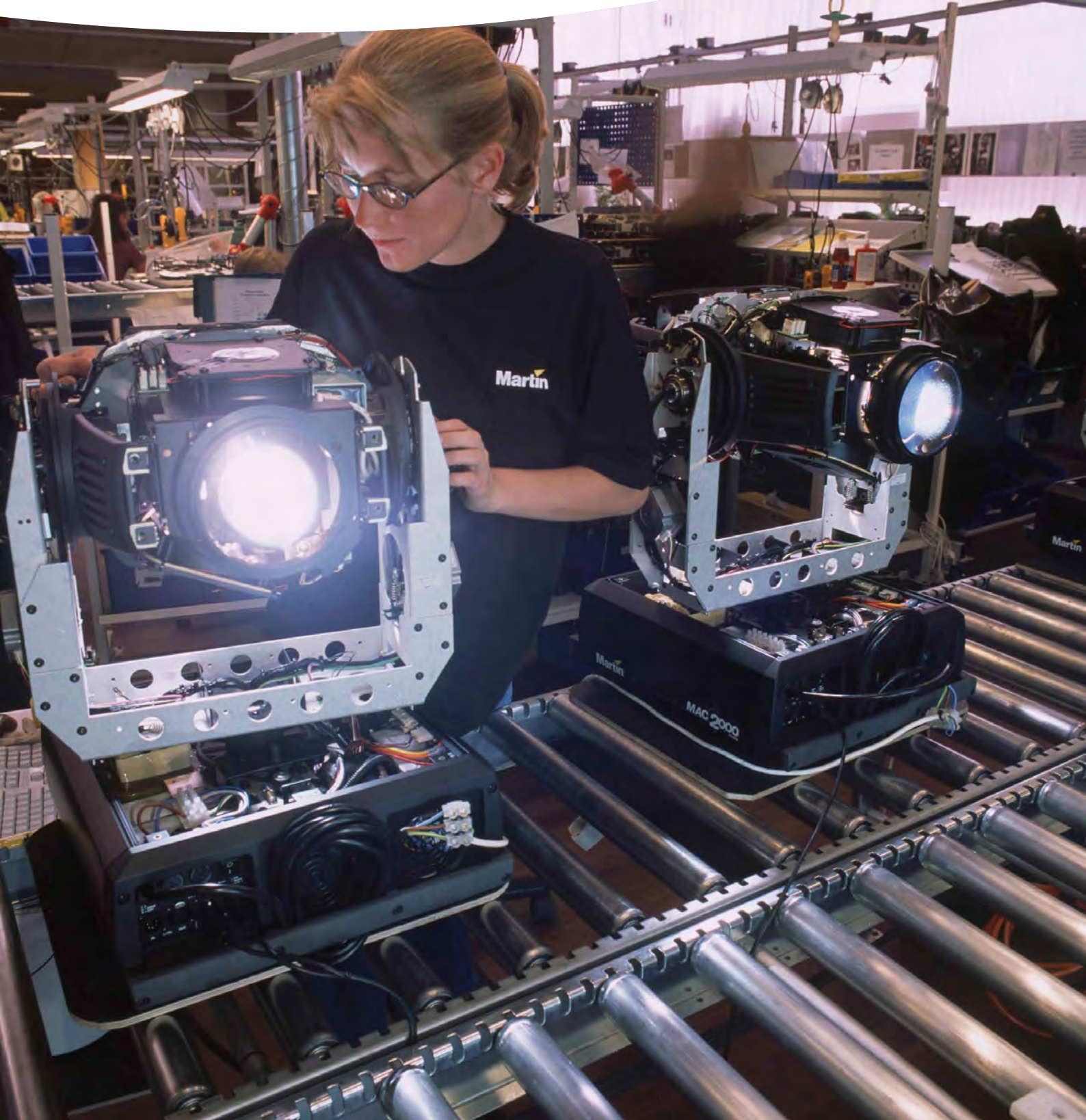# Structural business statistics

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 I and K) workforce was in manufacturing (NACE section D). Manufacturing accounted for only 3.7 % of persons employed in Ciudad Autónoma de Melilla (Spain) and under 10 % in a further 13 regions, including the capital regions of Belgium, Spain and the United Kingdom. The distribution of the remaining regions was relatively symmetrical, from 10 % to almost half of the workforce in one Bulgarian

and two Czech regions: Severen tsentralen (BG) — 48.4 %, Střední Morava (CZ) — 48.1 %, and Severovýchod (CZ) — 48.2 %. Západné Slovensko (SK) was the only region where the share of employment in manufacturing exceeded half the non-financial business economy workforce (56.1 %). 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 11.6 % in Észak-Alföld (Hungary) and less than 17 % in Åland and Länsi-Suomi (Finland), Comunidad Foral de Navarra (Spain), Vzhodna Slovenija (Slovenia) and Severozápad (the Czech Republic) to around 40 % in Kentriki Makedonia, Peloponnisos, Voreio Aigaio, Dytiki Ellada (Greece) and Ciudad Autónoma de Melilla (Spain) and over 45 % in Kriti (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 6.9 % in a quarter of the regions and less than 9.8 % in three quarters of the regions. 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. In fact, there were only four regions 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 (45.0 %) was employed in this sector, is due almost exclusively to the importance of water transport. Åland was far ahead of Köln in Germany (30.1 %) and Bourgogne in France (22.6 %), where post and telecommunications was particularly important, and Bratislavský kraj (22.3 %), the capital region of Slovakia, owing to the importance of road and other land transport. Natural endowments play an important role in activities of mining and quarrying. Many regions record little or no such activity, with only very few regions being highly specialised on account of deposits of metallic ores, coal, oil or gas. Mining and quarrying accounted for less than 0.2 % of persons 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 five regions and as much as a 10th of the total

Figure 6.1: Degree of regional specialisation by activity (NACE sections), EU-27 and Norway, by NUTS 2 regions, 2007 (¹)
(%, share of non-financial business economy employment)
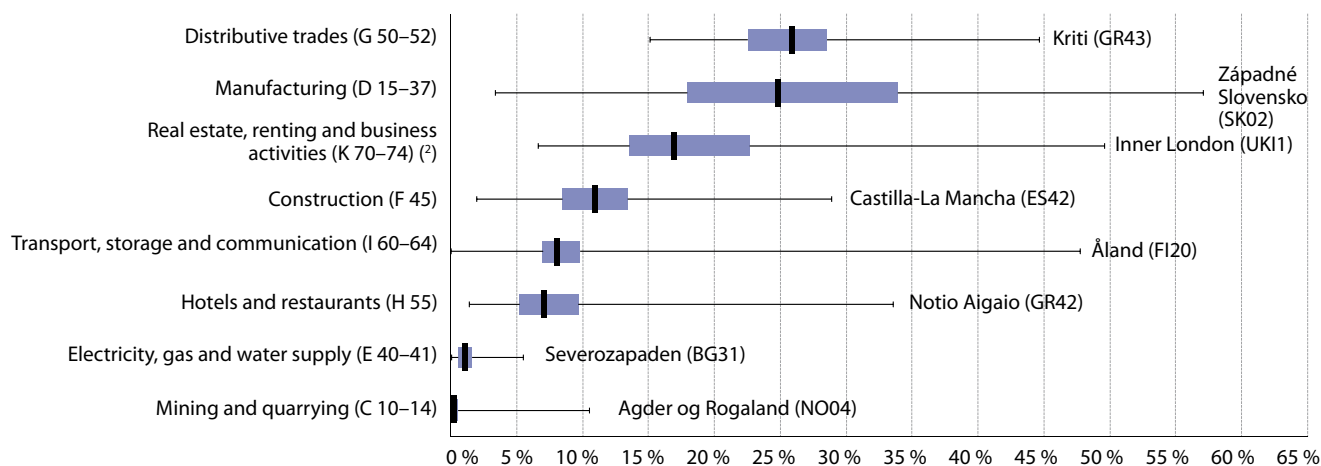
(¹) Denmark, national level; Malta, data not available; Poland, provisional data; Spain, provisional data for construction (F 45).
(²) Cyprus, excluding research and development (K 73).

Source: Eurostat (sbs_r_nuts03).

non-financial business economy workforce in North Eastern Scotland (United Kingdom) and Agder og Rogaland (Norway).

Table 6.1 shows which region was the most specialised in 2007 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) in France, Podlaskie, Lubelskie and Warmińsko-mazurskie in the eastern part of Poland, Dél-Alföld in Hungary, La Rioja in Spain and Severen tsentralen and Yuzhen tsentralen in Bulgaria. 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 Notio Aigaio and Ionia Nisia, the Spanish Illes Balears, the Algarve in the south of Portugal and Provincia Autonoma Bolzano/Bozen in the northeast of Italy on the border with Austria.

Greek regions were the most specialised in distributive trades (NACE G 50–52), with the exception of motor trades (NACE 50), where Germany's Brandenburg-Südwest 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 important for regions with or close to major cities and also for island regions (especially those with a developed tourism industry). 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 over 35 % of persons employed in 2007, almost eight times more than the next most specialised region (Vestlandet) and almost 10 times more than the third (Agder og Rogaland) (both in Norway). Outer London was the region most specialised in air transport, followed by Noord-Holland (Dutch region of Amsterdam), the Illes Balears in Spain, Köln in Germany, the French
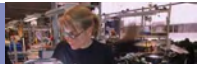
Table 6.1: Most specialised region by activity (NACE sections and divisions), EU-27 and Norway, 2007 (¹)
(%, share of total non-financial business economy employment of the region and the median and average share of all regions)

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	0.7	Agder og Rogaland (NO04)	13.1
Coal, lignite and peat (10)	0.0	0.2	Śląskie (PL22)	c
Crude petroleum and natural gas (11)	0.0	0.2	Agder og Rogaland (NO04)	12.8
Uranium and thorium ores (12)	0.0	0.0	Severovýchod (CZ05)	c
Metal ores (13)	0.0	0.0	Övre Norrland (SE33)	c
Gewinnung von Steinen und Erden (14)	0.2	0.2	Świętokrzyskie (PL33)	c
Manufacturing (D 15–37)	24.9	25.9	Západné Slovensko (SK02)	56.1
Food and beverages (15)	3.6	3.8	Bretagne (FR52)	10.9
Tobacco products (16)	0.0	0.1	Trier (DEB2)	c
Textiles (17)	0.4	0.7	Prov. West-Vlaanderen (BE25)	5.5
Wearing apparel; fur (18)	0.3	1.0	Dytiki Makedonia (GR13)	11.6
Leather and leather products (19)	0.1	0.3	Marche (ITE3)	7.6
Wood and wood products (20)	0.9	1.2	Itä-Suomi (FI13)	5.7
Pulp, paper and paper products (21)	0.4	0.6	Norra Mellansverige (SE31)	4.5
Publishing and printing (22)	1.0	1.1	Inner London (UKI1)	4.0
Fuel processing (23)	0.0	0.1	Cumbria (UKD1)	c
Chemicals and chemical products (24)	1.0	1.3	Rheinhessen-Pfalz (DEB3)	10.9
Rubber and plastic products (25)	1.2	1.4	Auvergne (FR72)	6.3
Other non-metallic mineral products (26)	1.1	1.3	Świętokrzyskie (PL33)	5.4
Basic metals (27)	0.5	1.0	Východné Slovensko (SK04)	8.3
Fabricated metal products (28)	2.7	3.0	Arnsberg (DEA5)	8.8
Machinery and equipment (29)	2.2	2.8	Unterfranken (DE26)	12.3
Office machinery and computers (30)	0.0	0.1	Southern and Eastern (IE02)	1.3
Electrical machinery and apparatus (31)	0.9	1.3	Západné Slovensko (SK02)	10.2
Radio, TV and communication equipment (32)	0.3	0.5	Pohjois-Suomi (FI1A)	5.9
Medical, precision and optical equipment (33)	0.6	0.7	Border, Midland and Western (IE01)	5.5
Motor vehicles and (semi)-trailers (34)	0.8	1.6	Braunschweig (DE91)	c
Other transport equipment (35)	0.5	0.8	Sud-Est (RO22)	6.1
Furniture and other manufacturing (36)	1.0	1.4	Warmińsko-mazurskie (PL62)	7.9
Recycling (37)	0.1	0.1	Brandenburg-Nordost (DE41)	0.7
Electricity, gas and water supply (E 40–41)	1.0	1.2	Severozapaden (BG31)	5.3
Electricity, gas and hot water supply (40)	0.8	0.9	Sud-Vest Oltenia (RO41)	4.4
Water supply (41)	0.2	0.3	Východné Slovensko (SK04)	1.8
Construction (F 45)	10.9	11.2	Castilla-La Mancha (ES42)	29.0
Distributive trades (G 50–52)	25.8	25.7	Kriti (GR43)	46.3
Motor trades (50)	3.5	3.6	Brandenburg-Südwest (DE42)	7.0
Wholesale trade (51)	7.2	7.5	Peloponnisos (GR25)	16.1
Retail trade and repair (52)	14.3	14.6	Kriti (GR43)	31.3
Hotels and restaurants (H 55)	7.1	8.0	Notio Aigaio (GR42)	31.6
Transport, storage and communication (I 60–64)	8.2	8.9	Åland (FI20)	45.0
Real estate activities (60)	4.3	4.5	Bourgogne (FR26)	20.6
Renting (61)	0.1	0.4	Åland (FI20)	35.7
Computer activities (62)	0.0	0.2	Outer London (UKI2)	3.7
Research and development (63) (²)	1.8	2.0	Bremen (DE50)	13.1

Activity (NACE)	All regions		Most specialised region	
	Median share (%)	Average share (%)	Name (NUTS 2 region)	Share of the region (%)
Post and telecommunications (64)	1.6	1.8	Köln (DEA2)	23.2
Real estate, renting, business activities (K 70–74)	16.9	18.4	Inner London (UKI1)	50.7
Real estate activities (70)	2.0	2.0	Latvija (LV00)	5.7
Renting (71)	0.4	0.5	North Eastern Scotland (UKM5)	1.7
Computer activities (72)	1.5	1.7	Berkshire, Buckinghamshire and Oxfordshire (UKJ1)	8.1
Research and development (73) (²)	0.2	0.3	Oberbayern (DE21)	2.1
Other business activities (74)	12.6	13.8	Inner London (UKI1)	39.8

(¹) Denmark, national level; Malta, data not available; Poland, provisional data; Spain, provisional data for construction (F 45).
(²) Cyprus, excluding research and development (K 73).
c: confidential data

Source: Eurostat (sbs_r_nuts03).

island of Corse and Portuguese islands in Região Autónoma dos Açores.

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 2007, 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 2007. 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 persons employed in only nine of the 273 regions (for which data are available) in 2007.
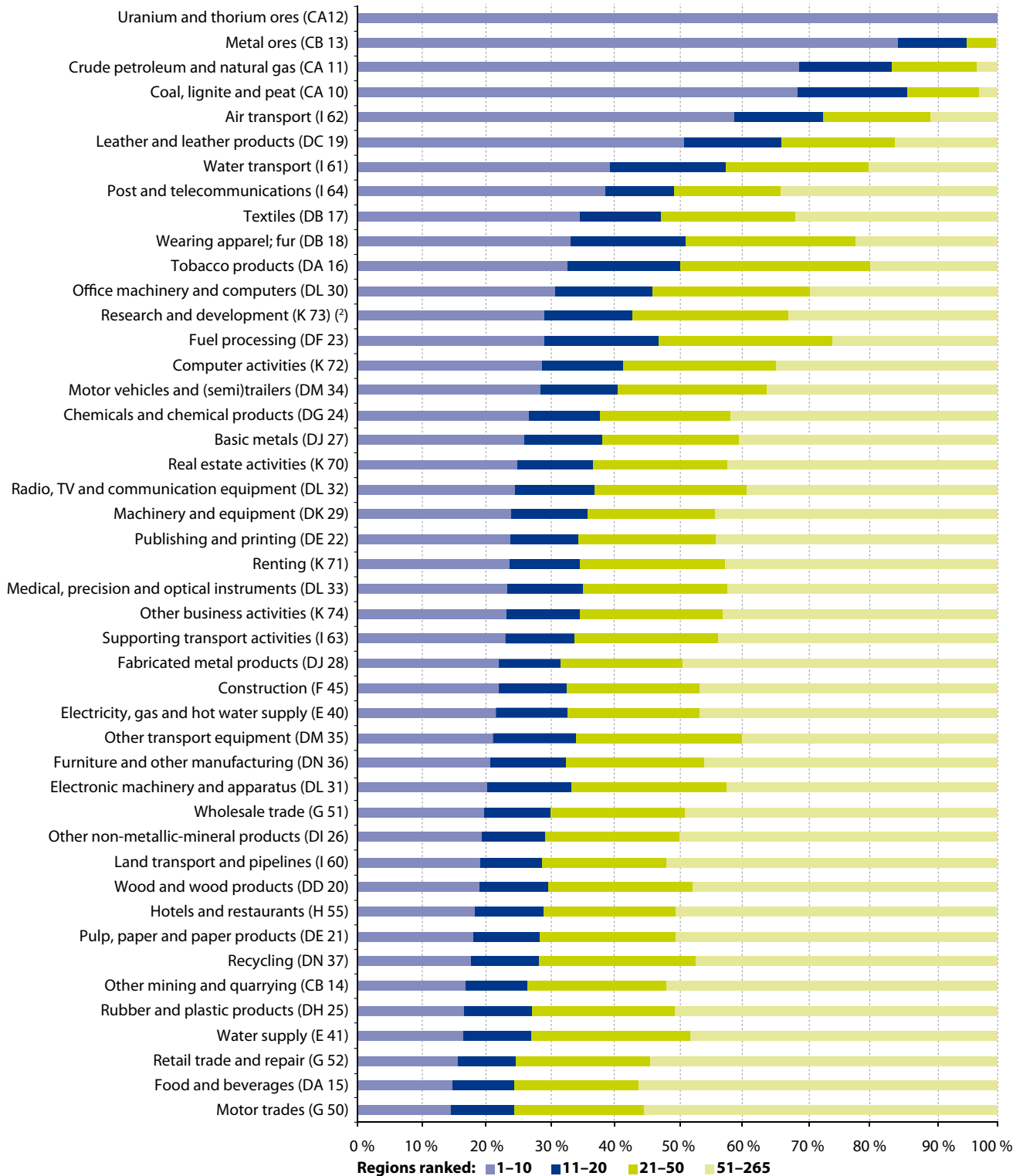
Air transport (NACE 62) and leather and leather products manufacturing (NACE 19) were also highly concentrated in the 10 largest regions, which together accounted for 59 % and 51 % of total employment respectively. In the case of air transport, this dominance is due to the concentration in large metropolitan 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 Toscana in Italy, with 43 000 persons 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), retail trade (NACE 52), food and beverages manufacturing (NACE 15) and motor trades (NACE 50) had the lowest concentration in 2007, 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.

Figure 6.2: Most concentrated activities (NACE divisions), EU-27 and Norway, by NUTS 2 regions, 2007 (¹)
(%, share of regions in total sectoral employment)

Uranium and thorium ores (CA12)
Metal ores (CB 13)
Crude petroleum and natural gas (CA 11)
Coal, lignite and peat (CA 10)
Air transport (I 62)
Leather and leather products (DC 19)
Water transport (I 61)
Post and telecommunications (I 64)
Textiles (DB 17)
Wearing apparel; fur (DB 18)
Tobacco products (DA 16)
Office machinery and computers (DL 30)
Research and development (K 73) (²)
Fuel processing (DF 23)
Computer activities (K 72)
Motor vehicles and (semi)trailers (DM 34)
Chemicals and chemical products (DG 24)
Basic metals (DJ 27)
Real estate activities (K 70)
Radio, TV and communication equipment (DL 32)
Machinery and equipment (DK 29)
Publishing and printing (DE 22)
Renting (K 71)
Medical, precision and optical instruments (DL 33)
Other business activities (K 74)
Supporting transport activities (I 63)
Fabricated metal products (DJ 28)
Construction (F 45)
Electricity, gas and hot water supply (E 40)
Other transport equipment (DM 35)
Furniture and other manufacturing (DN 36)
Electronic machinery and apparatus (DL 31)
Wholesale trade (G 51)
Other non-metallic-mineral products (DI 26)
Land transport and pipelines (I 60)
Wood and wood products (DD 20)
Hotels and restaurants (H 55)
Pulp, paper and paper products (DE 21)
Recycling (DN 37)
Other mining and quarrying (CB 14)
Rubber and plastic products (DH 25)
Water supply (E 41)
Retail trade and repair (G 52)
Food and beverages (DA 15)
Motor trades (G 50)
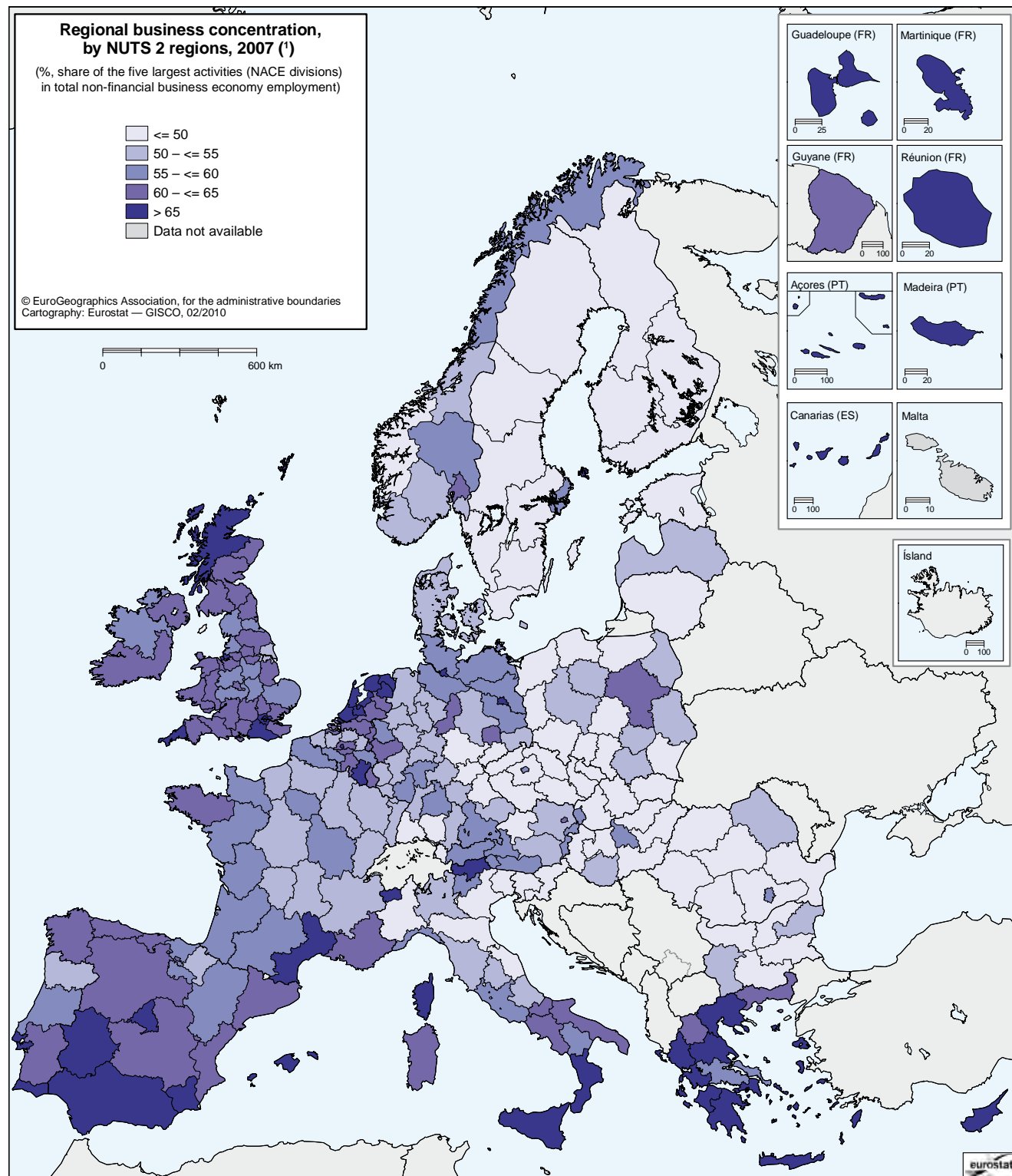
Regions ranked: ■ 1–10 ■ 11–20 ■ 21–50 ■ 51–265

(¹) Denmark, national level; Malta, data not available; Poland, provisional data; Spain, provisional data for construction (F 45).
(²) Cyprus, excluding research and development (K 73).

Source: Eurostat (sbs_r_nuts03).

Map 6.1: Regional business concentration, by NUTS 2 regions, 2007 (¹)
(%, share of the five largest activities (NACE divisions) in total non-financial business economy employment)

Regional business concentration, by NUTS 2 regions, 2007 (¹)

(%, share of the five largest activities (NACE divisions) in total non-financial business economy employment)

- <= 50
- 50 – <= 55
- 55 – <= 60
- 60 – <= 65
- > 65
- Data not available

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Cartography: Eurostat — GISCO, 02/2010

0   600 km

Guadeloupe (FR)   Martinique (FR)
0   25   0   20

Guyane (FR)   Réunion (FR)
0   100   0   20

Açores (PT)   Madeira (PT)
0   100   0   20

Canarias (ES)   Malta
0   100   0   10

Ísland
0   100

(¹) Denmark, national level; Cyprus, excluding research and development (K 73); Poland, provisional data; Spain, provisional data for construction(F 45).

Source: Eurostat (sbs_r_nuts03)

Map 6.1 gives an indication of how concentrated or diversified the regional business economy was in 2007, 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 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 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) and Severovýchod (Czech Republic).

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 40 % 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 (except Észak-Alföld in Hungary), other business activities is among the five largest in more than 95 % of the regions, construction in more than 85 % of the regions, wholesale trade in more than 80 % of the regions and hotels and restaurants in more than 65 % of the regions.

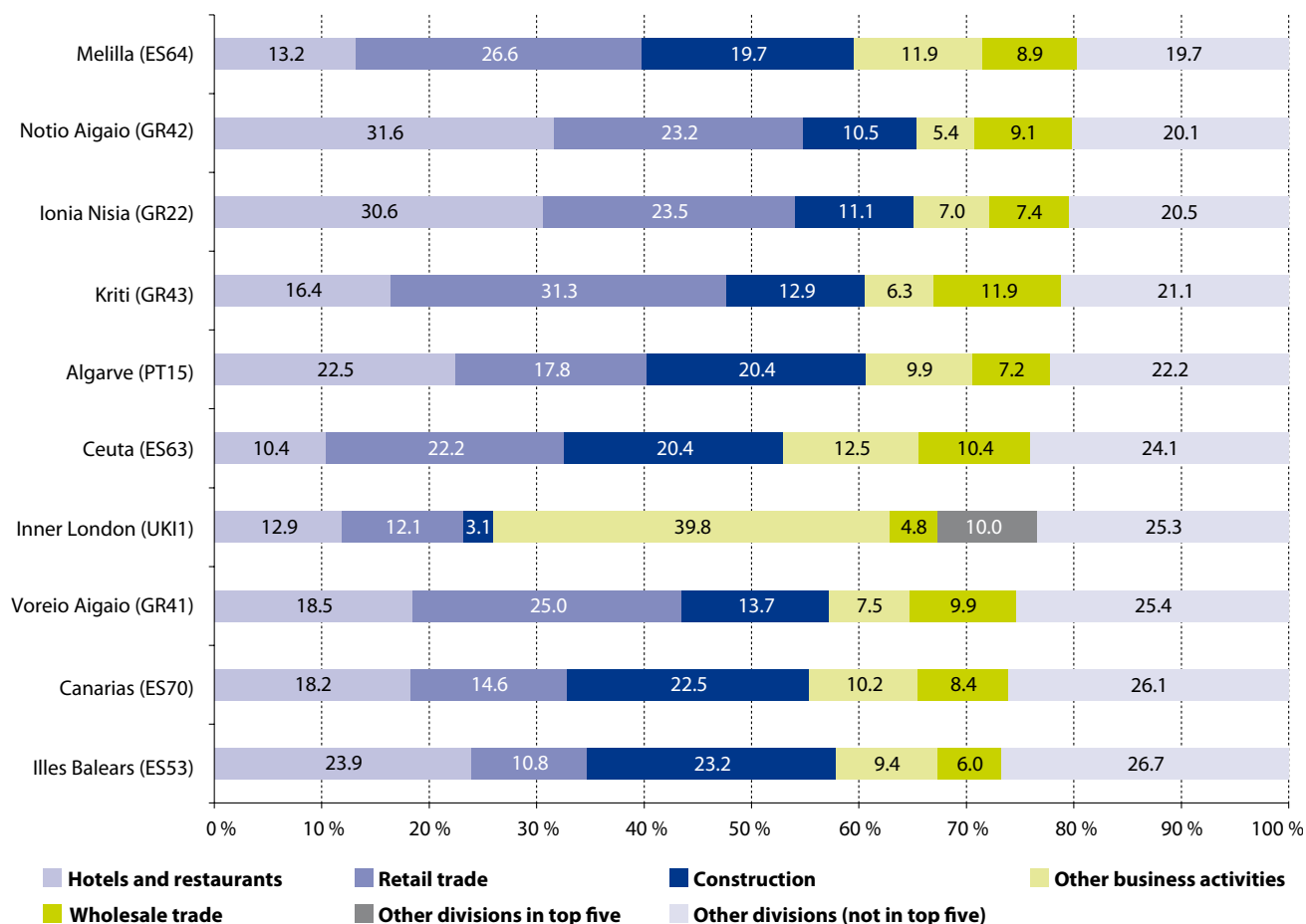## Specialisation in business services

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 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 6 percentage points to distributive trades.

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 2007 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 activities for hardware and software, data processing activities, 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 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 of employment in 2007 (see Figure 6.5) and all the rates were significant. The growth rate for computer activities reached 6.9 % and for other business activities 5.8 %. The business services sector was quite clearly one of the most

Figure 6.3: Most specialised regions, EU-27 and Norway,
by NUTS 2 regions, 2007 (¹)
(%, share of the five largest activities (NACE divisions) in non-financial business economy
employment of the region)

Region	Hotels and restaurants	Retail trade	Construction	Other business activities	Wholesale trade	Other divisions in top five	Other divisions (not in top five)
Melilla (ES64)	13.2	26.6	19.7	11.9	8.9		19.7
Notio Aigaio (GR42)	31.6	23.2	10.5	5.4	9.1		20.1
Ionia Nisia (GR22)	30.6	23.5	11.1	7.0	7.4		20.5
Kriti (GR43)	16.4	31.3	12.9	6.3	11.9		21.1
Algarve (PT15)	22.5	17.8	20.4	9.9	7.2		22.2
Ceuta (ES63)	10.4	22.2	20.4	12.5	10.4		24.1
Inner London (UKI1)	12.9	12.1	3.1	39.8	4.8	10.0	25.3
Voreio Aigaio (GR41)	18.5	25.0	13.7	7.5	9.9		25.4
Canarias (ES70)	18.2	14.6	22.5	10.2	8.4		26.1
Illes Balears (ES53)	23.9	10.8	23.2	9.4	6.0		26.7

(¹) Denmark, national level; Malta, data not available; Cyprus, excluding research and development (K 73).Poland, provisional data, Spain, provisional data for construction (F 45).

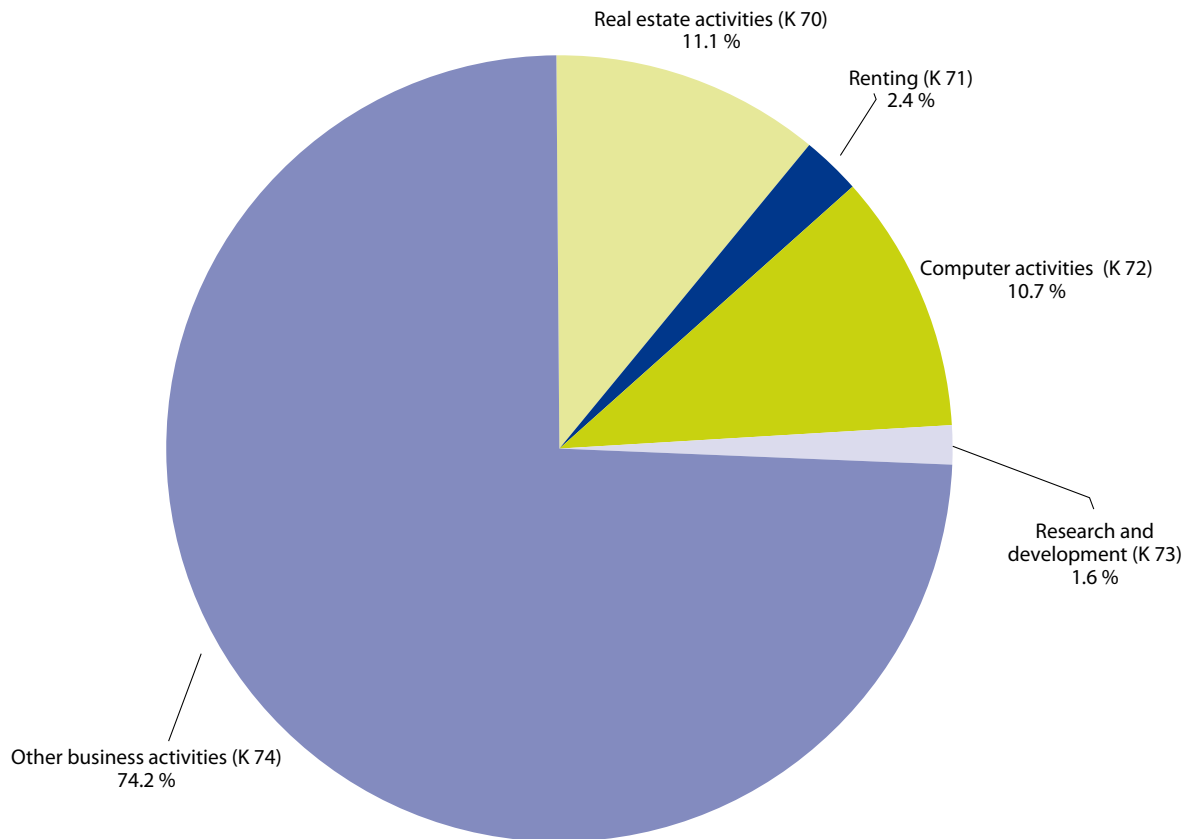*Source:* Eurostat (sbs_r_nuts03).

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 internally by the 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, and Germany, where Berlin was just behind Darmstadt. Of the top 24 regions with shares exceeding 25 %, seven were British, six Dutch and four German. Luxembourg (24.2 %) and the Netherlands were particularly specialised in these activities, which account for a minimum of 17 % of persons 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 persons employed in

Figure 6.4: Structure of employment in real estate, renting and business activities (NACE section K) by divisions, EU-27 and Norway, 2007 (¹)

Real estate activities (K 70)
11.1 %

Renting (K 71)
2.4 %

Computer activities (K 72)
10.7 %

Research and
development (K 73)
1.6 %

Other business activities (K 74)
74.2 %

(¹) Malta, data not available; Cyprus, excluding research and development (K 73); Poland, provisional data.

Source: Eurostat (sbs_r_nuts03).

business services in Western Scotland, partly stemming from the location of many call centres in the region. A significant cluster of regions with very high specialisation in business services is also located in Germany, in a belt from the region of Oberbayern in the south-eastern part 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 and Germany. There are equally 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 27.6 %

of persons employed, around three and a half times more than in the least specialised country, Lithuania. The highest difference between the most and the least specialised region within one country (5.2 times) was observed in Belgium. At the other end of the scale are Slovenia, Italy and Ireland, with a factor lower than 2 differentiating between the regions with the highest and lowest values.

Employment growth in business services

Employment in business services in the EU-27 grew by an impressive 50 % between 1999 and 2007. Map 6.3 shows the growth rate of employment in 2007 in business services. There were four Belgian and Romanian and three French regions included in the list of 25 regions, with the highest growth rate exceeding 15 %. Seven regions from the countries that joined

Figure 6.5: Growth rates of employment in real estate, renting and business activities (NACE section K) by divisions, EU-27 and Norway, 2006–07 (¹)
(%)
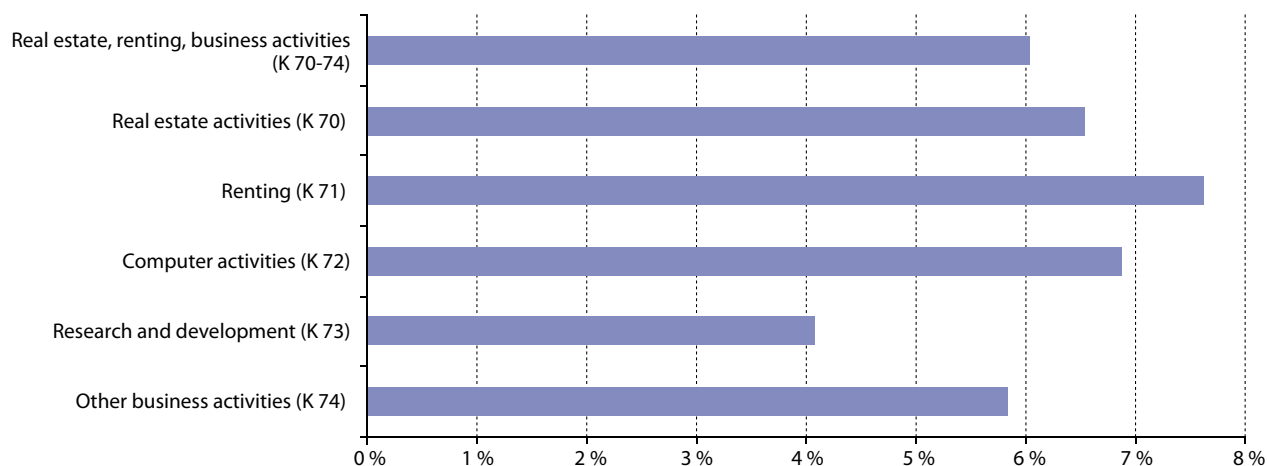
(¹) Malta, North Eastern Scotland (UKM5) and Highlands and Islands (UKM6), data not available; Cyprus, excluding research and development (K 73); Poland, provisional data.

Source: Eurostat (sbs_r_nuts03).

the EU in 2004 or 2007 were in this top list: four from Romania, two from the Czech Republic and one from Slovakia.

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

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 700 000 persons — or 45 % of the total non-financial business economy workforce — were 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 25th place.

The number of persons employed also grew considerably in many of the top-ranked regions in 2007, with by far the highest growth rate, higher than 35 %, in the Belgian capital region. Strong growth of over 15 % was also recorded in Darmstadt (Germany). Two thirds of the regions already with high concentrations in business services were aiming for even greater

specialisation. Ten regions from the top 30 – eight Dutch, Cheshire (United Kingdom) and Prov. Vlaams-Brabant (Belgium) – recorded in the number of persons employed in business services, but none of them dropped by more than 7.5 %.
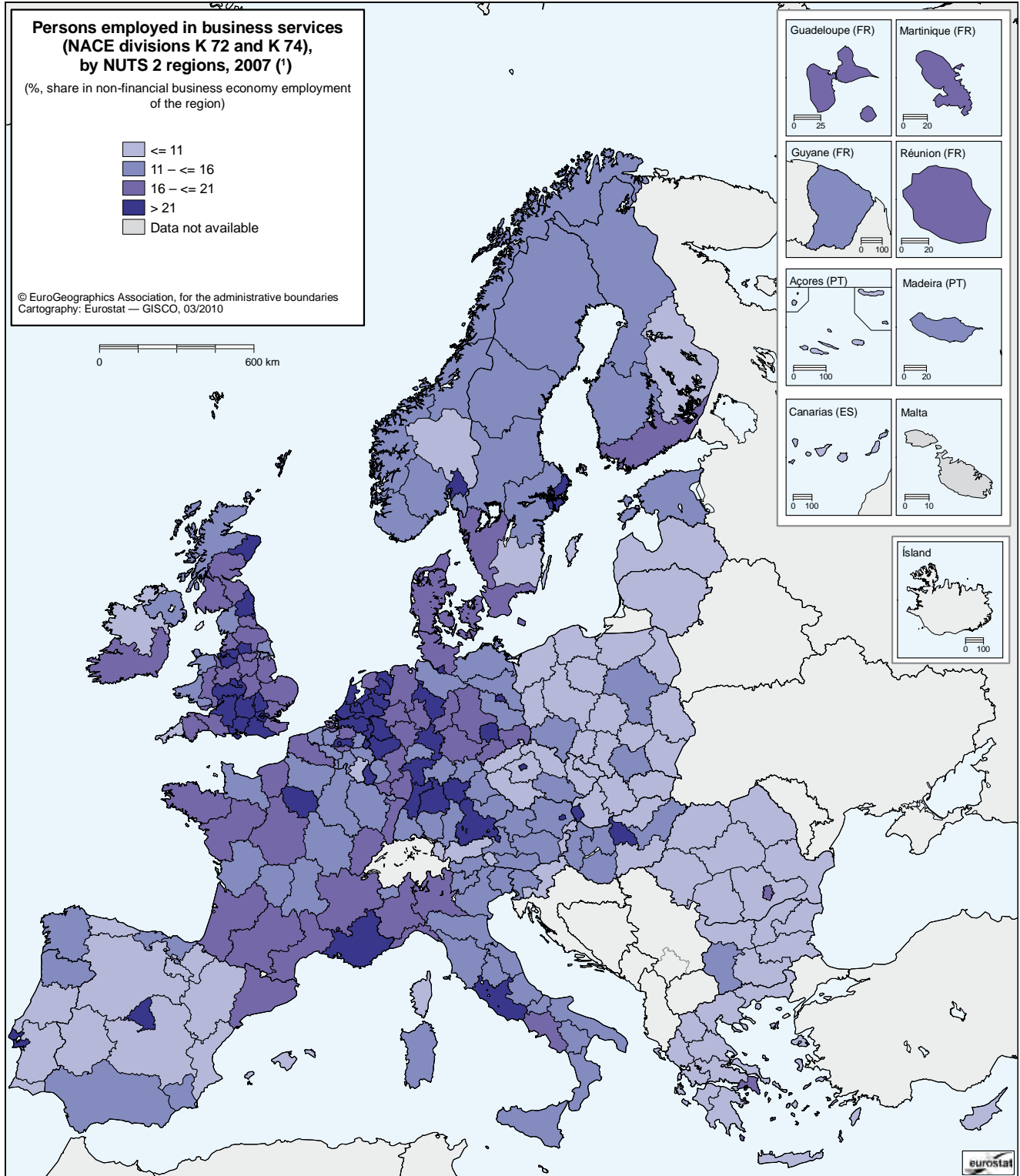
Conclusion

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 persons 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.

Map 6.2: Persons employed in business services (NACE divisions K 72 and K 74),
by NUTS 2 regions, 2007 (¹)
(%, share in non-financial business economy employment of the region)

**Persons employed in business services
(NACE divisions K 72 and K 74),
by NUTS 2 regions, 2007 (¹)**

(%, share in non-financial business economy employment
of the region)

- <= 11
- 11 – <= 16
- 16 – <= 21
- > 21
- Data not available

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Cartography: Eurostat — GISCO, 03/2010

0   600 km

Guadeloupe (FR)   Martinique (FR)
0   25   0   20

Guyane (FR)   Réunion (FR)
0   100   0   20

Açores (PT)   Madeira (PT)
0   100   0   20

Canarias (ES)   Malta
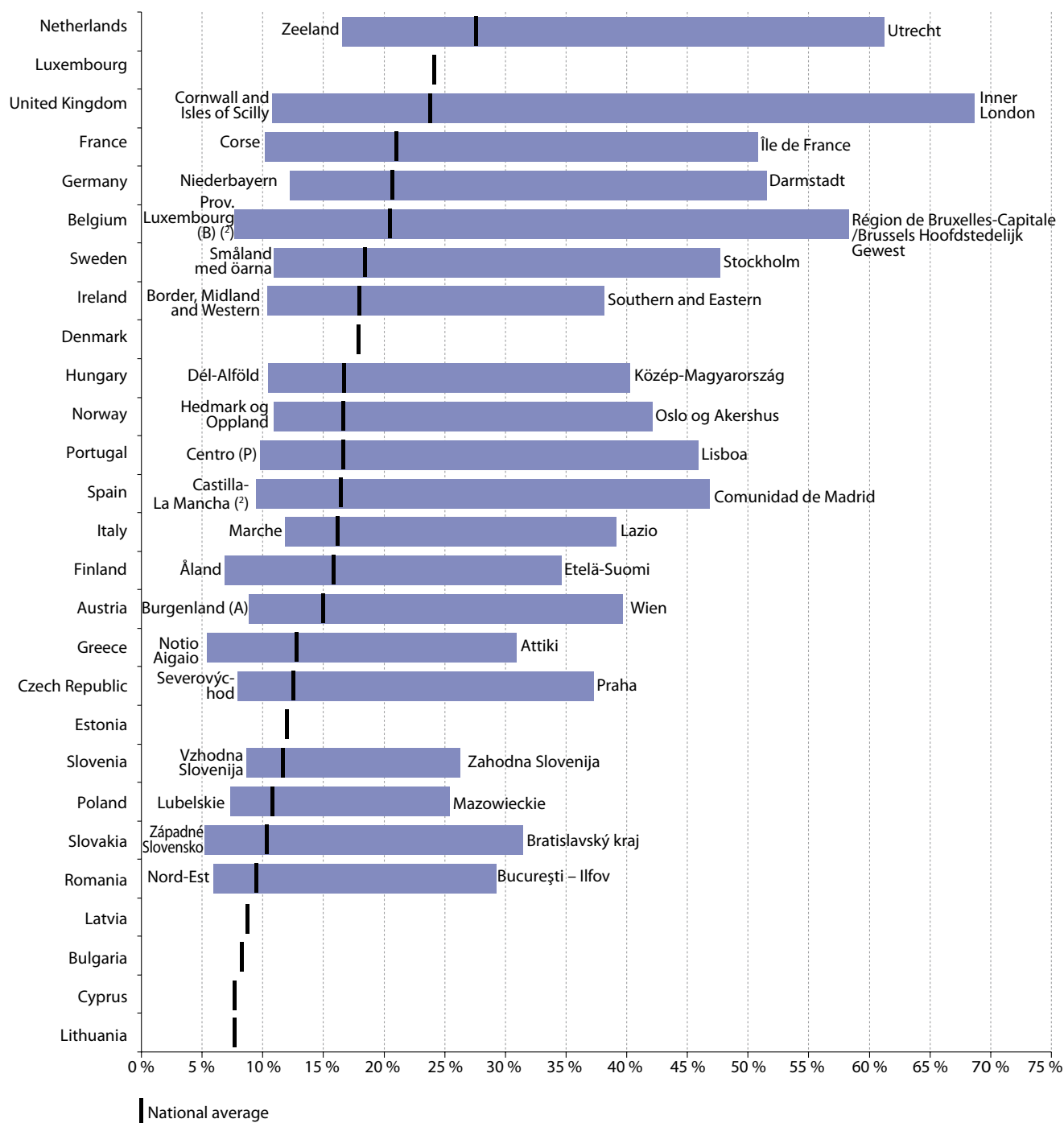0   100   0   10

Ísland
0   100

(¹) Denmark, national level; Poland, provisional data.

Source: Eurostat (sbs_r_nuts03).

Figure 6.6: Specialisation in business services (NACE divisions K 72 and K 74), EU-27 and Norway, by NUTS 2 regions, 2007 (¹)
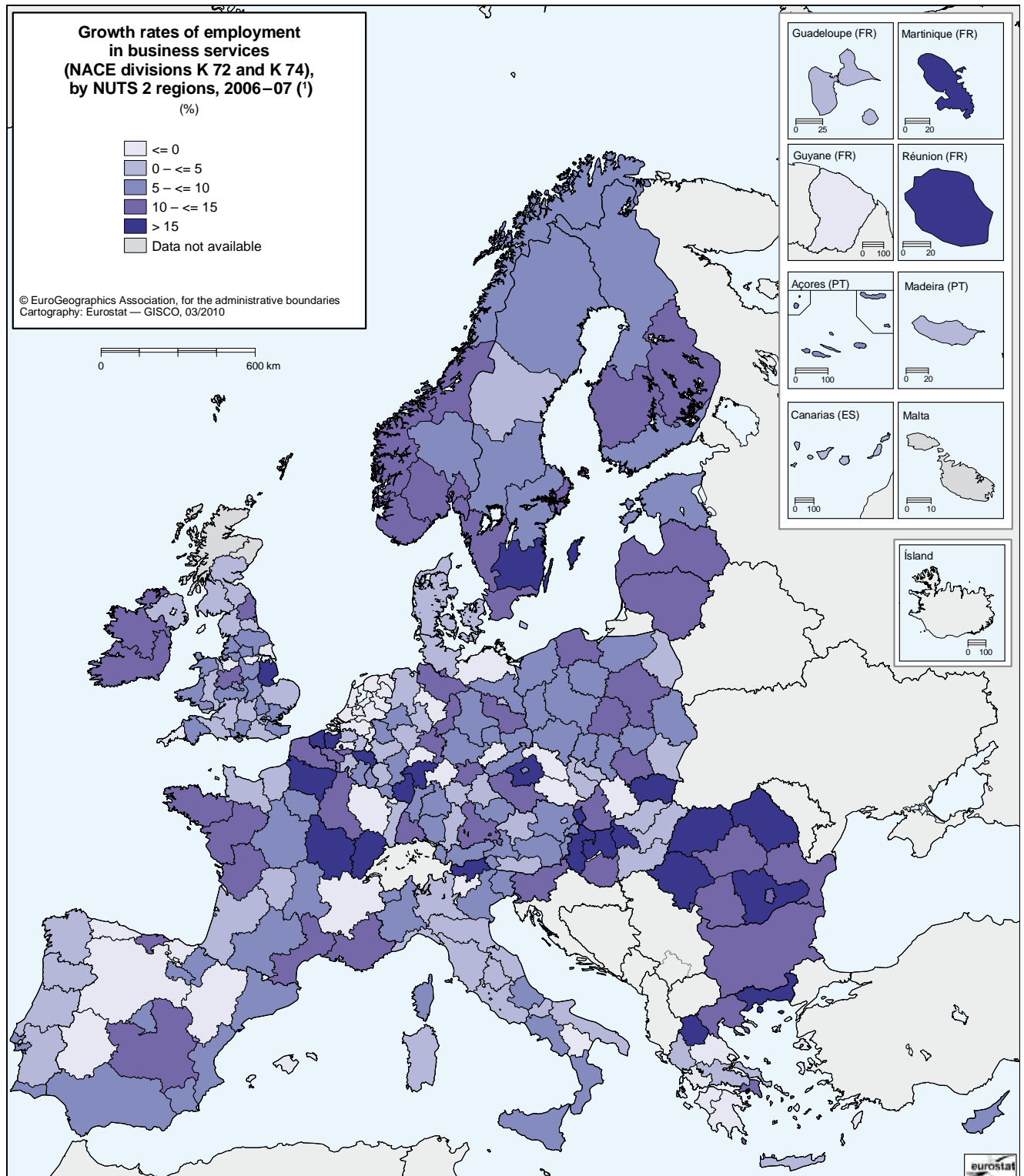(%, share of non-financial business economy employment)

(¹) Denmark and Bulgaria, national level; Malta, data not available; Cyprus, excluding research and development (K 73); Poland, provisional data.
(²) 2006.

Source: Eurostat (sbs_r_nuts03).

Map 6.3: Growth rates of employment in business services (NACE divisions K 72 and K 74), by NUTS 2 regions, 2006–07 (¹)
(%)

Growth rates of employment in business services (NACE divisions K 72 and K 74), by NUTS 2 regions, 2006 – 07 (¹)
(%)

- <= 0
- 0 – <= 5
- 5 – <= 10
- 10 – <= 15
- > 15
- Data not available

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Cartography: Eurostat — GISCO, 03/2010

0 _____ 600 km

Guadeloupe (FR)   0 25

Martinique (FR)   0 20

Guyane (FR)   0 100

Réunion (FR)   0 20

Açores (PT)   0 100

Madeira (PT)   0 20

Canarias (ES)   0 100
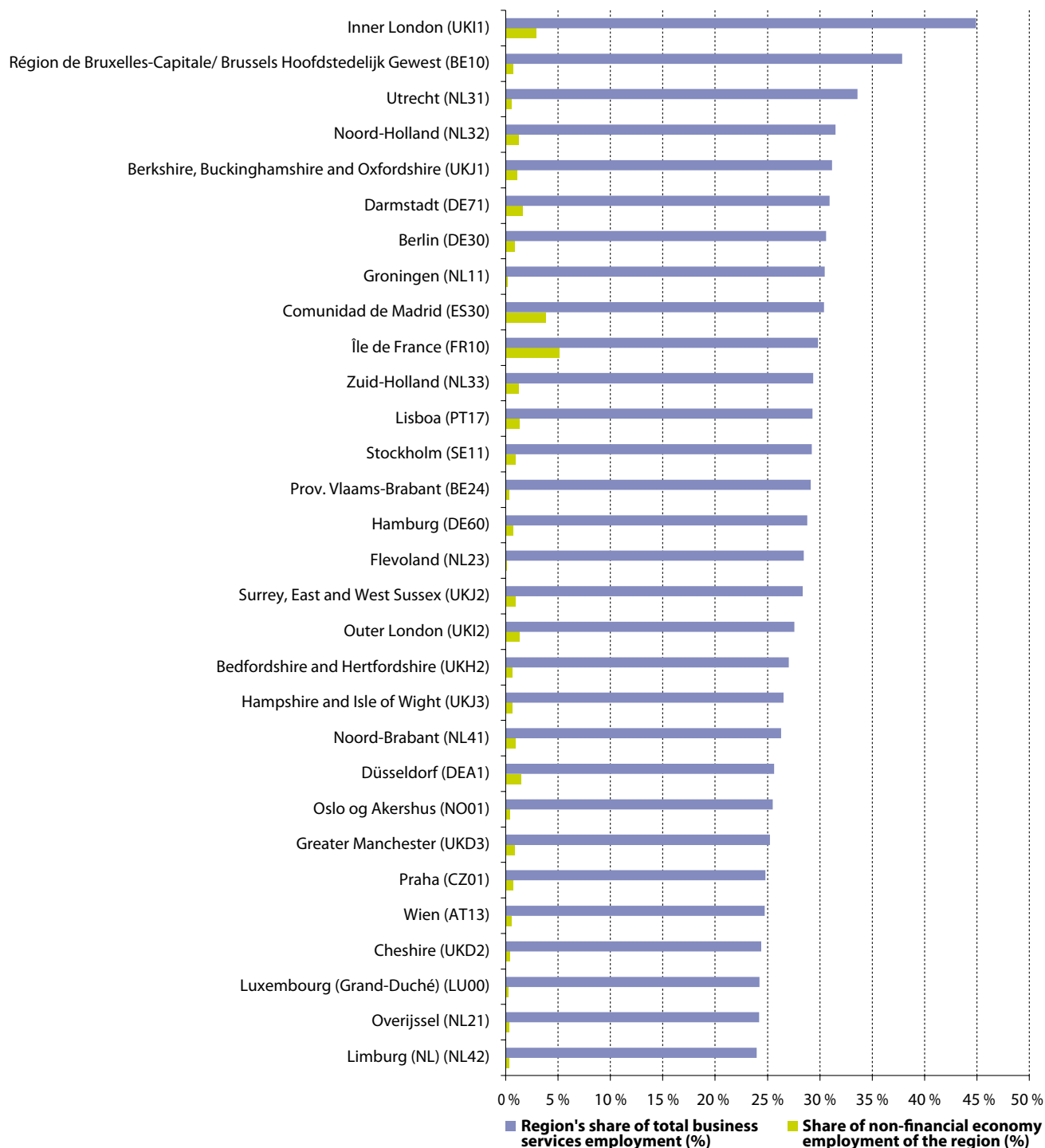
Malta   0 10

Ísland   0 100

eurostat

(¹) Bulgaria, Denmark, Slovenia, national level; Poland, provisional data.
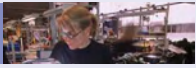
Source: Eurostat (sbs_r_nuts03).

Figure 6.7: Most specialised regions in business services (NACE divisions K 72 and K 74), EU-27 and Norway, by NUTS 2 regions, 2007 (¹) (%, share of non-financial business economy employment of the region and the region's share of total business services employment)

Inner London (UKI1)
Région de Bruxelles-Capitale/ Brussels Hoofdstedelijk Gewest (BE10)
Utrecht (NL31)
Noord-Holland (NL32)
Berkshire, Buckinghamshire and Oxfordshire (UKJ1)
Darmstadt (DE71)
Berlin (DE30)
Groningen (NL11)
Comunidad de Madrid (ES30)
Île de France (FR10)
Zuid-Holland (NL33)
Lisboa (PT17)
Stockholm (SE11)
Prov. Vlaams-Brabant (BE24)
Hamburg (DE60)
Flevoland (NL23)
Surrey, East and West Sussex (UKJ2)
Outer London (UKI2)
Bedfordshire and Hertfordshire (UKH2)
Hampshire and Isle of Wight (UKJ3)
Noord-Brabant (NL41)
Düsseldorf (DEA1)
Oslo og Akershus (NO01)
Greater Manchester (UKD3)
Praha (CZ01)
Wien (AT13)
Cheshire (UKD2)
Luxembourg (Grand-Duché) (LU00)
Overijssel (NL21)
Limburg (NL) (NL42)

0 % 5 % 10 % 15 % 20 % 25 % 30 % 35 % 40 % 45 % 50 %

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

(¹) Denmark, national level; Malta, data not available; Cyprus, excluding research and development (K 73); Poland, provisional data; Spain, provisional data for construction (F 45).

Source: Eurostat (sbs_r_nuts03)

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. Data for the reference year 2007, presented in the chapter, have been collected within the legal framework provided by Council Regulation (EC, Euratom) No 58/97 of 20 December 1996 concerning structural business statistics. The data cover all the EU Member States and Norway. Data at NUTS 2 level in the 2006 classification were unavailable for Denmark. 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 on regional structural business statistics. Most data series are continuously updated and revised where necessary. This chapter reflects the data situation in March 2010.

Structural business statistics are presented by sectors of activity according to the NACE Rev. 1.1 classification, with a breakdown to two-digit level (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), as well as 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 persons 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 persons who work (paid or unpaid) in the observation unit, as well as persons 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, etc.