levy and the Chamber levy. The expenses of the Professional Associations and the Professional Groups have to be met by the basic levy. Every year the competent organs of the Professional Group decide on its amount which differs in each branch. It may be a fixed sum per firm, or a percentage of the total sum of wages and salaries or a percentage of the turnover, etc. The Acquisition Fees are another financial resource for the Professional Groups; Acquisition Fees are non-recurring payments of the members for the acquisition of certain rights.

The expenses of the Federal and Regional Chambers are met by the Chambers levy which is a surcharge of the Trade Tax. The percentage of this surcharge is fixed by the Plenary Meeting (Assembly) of the Chamber.

The foreign trade organization is financed by a special levy of 3 o/oo of the invoice value of all Austrian exports and imports.

B. THE FUNCTIONS OF THE AUSTRIAN ECONOMIC CHAMBER SYSTEM  
AND THE REPRESENTATION OF INTERESTS

a) Division of work Each of the Professional Groups for the federal states and each of the Professional Associations for the whole of Austria is competent for those Professional matters which concern their branch only. Questions which concern more than one Professional Organization within one of the Sections are to be dealt with by the Regional or by the Federal Section as section matters. Questions which concern more than one section are - as joint matters - subject of the Regional Chambers; if they concern more than one province they fall within the competence of the Federal Economic Chamber.

b) Balance of interests One of the fundamental principles of the organization of the Chambers is, if possible, to equalize conflictory interests by internal co-ordination. According to the Chamber of Commerce Act the Chambers try to come to unanimous decisions. If this is not possible the competent organs cast majority votes. In such a case, however, the opinion of the minority has also to be published if desired. This system of decision-making assures that the Chamber Organization acts as a unity in all matters of interest for the business community.

c) The representation of interests vis-à-vis government and parliament One of the main tasks of the Chambers and the Professional Organizations is to represent the interests of their members towards parliament, the government and other authorities. The Chambers have the legal right to express their opinion on all draft bills.

The Chamber Organization is represented by experienced delegates in many official and semi-official institutions, in commissions, committees, panels, etc. For instance the Federal Economic Chamber sends experts to inter-governmental trade negotiations, to meetings of the GATT and other international organizations.

The Chambers, Professional Groups and Professional Associations are entitled to negotiate collective agreements in their spheres of activities.



## II. THE FOREIGN TRADE PROMOTION ACTIVITIES OF THE FEDERAL ECONOMIC CHAMBER

The structure of the Chamber Organization enables a number of offices belonging to the Chamber Organization to render services to its members for the promotion of foreign trade. Among these offices special mention should be made of the Federal Section of Industry and its professional groups and the Federal Section of Trade with its own federal premium of foreign trade.

However the main promoters of foreign trade within the Chamber Organization are the trade policy department established at the Federal Economic Chamber in Vienna and the Institute for Economic Development of the Federal Economic Chamber.

### A. FOREIGN TRADE SERVICES RENDERED IN AUSTRIA

The foreign trade division of the Federal Economic Chamber has an exceptional position. Apart from the usual tasks attributed to trade policy departments it is in charge of the administration of the entire network of the foreign trade organization of the Federal Economic Chamber. Sections responsible for various countries are set up within this department. Thus, it is the co-ordinating centre for all foreign trade offices maintained by the Federal Economic Chamber. Moreover, special sections are established within the trade policy department, giving information on technical aspects in connection with foreign trade like tariff matters, legal issues arising from foreign trade etc.

The Institute for Economic Development established at the Federal Economic Chamber and at all Regional Chambers deal with matters of economic promotion in general and that of individual firms in particular; they arrange courses and training programmes, extend advice on rationalization and business management, maintain a secretariat for fashion and offer various other services in the field of advertising, sales promotion etc. It is vital for foreign trade promotion that these institutes are in charge of arranging fairs and exhibitions as well as various special events abroad.

Although the before-mentioned divisions and sections are fully responsible for the respective activities for the promotion of foreign trade it is apparent that in most cases a close co-operation of all institutions concerned is essential. In the following detailed list of various services rendered this circumstance will not be pointed out any more.

a) Export discussions Originally this arrangement was intended to help inexperienced firms to enter into business with partners abroad. However, this facility increasingly developed into a consulting panel for export-oriented companies. This arrangement offers individual firms the possibility to discuss their marketing problems with a team of experts of the sections responsible for various countries and of the technical sections of the trade policy department of the Federal Economic Chamber. About 500 of these export discussions have taken place so far.

b) Export consultations for companies This arrangement is mainly intended for firms having little experience with business partners abroad. Experts of Regional Chambers and the trade policy department of the Federal Economic Chamber hold on-the-spot discussions with the firms concerned, offer advice on respective markets and technical aspects of management and production, and establish first contacts with the foreign trade organization.

c) Advice for industrial co-operation Since matters of industrial co-operation increasingly gain importance a special section within the trade policy department of the Federal Economic Chamber was set up to handle these matters. This section deals with legal matters relating to company law, competition, tax and foreign exchange in connection with industrial co-operation projects, and assists foreign or local manufacturers or trading companies in all matters of co-operation projects.

d) Publicity The Federal Economic Chamber issues a number of publications offering interested parties information about foreign markets. A selective distribution of this information is made possible by the use of a computer.

Every week approx. 6.000 Austrian foreign trade enterprises and offices receive free of cost the news letter "HA-Kurznachrichten" ("News in brief of the trade policy department"); its sources of information are mainly reports from the foreign trade offices all over the world. More detailed news can be obtained on request by way of an order voucher. Some of these concise news published in "HA-Kurznachrichten" are dealt with in detail in the "HA-Nachrichten" (News of the trade policy department). At least once a year a special leaflet ("HA-Export Merkblatt) on each of Austria's trade partners is published; it contains all necessary data about exchange of goods, foreign trade policy, price quotations, important addresses, business language, etc. Also once a year a paper on basic data of Austria's trade partners is printed and distributed to interested companies.

The Institute of Economic Development of the Federal Economic Chamber annually publishes a complete survey on exhibitions and fairs held all over the world; it also indicates the degree of Austria participation and offers information on financial assistance facilities available to Austrian participants. Furthermore, news reviews of Regional Chambers, publications of professional groups and various other publications issued by offices of the Chamber Organization regularly contain news concerning trade matters.

e) Public tenders A special section at the Federal Economic Chamber in charge of keeping record of international tenders (Evidenzbüro für öffentliche Ausschreibungen) regularly receives information on tenders. Each of our trade offices reports within its area of competence the publication of a tender to this office, which on its turn forwards this data to interested companies.

f) Register of exporting and importing firms One of the main tasks of foreign trade promotion is to name sources of supply as well as prospective buyers and to register them. At the Federal Economic Chamber the register of firms interested in foreign trade keeps on record data of about 5,000 Austrian companies. By automatic data processing it is possible to name immediately the Austrian supplier or prospective buyer of a given product. This information is also made available to our foreign trade organization by telex. Out of 77 trade offices abroad, 65 are directly connected with the computer center in Vienna. This detailed knowledge of the production programme of every Austrian company engaged in foreign trade enables now the Federal Economic Chamber to enter into the second stage of its foreign trade information system using ADP automatic data processing.

This stage will provide automatic distribution of current information on foreign markets and on trade opportunities directly to the Austrian companies. The information, which is supplied by our trade offices will be selected by the computer according to individual interests of Austrian companies.

g) Fairs and Exhibitions In collaboration with the Austrian Trade Delegates the Institute for Economic Development of the Federal Economic Chamber compiles a programme and advises firms on the character and the effectiveness of exhibitions and fairs. Each year a guide to fairs is published, offering a review about the most important events in Europe and overseas giving a break-up by countries and industries.

h) Special programmes Special programmes are organized by the Institute for Economic Development of the Federal Economic Chamber, e.g. exhibitions on Austrian trade and industry, technico-scientific weeks, sales exhibitions in department stores, presentation of fashion collections and fashion shows. These programmes are not held necessarily simultaneously with fairs or exhibitions. This special programme is of course executed in close co-operation with the Austrian Trade Offices abroad.

i) Financial assistance Under certain conditions Austrian participants of international fairs or equivalent events may be reimbursed part of their travelling expenses. Joint advertising campaigns of one branch or different branches with branches of similar production programme abroad may receive financial assistance. The same applies to publications in foreign languages intended to advertise Austrian products. Allowances are also possible for correspondence in foreign languages as well as for advertisements for sales promotion inserted in papers abroad.

## B. FOREIGN TRADE SERVICES RENDERED ABROAD

To promote foreign trade the Austrian economy has a relatively extensive network of offices in capitals and business centres in all continents; these offices report to the Federal Economic Chamber. At present there are 77 trade centres; 74 foreign trade offices, 3 branch offices. Head of a trade office is the trade delegate, he as a rule executes all tasks, which are done in most other countries by commercial departments or trade counsellors of diplomatic missions. This system is financed by collection of a levy of 3 o/oo of the invoice value of each import or export transaction effected. The funds of foreign trade promotion, therefore, are neither raised by the national budget nor by the chambers but direct by the Austrian economy.

It should be pointed out that this foreign trade organization does not only serve the Austrian exporters, but the Austrian importers too. It is, therefore, an instrument of import promotion.

The services offered by these offices include:

a) General services rendered by the foreign trade offices Foreign trade offices are at the disposal of interested parties in their area of jurisdiction for all kinds of information, for assistance in effecting business transactions abroad, for establishing contacts, for undertaking interventions and for looking after representatives of Austrian companies. Contrary to practices of most countries contacts between foreign trade offices and the interested Austrian party are established direct without the intermediation of a central office, thus

ensuring the ever essential flexibility in business life. It has also to be mentioned that by instruction of the central office in Vienna they contribute to those services which are rendered in Austria in the interest of promotion of foreign trade.

b) Meetings of parties interested in foreign trade The purpose of these meetings is the establishment of individual contacts of a group of entrepreneurs of a certain branch with foreign parties abroad interested in mutual business. Problems of organization, fixing of appointments, procuring of interpreters etc. are handled by the Trade Delegate and on-the-spot advice is offered. Under certain conditions financial assistance may be granted to participate at these meetings.

c) Trade missions Their tasks are similar to the ones mentioned under b) and mainly directed towards developing countries. Contacts for individual discussions between firms are established by the foreign trade office. During the past years trade missions visited mainly Central America, East and West Africa. Previous trade missions came to the Gulf area.

d) Publications Many of our foreign trade offices regularly publish their own economic bulletins, their circulation rates approx. between 500 and 15,000. These bulletins contain information on newly developed products, on fairs and exhibitions etc. and offers for supply. These bulletins are distributed to interested foreign parties within the area of competence of the respective foreign trade office.

e) Foreign trade meetings, collective consulting days The trade delegates of certain regions are called to Austria at regular intervals to participate in foreign trade meetings specially organized for them. Foreign trade problems arising from their area of competence are discussed. Following these meetings at the Federal Economic Chamber in Vienna companies all over Austria have the opportunity to contact the trade delegates on special consulting days in order to discuss their problems. For these meetings the trade delegates generally remain in Austria for several weeks visiting all states. It is ensured, therefore, that there are extensive possibilities for thorough discussions with Austrian enterprises.

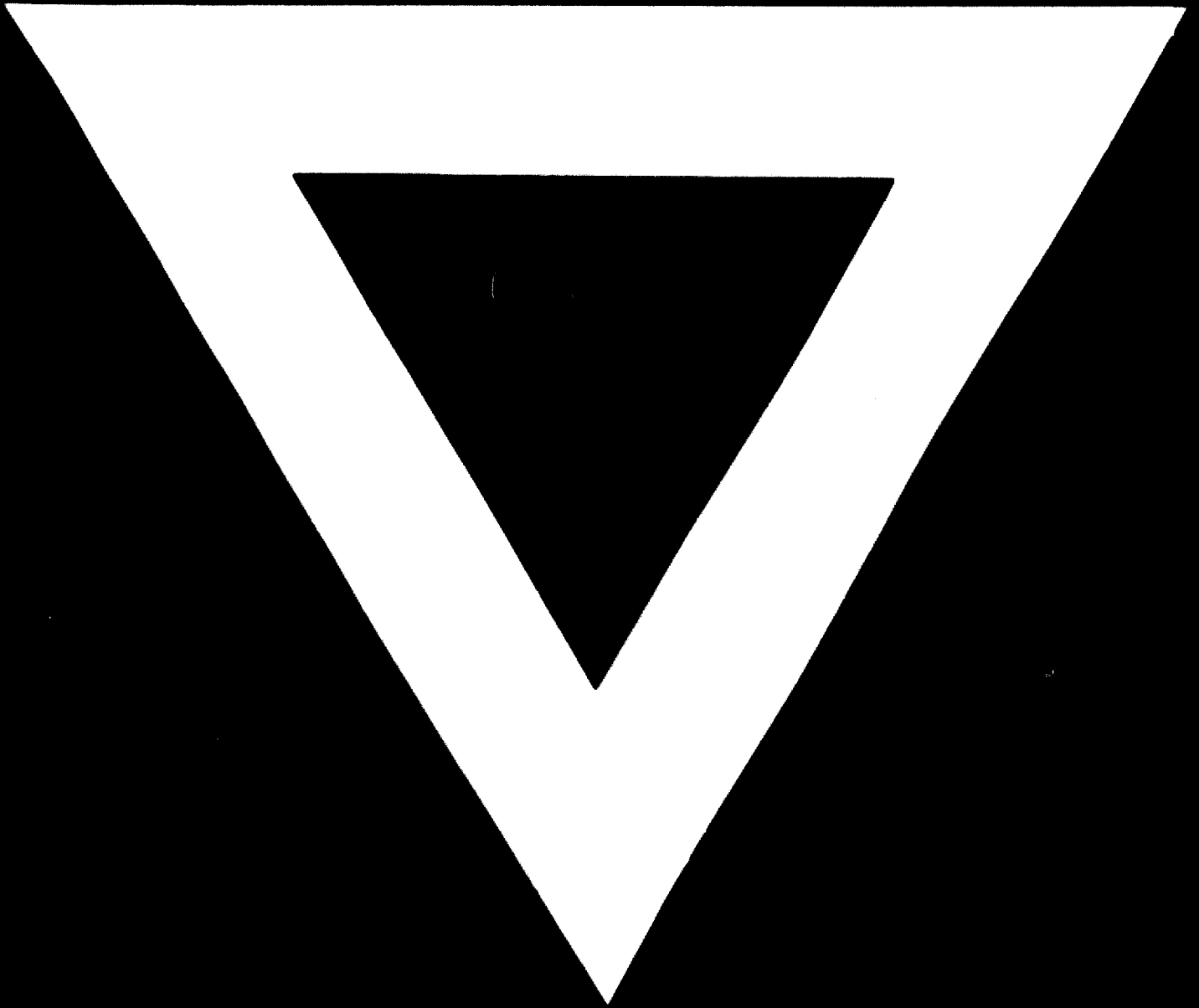
ANNEX

SUMMARY

As was shown in the before-mentioned exposition the Austrian Chamber Organization has at its disposal numerous instruments to promote foreign trade; emphasis is laid on the information system, consulting, training, market research, advertising, organization of Trade Fairs and financial assistance. It is the aim of the Chamber Organization to transform these activities increasingly from a general to an individual promotion to meet the requirements of every company engaged in foreign trade.

Another characteristic of the Austrian Chamber Organization is its foreign trade organization. The independent administration of this organization within the framework of the Chamber Organization has contributed much to the fact that Austrian foreign trade promotion in the past years could always be adapted to the requirements of the companies. This is the guiding principle of our organization.





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