

Press release

Date
April 15, 2010

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GfK Purchasing Power study of Austria and Switzerland for 2010

GfK GeoMarketing releases the 2010 GfK purchasing power study for Austria and Switzerland. Regional purchasing power levels vary significantly in these countries: Extremely affluent areas often lie next to economically struggling areas.

GfK GeoMarketing has released its 2010 purchasing power prognoses for Austria and Switzerland. These datasets provide comprehensive coverage down to the level of municipalities and postcodes.

Regional purchasing power profile of Austria

Austria's 2010 purchasing power totals €164.3 billion. This corresponds to an average per capita purchasing power of €19,664. This is the projected amount that Austrians have at their disposal in 2010 for living- and consumption-related expenditures.

Nine of the top 10 districts are located in the federal state of Vienna. The sole exception is the district of Mödling in Lower Austria, where five of the top 10 municipalities with more than 5,000 inhabitants are located.

The regions in Austria with the least purchasing power are located in northern Lower Austria, the eastern and southern regions of the federal state of Styria ("Steiermark") as well as the district of Lienz in East Tyrol.

Although Burgenland - the federal state with the least number of inhabitants - is making gains, it continues to have the least purchasing power of the Austrian federal states: Per capita purchasing power here corresponds to approximately €2,900 less than the average in Vienna, Austria's richest federal state.

Burgenland is characterized by a north-south divide: The four southern districts have a purchasing power index below 85, while the five northern districts located closer to the rich districts southwest of Vienna have a purchasing power index at least 10 points higher. The 12,744 inhabitants of the district of Eisenstadt (city) have Burgenland's highest per capita purchasing power at €23,833. This corresponds to around a sixth more than the amount available to inhabitants of the municipalities in the surrounding district of Eisenstadt-Umgebung.

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In no other federal state is purchasing power more evenly distributed among the districts than in Vorarlberg. All districts in this federal state have an above-average level of purchasing power, with between €20,363 and €21,000 available per inhabitant.

Capitals and the surrounding districts generally have the highest purchasing power within individual federal states. The Upper Austria area with Linz, Wels, Steyr and their surrounding districts top the purchasing power ranking.

A stark regional divide is particularly apparent in the federal state of Carinthia ("Kärnten"). Apart from the two centers of Klagenfurt city/urban district and Villach city/urban district, no other district has a purchasing power index above 87. This means that Carinthians living outside of these two main districts have at least €2,556 less at their disposal than the average Austrian.

Lower Austria - near Vorarlberg - comprises an additional exception: The districts near Vienna, the nation's capital, have the most purchasing power.

2010 Purchasing power for Austria – Top ten administrative districts

District	Inhabitants	GfK Purchasing Power per inhabitant	Purchasing power index per inhabitant*
Wien I Innere Stadt	16,958	43,292	220.2
Wien XIII Hietzing	51,147	28,201	143.4
Wien VIII Josefstadt	23,912	27,371	139.2
Mödling	112,978	26,693	135.7
Wien XIX Döbling	68,277	26,581	135.2
Wien IV Wieden	30,587	26,570	135.1
Wien IX Alsergrund	39,422	26,359	134.0
Wien VII Neubau	30,056	26,226	133.4
Wien VI Mariahilf	29,371	25,580	130.1
Wien XVIII Währing	47,861	25,484	129.6

Source: GfK Purchasing Power Austria 2010, © GfK GeoMarketing

*(100=national average)

However, even Austria's most affluent federal state features some stark contrasts. The Vienna district "I Innere Stadt" comes in at first place with three times as much purchasing power per inhabitant as Austria's poorest district, Zwettl. Although side-by-side, the 19th and 20th districts - Döbling and Brigittenau - couldn't be more different: Döbling is an exclusive residential area, whose inhabitants tend to be older and have on average more than one-and-a-half times as much purchasing power as residents of Brigittenau, which is a younger area with a high percentage of immigrants. The Danube Canal is a natural barrier that also serves as a dividing line between areas with starkly varying purchasing power levels. Vienna's 10 districts with the highest purchasing power lie east of the Danube Canal. Vienna is thus the location with the greatest disparity among purchasing power levels within a single federal state.

Regional purchasing power profile of Switzerland

Switzerland's 2010 purchasing power totals €208.9 billion. This corresponds to an average per capita purchasing power of €27,123, which is the yearly amount that Swiss inhabitants have at their disposal for consumption-related expenditures such as rent, savings, vacation and retail purchases.

Zürich and Genf head the list of Switzerland's large cities (with more than 50,000 inhabitants). Each of these cities has a purchasing power level 16% above the Swiss average.

Zug, Genf, Zürich and Schwyz have the highest purchasing power among Switzerland's cantons. The centrally located cantons of Schwyz and Zug, in particular, have enjoyed continual growth in recent years. The driver and result of this robust purchasing power are the favorable tax rates. The tax burden varies among the Swiss cantons and even from municipality to municipality as a result of the federal taxation system and accompanying tax-related competition among the municipalities. The regions with the highest purchasing power are often those with the most favorable tax rates. In addition to a great view, Lake Zurich thus generally offers very advantageous tax rates.

2010 Purchasing power for Switzerland – Top ten cantons

Canton	Inhabitants	GfK Purchasing Power per inhabitant	Purchasing power index per inhabitant*
Höfe	27,300	48,971	180.6
Meilen	95,103	42,873	158.1
Zug	110,384	36,019	132.8
Horgen	112,440	34,008	125.4
Nyon	86,902	33,096	122.0
Zürich	365,132	31,394	115.7
Genève	446,106	31,298	115.4
Uster	116,642	31,204	115.0
Arlesheim	147,550	30,873	113.8
Lavaux-Oron	54,878	30,625	112.9

Source: GfK Purchasing Power Switzerland 2010, © GfK GeoMarketing

*(100=national average)

Wealth and poverty also exist side by side in Switzerland. Inhabitants of the affluent district of Zug have a per capita purchasing power of €36,019, while the 65,000 residents of the nearby district of Hochdorf have an average of €23,293 at their disposal, which is just 65% of the income of the inhabitants of Zug.

The fairly sparsely populated mountainous regions of Wallis, Tessin and Graubünden feature particularly striking contrasts. While some areas in this region struggle with structural problems and have little purchasing power, others are profiting immensely from tourism-related revenue. The district of Maloja / Maloggia is one such example: Extremely popular with tourists, the town of St. Moritz has a per capita purchasing power of €29,831, which is 10% above the Swiss average. By contrast, the 4,651 inhabitants of the neighboring district of Bernina have an average of just €21,648 at their disposal, which is 20% below the Swiss average.

Comparison of Germany, Austria and Switzerland

Switzerland emerges as the undisputed leader when comparing purchasing power levels across the three German-speaking countries of Germany, Austria and Switzerland. Germans have an average of €18,904 at their disposal - just 70% of the purchasing power enjoyed by the Swiss (€27,123). However, this higher purchasing power is moderated to a large degree by Switzerland's higher prices.

With an average per capita purchasing power of €27,426, Hochtäunus-Kreis – Germany's wealthiest district – is the country's only district that beats the Swiss average. Inhabitants of the Starnberg district and Munich rural district - Germany's second- and third-ranked districts - have purchasing power levels below the Swiss average. However, 50 of Germany's districts have more purchasing power than the lowest-ranked Swiss district.

Austria has an average per capita purchasing power of €19,664, which is approximately 4 percent more than the German average. The Austrian federal states of Vienna, Salzburg and Vorarlberg outpace Bavaria, Germany's wealthiest federal state. With an average per capita purchasing power of €43,292, the Vienna I "Innere Stadt" district is one of the most affluent areas in the three countries under review. Only the Swiss district of "Höfe" on Lake Zürich comes out ahead with a per capita purchasing power of €48,971.

All three countries feature a center-periphery divide. The particularly affluent regions tend to be located on the outskirts of large urban centers, as is the case in Munich (Starnberg, Munich rural district), Frankfurt (Hochtäunuskreis), Zürich (Höfe and Meilen), Genf (Nyon) and Vienna (Mödling and Vienna-Umgebung). Peripheral regions in Germany and Austria include the areas bordering the Czech Republic, almost all of which have less purchasing power than the national average. In Switzerland and Austria, this divide is also influenced and modified by the Alps and related tourism.

About the study

GfK Purchasing Power is defined as the sum of the net income of the population according to place of residence. These purchasing power figures take into account income related to employment and self-employment as well as capital gains and government subsidies, such as unemployment assistance, child benefit and pension contributions. Not included in these calculations are expenditures related to living expenses, insurance, rent and associated costs such as utilities (gas and/or electricity), clothing and savings plans. The survey is a prognosis of disposable regional income excluding taxes and social contributions but inclusive of state benefits. It is calculated as a per capita, per annum amount in euros and also published in index form. Calculations are based on statistics on wages, income taxes and national benefits as well as economic institute forecasts. GfK Purchasing Power is annually calculated for 41 European countries, in most cases down to the most detailed regional levels such as municipalities and postcodes.

Applications

The 2010 GfK purchasing power data for Germany, Austria and Switzerland are integrated down to the level of municipalities and postcodes into GfK GeoMarketing's geomarketing software solution "RegioGraph 2010". In conjunction with the included digital maps, these data allow users to perform precise analyses of regional potential in these countries. As such, the data comprise a basis for more informed marketing, sales, controlling and expansion decisions.





Additional information on GfK Purchasing Power can be obtained at www.gfk-geomarketing.com/purchasing_power_europe or from Cornelia Lichtner, GfK GeoMarketing, Public Relations: c.lichtner@gfk-geomarketing.com or +49 (0)7251 9295270.

Illustrations

Print-quality illustrations of GfK Purchasing Power 2010 for Austria and Switzerland can be found at www.gfk-geomarketing.com/illustrations_pp_dach.

About GfK GeoMarketing

GfK GeoMarketing is one of the largest providers of geomarketing services in Europe for customers and users from all branches of trade. Key business areas include:

-  Consultancy and reports
-  Market data
-  Digital maps
-  Geomarketing software RegioGraph

GfK GeoMarketing is a subsidiary of the international GfK network. Ranked fourth among the world's market research institutes, the GfK is represented in 100 countries with over 115 subsidiaries and 10,000 employees.