Region & Bundesland

Austria's AI geography — beyond Vienna

60.4 %

of Austrian AI in Vienna alone

Vienna alone holds 60 % of Austria's AI workforce. Vienna–Graz–Linz together over 70 %. Beyond the corridor, AI thins fast.

60.4 %
Vienna's share of Core AI

0.37
Core AI HHI (~1.9× non-AI)

24–48 %
AI salary premium across all regions

~1×
MNC AI intensity vs Austrian firms

EXECUTIVE SUMMARY

Austria's AI talent is not just growing — it is concentrating. Vienna holds 60.4 % of Austrian AI positions, up from 59.7 % in 2018, and the top three Bundesländer account for 80 %+ of the AI workforce. But this headline masks important nuance: Upper Austria and Styria have deeper technical (Core+Enable+Integrate) profiles than Vienna, secondary cities like Linz and Graz remain credible regional hubs, and the AI salary premium reaches 24–48 % across every region — making AI upskilling one of the most powerful levers for regional economic upgrading.

POLICY IMPLICATIONS

Invest in the Vienna–Graz–Linz AI corridor. Its three home states hold more than four in five of Austria's Bundesland-mapped Core AI. Strengthening transport, digital infrastructure, and knowledge-sharing along this axis is the highest-leverage geographic investment.

Develop complementary regional specialisations. Don't replicate Vienna everywhere. Graz (automotive / industrial AI), Linz (manufacturing AI), Vienna (services / application AI) form a natural division of labour that should be reinforced.

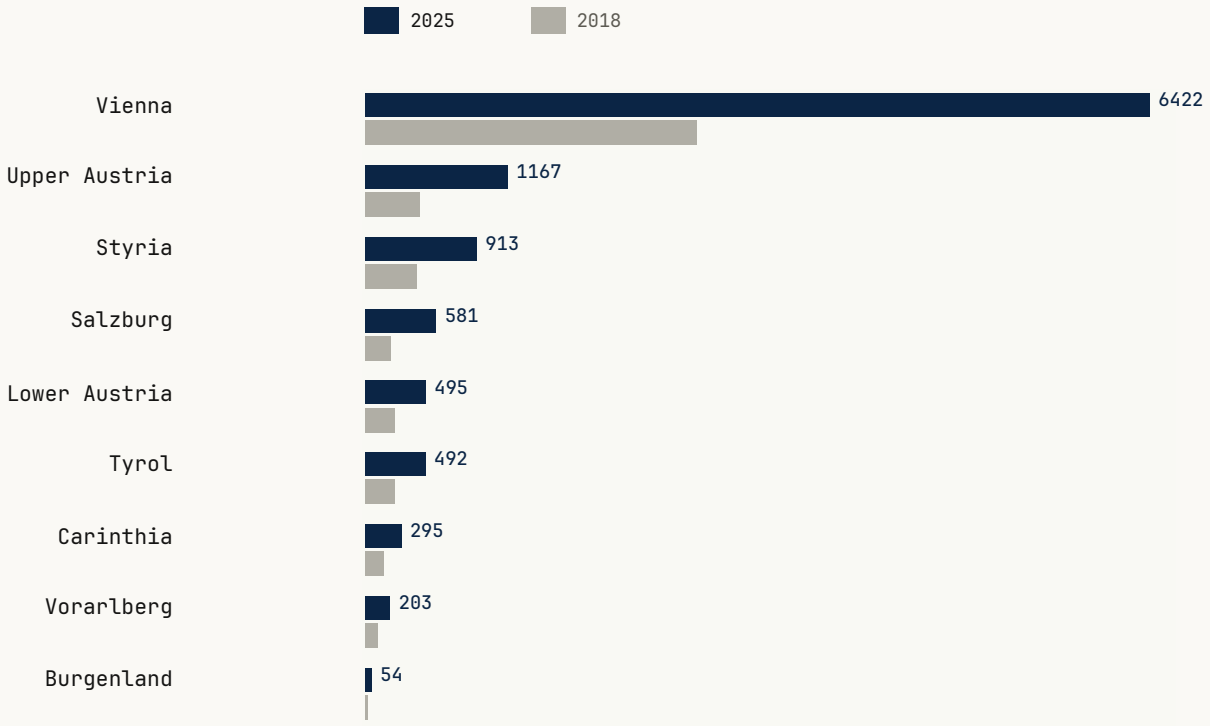
Leverage multinationals as regional anchor institutions. Foreign MNCs achieve broadly comparable AI intensity to Austrian firms. Incentivise knowledge spillovers through supplier upgrading programs, joint training, and talent rotation between MNCs and local firms.

Frame regional AI as an economic-upgrading lever. The 24–48 % AI salary premium in every Bundesland makes AI upskilling the highest-return investment for regional workers and economies.

EXHIBIT 6.1

Regional AI Workforce Growth

Austria's AI workforce has more than doubled since 2018, but the growth is unevenly distributed. Vienna accounts for roughly 61 % of all net AI growth, with Upper Austria and Styria forming a credible second tier. Smaller states have grown in absolute terms but remain marginal in scale.



Source: Revelio Labs via WRDS · austria_located · Full AI positions 2018 vs 2025

KEY FINDINGS

- Vienna added approximately 3,712 AI positions (2018 → 2025: 2,710 → 6,422), accounting for 61 % of all national AI growth — the capital's gravitational pull remains dominant, driven by density of tech firms, universities, and the start-up ecosystem.
- Upper Austria and Styria collectively grew from 862 to 2,080 AI positions, now holding ~20 % of the national stock — a credible secondary axis driven by industrial AI applications in automotive, manufacturing, and engineering.
- Smaller Bundesländer (Salzburg, Carinthia, Vorarlberg, Burgenland) grew in absolute terms but together still represent under 11 % of Austria's AI workforce.

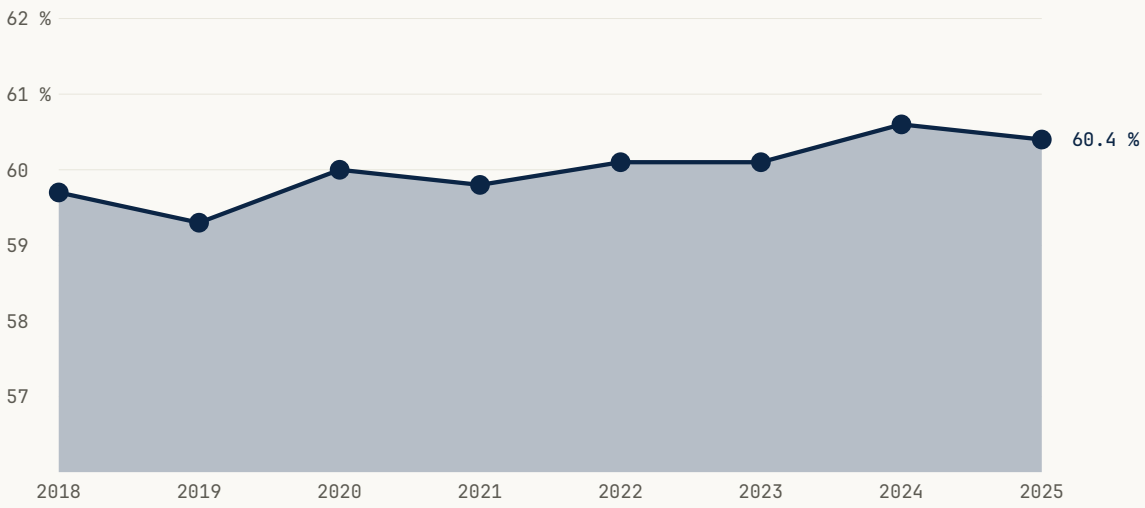
IMPLICATION

Accept Vienna's scale advantage while investing in the Vienna–Graz–Linz corridor as a complementary applied-industrial AI axis.

EXHIBIT 6.2

Vienna's Dominance — Concentration Over Time

Vienna's share of Austria's AI ecosystem has been remarkably stable and slightly increasing — from 59.7 % in 2018 to 60.4 % in 2025. This concentration is approximately 2× higher than Vienna's share of total employment (~30 %), making AI the most geographically concentrated sector in Austria's economy.



Source: Revelio Labs via WRDS · Vienna's share of summed-Bundesland AI positions · 2018–2025

KEY FINDINGS

- Vienna's AI share (60.4 %) is double its employment share (~30 %), making AI the most geographically concentrated high-skill sector — more concentrated than finance, consulting, or even IT services.
- The Core AI City HHI (0.37) is roughly 1.9× the non-AI City HHI (0.20), confirming that AI concentration exceeds general economic concentration by a wide margin.
- Concentration is rising, not falling — Vienna gained +0.7 ppof AI share since 2018, despite policy rhetoric about regional diversification.

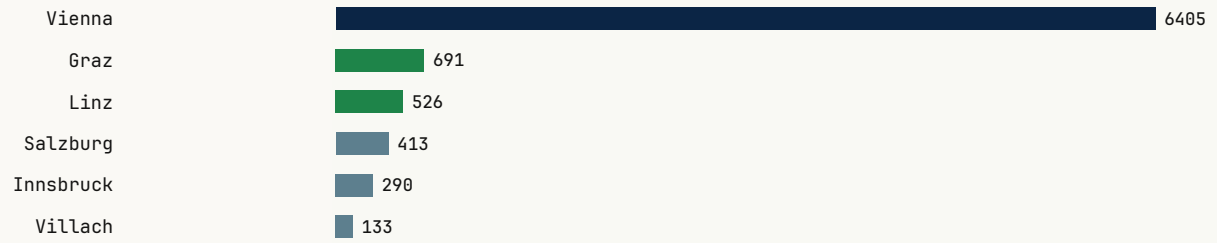
IMPLICATION

Geographic deconcentration requires deliberate infrastructure investment — compute hubs, university-industry partnerships in secondary cities — not just rhetorical commitment to regional balance.

EXHIBIT 6.3

Top AI Cities — Beyond Vienna

Beyond Vienna, Graz and Linz form a credible second tier of Austrian AI cities. Graz benefits from TU Graz's strong AI research profile and Styria's automotive cluster. Linz leverages Upper Austria's industrial base and the growing JKU / Linz Institute of Technology ecosystem.



Source: Revelio Labs via WRDS · AI positions by city, 2025 snapshot

KEY FINDINGS

- Graz hosts approximately 691 AI workers — the second-largest AI city, driven by TU Graz and the Styrian automotive / engineering cluster. Styria's Core+Enable+Integrate share (80 %) actually exceeds Vienna's (74 %), reflecting deeper technical specialisation in industrial AI.
- Linz has emerged as a fast-growing AI hub (~526 AI workers), driven by JKU's AI programs, the LIT AI Lab, and Upper Austria's digital manufacturing ecosystem. Its growth rate has outpaced Vienna's in recent years, suggesting the corridor strategy is beginning to gain traction.
- The Vienna–Graz–Linz triangle accounts for over 70 % of Austria's AI workforce, creating a natural corridor for cluster development and talent circulation. Together with Salzburg, Innsbruck, and Villach, the top six cities concentrate the majority of national AI capability.

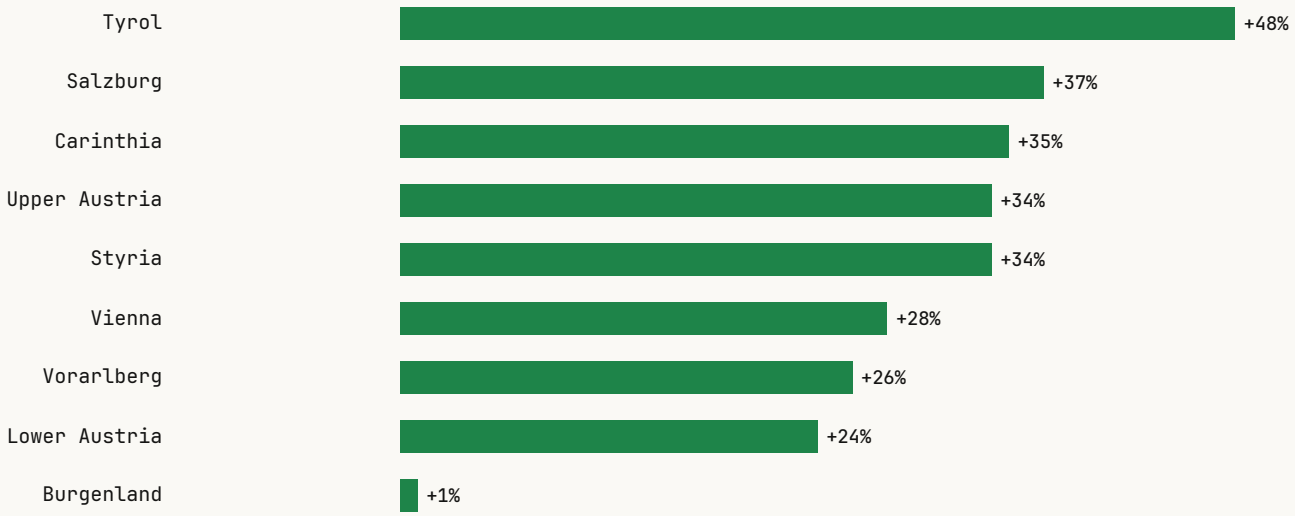
IMPLICATION

Invest in Graz and Linz as complementary specialised hubs (automotive / industrial AI) rather than trying to replicate Vienna's generalist AI ecosystem in smaller cities.

EXHIBIT 6.4

AI Salary Premium by Region

The AI salary premium is not a Vienna phenomenon — it extends across every Austrian region. AI workers earn 24–48 % more than non-AI workers in every Bundesland, making AI upskilling one of the most powerful levers for regional economic upgrading.



Source: Revelio Labs via WRDS · median imputed salary · AI vs non-AI by Bundesland

KEY FINDINGS

- The AI salary premium ranges from 24 % to 48 % across the eight non-outlier Bundesländer (Burgenland sits at +1 % on a small AI sample skewed to low-paying tourism / retail roles) — this is not a Vienna-specific effect but a structural premium that applies broadly, making AI skills the single most valuable career upgrade regardless of location.
- The premium is largest in Tyrol (48 %), Salzburg (37 %), and Carinthia (35 %), and lowest in Lower Austria (24 %) and Vorarlberg (26 %) — counter to a popular narrative, the capital (Vienna 28 %) does not pay the highest AI premium. Scarcity value pushes the premium higher in tourism- and Alpine-economy regions where AI talent is rarer.
- The consistency of the premium across regions means that regional AI development benefits local workers directly through substantially higher wages, creating strong individual incentives for AI upskilling.

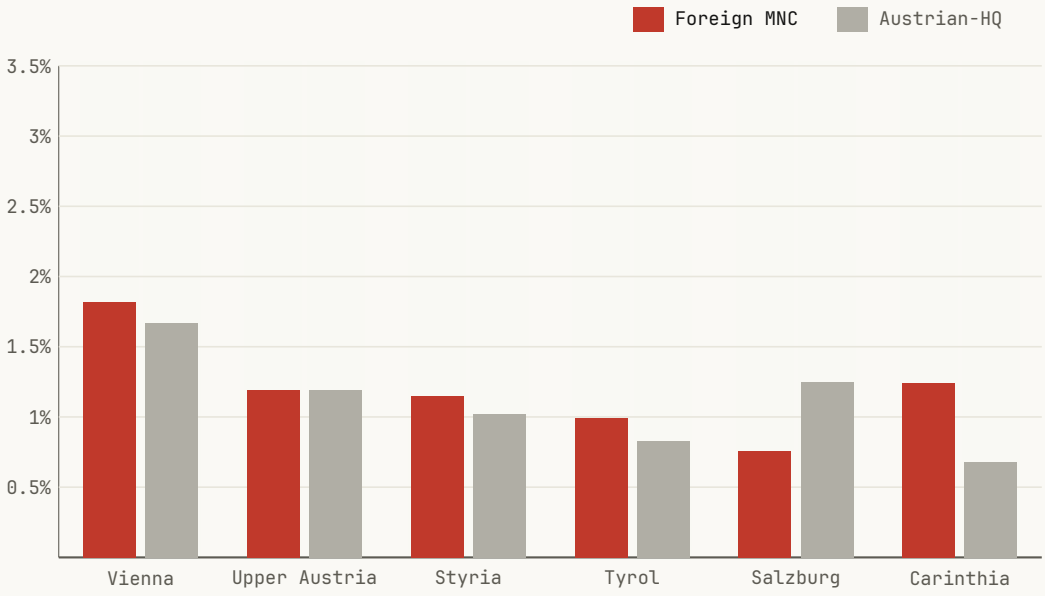
IMPLICATION

Frame regional AI development in terms of the salary premium: AI upskilling is the highest-return investment an individual worker or regional economy can make, with 24–48 % wage gains regardless of geography.

EXHIBIT 6.5

Multinational vs Domestic AI Intensity by Region

Austria's AI capability is domestically anchored. Firms headquartered abroad employ AI staff at much the same intensity as Austrian ones — the ratio sits near 1× in the major hubs. What multinationals add is concentration: in smaller regions a single R&D centre can carry much of the local AI ecosystem.



Source: Revelio Labs via WRDS · AI share of employment by Bundesland · MNC vs domestic firms

KEY FINDINGS

- AI intensity is broadly comparable between domestic Austrian-HQ firms and foreign-HQ multinationals — the widely assumed 2–4× MNC premium does not hold up under the v5 panel. The ratio sits near 1× in Vienna (1.09×), Upper Austria (1.00×) and Styria (1.13×); Salzburg even shows a domestic premium (0.61×). Only Carinthia reaches 1.82×, on a small sample. Foreign-HQ employers are not the systematic AI-intensity advantage they were assumed to be.
- In secondary regions, multinationals often account for a disproportionate share of the local AI ecosystem — a single MNC R&D centre can be the anchor institution around which a regional AI cluster forms.
- Because intensity is comparable, the case for multinationals rests on scale and concentration rather than a technology gap. They remain valuable spillover channels, but dependency on a handful of foreign employers is a real regional risk.

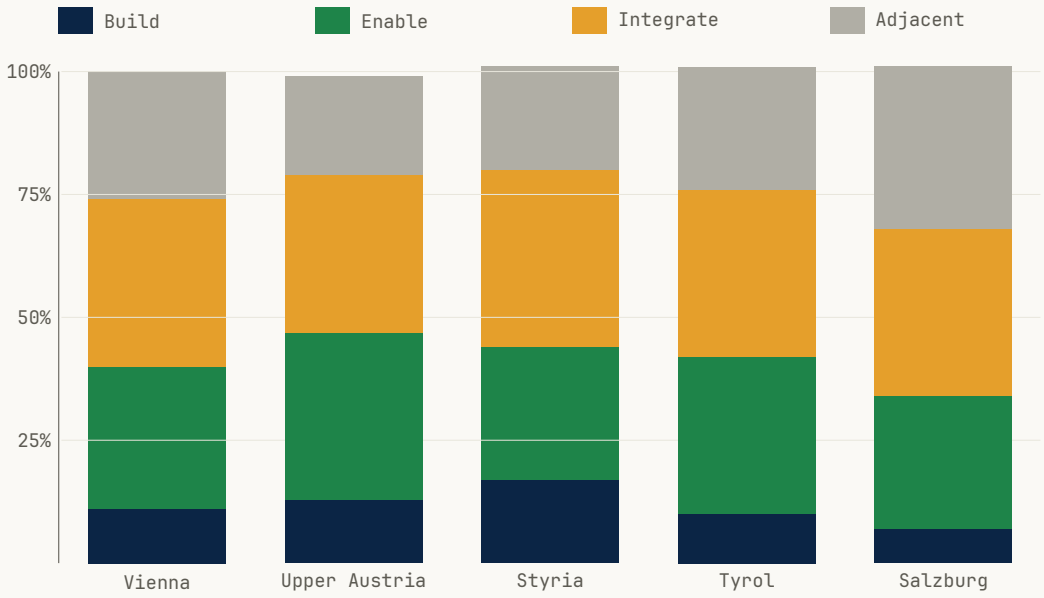
IMPLICATION

Use multinationals as regional AI anchor institutions. Incentivise supplier upgrading, joint training programs, and talent rotation between MNCs and local firms to convert MNC scale into broader ecosystem capability.

EXHIBIT 6.6

Tier Composition by Bundesland

Tier composition varies significantly across Bundesländer, reflecting local industrial specialisation. Upper Austria and Styria show higher Build shares than Vienna, driven by their manufacturing and engineering orientation. Vienna keeps a balanced profile with comparatively more Adjacent roles, reflecting its concentration of consulting, financial services, and tech headquarters.



Source: Revelio Labs via WRDS · tier composition by Bundesland · 2025

KEY FINDINGS

- Styria leads on Build (17 %) and Upper Austria follows (13 %), versus Vienna's 11 % — industrial R&D centres demand deep technical Build roles for manufacturing and engineering AI applications.
- Aggregate Core+Enable+Integrate share nears 80 % in Upper Austria and Styria, versus 74 % in Vienna — meaning the technical core is denser outside the capital, even though absolute headcount remains highest in Vienna.
- This complementary specialisation is an asset: a national AI ecosystem benefits from having both application-focused (Vienna) and capability-focused (Graz, Linz) poles.

IMPLICATION

Support secondary hub development through university-industry partnerships and regional AI competence centres. Leverage existing industrial strengths — automotive in Styria, manufacturing in Upper Austria — as AI application domains.

Method, geography, definitions.

Geographic analysis uses firm-level location data from Revelio Labs, mapping AI workers to Austrian Bundesländer based on their employer's primary registered location. Workers at firms with multiple locations are assigned to the firm's headquarters state unless individual location data is available. The HHI (Herfindahl-Hirschman Index) is calculated as the sum of squared shares across Bundesländer, where 1.0 would indicate total concentration in one state.

PARAMETERS

Geographic unit	9 Bundesländer + city level for the top six
Primary segment	austria_located
Location assignment	Firm HQ state · individual where available
Concentration metric	HHI · Herfindahl-Hirschman Index
Salary premium	AI vs non-AI median salary by Bundesland
MNC classification	Austrian-HQ vs foreign-HQ firms
Time period	2018–2025 · 2025 preliminary