



BP's impact on the
economy in

Austria

A report by Oxford Economics
December 2017

€170
million

Gross value added
contribution supported
by BP in Austria

BP supported
1,400
jobs

One in every
3,000 in Austria

BP's activity supported
0.05%
of GDP in Austria

€68
million
spent with Austrian
businesses

700

Austrian suppliers of
goods and services

BP supports the
Austrian
Red
Cross

BP has cooperated with
Ronald
McDonald
Kinderhilfe
since 2014

Executive summary

This section of the report highlights BP's impact on Austria's economy in the 2016 calendar year. The company's impact arises from the operations of BP itself and its subsidiaries.¹ The impact is measured in terms of BP's direct contribution to GDP and jobs, as well as those supported by buying goods and services from local businesses.

For the purposes of this report, the EU27 is defined as the 28 European Union countries less the United Kingdom.

2016 economic impact highlights

- Considering BP's impact across all EU27 countries, BP's total impact on Austrian GDP ranks 9th and BP's total impact on jobs ranks 12th.
- BP's direct activities and its expenditure with Austrian suppliers are estimated to have supported **one in every 3,000 jobs in Austria** in 2016, equivalent to **0.14%** of all employment in Vienna that year.
- We estimate that **€1 in every €2,100 of GDP** created in Austria during the year was in some way reliant on BP's activities. That is equivalent to nearly **0.2% of all gross value added** created in Vienna in 2016.
- Counting direct and supply chain impacts, BP supported an estimated **€170 million gross value added** contribution to Austrian GDP and **1,400 jobs** in 2016.²
- Of this total, BP's direct operations created a **€69 million gross value added contribution** to the Austrian economy and employed **196 people**. That is **41% of all gross value added** supported by BP in Austria in 2016 and **14% of all employment** the company supported.
- BP spent **€68 million** with about **700 Austrian suppliers**³:
 - **€55 million** on non-capital goods and services, which, combined with BP's worldwide spending, supported a **€80 million gross value added** contribution to Austrian GDP and **970 jobs**.
 - **€12 million** on capital goods, which, combined with BP's worldwide spending, supported an estimated **€20 million gross value added** contribution to Austrian GDP and nearly **240 jobs**.

¹Unless otherwise stated, all references to BP include BP itself and the company's subsidiaries.

²Totals in this report may not always be equal to the sum of component parts due to rounding.

³This is the approximate number of unique supplier names in BP's procurement database.

BP's direct impact

In Austria, BP operates under the BP, Aral, and Castrol brands. The company runs 280 retail stations and an automotive and industrial lubrication manufacturing plant. BP also markets and sells lubricants, heating oils, aviation fuels, and convenience shop products. By doing so, the company directly created a €69 million gross value added contribution to Austrian GDP in 2016 and employed 163 core staff and 33 contractors.

BP's support for local suppliers

BP supported businesses in every region in Austria in 2016. The company spent €68 million on capital and non-capital goods and services from about 700 Austrian suppliers that year. This spending bolstered a wide range of businesses in the country.

BP spent the majority – 60% – with suppliers in Vienna (Wien). The company also spent 12% in Lower Austria (Niederösterreich), 9% in Vorarlberg, and 7% in Upper Austria (Oberösterreich, Fig. 1). Combined, these four regions accounted for over 88% of the spending.⁴

As it rippled through the Austrian economy, this spending, as well as BP's worldwide spending, is estimated to have supported a €100 million gross value added contribution to the country's economy and 1,200 jobs.⁵

BP's biggest supply chain impact was felt in Austria's transport and storage sector, where the company's expenditure on inputs of goods and services supported an estimated €18 million gross value added contribution in 2016 (that is 18% of BP's total supply chain contribution in Austria that year, Fig. 2). The business services sector also benefited considerably, as BP supported an estimated €17 million gross value added contribution there (accounting for a further 17% of the total). BP also supported a €15 million gross value added contribution in the wholesale and retail sector (15% of the total), and €9.7 million contribution in the chemical and chemical products sector (10%).

⁴The map and percentages refer to the expenditure in BP's procurement data that is associated with postcodes.

⁵This jobs estimate includes people who may work on-site at BP but who are ultimately employed by one of the companies BP buys services from.

⁶We have used BP's procurement database to map the company's spending across the country. The map includes over 80% of BP's total spending in the country; the procurement database does not include postcode or location data for all spending, and that spending cannot be mapped.

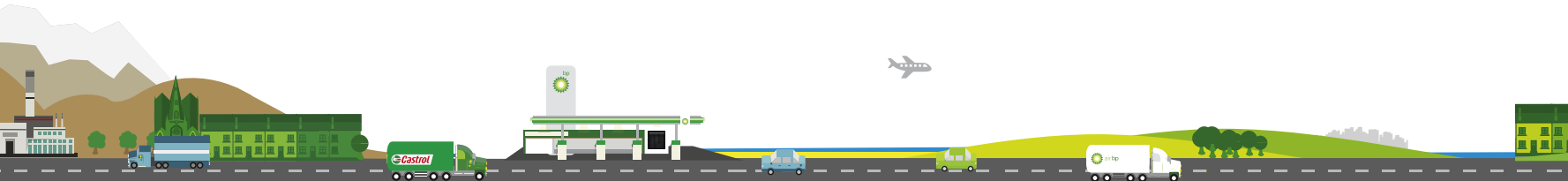
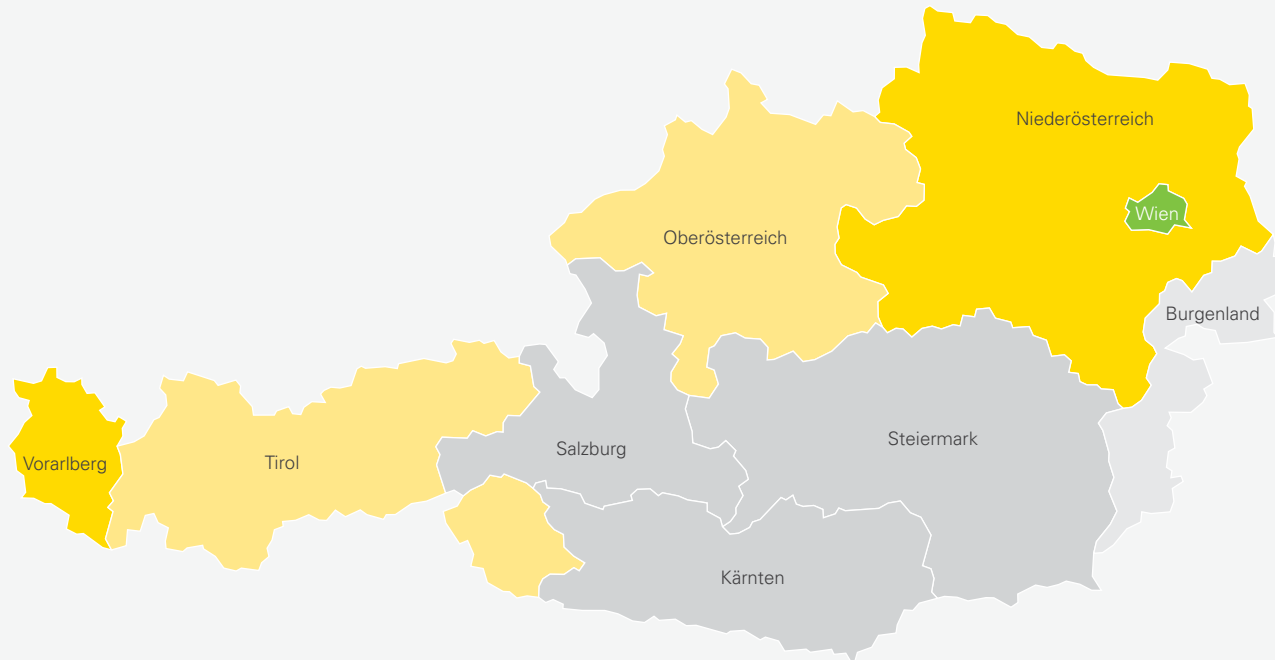
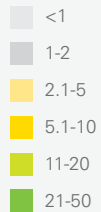


Fig. 1

BP's spending with suppliers in Austria by state 2016⁶

BP Spending (€ Million)



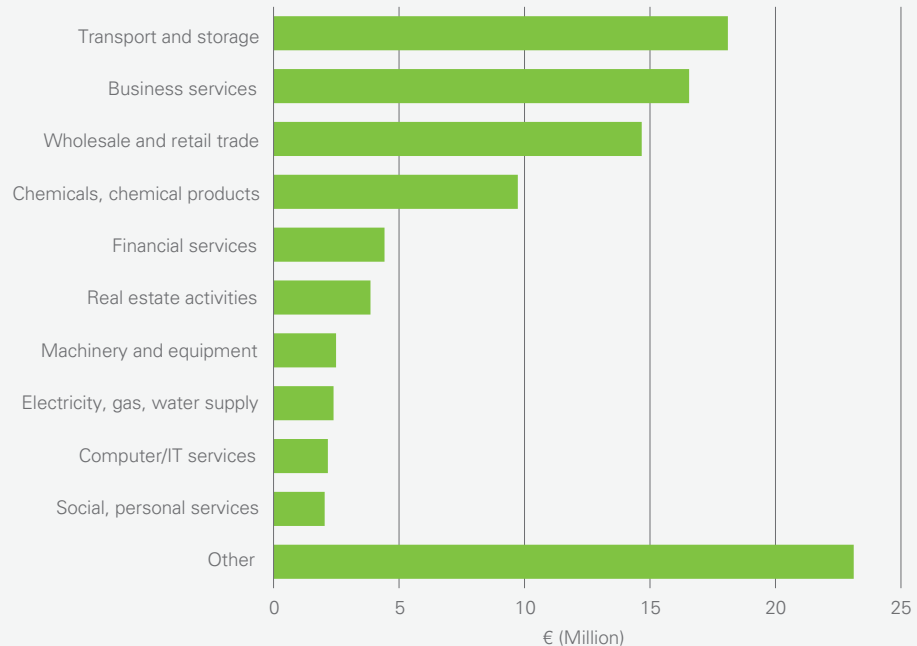
Source: BP

BP's wider impact in Austria

BP has an extensive franchise network of retailers in Austria. BP supports them by negotiating contracts with suppliers, from which franchisees are required to buy goods and services. To the extent that BP supports these franchisees, BP helps the franchisees generate jobs and gross value added contributions to Austrian GDP. The franchisees' annual procurement via REWE (Convenience Shop Partner) or other local suppliers and providers is estimated by BP to have been about €75 million in 2016. While this report does not consider the magnitude of the further economic activity this expenditure stimulated, it is an example of BP's wider impact in Austria.

Gross value added by industry stimulated by BP's supply chain spending, 2016

Fig. 2



Source: Oxford Economics

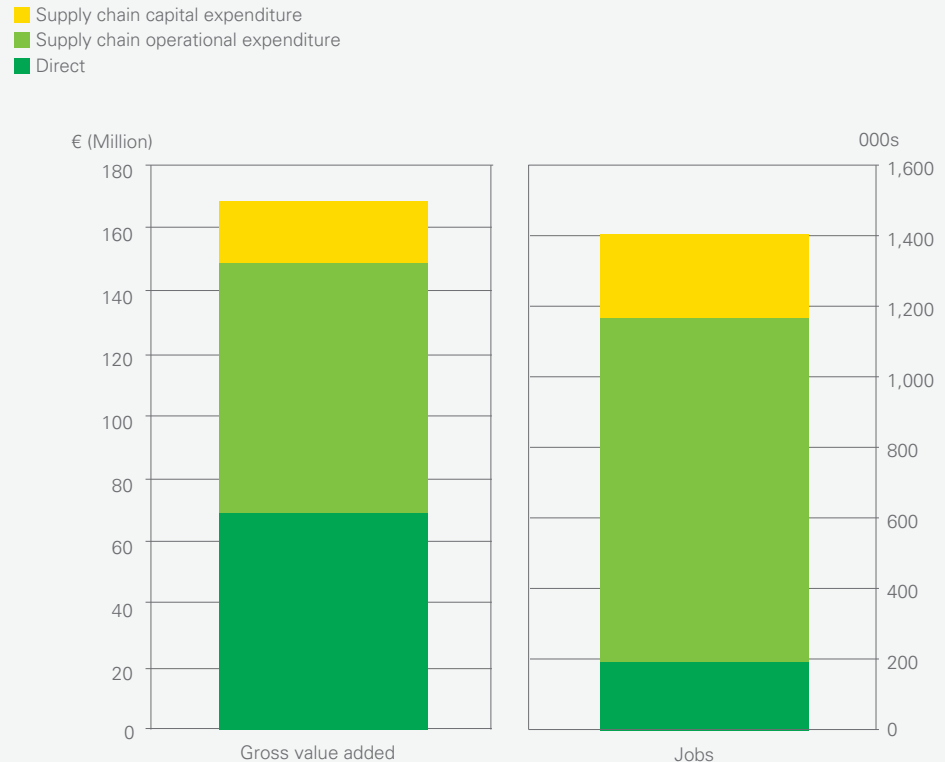
Summary

Including BP's direct impact and supply chain impact, the company supported an estimated €170 million gross value added contribution to Austrian GDP and 1,400 jobs (Fig. 3).

BP's activities have a multiplier impact in Austria. For every €100,000 gross value added contribution to GDP that BP generated in Austria at its own operational sites, the company supported another €140,000 gross value added elsewhere in the country through its supply chain spending. And for every person BP itself employed in Austria, the company supported another six jobs elsewhere in the country by spending money with local businesses.

BP's total impact on Austria's economy, 2016

Fig. 3



Source: Oxford Economics

Contacts, links and further information

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