

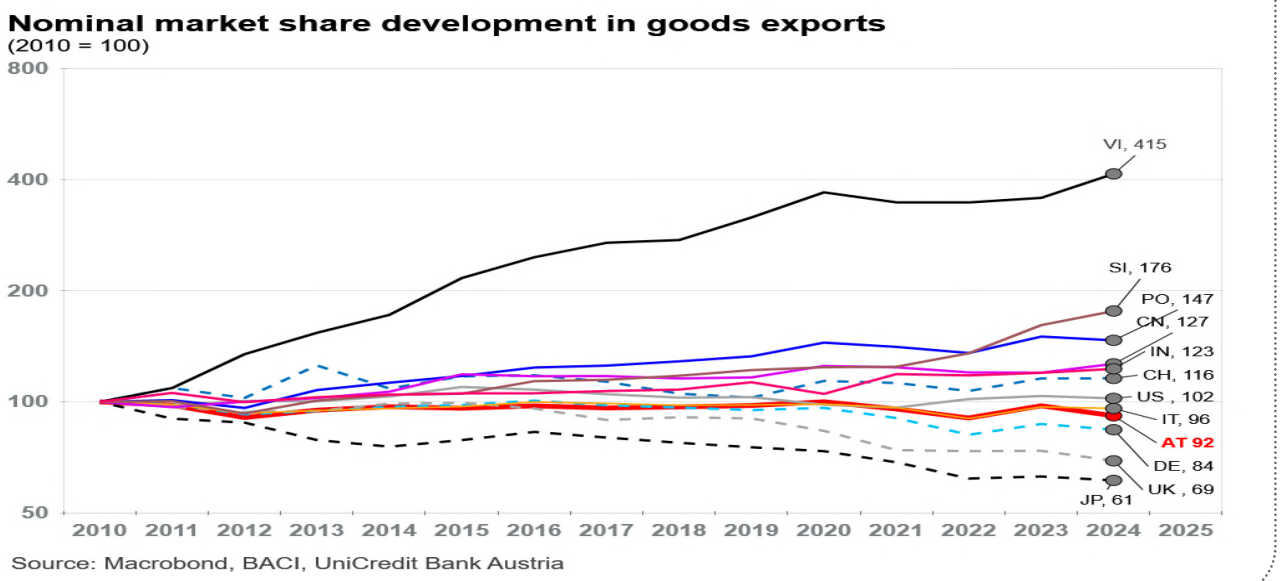
Growing competition on the world markets: challenges for the federal states

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Overview



GLOBAL MARKET SHARE DEVELOPMENT IN GOODS EXPORTS

The development of global exports of goods shows considerable differences in the competitiveness of the individual economies. While some countries were able to significantly expand their position on the world markets, others had to accept market share losses. For better comparability, the respective shares of global goods exports were indexed to 100 for all countries in 2010 (chart above).

Vietnam stands out in particular. The country's indexed market share of global goods exports rose from 100 in 2010 to 415 in 2024, more than quadrupling. No other of the countries under consideration recorded comparable growth. Slovenia (+76 percent), Poland (+47 percent) and China (+27 percent) were also able to significantly improve their market position.

In contrast, numerous established industrialised countries lost market share. With an index level of 92 in 2024, Austria shows a decline in its share of global exports of goods increased by 8 percent compared to 2010. The market share of Austrian exports of goods in global exports was still 0.93 percent in 2010 and it fell to 0.85 percent by 2024. The losses were even more pronounced in Germany (-16 percent), Japan (-39 percent) and the United Kingdom (-31 percent). The USA, on the other hand, was able to largely maintain its market share.

However, Vietnam's extraordinarily dynamic development must also be seen against the backdrop of changed global supply chains. In recent years, the country has increasingly developed into a production and export location for international companies and often acts as an intermediate station for Chinese inputs and exports. Nevertheless, the development illustrates the growing competition of Asian economies in many core industrial segments and the associated pressure on traditional exporting nations such as Austria.

While economic fluctuations shape export development in the short term, long-term competitiveness is primarily determined by structural factors. Against this background, this article analyses the development of export market shares between 2010 and 2024 and classifies these developments according to countries, product groups and regions within Austria[1].

DIFFERENTIATION ACCORDING TO SALES MARKETS

Figures 1 and 2 show the development of the market shares of selected countries in goods exports between 2010 and 2024 with the relative and absolute changes. The absolute changes are also broken down according to whether they were achieved in the Austrian core countries or in the other sales markets. Core sales markets are defined as those countries to which around two thirds of Austrian goods exports went in 2010.[2]

China's strong increase in market share was achieved exclusively in those countries that are not among Austria's core sales markets. In Vietnam, on the other hand, the growth was based on the most important export markets for Austria as well as on the other countries.

The market share losses in Japan, Germany, Russia, the United Kingdom and France were attributable to both core sales markets and other export markets, while gains in Switzerland, the USA, the Czech Republic and Slovenia were largely due to increased demand from Austria's most important markets.

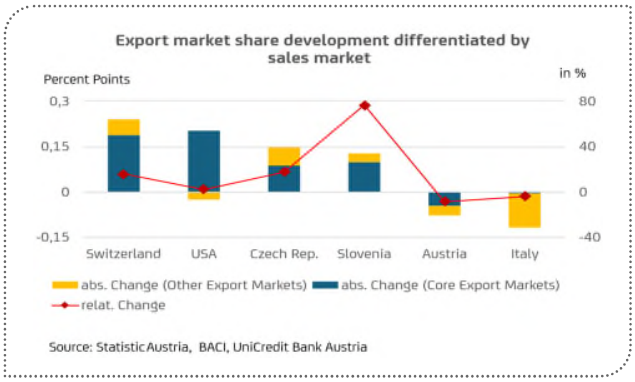
In Austria itself, the loss of market share was relatively evenly distributed between core sales markets and the other target countries. In Italy, the small relative decline was explained almost exclusively by the other countries.

Overall, the results show a shift in global export shares in favour of dynamically growing economies, with the origin of market share gains differing significantly from country to country. Figure 2 shows the market share development of individual countriesin a largerform for improved readability.

Chart 1:



Chart 2:



DIFFERENTIATION BY PRODUCT GROUPS

Figures 3 and 4 show the changes in the export market shares of selected countries between 2010 and 2024, differentiated between the Austrian core products and the other products. Core products[3] are those product groups at HS2 level[4], accounted for around two-thirds of Austria's export volume in 2010.

[1] See also OeNB Report: https://www.oenb.at/Publikationen/Volkswirtschaft/reports/2026/report-2026-8.html

[2] Germany, Italy, Switzerland, USA, France, Hungary, Czech Republic, China, Poland

[3] Machinery, Electronics, Automotive, Pharmaceutical, Steel, Plastics, Paper, Wood, Mineral Oil, Optics

[4] HS2: top level of aggregation of the international commodity classification system

Chart 3:

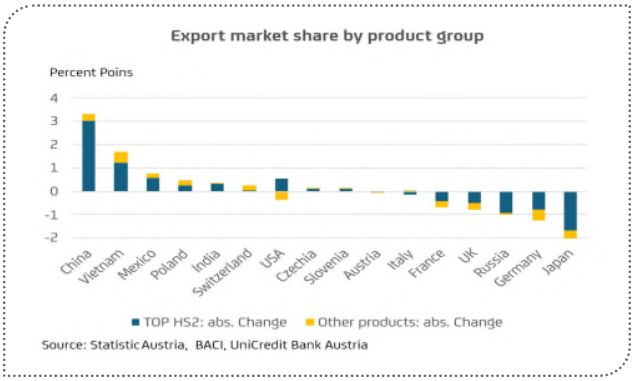
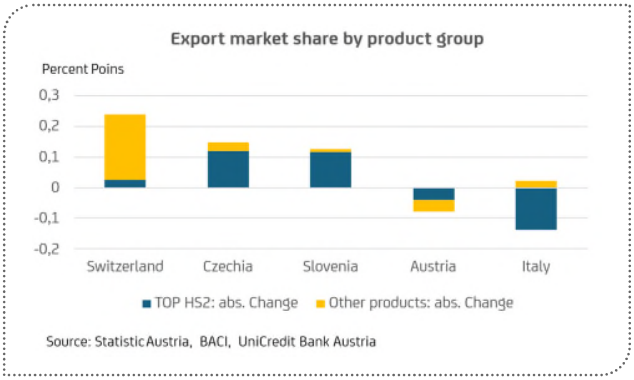


Chart 4:



It is striking that China's market share gain of more than 3 percentage points is almost entirely attributable to Austria's core products. This indicates that China has been able to significantly expand its competitive position, especially in those product segments that have traditionally been of great importance for the Austrian export industry. The positive developments in Vietnam as well as in Mexico, Poland and India are also largely attributable to market share gains in the Austrian core product groups. This underlines the increasing importance of these countries as competitors in key industrial segments.

The market share losses of several industrialised countries such as France, the United Kingdom, Germany and Japan are largely due to the losses in the Austrian core product segment. It is noteworthy that Italy's market share losses are mainly concentrated in the non-core markets, but at the same time mainly affect the core product groups that are important for Austria. Furthermore, Slovenia and the Czech Republic have been able to hold their own in recent years, especially in the core segment area.

Overall, the results point to an increasing shift in competitiveness in favour of Asian economies. It is particularly noteworthy that these market share gains are no longer only taking place in labour-intensive segments, but increasingly also in technology- and knowledge-intensive product groups. The market share gains are mainly concentrated in Asian emerging markets, above all Vietnam and China, and are taking place to a considerable extent precisely in those product groups that are particularly relevant for Austria's export structure. For the Austrian economy, this means increasing competitive pressure in its core segments.

COMPLEXITY OF THE EXPORT STRUCTURE

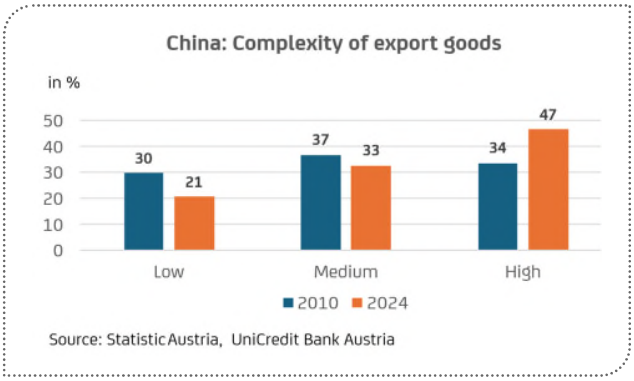
The three graphs 5-7 show a clear shift in the export structures of China and Vietnam towards more complex products[5]. In doing so, they complement the previous analysis of export market shares, which showed considerable market share gains in the core product groups relevant to Austria, especially for China and Vietnam.

Austria already had a comparatively high-quality export structure in 2010. The share of products with high complexity rose from 46 percent to 52 percent between 2010 and 2024, while the share of low-complexity products fell from 23 percent to 18 percent. The share of medium-complex products remained unchanged at 31 percent. This development underlines Austria's specialization in knowledge- and technology-intensive production areas and points to a further appreciation of the export structure.

Charts 5-7:



[5] The export products are divided into the complexity levels Low, Medium and High at HS6-level





China recorded a significant improvement in the quality of its export structure. The share of highly complex products increased from 34 percent to 47 percent, while low-complexity products fell from 30 percent to 21 percent. At the same time, the share of medium-complex products decreased from 37 percent to 33 percent. China was thus able to significantly improve its position along the value chain and is increasingly moving closer to the established industrialized countries in terms of export structure. The significant market share gains of China identified in the previous analysis, especially in Austrian core products, are thus accompanied by a clear technological appreciation of the export portfolio.

Vietnam recorded the strongest structural transformation of the countries studied. The share of low-complexity products fell from 57 percent to 31 percent, while both medium-complex products (from 22 percent to 34 percent) and highly complex products (from 21 percent to 36 percent) gained significantly in importance. Although Vietnam continues to have a lower share of highly complex products than Austria or China, the development shows a remarkable catching-up process. Vietnam's previously observed market share gains are therefore likely to be attributable not only to low-cost production, but increasingly also to the successful entry into technologically more sophisticated segments.

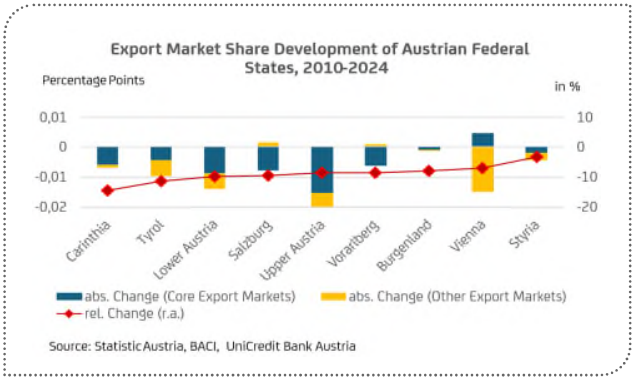
Overall, the results make it clear that the market share gains of China and Vietnam are accompanied by an improvement in the quality of their export structures. While Austria was able to further expand its specialization in highly complex products, the two Asian economies are catching up rapidly, especially in technologically demanding areas. This increases competitive pressure in those product groups that are traditionally among the strengths of the Austrian export industry and underlines the importance of innovation, research and technological leadership for securing long-term competitiveness.

MARKET SHARE DEVELOPMENT OF THE FEDERAL STATES

The regional analysis shows that all Austrian provinces lost market share in exports between 2010 and 2024 (Figure 8). However, the intensity of the declines differs significantly. Measured in terms of relative change, Carinthia recorded the strongest loss of market share with just under 15 percent, followed by Tyrol and Lower Austria. The losses were comparatively small in Styria, where the market share fell by only around 3 percent. Styria thus proved to be the province with the most stable international competitive position.

In absolute terms, the sharpest decline in market share was attributable to Upper Austria, which, as Austria's most important export province, has a particularly high starting point. Upper Austria's losses therefore make a significant contribution to the development of Austria as a whole. Lower Austria and Tyrol also suffered significant losses, while the declines in Vorarlberg, Salzburg and Burgenland were comparatively moderate, which is also partly due to the relatively small economic size of the regions.

Chart 8:

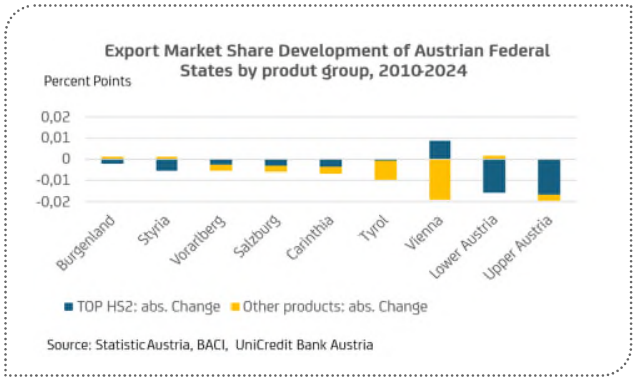


The breakdown by product group (Figure 9) provides additional indications of the causes of this development. In Upper Austria and Lower Austria, the market share losses were mainly

concentrated on Austrian core products. This is remarkable in that the previous analyses have shown that China in particular was able to significantly expand its global market shares, especially in these product segments, which are particularly important for Austria. The losses of central Austrian industrial regions in core products thus reflect the increasing international competitive pressure in technology- and export-intensive sectors.

Vienna occupies a special position. While the federal capital recorded significant market share losses for other products, even slight gains were achieved for core products. This distinguishes Vienna from most other provinces and indicates a comparatively successful positioning in those product groups that are of particular importance for the Austrian export industry.

Chart 9:



Overall, the regional analysis indicates that the challenges for the Austrian export industry lie primarily in the industrial core sectors. While individual regions, especially Styria and partly Vienna, were able to maintain their position relatively well, export-strong provinces such as Upper Austria and Lower Austria are faced with the task of further expanding their competitiveness in technologically demanding product groups in order to cushion the increasing international competitive pressure.

SUMMARY AND CONCLUSION

In summary, the analysis shows a noticeable intensification of international competition for the Austrian export industry. The dynamic market share development of China and Vietnam, among others, the increasing technological demands of exported products as well as the regionally varying losses within Austria illustrate the structural challenges of the coming years. The results suggest that the long-term safeguarding of competitiveness will increasingly depend on technological leadership, innovative capacity and continuous diversification of products and sales markets.

Classification of the Austrian development:

Although the decline in Austria's export market share of around 8 percent is significantly smaller than that of Germany or Japan in an international comparison, it contrasts with the strong market share gains of several Central and Eastern European economies such as Poland, Slovenia or the Czech Republic. This indicates that Austria has so far been able to maintain its position in world trade comparatively stable, but at the same time is losing market share to particularly dynamic competitors. At the regional level, it can be seen that all Austrian provinces were affected by this development, albeit to varying degrees. While Styria was able to maintain its competitive position comparatively well, Carinthia, Tyrol and Lower Austria in particular recorded stronger market share losses. The largest absolute losses were attributable to Upper Austria, which, as the province with the strongest exports, makes a significant contribution to the development of Austria as a whole. Overall, the results show that competitive pressure has increased both at national and regional level, especially in the core industrial segments that are important for Austria.

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