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Eurostat regional yearbook 2009

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Preface

Dear Readers,

Five years ago, 2004, was a momentous year, with 10 new Member States joining the European Union on 1 May. This *Eurostat regional yearbook 2009* is eloquent testimony to the economic and social progress made by these regions since then and highlights those areas where redoubled efforts will be needed to reach our goal of greater cohesion.

The 11 chapters of this yearbook investigate interesting aspects of regional differences and similarities in the 27 Member States and in the candidate and EFTA countries. The aim is to encourage readers to track down the regional data available on the Eurostat website and make their own analyses of economic and social developments.

In addition to the fascinating standard chapters on regional population developments, the regional labour market, regional GDP, etc., this year's edition features a new contribution on the regional development of information society data. As in recent years, the description of regional developments is rounded off by a contribution on the latest findings of the Urban Audit, a data collection containing a multitude of statistical data on European towns and cities.

We are constantly updating the range of regional indicators available and hope to include them as topics in future editions, provided the availability and quality of these data are sufficient.

I wish you an enjoyable reading experience!

Walter Radermacher
Director-General, Eurostat

Acknowledgements

Contents

Introduction

Statistics on regions and cities

Statistical information is essential for understanding our complex and rapidly changing world. Eurostat, the Statistical Office of the European Communities, is responsible for collecting and disseminating data at European level, not only from the 27 Member States of the European Union, but also from the three candidate countries (Croatia, the former Yugoslav Republic of Macedonia and Turkey) and the four EFTA countries (Iceland, Liechtenstein, Norway and Switzerland).

The aim of this publication, the *Eurostat regional yearbook 2009*, is to give you a flavour of some of the statistics on regions and cities that we collect from these countries. Statistics on regions enable us to identify more detailed statistical patterns and trends than national data, but since we have 271 NUTS 2 regions in the EU-27, 30 statistical regions on level 2 in the candidate countries and 16 statistical regions on level 2 in the EFTA countries, the volume of data is so great that one clearly needs some sorting principles to make it understandable and meaningful.

Statistical maps are probably the easiest way for the human mind to sort and 'absorb' large amounts of statistical data at one time. Hence this year's *Eurostat regional yearbook*, as in previous editions, contains a lot of statistical maps where the data is sorted by different statistical classes represented by colour shades on the maps. Some chapters also make use of graphs and tables to present the statistical data, selected and sorted in some way (different top lists, graphs with regional extreme values within the countries or only giving representative examples) to make it easier to understand.

We are proud to present a great variety of subjects tackled in the 11 chapters in this years' edition of the *Eurostat regional yearbook*. The first chapter on **Population** gives us detailed knowledge of different demographic patterns, such as population density, population change and fertility rates in the countries examined. This chapter can be considered the key to all other chapters, since all other statistics depend on the composition of the population. The second chapter focuses on **European cities** and explains in detail the definitions of the various spatial levels used in the Urban Audit data collection, with some interesting examples on how people travel to work in nine European capitals.

The chapter on the **Labour market** mainly describes the differences in weekly working hours

throughout Europe and offers a couple of explanations for why they vary so much from region to region. The three economic chapters on **Gross domestic product**, **Household accounts** and **Structural business statistics** all give us detailed insight into the general economic situation in regions, private households and different sectors of the business economy.

We are particularly proud to present a new and very interesting chapter on the **Information society**, which describes the use of information and communication technologies (ICT) among private persons and households in European regions. This chapter tells us, for example, how many households use the Internet regularly and how many have broadband access. The next two chapters are on **Science, technology and innovation** and **Education,** three areas of statistics that are often seen as key to monitoring achievement of the goals set in the Lisbon strategy to make Europe the most competitive and dynamic knowledge-based economy in the world.

In the next chapter we learn more about regional statistics on **Tourism**, and which tourist destinations are the most popular. The last chapter focuses on **Agriculture,** this time mainly crop statistics, revealing which kind of crop is grown where in Europe.

The NUTS classification

The nomenclature of territorial units for statistics (NUTS) provides a single uniform breakdown of territorial units for the production of regional statistics for the European Union. The NUTS classification has been used for regional statistics for many decades, and has always formed the basis for regional funding policy. It was only in 2003, though, that NUTS acquired a legal basis, when the NUTS regulation was adopted by the Parliament and the Council ([1]).

Whenever new Member States join the EU, the NUTS regulation is amended to include the regional classification in those countries. This was the case in 2004, when the EU took in 10 new Member States, and in 2007 when Bulgaria and Romania also joined the European Union.

The NUTS regulation states that amendments of the regional classification, to take account of new administrative divisions or boundary changes in the Member States, may not be carried out more frequently than every three years. In 2006, this review took place for the first time, and the re-

([1]) More information on the NUTS classification can be found at http://ec.europa.eu/eurostat/ramon/nuts/splash_regions.html

sults of these changes to the NUTS classification have been valid since 1 January 2008.

Since these NUTS changes were introduced quite recently, the statistical data are still missing in some cases or have been replaced with national values on some statistical maps, as indicated in the footnotes to each map concerned. This applies in particular to Sweden, which introduced NUTS level 1 regions, to Denmark and Slovenia, which introduced new NUTS level 2 regions, and to the two northernmost Scottish regions, North Eastern Scotland (UKM5) and Highlands and Islands (UKM6), where the border between the two regions has changed. The regional data availability for these countries will hopefully soon be improved.

Please also note that some Member States have a relatively small population and are therefore not divided into more than one NUTS 2 region. Thus, for these countries the NUTS 2 value is exactly the same as the national value. Following the latest revision of the NUTS classification, this now applies to six Member States (Estonia, Cyprus, Latvia, Lithuania, Luxembourg and Malta), one candidate country (the former Yugoslav Republic of Macedonia) and two EFTA countries (Iceland and Liechtenstein). In all cases the whole country consists of one single NUTS 2 region.

A folding map on the inside of the cover accompanies this publication and it shows all NUTS level 2 regions in the 27 Member States of the European Union (EU-27) and the corresponding level 2 statistical regions in the candidate and EFTA countries. In the annex you will find the full list of codes and names of these regions. This will help you locate a specific region on the map.

Coverage

The *Eurostat regional yearbook 2009* mainly contains statistics on the 27 Member States of the European Union but, when available, data is also given on the three candidate countries (Croatia, the former Yugoslav Republic of Macedonia and Turkey) and the four EFTA countries (Iceland, Liechtenstein, Norway and Switzerland).

Regions in the candidate countries and the EFTA countries are called statistical regions and they follow the same rules as the NUTS regions in the European Union, except that there is no legal base. Data from the candidate and EFTA countries are not yet available in the Eurostat database for some of the policy areas, but the availability of data is constantly improving, and we hope to have even more complete coverage from these countries in the near future.

More regional information

In the subject area 'Regions and cities' under the heading 'General and regional statistics' on the Eurostat website you will find tables with statistics on both 'Regions' and the 'Urban Audit', with more detailed time series (some of them going back as far as 1970) and with more detailed statistics than this yearbook contains. You will also find a number of indicators at NUTS level 3 (such as area, demography, gross domestic product and labour market data). This is important since some of the countries covered are not divided into NUTS 2 regions, as mentioned above.

For more detailed information on the content of the regional and urban databases, please consult the Eurostat publication *European regional and urban statistics — Reference guide — 2009 edition*, which you can download free of charge from the Eurostat website. You can also download Excel tables containing the specific data used to produce the maps and other illustrations for each chapter in this publication on the Eurostat website. We do hope you will find this publication both interesting and useful and we welcome your feedback at the following e-mail address: estat-regio@ec.europa.eu

Structural business statistics

6

Introduction

What effects do the European Union's economic and regional policies have on the business structure of the regions? What sectors are growing, what sectors are contracting and what regions are likely to be most affected? A detailed analysis of the structure of the European economy can only be made at regional level. Regional structural business statistics (SBS) provide data with a detailed activity breakdown that can be used for this kind of analysis. The first part of this chapter looks at regional specialisation and business concentration within the EU's business economy. The second part analyses the activity of the business services sector in detail.

Regional specialisation and business concentration

There are significant disparities between European regions in terms of the importance of different activities within the business economy. While some activities are distributed relatively evenly across most regions, many others exhibit a considerable variation in the level of regional specialisation, often with a few regions having a particularly high degree of specialisation.

The share of a particular activity within the business economy gives an idea of which regions are the most or least specialised in that activity, regardless of whether the region or the activity considered is large or small. There are various reasons for relative specialisation. Depending on the type of activity, these can include availability of natural resources, availability of skilled employees, culture and tradition, cost levels, infrastructure, legislation, climatic and topographic conditions and proximity to markets.

Figure 6.1 shows that, on an aggregate activity level (NACE sections), the widest spread in the relative importance of an activity in each region's non-financial business economy (NACE sections C to

Figure 6.1: Degree of regional specialisation by activity (NACE sections), EU-27 and Norway, by NUTS 2 regions, 2006
Share of non-financial business economy employment, in percentage
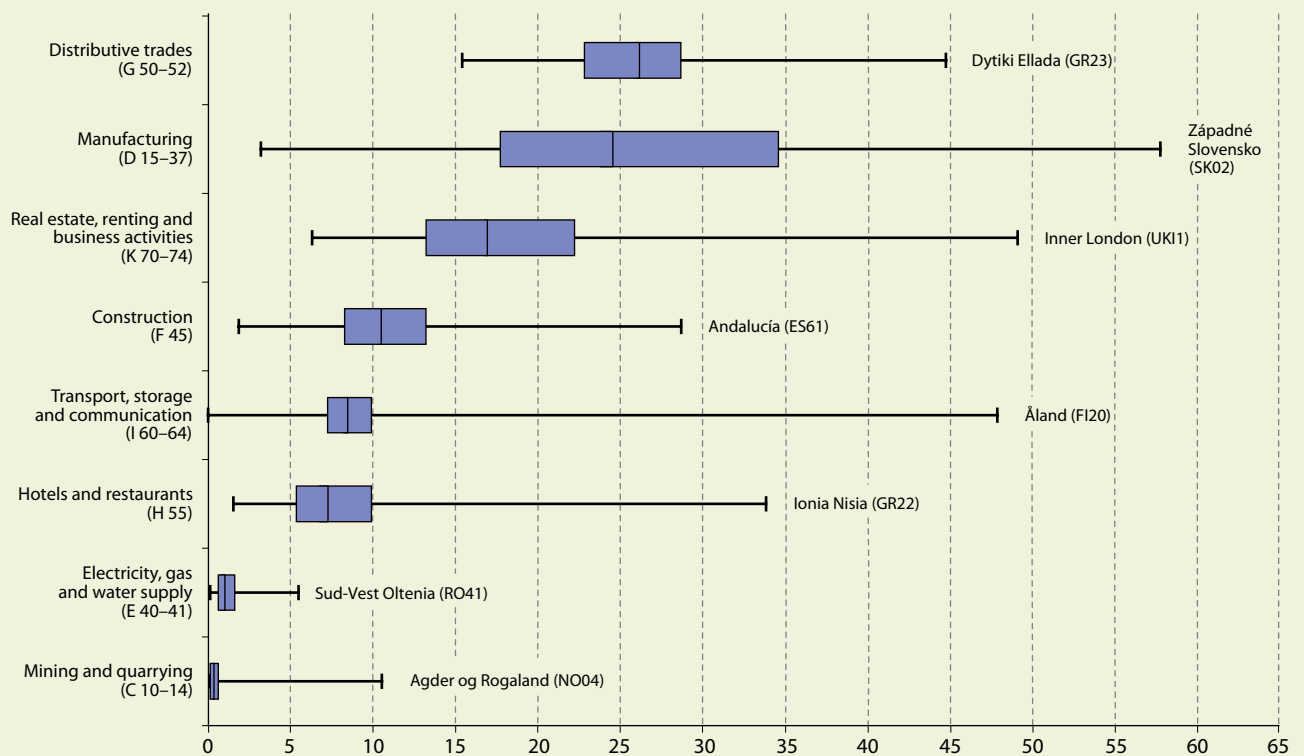
Notes: Excluding BG, SI, DK (no data by NUTS 2 regions), MT, North Eastern Scotland (UKM5) and Highlands and Islands (UKM6) (data not available)
CY excluding Research and development (K 73)

I and K) workforce was in manufacturing (NACE section D). Manufacturing accounted for only 3.1 % of people employed in Ciudad Autónoma de Melilla (Spain) and under 10 % in a further 13 regions, including the capital regions of both Spain and the United Kingdom. The distribution of the remaining regions was relatively symmetrical, from 10 % to almost half of the workforce in two Czech and two Slovak regions: Střední Morava (Czech Republic) and Východné Slovensko (Slovakia) — both 48.0 % — and Severovýchod (Czech Republic) and Stredné Slovensko (Slovakia) — both 48.8 %. Západné Slovensko (Slovakia) was the only region where the share of employment in manufacturing exceeded half the non-financial business economy workforce (57.8 %). In contrast, the spread of employment was much narrower in distributive trades (NACE section G), which was the activity displaying the highest median employment, present in all regions and serving more local clients. Shares ranged from less than 17 % in Åland and Länsi-Suomi (Finland) to just over 40 % in Anatoliki Makedonia, Thraki, Kriti and Kentriki Makedonia (Greece), and almost 45 % in Dytiki Ellada (Greece).

On the other hand, transport, storage and communication (NACE section I) and mining and quarrying (NACE section C) are two activities with a similar relative size in most regions, but where there are a few strong outlier regions that are highly specialised. Transport, storage and communication accounted for not more than 7.1 % in a quarter of the regions and less than 10.1 % in three quarters of them. These narrow ranges are mainly due to the fact that road transport and post and telecommunications account for a large share of employment in this sector and that these activities tend to be of relatively equal importance across most regions. There were only three regions, for example, where the share of employment in transport, storage and communication exceeded 20 %. The highest specialisation of the Finnish island region of Åland, where almost half of the workforce (47.9 %) was employed in this sector, is due almost exclusively to the importance of water transport. Åland was far ahead of Köln in Germany (31.3 %), where post and telecommunications was particularly important, and Bratislavský kraj (23.8 %), the capital region of Slovakia, owing to the importance of road and other land transport. Natural endowments play an important role in the activities of mining and quarrying. Many regions record little or no such activity, with only a very few of them being highly specialised on account of deposits of metallic ores, coal, oil or gas. Mining and

quarrying accounted for less than 0.2 % of people employed in a quarter of all regions, and between 0.2 % and 0.5 % in half of the regions. However, this sector accounted for over 5 % in six regions and as much as a 10th of the total non-financial business economy workforce in Śląskie (Poland) and Agder og Rogaland (Norway).

Table 6.1 shows which region was the most specialised in 2006 on a more detailed activity level (all NACE divisions within each NACE section) and, as a comparison, the median and average share of the non-financial business economy workforce among all regions within the EU-27 and Norway. Manufacturing activities which involve the primary processing stages of agricultural, fishing or forestry products are particularly concentrated in areas close to the source of the raw material. The regions most specialised in food and beverages manufacturing (NACE 15) were all located in rural areas in or close to agricultural production centres: Bretagne (the most specialised of all the regions) and Pays de la Loire in France, Lubelskie, Podlaskie and Warmińsko-mazurskie in the eastern part of Poland, Dél-Alföld in Hungary, and La Rioja in Spain. Heavily forested Nordic and Baltic regions were the regions most specialised in the manufacture of wood and wood products (NACE 20) and in the related manufacturing of pulp, paper and paper products (NACE 21). Itä-Suomi (Finland) was the most specialised region in wood and wood products and Norra Mellansverige (Sweden) in pulp and paper.

Regions traditionally associated with tourism, in particular in Spain, Greece and Portugal, were the most specialised in hotels and restaurants (NACE 55). Hotels and restaurants accounted for more than 20 % of the workforce in the Greek island regions of Ionia Nisia and Notio Aigaio, the Spanish Illes Balears, the Algarve in the south of Portugal, Provincia Autonoma Bolzano/Bozen in the north-east of Italy on the border with Austria and the region of Cornwall and Isles of Scilly (United Kingdom).

Greek regions were the most specialised in distributive trades (NACE G 50–52), with the exception of motor trades (NACE 50), where the Italian region of Molise had the highest specialisation. Construction activities (NACE 45) accounted for the highest shares of the workforce in Spanish regions. Transport services are also influenced by location, with water transport (NACE 61) naturally being important for coastal regions and islands, while air transport (NACE 62) is also important for many island regions (especially those with a

Table 6.1: Most specialised region by activity (NACE sections and divisions), EU-27 and Norway, 2006
Share of total non-financial business economy employment of the region and the median and average share of all regions, in percentage

Activity (NACE)	All regions		Most specialised region	
	Median share (%)	Average share (%)	Name (NUTS 2 region)	Share of the region (%)
Mining and quarrying (C 10–14)	0.3	0.6	Agder og Rogaland (NO04)	10.4
Coal, lignite and peat (10)	0.0	0.2	Śląskie (PL22)	c
Crude petroleum and natural gas (11)	0.0	0.1	Agder og Rogaland (NO04)	10.0
Uranium and thorium ores (12)	0.0	0.0	Severovýchod (CZ05)	c
Metal ores (13)	0.0	0.0	Övre Norrland (SE33)	c
Other mining and quarrying (14)	0.2	0.2	Alentejo (PT18)	c
Manufacturing (D 15–37)	25.0	26.2	Západné Slovensko (SK02)	56.9
Food and beverages (15)	3.6	3.8	Bretagne (FR52)	11.1
Tobacco products (16)	0.0	0.1	Trier (DEB2)	c
Textiles (17)	0.4	0.7	Prov. West-Vlaanderen (BE25)	5.6
Wearing apparel; fur (18)	0.3	0.9	Dytiki Makedonia (GR13)	11.5
Leather and leather products (19)	0.1	0.4	Marche (ITE3)	7.7
Wood and wood products (20)	0.8	1.2	Itä-Suomi (FI13)	5.8
Pulp, paper and paper products (21)	0.5	0.6	Norra Mellansverige (SE31)	4.7
Publishing and printing (22)	1.1	1.2	Inner London (UKI1)	4.2
Fuel processing (23)	0.0	0.1	Cumbria (UKD1)	c
Chemicals and chemical products (24)	1.0	1.3	Rheinhessen-Pfalz (DEB3)	11.6
Rubber and plastic products (25)	1.2	1.4	Auvergne (FR72)	7.8
Other non-metallic mineral products (26)	1.1	1.3	Prov. Namur (BE35)	5.3
Basic metals (27)	0.5	1.0	Norra Mellansverige (SE31)	9.6
Fabricated metal products (28)	2.7	3.0	Arnsberg (DEA5)	8.7
Machinery and equipment (29)	2.2	2.7	Unterfranken (DE26)	12.2
Office machinery and computers (30)	0.0	0.1	Southern and Eastern (IE02)	1.4
Electrical machinery and apparatus (31)	0.9	1.3	Západné Slovensko (SK02)	9.8
Radio, TV and communication equipment (32)	0.3	0.6	Pohjois-Suomi (FI1A)	6.1
Medical, precision and optical equipment (33)	0.6	0.7	Border, Midland and Western (IE01)	5.9
Motor vehicles and (semi)-trailers (34)	0.8	1.7	Braunschweig (DE91)	c
Other transport equipment (35)	0.5	0.8	Agder og Rogaland (NO04)	6.3
Furniture and other manufacturing (36)	1.1	1.4	Warmińsko-mazurskie (PL62)	8.0
Recycling (37)	0.1	0.1	Brandenburg — Nordost (DE41)	0.7
Electricity, gas and water supply (E 40–41)	1.0	1.3	Sud-Vest Oltenia (RO41)	5.5
Electricity, gas and hot water supply (40)	0.8	1.0	Martinique (FR92)	4.8
Water supply (41)	0.2	0.3	Východné Slovensko (SK04)	1.9
Construction (F 45)	10.4	10.9	Andalucía (ES61)	28.6
Distributive trades (G 50–52)	26.2	26.1	Dytiki Ellada (GR23)	44.8
Motor trades (50)	3.5	3.7	Molise (ITF2)	9.3
Wholesale trade (51)	7.2	7.4	Kentriki Makedonia (GR12)	15.1
Retail trade and repair (52)	14.8	14.9	Dytiki Ellada (GR23)	27.1
Hotels and restaurants (H 55)	7.2	8.1	Ionia Nisia (GR22)	33.8
Transport, storage and communication (I 60–64)	8.4	8.9	Åland (FI20)	47.9
Land transport and pipelines (60)	4.5	4.6	Bratislavský kraj (SK01)	15.8
Water transport (61)	0.1	0.4	Åland (FI20)	38.7
Air transport (62)	0.0	0.2	Outer London (UKI2)	3.9
Supporting transport activities (63)	1.7	1.9	Bremen (DE50)	11.1
Post and telecommunications (64)	1.8	2.0	Köln (DEA2)	24.4
Real estate, renting, business activities (K 70–74)	16.9	18.1	Inner London (UKI1)	49.1
Real estate activities (70)	2.0	2.0	Latvija (LV00)	5.6
Renting (71)	0.4	0.5	Hamburg (DE60)	1.7
Computer activities (72)	1.4	1.7	Berkshire, Buckinghamshire and Oxfordshire (UKJ1)	8.0
Research and development (73)	0.2	0.0	Voreio Aigaio (GR41)	4.8
Other business activities (74)	12.7	13.6	Inner London (UKI1)	38.3

Notes: Excluding BG, SI, DK (no data by NUTS 2 regions), MT, North Eastern Scotland (UKM5) and Highlands and Islands (UKM6) (data not available)
CY excluding Research and development (K 73)
c = confidential data

developed tourism industry), and for regions with or close to major cities. The small island region of Åland (Finland) is a centre for the ferry services between Sweden and Finland and other Baltic Sea traffic. Åland was very highly specialised in water transport, which accounted for almost 40 % of people employed in 2006 — over 10 times more than the next most specialised regions, Hamburg in Germany and Agder og Rogaland in Norway. Outer London was the region most specialised in air transport, followed by Noord-Holland (Dutch region of Amsterdam), the French island of Corse, Köln in Germany and the Illes Balears in Spain.

As with air transport, specialisation in real estate, renting and business activities (NACE 70–74) may be based on access to a critical mass of clients (enterprises or households) or to a knowledge base (external researchers and qualified staff). Within the countries themselves, the capital region or other large metropolitan regions were normally among the most specialised in the business services sectors: computer services (NACE 72) and other business activities (NACE 74). A detailed analysis of the business services sector is included in the last part of this chapter. Latvia was most specialised in real estate (NACE 70) in 2006, ahead of Algarve (Portugal) and Inner London (United Kingdom), while Hamburg was most specialised in renting, ahead of the French overseas departments of Guadeloupe and Martinique.

While an analysis of specialisation shows the relative importance of different activities in the regions, regardless of the size of the region or the activity, an analysis of concentration looks at the dominance of certain regions within an activity, or activities, within a region. In most activities, there are many examples of regions that are highly ranked in terms of both specialisation and concentration. Figure 6.2 shows the extent to which employment in certain activities was concentrated in a limited number of regions in 2006. Four of the five mining and quarrying activities topped the rankings based on the share of total employment in the EU-27 and Norway, as accounted for by the 10 regions with the largest workforces. The most concentrated was the mining of uranium and thorium ores (NACE 12), with people employed in only seven of the 262 regions (for which data are available) in 2006.

Air transport (NACE 62) and leather and leather products manufacturing (NACE 19) were also highly concentrated in the 10 largest regions, which together accounted for 62 % and 53 % of total employment respectively. In the case of air transport,

this dominance is due to the concentration in large metropolitan regions where the large airports are situated: chief among them the regions of Paris, Outer London, Köln, Amsterdam and Madrid. Leather and leather products manufacturing, on the other hand, is a small activity in Europe, heavily concentrated in Italy, Portugal and Romania: five of the 10 regions with the largest workforces were situated in Italy, three in Romania and one each in Portugal and Spain. The region with the largest workforce was Norte in Portugal, with 43 000 people employed. This region alone accounted for more than 8 % of the total leather manufacturing workforce in the EU-27 and Norway.

In contrast to the more specialised types of mining and quarrying, other mining and quarrying (NACE 14) was among the activities in which the 10 largest regions were least dominant, accounting for only 17 % of total sectoral employment. This is due to the widespread availability and local sourcing of many construction materials, such as sand and stone, which dominate this type of mining in most regions. Of all the activities (NACE divisions), only retail trade (NACE 52), food and beverages manufacturing (NACE 15) and motor trades (NACE 50) had a lower concentration in 2006, but, in contrast to other mining and quarrying, these are all major activities in terms of employment in the EU.

Post and telecommunications (NACE 64) and motor vehicles manufacturing (NACE 34) are examples of major activities that were relatively highly concentrated in a few regions.

Map 6.1 gives an indication of how concentrated or diversified the regional business economy was in 2006, measured as the share of the five largest activities (NACE divisions) in the total non-financial business economy workforce. The level of concentration tends to be highest in regions where trade and services dominate the business economy, as industrial activities are more fragmented. By this measure, the most concentrated regions were generally in countries traditionally associated with tourism (in particular Spain, Greece and Portugal), underlining the importance of construction, trade, and hotels and restaurants in tourism-oriented regions.

However, high concentrations were also recorded in several densely populated areas, such as the south-east of the United Kingdom, most parts of the Netherlands and also the capital region in most countries (at least relative to the national average). The situation was similar in most countries — the capital region was usually among the

Figure 6.2: Most concentrated activities (NACE divisions), EU-27 and Norway, by NUTS 2 regions, 2006
Share of regions in total sectoral employment, in percentage
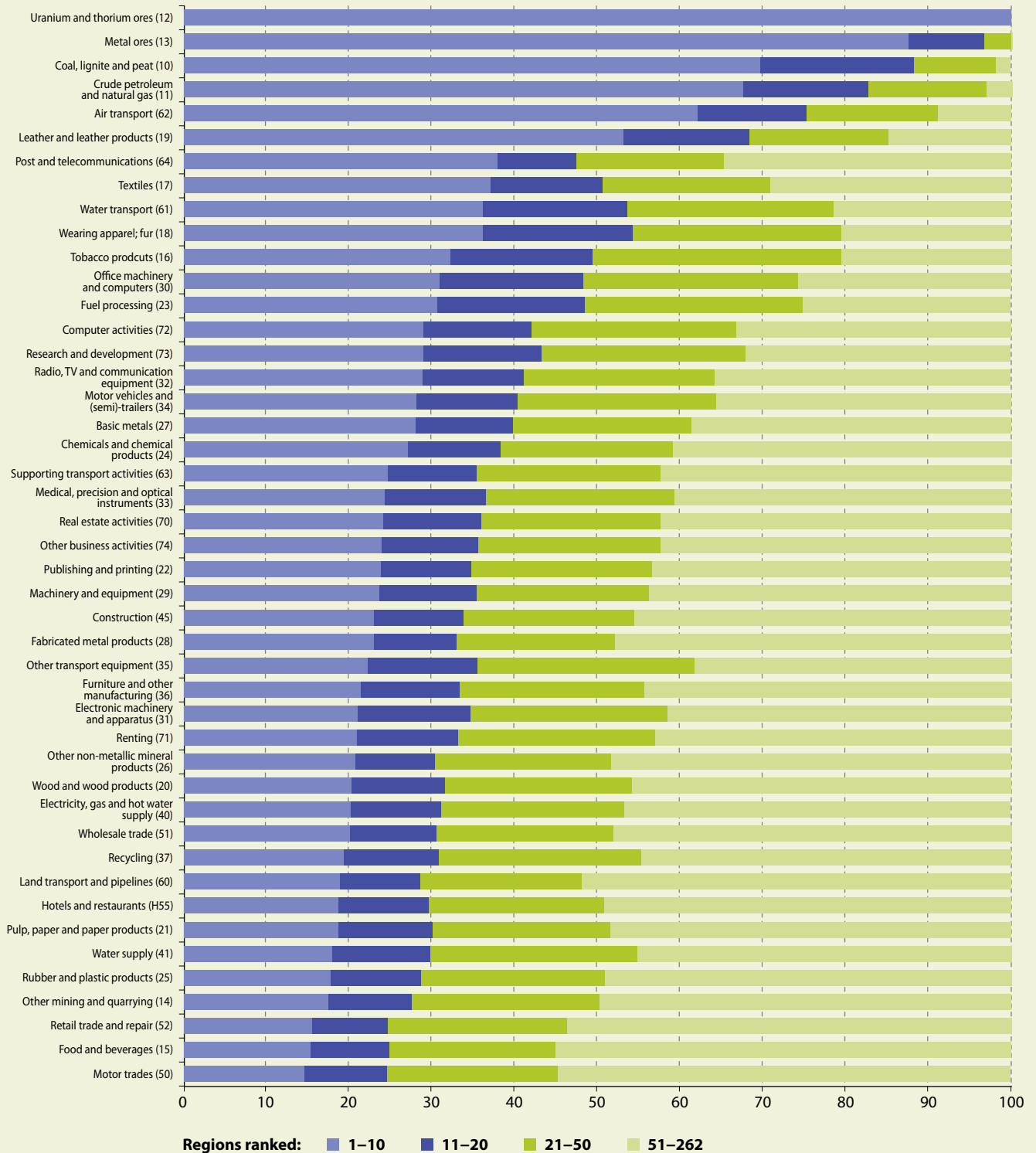
Regions ranked: ■ 1–10 ■ 11–20 ■ 21–50 ■ 51–262

Notes: Excluding BG, SI, DK (no data by NUTS 2 regions), MT, North Eastern Scotland (UKM5) and Highlands and Islands (UKM6) (data not available)
CY excluding Research and development (K 73)

Map 6.1: Regional business concentration, by NUTS 2 regions, 2006
Share of five largest activities (NACE divisions) in total non-financial business economy employment in percentage

Regional business concentration, by NUTS 2 regions, 2006

Share of five largest activities (NACE divisions) in total non-financial business economy employment, in percentage

- <= 48
- 48 – <= 54
- 54 – <= 60
- 60 – <= 64
- > 64
- Data not available

BG, DK, SI: national level instead of NUTS 2
BG: construction (45) 2005
CY: excluding research and development (73)

Data source: Eurostat (SBS)
© EuroGeographics Association, for the administrative boundaries
Cartography: Eurostat — GISCO, 06/2009

0   600 km
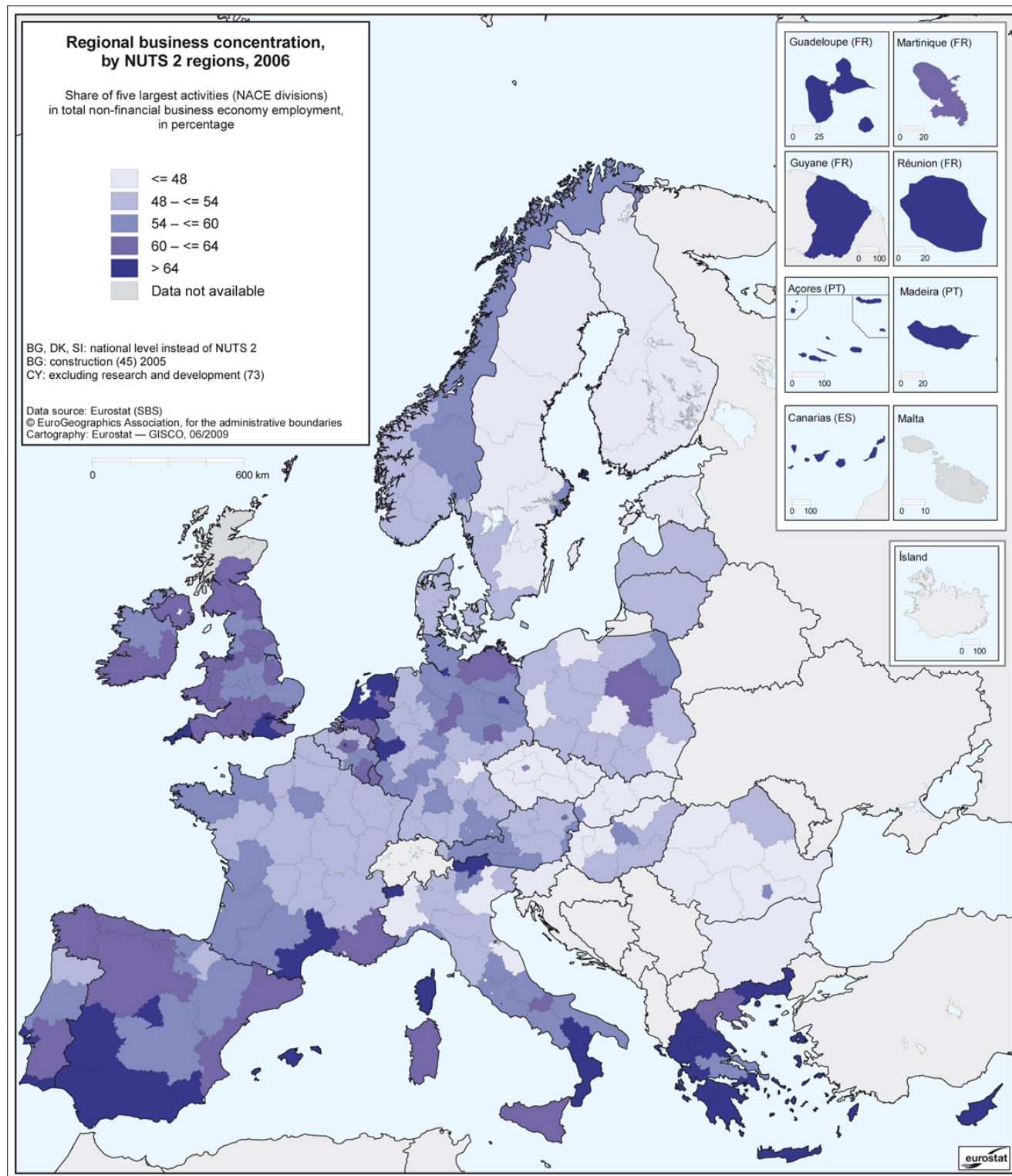
regions with the highest business concentration and was often top of the list.

In contrast, the lowest business concentrations were recorded mainly in regions with a relatively small services sector and a large manufacturing sector in eastern Europe (in particular in Slovakia, the Czech Republic, Hungary, Romania and Bulgaria), although low shares were also recorded in Sweden (except the capital region) and Finland (except the island region of Åland). The five largest activities accounted for less than 40 % of total employment in Západné Slovensko (Slovakia), Severovýchod (the Czech Republic), Vest (Romania) and Stredné Slovensko (Slovakia).

Figure 6.3 provides a more detailed analysis of the most specialised regions. Among the top 10 regions, Inner London stands apart as the only large metropolitan region with a fundamentally different business profile. Here, other business activities dominate, accounting for 38 % of total employment, which is much higher than in all the other regions shown. In addition, real estate

activities (NACE division 70) are among the top five activities in Inner London (and not construction), whereas in all other regions shown the top five activities in terms of employment were retail trade, construction, hotels and restaurants, other business activities and wholesale trade. In fact, looking at all regions for which data are available, retail trade is among the five largest activities (NACE divisions) in every region, other business activities is among the five largest in more than 90 % of the regions, construction and wholesale trade in more than 80 % of the regions, and hotels and restaurants in more than 60 % of the regions.

Specialisation in business services

The services sector is an important and growing area of the EU economy which in recent years has attracted increasing political and economic interest. In 2006, real estate, renting and business activities (NACE section K) made up a third of this sector in terms of employment, and was second by only 7 percentage points to distributive trades.

Figure 6.3: Most specialised regions, EU-27 and Norway, by NUTS 2 regions, 2006
Share of five largest activities (NACE divisions) in non-financial business economy employment of the region, in percentage
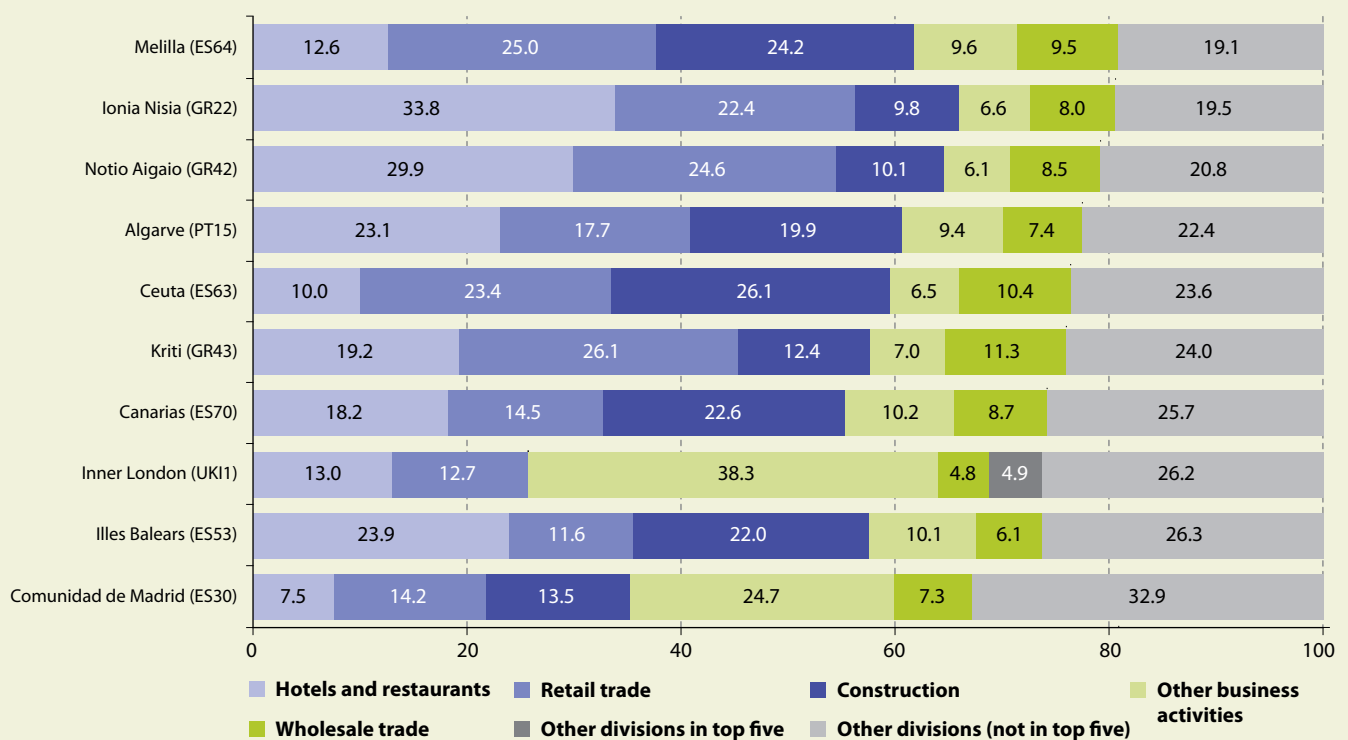
Notes: Excluding BG, SI, DK (no data by NUTS 2 regions), MT, North Eastern Scotland (UKM5) and Highlands and Islands (UKM6) (data not available)
CY excluding Research and development (K 73)

The importance of this sector, measured as the share in the total workforce of the non-financial business economy, has been seen to increase in recent years. The structure of employment in this sector is shown in Figure 6.4.

It can be observed that three quarters of the workforce in 2006 was divided between other business services (NACE 74), which include many highly specialised knowledge-intensive activities such as legal, accounting and management services, architectural and engineering activities, advertising, and the supply of personnel and placement services provided by labour recruitment agencies. Security and industrial cleaning services are also included, as are secretarial, translation, packaging and other professional business services. A significant share, of just over 10 %, was taken up by computer activities (NACE 72), which cover consultancy for hardware and software, data processing, database activities and the maintenance and repair of office and information technology machinery. This sector is at the forefront of the information society, with enterprises that support clients in a broad

range of areas, in almost all economic activities. It is quite common for enterprises to outsource their requirements for hardware and software to specialist providers. The possibility to trade such as services across borders has been increased by improved telecommunications, notably growing access to broadband Internet. Those two divisions together (NACE 72 and 74) make up the business services sector.

All the divisions within the section of real estate, renting and business activities noted positive growth rates in employment in 2006 (see Figure 6.5). Besides research and development (NACE 73), all rates were significant. The growth rate for computer activities reached 3.3 % and for other business activities 7.3 % — and it exceeded the average growth rate for the whole section. The business services sector was quite clearly one of the most dynamic sectors in the non-financial business economy in terms of employment growth. One of the prime reasons for the rapid growth of this sector could be the outsourcing phenomenon. Business services can be produced either in-

Figure 6.4: Structure of employment in real estate, renting and business activities (NACE section K) by divisions, EU-27 and Norway, 2006

Real estate activities (K 70)
11.0 %

Renting (K 71)
2.4 %

Computer activities (K 72)
10.6 %

Research and development (K 73)
1.6 %

Other business activities (K 74)
74.4 %

Notes: Excluding MT, North Eastern Scotland (UKM5) and Highlands and Islands (UKM6) (data not available)
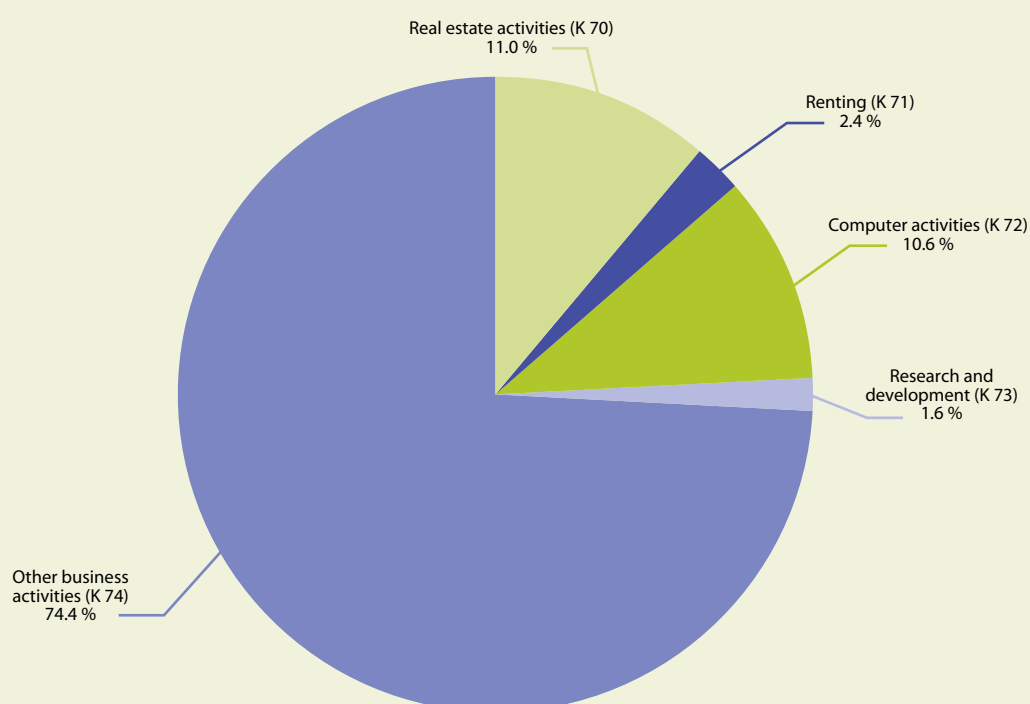CY excluding Research and development (K 73)

Map 6.2: Persons employed in business services (NACE divisions K 72 and K 74), by NUTS 2 regions, 2006
Share in non-financial business economy employment of the region, in percentage

**Persons employed in business services
(NACE divisions K72 and K74),
by NUTS 2 regions, 2006**

Share in non-financial business economy employment
of the region, in percentage

- <= 10
- 10 – <= 15
- 15 – <= 20
- > 20
- Data not available

BG, DK, SI: national level instead of NUTS 2
Sachsen-Anhalt (DEE0), Attiki (GR30) and Slovenia (SI): 2005

Data source: Eurostat (SBS)
© EuroGeographics Association, for the administrative boundaries
Cartography: Eurostat — GISCO, 06/2009

ternally by an enterprise itself or they can be purchased. Many enterprises have outsourced some of the services activities they previously produced in-house in a bid to procure these services on a competitive market and thus to reduce costs and increase flexibility. Business services enterprises enable their clients to focus on their core business activities and lessen their need to employ their own personnel in ancillary or support functions.

Map 6.2 shows how specialised different regions were in business services, from which a clear pattern of high concentration in large metropolitan areas emerges. The capital region is the most specialised region in all countries except the Netherlands, where Noord-Holland (which includes Amsterdam) was just behind Utrecht. Of the top 20 regions with shares exceeding 25 %, six were British, five Dutch and three German. Luxembourg (23 %) and the Netherlands were particularly specialised in these activities, which account for a minimum of 17 % of people employed in all Dutch regions. In the United Kingdom, there is a high degree of specialisation in the regions around London and other metropolitan areas such as Greater Manchester and West Midlands. There is also a relatively high share of people employed in business services in South Western Scotland, partly stemming from the location of many call centres in the region. There was also a significant cluster of

regions with very high specialisation in business services in Germany, in a belt from the region of Oberbayern in the south-east to Hannover.

Figure 6.6 shows the difference in the degree of specialisation in business services across countries and between the regions with the highest and lowest values in each country. The graph also clearly illustrates the dominance of the capital region, which is the most specialised in all countries except the Netherlands. There are just as large differences in specialisation within these countries as there are between them.

Business services in the most specialised country, the Netherlands, account on average for 28.5 % of people employed; around four times more than in the least specialised country, Cyprus. The same factor also differentiates between the most and least specialised region in the four countries with the largest regional disparities. Interestingly, these include two of the countries with the lowest average specialisation, Slovakia and Romania, and also one of the most specialised countries, the United Kingdom. The greatest difference between the most and the least specialised region within one country (4.3 times) was observed in Spain. At the other end of the scale are the Netherlands and Ireland, with a factor lower than 2 differentiating between the regions with the highest and lowest values.
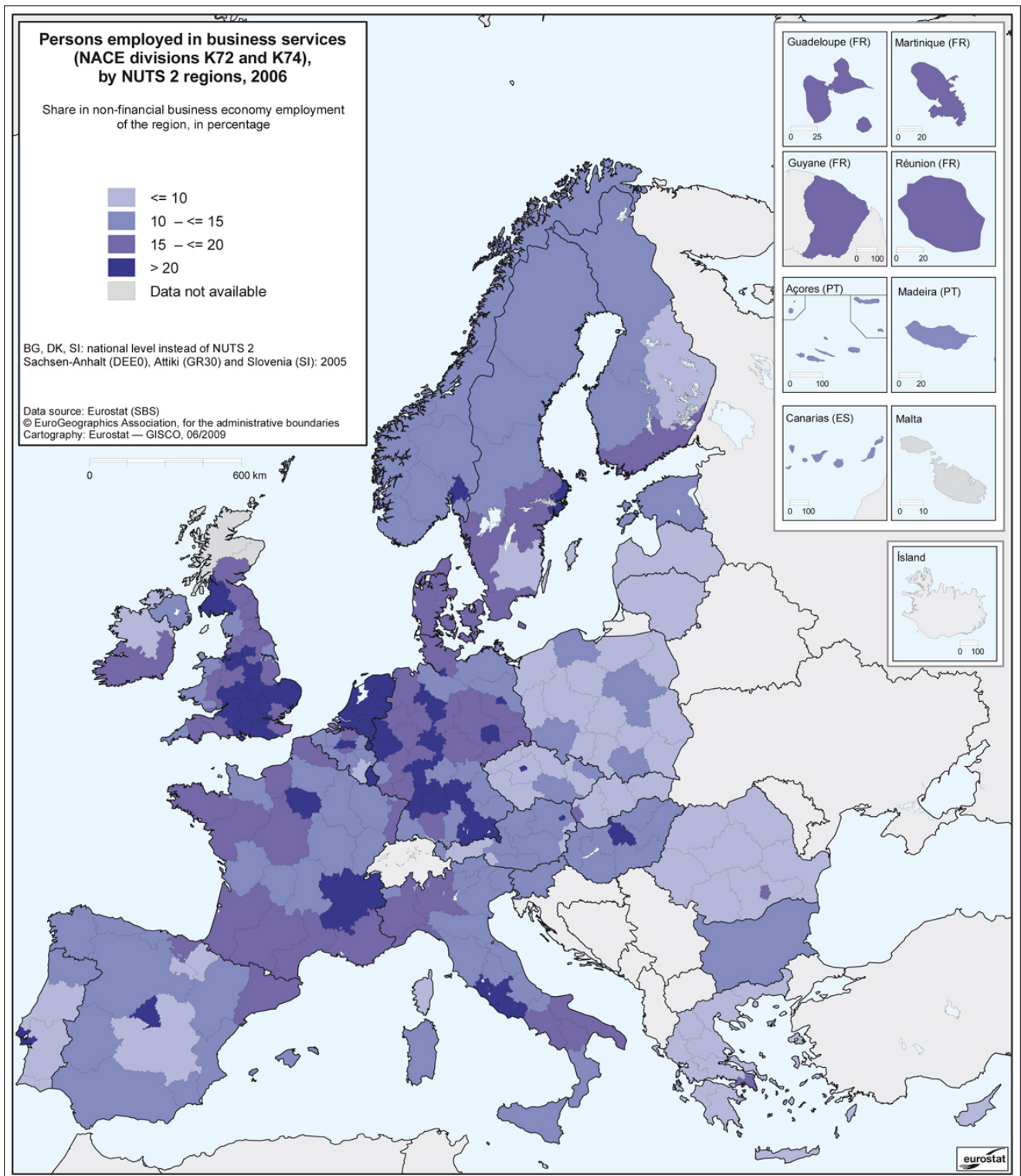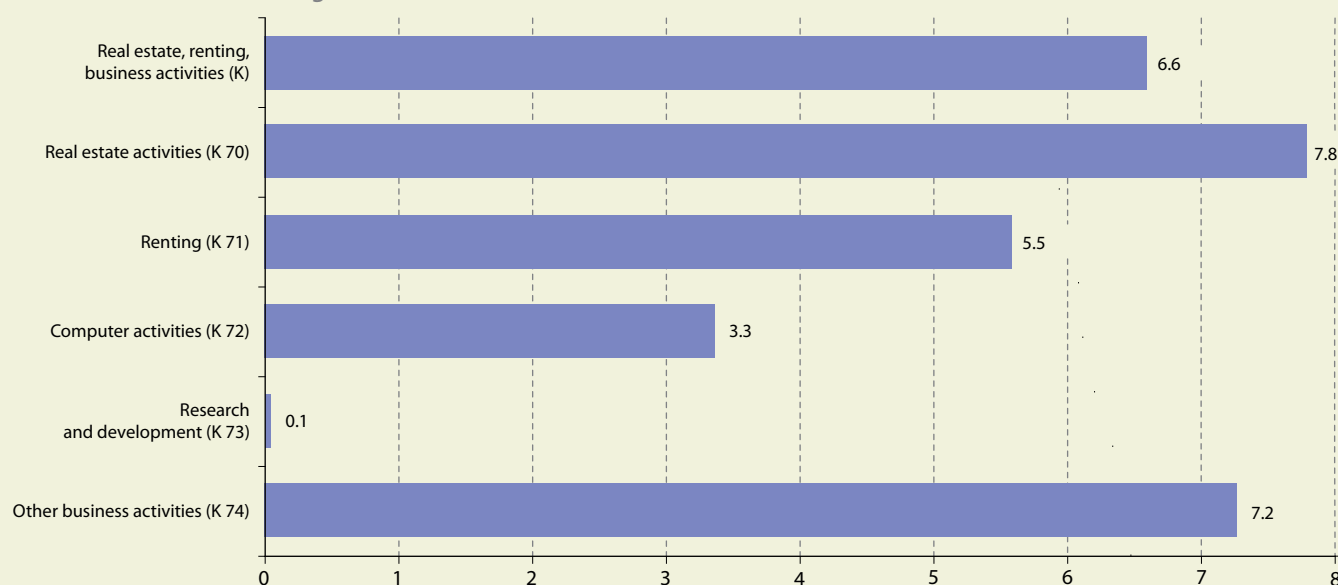
Figure 6.5: Growth rates of employment in real estate, renting and business activities (NACE section K) by divisions, EU-27 and Norway, 2005–06
Percentage

Notes: Excluding MT, North Eastern Scotland (UKM5) and Highlands and Islands (UKM6) (data not available)
CY excluding Research and development (K 73)

Employment growth in business services

Employment in business services in the EU-27 grew by an impressive 40 % between 1999 and 2006. Map 6.3 shows the growth rate of employment in 2006 in business services. In total, 18 out of the group of 34 regions with the highest growth rate exceeding 20 % were French and the next six were Dutch. The two Irish regions were also included in this group. Only one region from the countries that joined the EU in 2004 or 2007 is in this top list, namely the Romanian Sud — Muntenia in 33rd place.

About one in every six regions recorded negative employment growth rates, but in only 10 cases did the decrease reach 10 %. Half of these were Greek regions and two of them Belgian.

Characteristics of the top 30 most specialised regions in business services

Figure 6.7 provides information on the top 30 most specialised regions in business services. The most specialised of all regions is Inner London (United Kingdom), where just under 650 000 people — or over 40 % of the total non-financial business economy workforce — are employed in these activities. Only one region from the countries that joined the EU in 2004 or 2007 is in the top 30: the capital region of the Czech Republic in 26th place.

The number of people employed also grew considerably in many of the top-ranked regions in 2006, with by far the highest growth rate, higher

Figure 6.6: Specialisation in business services (NACE divisions K 72 and K 74), EU-27 and Norway, by NUTS 2 regions, 2006
Share of non-financial business economy employment, in percentage
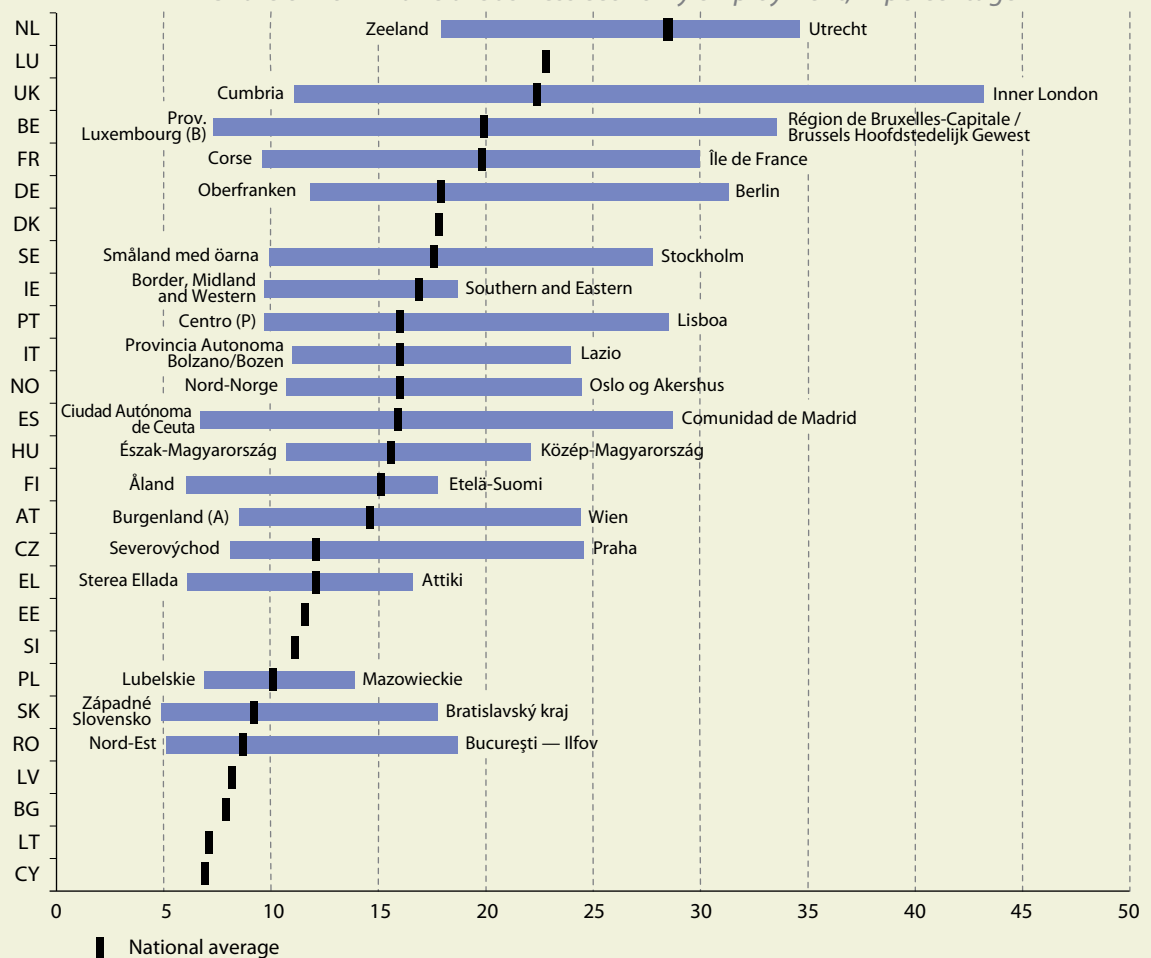
Notes: BG, SI, DK (no data at NUTS 2 level), North Eastern Scotland (UKM5) and Highlands and Islands (UKM6) (data not available)
CY excluding Research and development (K 73)

Map 6.3: Growth rates of employment in business services (NACE divisions K 72 and K 74), by NUTS 2 regions, 2005–06

Growth rates of employment
in business services
(NACE divisions K72 and K74),
by NUTS 2 regions, 2005–06

<= -10
-10 – <= 0
0 – <= 10
10 – <= 20
> 20
Data not available

BG, DK, SI: national level instead of NUTS 2
Sachsen-Anhalt (DEE0), Attiki (GR30) and Slovenia (SI): 2005

Data source: Eurostat (SBS)
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Cartography: Eurostat — GISCO, 06/2009

Guadeloupe (FR)   Martinique (FR)
Guyane (FR)   Réunion (FR)
Açores (PT)   Madeira (PT)
Canarias (ES)   Malta
Ísland

Figure 6.7: Most specialised regions in business services (NACE divisions K 72 and K 74),
EU-27 and Norway, by NUTS 2 regions, 2006
*Share of non-financial business economy employment of the region and the
region's share of total business services employment, in percentage*

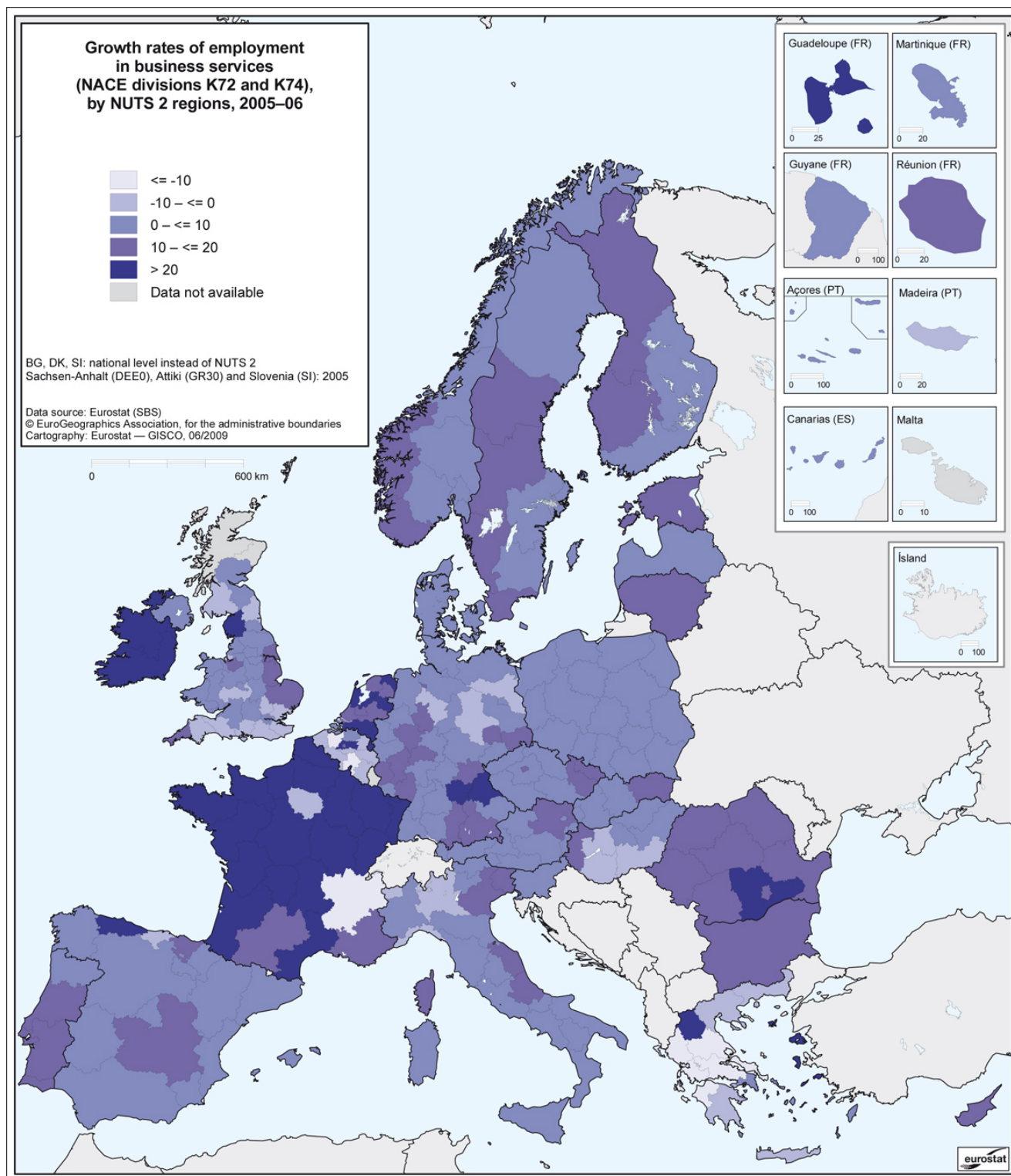| Region	Share of non-financial business economy employment of the region (%)	Region's share of total business services employment (%)
Inner London (UKI1)	43.2	2.86
Utrecht (NL31)	34.6	0.64
Région de Bruxelles-Capitale/ Brussels Hoofdstedelijk Gewest (BE10)	33.6	0.56
Noord-Holland (NL32)	32.7	1.36
Berkshire, Buckinghamshire and Oxfordshire (UKJ1)	31.7	1.13
Berlin (DE30)	31.3	0.91
Groningen (NL11)	30.7	0.20
Zuid-Holland (NL33)	30.3	1.41
Île de France (FR10)	29.9	5.06
Prov. Vlaams-Brabant (BE24)	29.3	0.35
Comunidad de Madrid (ES30)	28.7	3.69
Lisboa (PT17)	28.5	1.32
Flevoland (NL23)	28.5	0.12
Surrey, East and West Sussex (UKJ2)	28.2	0.94
Darmstadt (DE71)	28.1	1.44
Stockholm (SE11)	27.8	0.86
Hamburg (DE60)	27.7	0.68
Outer London (UKI2)	27.3	1.40
Noord-Brabant (NL41)	26.3	0.97
Hampshire and Isle of Wight (UKJ3)	25.9	0.64
Bedfordshire and Hertfordshire (UKH2)	25.8	0.62
Gelderland (NL22)	25.4	0.64
Limburg (NL) (NL42)	25.4	0.36
Düsseldorf (DEA1)	24.7	1.45
Cheshire (UKD2)	24.6	0.39
Praha (CZ01)	24.6	0.66
Oslo og Akershus (NO01)	24.5	0.42
Overijssel (NL21)	24.4	0.37
Wien (AT13)	24.4	0.56
Lazio (ITE4)	24.0	1.39

■ **Region's share of total business services employment (%)**
■ **Share of non-financial business economy employment of the region (%)**

Notes: Excluding BG, SI, DK (no data by NUTS 2 regions), MT, North Eastern Scotland (UKM5) and Highlands and Islands (UKM6) (data not available)
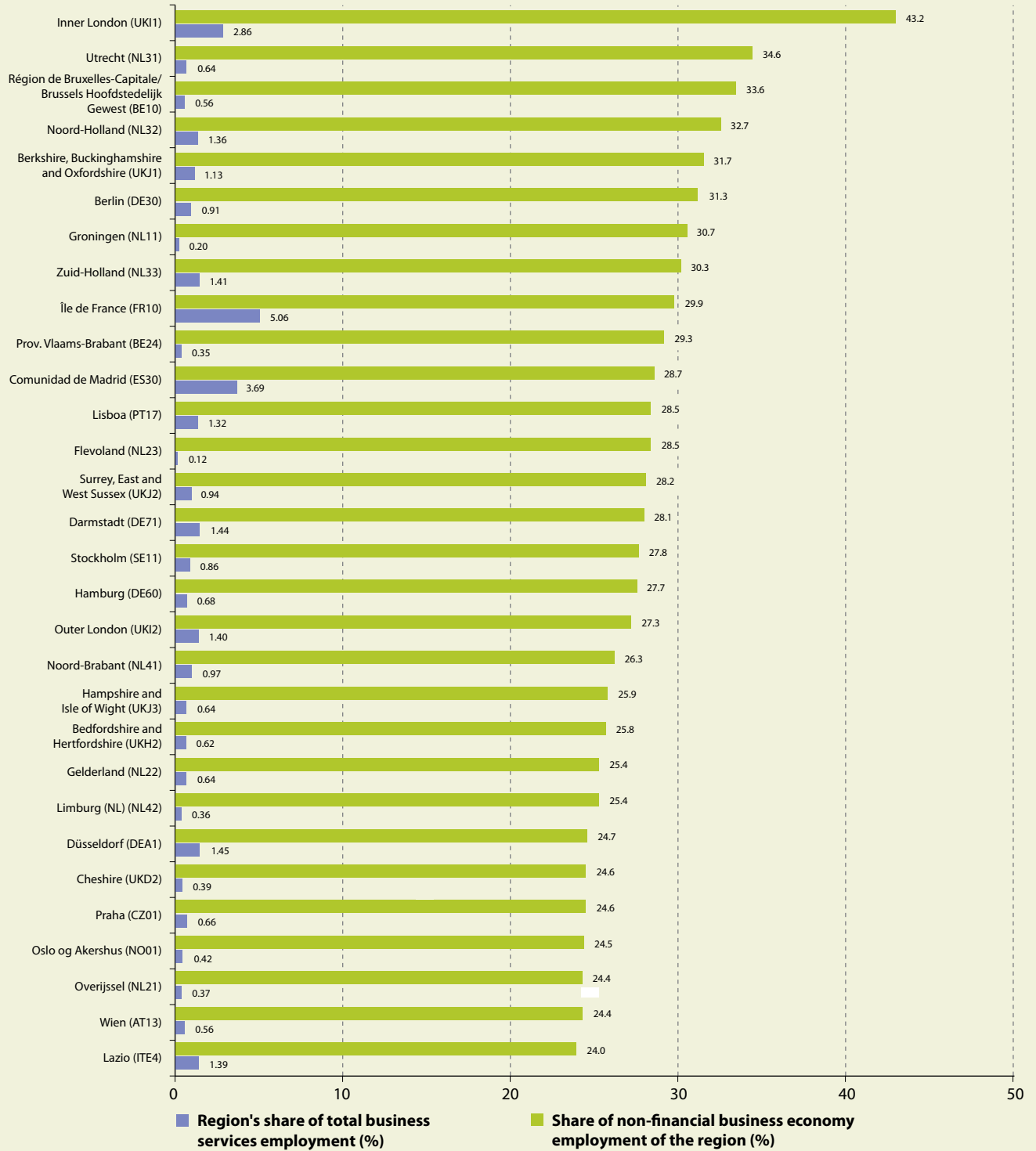CY excluding Research and development (K 73)

than 30 %, in the Dutch regions of Limburg and Groningen. Strong growth of over 20 % was also recorded in Noord-Brabant, Flevoland, Noord-Holland and Overijssel (Netherlands), and also in Prov. Vlaams-Brabant (Belgium). Regions with already high concentrations in business services were aiming for even greater specialisation. Only four regions from the top 30, three British and the capital region of France, recorded reductions in the number of people employed in business services, but none of them dropped by more than 6 %.

Conclusion

Regional structural business statistics offer users wanting to know more about the structure and development of the regional business economy a detailed, harmonised data source, describing for

each activity the number of workplaces, number of people employed, wage costs and investments made. This chapter has shown how some of these data can be used to analyse different regional business characteristics: the focus, diversity and specialisation of the regional business economies and the nature and characteristics of regional business services activities. The analysis in this chapter has generally confirmed the positive expectations for the business services sector, reinforcing the belief that this area will remain one of the key drivers of competitiveness and job creation within the EU economy in the coming years.

Globalisation, international market liberalisation and further technological gains are likely to lead to further integration among Europe's regions (and beyond), bringing buyers and sellers of these services closer together.

Methodological notes

Regional structural business statistics (SBS) are collected within the framework of a Council and Parliament regulation, in accordance with the definitions and breakdowns specified in the Commission regulations implementing it. The data cover all the EU Member States and Norway. Data for Bulgaria are only provided at national level as, at the time of writing, data are only available for pre-accession regional breakdowns. Data at NUTS 2 level in the 2006 classification were also unavailable for Denmark and Slovenia. These and other SBS data sets are available on Eurostat's website (www.ec.europa.eu/eurostat) on the tag 'Statistics', under the theme 'Industry, trade and services'/'Structural business statistics'. Selected publications, data and background information are available in this section of the Eurostat website dedicated to European business — see the special topic 'Regional structural business statistics'. Most data series are continuously updated and revised where necessary. This chapter reflects the data situation in March 2009.

Structural business statistics are presented by sectors of activity according to the NACE Rev. 1.1 classification, with a breakdown to two digits (NACE divisions). The data presented here are restricted to the non-financial business economy. The non-financial business economy includes sections C (Mining and quarrying), D (Manufacturing), E (Electricity, gas and water supply), F (Construction), G (Wholesale and retail trade), H (Hotels and restaurants), I (Transport, storage and communication) and K (Real estate, renting and business activities). It excludes agricultural, forestry and fishing activities and public administration and other non-market services (such as education and health, which are currently not covered by the SBS), including financial services (NACE section J).

The observation unit for regional SBS data is the local unit, which is an enterprise or part of an enterprise situated in a geographically identified place. Local units are classified into sectors (by NACE) according to their main activity. At national level, the statistical unit is the enterprise. An enterprise can consist of several local units. It is possible for the principal activity of a local unit to differ from that of the enterprise to which it belongs. Hence, national and regional structural business statistics are not entirely comparable. It should be noted that in some countries the activity code assigned is based on the principal activity of the enterprise in question.

Regional data are available at NUTS 2 level for a limited set of variables: the number of local units, wages and salaries, the number of people employed and investments in tangible goods. The latter variable is collected on an optional basis, except for industry (NACE sections C to E), which has more limited availability of data than for the other variables.

Structural business statistics define **number of persons employed** as the total number of people who work (paid or unpaid) in the observation unit, plus people who work outside the unit who belong to it and are paid by it. It includes working proprietors, unpaid family workers, part-time workers and seasonal workers.