
II. THE ECONOMY

The Alp formations in Austria have many ore-bearing strata and yield iron, non-ferrous ores, and various minerals, mined since pre-historic times and sold to all parts of Europe, forming the traditional mainstay of Austria's national economy. As a result, Austria has developed a long-standing tradition in heavy industry, banking and international trade dating back to the mid-19th century. Austria's extensive forests have also been a traditional source of lumber and paper products. In more recent times, reserves of hydrocarbon fuels were discovered although they are now being rapidly depleted. Austria's mountain rivers and the Danube are important sources of hydroelectric power and have made Austria self-sufficient in electricity. Today 20 per cent of land is in agricultural use and another 30 per cent in pasture, and the country is essentially self-sufficient in agricultural products.

Austria has a free market economy in which government ownership plays an important role. After World War II both to protect its assets and to provide the necessary capital for reconstruction, the Austrian government nationalized the vast majority of the iron, steel, non-ferrous metal, coal and oil industries, large segments of the heavy engineering and electrical industries, and three of the largest banks which, in turn, controlled a wide range of smaller enterprises and local banks. Today, direct state ownership accounts for approximately 15 per cent of Austria's industrial production and employs some 100,000 persons and about another 10 per cent of industrial output is produced by enterprises, indirectly controlled through the state-owned banks, who employ some 60,000 persons. These government-controlled sectors together employ some 6 per cent of the total Austrian labour force. Nationalized industries are organized and operated on a basis essentially similar to private firms. Austria also has a large private industrial, trading and banking sector which is modern and well developed.

The skilled and efficient Austrian labour force has a per capita GDP of \$10,000 (1983 average exchange rate of Can \$1 = AS 15).