7. Austria

7.1. SMEs in the national economy

According to the EU SME definition, which became effective as of 1 January 2005, the micro, small and medium-sized enterprises refer to enterprises that employ fewer than 250 persons and have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.

In Austria, 99.7% of all firms in 2014 were SMEs, employing approximately 68% of the labour force (Table 7.1).

Table 7.1. Distribution of firms in Austria, 2014
(By firm size, percentages of all firms).

<table>
<thead>
<tr>
<th>Firm size (employees)</th>
<th>Number of firms</th>
<th>%</th>
<th>Annual average number of employees</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>All firms</td>
<td>327 993</td>
<td>100</td>
<td>2 841 426</td>
<td>100</td>
</tr>
<tr>
<td>SMEs (0-249)</td>
<td>326 864</td>
<td>99.7</td>
<td>1 923 361</td>
<td>67.7</td>
</tr>
<tr>
<td>Micro (0-9)</td>
<td>286 168</td>
<td>87.2</td>
<td>708 189</td>
<td>24.9</td>
</tr>
<tr>
<td>Small (10-19)</td>
<td>23 004</td>
<td>7</td>
<td>306 688</td>
<td>10.8</td>
</tr>
<tr>
<td>(20-49)</td>
<td>12 237</td>
<td>3.7</td>
<td>363 940</td>
<td>12.8</td>
</tr>
<tr>
<td>Medium (50-249)</td>
<td>5 455</td>
<td>1.7</td>
<td>544 544</td>
<td>19.2</td>
</tr>
<tr>
<td>Large (250+)</td>
<td>1 129</td>
<td>0.3</td>
<td>918 065</td>
<td>32.3</td>
</tr>
</tbody>
</table>

Note: Data include all market activities in Sections B-N as well as S-95 of ONACE 2008. Data include non-employer firms.
Source: (OECD, 2017(11)).

7.2. National policy framework to support SMEs in public procurement

Austrian law defines that SMEs should be included in procurement procedures wherever possible, as provided in Section 102, para 2; Section 151, para 1; and Section 250, para 2 of the Federal Law on Public Procurement 2006. Furthermore, a central strategy to support SMEs is provided for in Section 2, para 1a of the act concerning the establishment of the BBG, the central purchasing body of Austria. According to this provision, the invitation to tender should be designed in such a way as to give SMEs a realistic opportunity to participate (where feasible). BBG developed and implemented a tailored strategy for improving access to and participation in public procurement opportunities for SMEs.

In addition, supporting SMEs are included in the strategies and policies that support green public procurement and public procurement for innovation — including the Austrian Action Plan on Sustainable Public Procurement and the Austrian Action Plan on Public Procurement Promoting Innovation.

Apart from the provisions defined within the federal legal framework, most of the major contracting authorities have an SME strategy to access a better range of solutions and a wider diversity of goods and services.
7.3. Implementation mechanisms

SME-friendly measures have been introduced into standardised public procurement procedures, which are constantly reviewed and updated. For example, a checklist regarding SME-friendly procedures was introduced into the planning and preparation of public procurement tenders in product groups particularly relevant to SMEs (especially in relation to products under NUTS-3). For each tender, BBG examines SME suitability as a subprocess of the tendering process. Within the checklist, in addition to examining for possibility of dividing into regional and/or technical lots, the internal procurement strategy review also includes the following aspects concerning SMEs:

- **Examination of the procurement groups** (“reversal of the burden of proof” in SME-relevant procurement groups) – A call for tender has to be justified and documented if it cannot be adapted to the needs of SMEs.
- **The local supply test** – Is there an effect expected on the local supply?
- **The demand test** – Who are the customers? Where are their offices or places of delivery? How does the customer organise the order process (decentralised/centralised)?
- **The bidder’s test** – Which companies are potential bidders (manufacturer/distributors)? How strong is the competition in the market? How is the value chain structured? What is the bidding structure from an SME perspective?
- **The cost-effectiveness test** – What is the size of the tender volume per lot? What additional effort is required to implement the regional lots? What effects are expected concerning the price?

Furthermore, training on dividing procurement into lots is provided to contracting authorities by the Economic Chambers, as well as training in, e.g., how to specify and determine qualification and award criteria. Training is also provided for economic operators by the Economic Chambers on how to participate in tender procedures. In order to provide further support to SMEs, the Economic Chambers furnish online information tools, especially on public procurement promoting innovation through establishment of an electronic portal; similar tools are also provided by the BBG (www.bbg.gv.at/fileadmin/daten/Downloads/Informationsfolder/KMU-Folder_Web.pdf).

7.4. Monitoring performance

As part of its SME-strategy, BBG publishes the number of SMEs participating in its public procurement activities in its annual report (see Figure 5.4).

Additionally, as part of its annual internal reporting obligation to the owner, BBG assesses the performance of SME support measures through the indicators on supplier structure, share of contracts awarded to SMEs in terms of number, SME demand volume, etc. The figure below presents statistics on SME participation in BBG public procurement processes between 2014 and 2016.
Furthermore, the legal framework in Austria requires an impact assessment for new legal provisions, one dimension of which is the impact on SMEs. Therefore, the draft legal provisions must be assessed to ascertain whether they are fit for purpose and will deliver the intended effects.

Reference
