

Region & Bundesland

Austria's AI geography — beyond Vienna

60.1 %

of Core AI in Vienna alone

Vienna–Graz–Linz holds 90 %+ of Core AI. Graz's Core share (~45 %) beats Vienna's (~39 %). The corridor is the only viable axis.

60.1 %Vienna's share
of Core AI**0.391**Core AI HHI
(2× non-AI)**34–46 % 2–3×**AI salary premium
across all regionsMNC AI intensity
vs Austrian firms

EXECUTIVE SUMMARY

Austria's AI talent is not just growing — it is concentrating. Vienna holds 60 % of Core AI positions, up from 58 % in 2018, and the top three Bundesländer account for 81 % of the technical AI workforce. But this headline masks important nuance: Upper Austria and Styria have deeper technical profiles than Vienna, secondary cities like Linz and Graz punch above their weight on Core share, and the AI salary premium reaches 34–46 % 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. This triangle holds 90 %+ of Austria's 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.

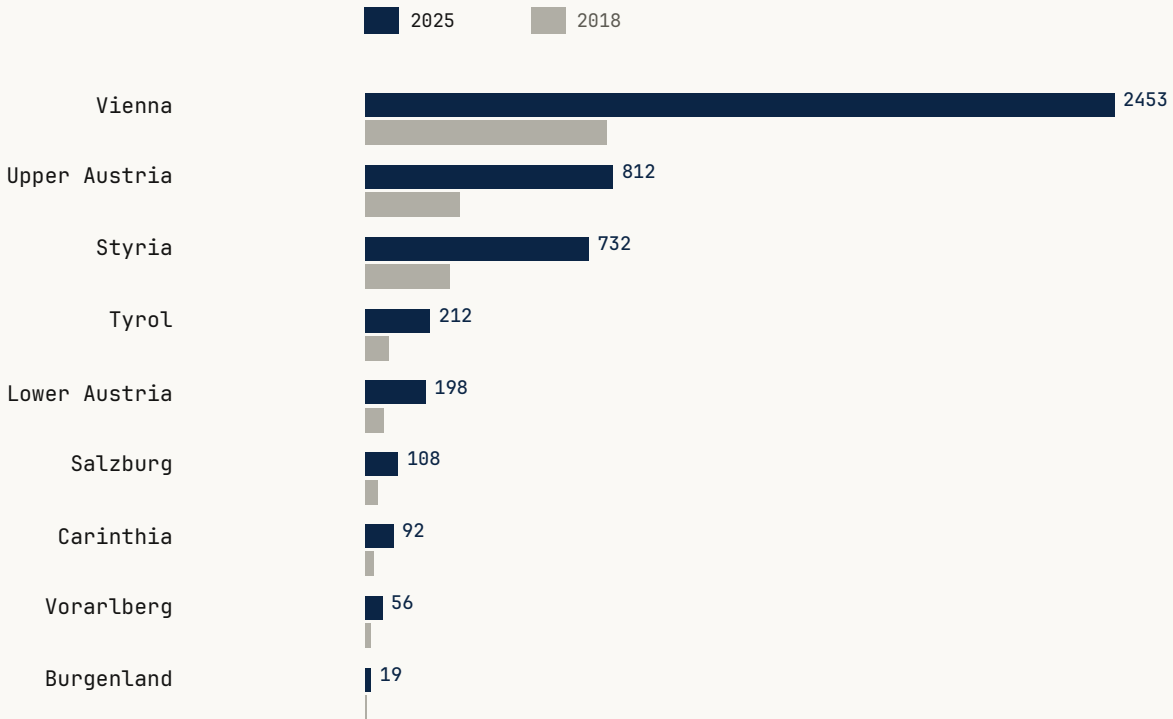
Leverage multinationals as regional anchor institutions. Foreign MNCs achieve 2–3× higher AI intensity. Incentivise knowledge spillovers through supplier upgrading programs, joint training, and talent rotation between MNCs and local firms.

Frame regional AI as an economic-upgrading lever. The 34–46 % 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 62 % 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 segment · Core AI 2018 vs 2025

KEY FINDINGS

- Vienna added about 2,847 Core AI positions (2018–2025), accounting for 62 % of all national 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 587 to 1,544 Core positions, now holding 21 % of national Core AI — a credible secondary axis driven by industrial AI applications in automotive, manufacturing, and engineering.
- Core AI CAGR (15.2 %) exceeds Full AI CAGR (12.9 %), meaning the workforce is becoming more technically concentrated everywhere, not just in Vienna.

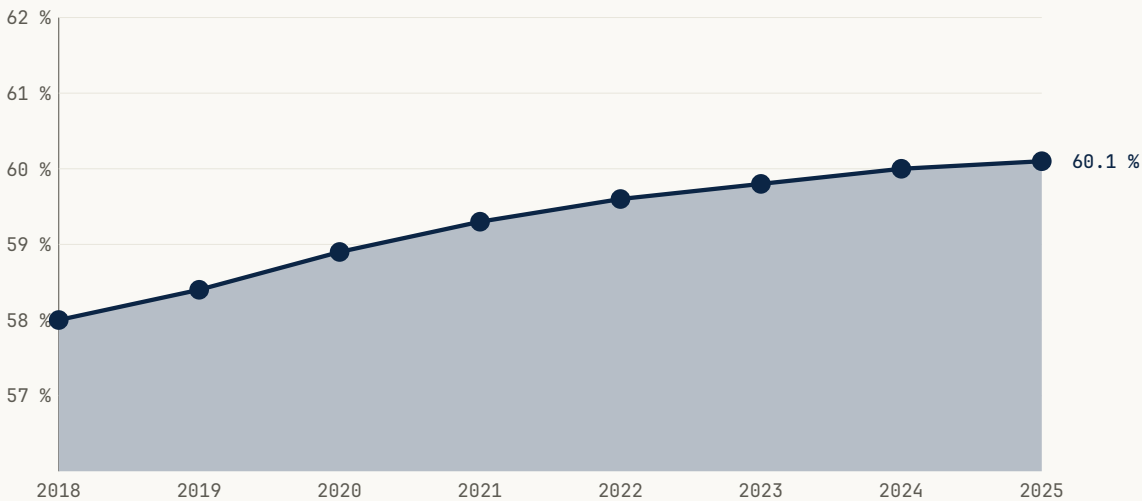
IMPLICATION

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 58 % in 2018 to 60.1 % 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 national Core AI · 2018–2025

KEY FINDINGS

- Vienna's Core AI share (60.1 %) 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 HHI index for Core AI (0.391) is roughly 2× the non-AI HHI, confirming that AI concentration exceeds general economic concentration by a wide margin.
- Concentration is increasing, not decreasing — Vienna gained +2.1 pp of AI share since 2018, despite policy rhetoric about regional diversification.

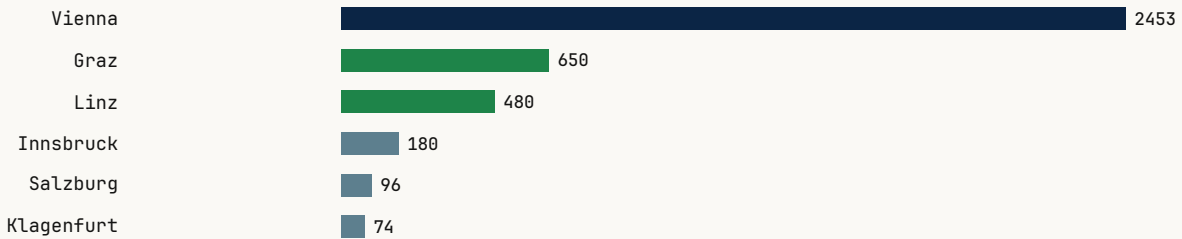
IMPLICATION

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 · Core AI workforce by city, 2025

KEY FINDINGS

- Graz hosts approximately 650 Core AI workers — the second-largest AI city, driven by TU Graz and the Styrian automotive / engineering cluster. Its Core share (~45 %) actually exceeds Vienna's (~39 %), reflecting deeper technical specialisation in industrial AI.
- Linz has emerged as a fast-growing AI hub (~480 Core AI), 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 90 % of Austria's Core AI workforce, creating a natural corridor for cluster development and talent circulation. The remaining Bundesländer collectively hold fewer than 400 Core AI workers — making the corridor the only viable axis for national AI strategy.

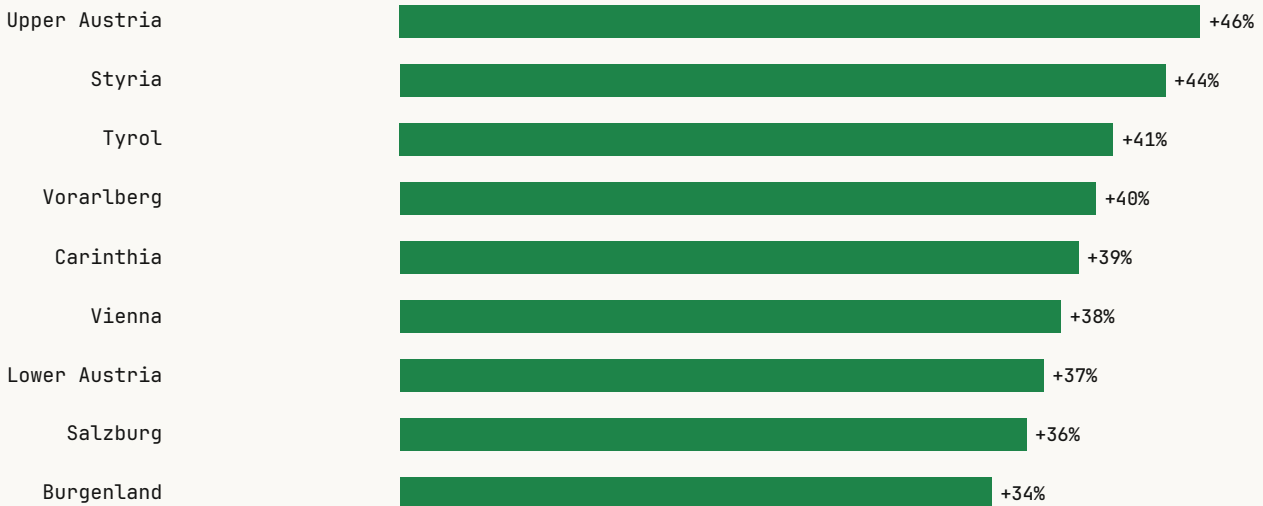
IMPLICATION

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 34–46 % 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 34 % to 46 % across all Bundesländer — this is not a Vienna-specific effect but a structural premium that applies everywhere, making AI skills the single most valuable career upgrade regardless of location.
- Vienna's premium (~38 %) is not the highest — industrial regions like Upper Austria and Styria show premiums of up to 46 %, reflecting the scarcity value of AI skills outside the capital and the willingness of manufacturing-oriented employers to pay a premium for technical talent.
- 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.

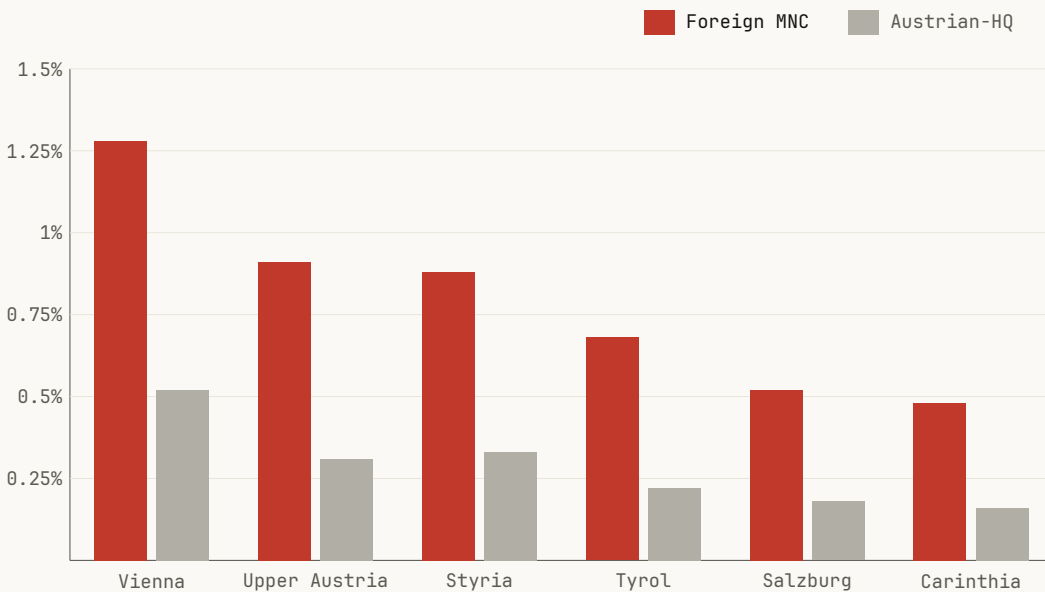
IMPLICATION

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 34–46 % wage gains regardless of geography.

EXHIBIT 6.5

Multinational vs Domestic AI Intensity by Region

Multinationals play a disproportionate role in regional AI ecosystems. Foreign-headquartered firms show 2–3× higher AI intensity than Austrian-headquartered firms across most regions, acting as anchor institutions that import global AI practices and talent.



Source: Revelio Labs via WRDS · AI workers per 100 employees by Bundesland · MNC vs domestic firms

KEY FINDINGS

- Foreign-HQ multinationals achieve 2–3× higher AI intensity than domestic firms in every region — they are not just bigger employers but fundamentally more AI-intensive, bringing global practices and capability standards.
- 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.
- The gap between MNC and domestic AI intensity represents both a spillover opportunity (knowledge transfer from MNCs to local firms) and a concentration risk (dependency on a handful of foreign employers).

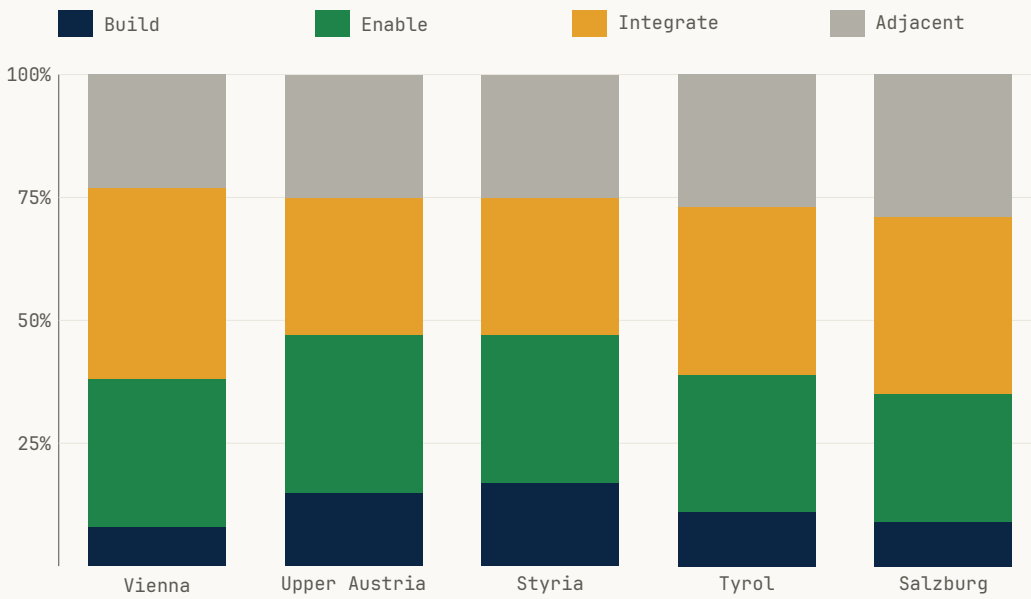
IMPLICATION

Use multinationals as regional AI anchor institutions. Incentivise supplier upgrading, joint training programs, and talent rotation between MNCs and local firms to convert MNC AI intensity 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 and Enable shares than Vienna, driven by their manufacturing and engineering orientation. Vienna leads on Integrate roles, reflecting its concentration of consulting, financial services, and tech headquarters.



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

KEY FINDINGS

- Upper Austria and Styria show higher Core shares (~45 %) than Vienna (~39 %), driven by industrial R&D centres that require deep technical Build and Enable roles for manufacturing and engineering AI applications.
- Vienna dominates Integrate roles (AI strategy, data science, consulting), reflecting its service-sector orientation — this makes Vienna the AI application and business-interface hub, while industrial regions are the technical capability centres.
- 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 |