

Structural business statistics

9





Introduction

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 is large or small. The reasons for regional specialisation are varied and include the availability of natural resources (for example, for mining and quarrying and forest-based manufacturing), the availability of skilled employees, costs, infrastructure, legislation, climatic and topographic conditions (particularly regarding tourism-related activities) and proximity to markets.

Main statistical findings

Regional specialisation

The shares of the non-financial business economy workforce working in the industrial sector and in the non-financial services sector in 2008 are shown in Maps 9.1 and 9.2. Relatively high shares of industrial employment were found in regions of Bulgaria, the Czech Republic, Germany, Hungary, Poland, Romania and Slovakia, with the Slovakian region of Západoé Slovensko recording the highest share at 60.2%.

Non-financial services employment accounted for over 80% of the non-financial business economy workforce in at least nine regions, mainly in or bordering major urban areas such as Berlin, Hamburg and Köln in Germany, København in Denmark, Noord-Holland in the Netherlands, and Inner London and the surrounding south-east of England. The highest share was 92.5% in Inner London.

Table 9.1 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 in the EU-27 and Norway.

Manufacturing activities which involve the primary processing stages of agricultural, fishing or forestry products tend to be concentrated in areas close to the source of the raw material. The regions most specialised in food manufacturing (NACE 10) were all located in rural areas in or close to agricultural production centres: Podlaskie (the most specialised of all the regions), Lubelskie and

Warmińsko-Mazurskie in the eastern part of Poland, Dél-Alföld in Hungary, Região Autónoma dos Açores in Portugal and Lincolnshire in the UK. Heavily forested Nordic and Baltic regions were the most specialised regions in the manufacture of wood and wood products (NACE 16) and in the related manufacturing of paper and paper products (NACE 17). 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, i.e. in Portugal, Spain and Italy, were the most specialised in accommodation (NACE 55) and food service activities (NACE 56). Accommodation services accounted for more than 20% of the workforce in Algarve in the south of Portugal, the Spanish Illes Balears and Provincia Autonoma Bolzano/Bozen in the north-east of Italy on the border with Austria. Algarve was also the most specialised in food service activities.

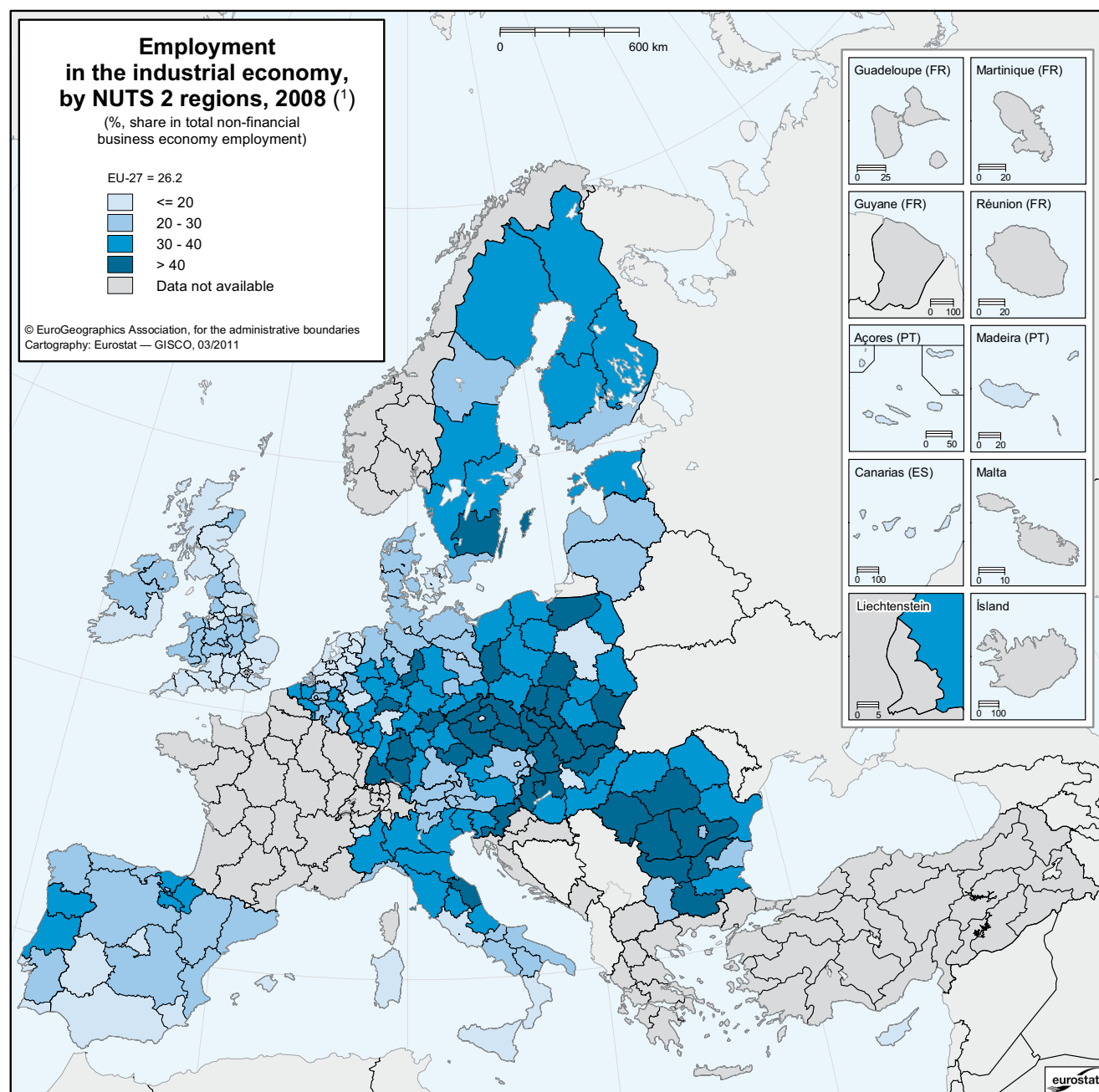
Construction activities (NACE 41–43) accounted for the highest shares of the workforce in Região Autónoma dos Açores in Portugal and in a few Spanish regions. Transport services are also influenced by location, with water transport (NACE 50) naturally being important for coastal regions and islands, while air transport (NACE 51) is also important for regions with or close to major cities, but 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 2008, more than six times more than the next most specialised region, Vestlandet, and more than 10 times more than the third, Nord-Norge (both in Norway). Outer London was the region most specialised in air transport, followed by Noord-Holland (Dutch region of Amsterdam), Köln in Germany and the Portuguese islands in Região Autónoma dos Açores.

Specialisation in real estate activities (NACE 68), professional scientific and technical activities (NACE 69–75) and administrative and support service activities (NACE 77–82) may be based on access to a critical mass of clients (enterprises or households) or to a knowledge base (external researchers and qualified staff). Latvia was most specialised in real estate (NACE 68) in 2008, ahead of Rheinhessen-Pfalz and Koblenz (both in Germany) and Közép-Magyarország (Hungary). Inner London (UK) was most specialised in professional scientific and technical activities (NACE 69–75), while Flevoland (Netherlands) was most specialised in administrative and support service activities (NACE 77–82).

Figure 9.1 indicates that the widest spread (from lowest to highest) in the share of an activity in each region's non-financial business economy workforce concerned manufacturing activities. In contrast, the employment spread for activities like construction and distributive



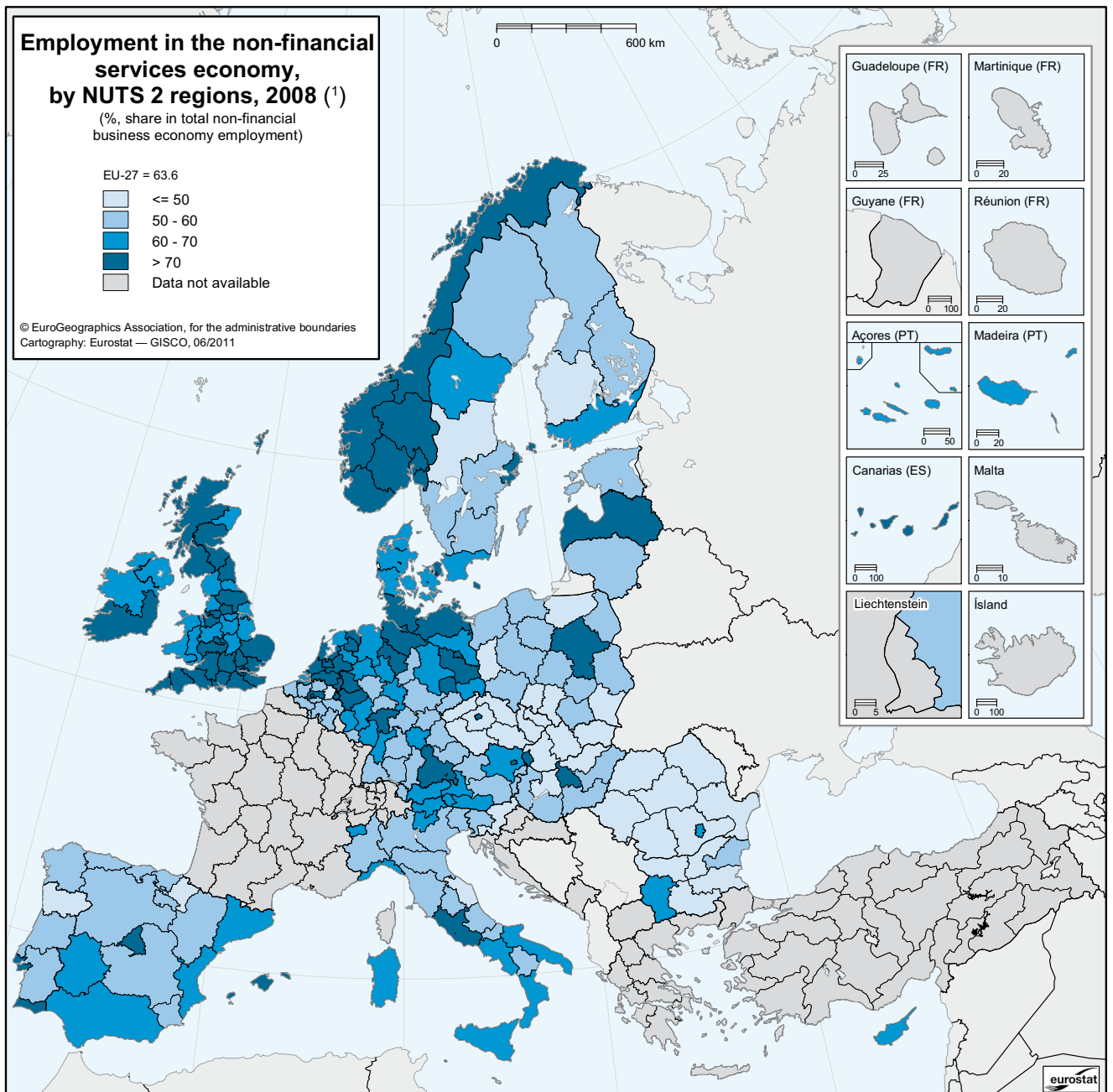
Map 9.1: Employment in the industrial economy, by NUTS 2 regions, 2008 ⁽¹⁾
 (% share in total non-financial business economy employment)



⁽¹⁾ Norway, excluding sections B-E; EU-27, excluding Greece, France, Latvia (section F), Luxembourg and Malta.

Source: Eurostat (online data code: [sbs_r_nuts06_r2](#)).

Map 9.2: Employment in the non-financial services economy, by NUTS 2 regions, 2008 ⁽¹⁾
 (% share in total non-financial business economy employment)



⁽¹⁾ Norway, excluding sections B–E; EU-27, excluding Greece, France, Latvia (section F), Luxembourg and Malta.

Source: Eurostat (online data code: [sbs_r_nuts06_r2](#)).

Table 9.1: 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 (B 05-09)	0.3	0.6	North Eastern Scotland (UKM5)	11.1
Mining of coal and lignite (05)	0.0	0.2	Śląskie (PL22)	9.3
Extraction of crude petroleum and natural gas (06)	0.0	0.1	North Eastern Scotland (UKM5)	3.4
Mining of metal ores (07)	0.0	0.0	Övre Norrland (SE33)	c
Other mining and quarrying (08)	0.2	0.2	Świętokrzyskie (PL33)	1.2
Mining support service activities (09)	0.0	0.1	North Eastern Scotland (UKM5)	7.5
Manufacturing (C 10-33)	24.1	25.0	Západné Slovensko (SK02)	54.7
Food (10)	2.9	3.1	Podlaskie (PL34)	8.4
Beverages (11)	0.3	0.4	La Rioja (ES23)	3.2
Tobacco products (12)	0.0	0.1	Trier (DEB2)	1.7
Textiles (13)	0.3	0.5	Prov. West-Vlaanderen (BE25)	5.3
Wearing apparel (14)	0.3	1.0	Severozapaden (BG31)	11.3
Leather and leather products (15)	0.1	0.3	Marche (ITE3)	6.6
Wood and wood products (16)	0.8	1.1	Itä-Suomi (FI13)	5.0
Paper and paper products (17)	0.4	0.6	Norra Mellansverige (SE31)	4.3
Printing and reproduction of recorded media (18)	0.6	0.6	West Yorkshire (UKE4)	1.5
Coke and refined petroleum products (19)	0.0	0.1	Opolskie (PL52)	c
Chemicals and chemical products (20)	0.6	0.9	Rheinhessen-Pfalz (DEB3)	8.3
Pharmaceutical products and preparations (21)	0.2	0.4	Prov. Brabant Wallon (BE31)	c
Rubber and plastic products (22)	1.2	1.4	Oberfranken (DE24)	5.8
Other non-metallic mineral products (23)	1.1	1.3	Prov. Namur (BE35)	4.8
Basic metals (24)	0.5	1.0	Norra Mellansverige (SE31)	9.6
Fabricated metal products (25)	2.8	3.0	Gießen (DE72)	8.3
Computer, electronic and optical products (26)	0.7	0.9	Pohjois-Suomi (FI1A)	5.5
Electrical equipment (27)	0.8	1.2	Oberpfalz (DE23)	7.4
Other machinery and equipment (28)	1.8	2.4	Tübingen (DE14)	12.6
Motor vehicles, trailers and semi-trailers (29)	0.9	1.8	Braunschweig (DE91)	c
Other transport equipment (30)	0.3	0.5	Lancashire (UKD4)	c
Furniture (31)	0.6	1.0	Warmińsko-mazurskie (PL62)	7.2
Other manufacturing (32)	0.5	0.6	Border, Midland and Western (IE01)	4.2
Repair and installation of machinery (33)	0.8	0.9	Moravskoslezsko (CZ08)	3.2
Electricity, gas, steam and air conditioning supply (D 35)	0.8	0.9	Sud-Vest Oltenia (RO41)	3.8
Water supply, sewerage, waste management (E 36-39)	0.9	1.0	Východné Slovensko (SK04)	2.9
Water supply (36)	0.2	0.3	Východné Slovensko (SK04)	c
Sewerage (37)	0.1	0.1	Trier (DEB2)	c
Waste management (38)	0.5	0.6	Prov. Luxembourg (B) (BE34)	c
Remediation (39)	0.0	0.0	Valle d'Aosta/Vallée d'Aoste (ITC2)	0.3
Construction (F 41-43)	10.8	10.9	Região Autónoma dos Açores (PT20)	22.7
Buildings (41)	3.2	3.8	Região Autónoma dos Açores (PT20)	13.4
Civil engineering (42)	1.3	1.3	Região Autónoma da Madeira (PT30)	4.8
Specialised construction activities (43)	5.3	5.2	Hedmark og Oppland (NO02)	12.7
Distributive trades (G 45-47)	24.6	24.4	Ciudad Autónoma de Melilla (ES64)	39.4
Motor trades and repair (45)	2.9	2.9	Brandenburg - Südwest (DE42)	5.6
Wholesale trade (46)	7.1	7.1	Oslo og Akershus (NO01)	13.7



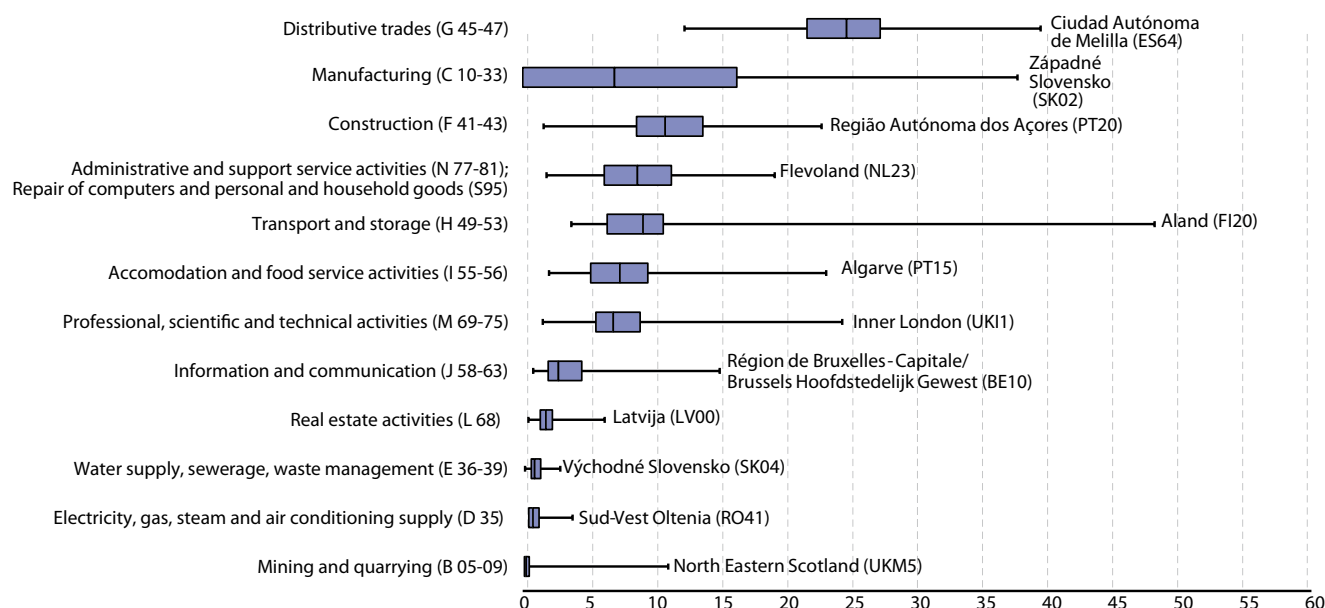
Table 9.1: Most specialised region by activity (NACE sections and divisions), EU-27 and Norway, 2007 ⁽¹⁾
(%, share of total non-financial business economy employment of the region and the median and average share of all regions) (cont.)

Activity (NACE)	All regions		Most specialised region	
	Median share (%)	Average share (%)	Name (NUTS 2 region)	Share of the region (%)
Retail trade (47)	14.2	14.8	Ciudad Autónoma de Melilla (ES64)	26.2
Transport and storage (H 49-53)	7.5	8.3	Åland (FI20)	46.4
Land transport and pipelines (49)	4.2	4.5	Sjælland (DK02)	14.3
Water transport (50)	0.0	0.4	Åland (FI20)	37.4
Air transport (51)	0.0	0.2	Outer London (UKI2)	3.5
Supporting transport activities (52)	1.6	1.8	Bremen (DE50)	10.8
Postal and courier activities (53)	1.2	1.3	Köln (DEA2)	13.3
Accommodation and food service activities (I 55-56)	7.4	7.8	Algarve (PT15)	23.1
Accommodation (55)	1.6	2.2	Provincia Autonoma Bolzano/Bozen (ITD1)	13.5
Food and beverage service activities (56)	5.5	5.6	Algarve (PT15)	13.7
Information and communication (J 58-63)	2.7	3.6	Région de Bruxelles-Capitale/Brussels Hoofdstedelijk Gewest (BE10)	15.0
Publishing activities (58)	0.5	0.6	Oslo og Akershus (NO01)	3.5
Multimedia publishing (59)	0.1	0.2	Inner London (UKI1)	2.5
Programming and broadcasting (60)	0.1	0.2	Rheinhesen-Pfalz (DEB3)	1.1
Telecommunications (61)	0.5	0.7	Köln (DEA2)	7.6
Computer activities (62)	1.2	1.6	Utrecht (NL31)	8.1
Information service activities (63)	0.2	0.3	Bremen (DE50)	2.1
Real estate activities (L 68)	1.8	1.8	Latvija (LV00)	6.2
Professional, scientific and technical activities (M 69-75)	6.9	7.5	Inner London (UKI1)	24.3
Legal and accounting activities (69)	2.2	2.2	Inner London (UKI1)	8.3
Activities of head offices (70)	0.9	1.3	Inner London (UKI1)	6.4
Architectural and engineering activities (71)	2.0	2.1	North Eastern Scotland (UKM5)	11.9
Scientific research and development (72)	0.2	0.3	Trøndelag (NO06)	2.4
Advertising and market research (73)	0.5	0.7	Inner London (UKI1)	3.3
Other professional, scientific and technical activities (74)	0.6	0.7	Inner London (UKI1)	2.2
Veterinary activities (75)	0.1	0.2	Cornwall and Isles of Scilly (UKK3)	0.7
Administrative and support service activities (N 77-82)	8.5	8.7	Flevoland (NL23)	18.9
Rental and leasing activities (77)	0.4	0.5	North Eastern Scotland (UKM5)	1.9
Employment activities (78)	2.2	3.0	Groningen (NL11)	14.2
Travel agency and related activities (79)	0.3	0.4	Illes Balears (ES53)	1.5
Security and investigation (80)	0.8	0.9	Bucureşti - Ilfov (RO32)	5.0
Service to buildings and landscape activities (81)	2.5	2.7	Berlin (DE30)	8.2
Other administrative and business activities (82)	1.2	1.3	Köln (DEA2)	4.6
Repair of computers and personal and household goods (S 95)	0.3	0.3	Prov. Vlaams-Brabant (BE24)	0.7

⁽¹⁾ EU-27, excluding Greece, Spain (divisions F41-F43), France, Latvia (section F), Luxembourg, Malta and Cyprus (division M72); Norway, excluding sections B-E.
c: confidential data.

Source: Eurostat (online data code: sbs_r_nuts06_r2).

Figure 9.1: Degree of regional specialisation by activity, EU-27 and Norway, by NUTS 2 regions, 2008 ⁽¹⁾
(%, share of non-financial business economy employment)



⁽¹⁾ EU-27, excluding Greece, France, Latvia (section F), Luxembourg, Malta and Cyprus (division M72); Norway, excluding sections B-E.

Source: Eurostat (online data code: [sbs_r_nuts06_r2](#)).

trades, which tend to serve more local clients and are large, basic activities present in each region, was much narrower.

Manufacturing accounted for only 2.4 % of persons employed in Ciudad Autónoma de Melilla (Spain) and under 10 % in a further 11 regions, including the capital regions of the Netherlands, 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 regions: Střední Morava with 47.7 % and Severovýchod with 48.3 %. Západné Slovensko (Slovakia) was the only region where the share of employment in manufacturing exceeded half the non-financial business economy workforce (54.7 %). 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 12.3 % in Région de Bruxelles-Capitale/Brussels Hoofdstedelijk Gewest (Belgium) and less than 15 % in Åland (Finland) and in another four regions in Belgium, to more than a third in Ciudad Autónoma de Ceuta and Ciudad Autónoma de Melilla (Spain).

On the other hand, transport and storage (NACE section H) and mining and quarrying (NACE section B) are two activities with a few strong outlier regions that are highly specialised. In fact, there were only two 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 (46.4 %) was employed in this sector, is due almost exclusively to the importance of water transport. Åland was far ahead of Köln in Germany (20.4 %). Natural endowments play an important role in 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 0.1 % of persons employed in a quarter of all regions, and between 0.1 % and 0.5 % in half of the regions. However, it did account for over 4 % in five regions and as much as a 10th of the total non-financial business economy workforce in North Eastern Scotland (United Kingdom) and Śląskie (Poland).

Business concentration

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 ranked highly in terms of both specialisation and concentration.

Map 9.3 gives an indication of how concentrated or diversified the regional business economy was in 2008, 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 higher



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, Portugal and Italy), underlining the importance of construction, trade, and accommodation and food service activities in tourism-oriented regions. In addition, high business concentration was observed in Danish, Irish, Polish and British regions as well as in Latvia and Lithuania.

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 and Hungary), although low shares were also recorded in Sweden and Finland (except for the island region of Åland). The five largest activities accounted for less than a third of total employment in five regions in the Czech Republic, two in Belgium and one in Spain.

Figure 9.2 shows the extent to which employment in certain activities was concentrated in a limited number of regions in 2008.

Four of the five mining and quarrying activities topped the rankings in terms of the share of total employment in the EU-27 and Norway, and of the 10 regions with the largest workforces. The most concentrated was the mining of metal ores (NACE 07), with persons employed in only a fifth of all the regions in 2008.

Air transport (NACE 51) and leather and leather products manufacturing (NACE 15) were also highly concentrated in the 10 largest regions, which together accounted for 43 % and 49 % 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 are 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 and Romania: three of the 10 regions with the largest workforces were situated in Italy, three in Romania and one each in Portugal, Spain, Slovakia and Bulgaria. The region with the largest workforce was Toscana in Italy, with 41 000 persons employed, but it ranked only third, accounting for almost 4 % of the total leather manufacturing workforce in the EU-27 and Norway. Concentration of this activity was slightly higher in Nord-Vest (Romania) and reached the highest level in Marche (6.6 %) in Italy.

In contrast to the more specialised types of mining and quarrying, 'other mining and quarrying' (NACE 08) was among the activities in which the 10 largest regions were least dominant, accounting for only 12 % 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 quarrying in most regions. Of all the activities (NACE divisions), retail trade (NACE 47), specialised construction activities (NACE 43), motor trades and repair (NACE 45) and food manufacturing (NACE 10) 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.

Data sources and availability

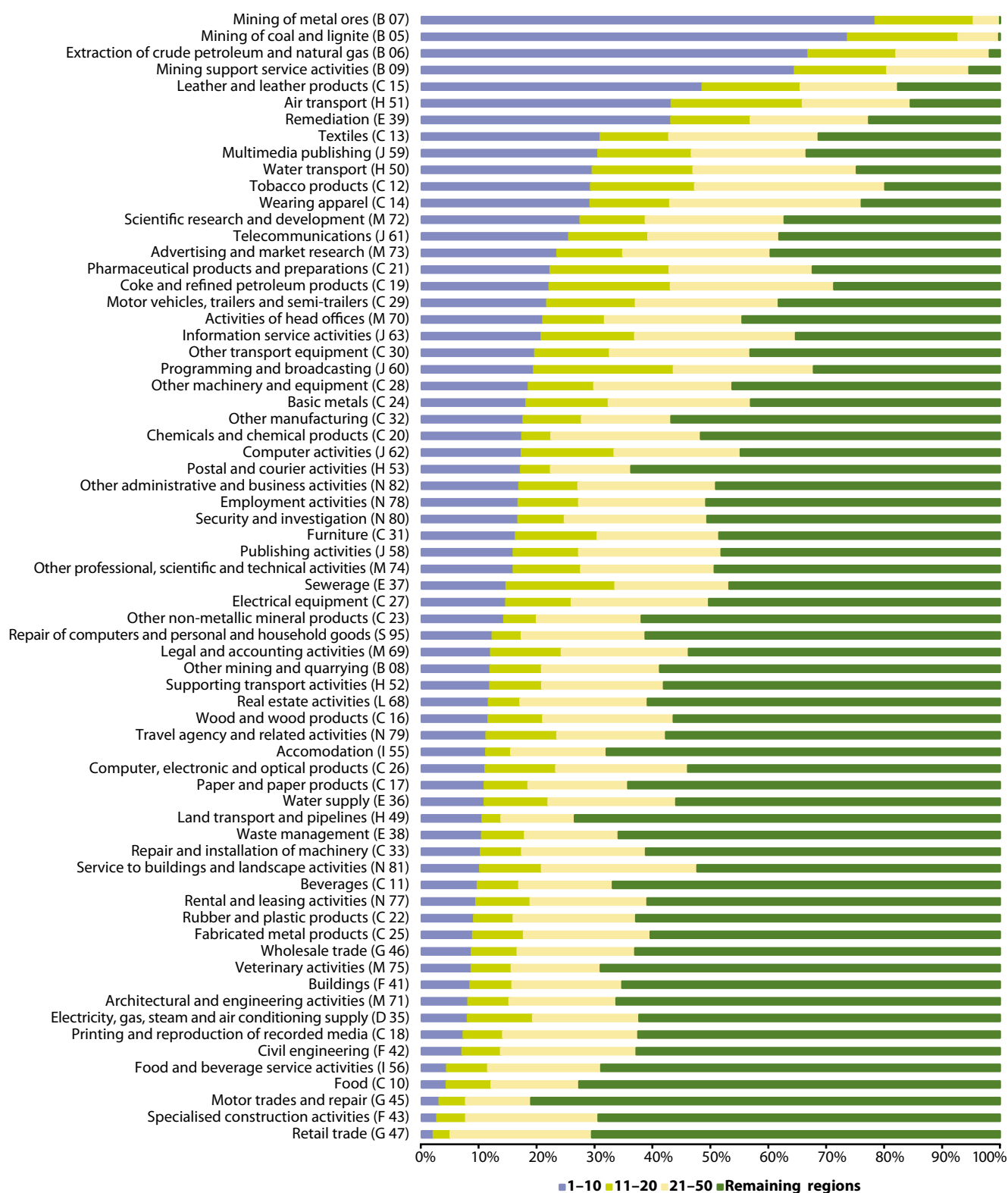
Regional structural business statistics (SBS) are collected under a regulation of the European Parliament and of the Council, using the definitions and breakdowns specified in the Commission implementing regulations. Data for the reference year 2008, presented in this chapter, were collected under Regulation (EC) No 295/2008 of 11 March 2008 concerning structural business statistics. The data cover the EU Member States and Norway. 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 the section of the Eurostat website dedicated to European business: http://epp.eurostat.ec.europa.eu/portal/page/portal/european_business/introduction

Most data series are continuously updated and revised where necessary. This chapter reflects the data situation in March 2011.

Structural business statistics are presented by sectors of activity, for the first time according to the NACE Rev. 2 classification, with a breakdown to two-digit level (NACE divisions). The data presented here are restricted to the non-financial business economy. This includes sections B (Mining and quarrying), C (Manufacturing), D (Electricity, gas, steam and air conditioning supply), E (Water supply, sewerage and waste management), F (Construction), G (Distributive trades), H (Transport and storage), I (Accommodation and food service activities), J (Information and communication), L (Real estate activities), M (Professional, scientific and technical activities) and N (Administrative and support service activities) and division S95 (Repair of computers and personal and household goods). 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 K).

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

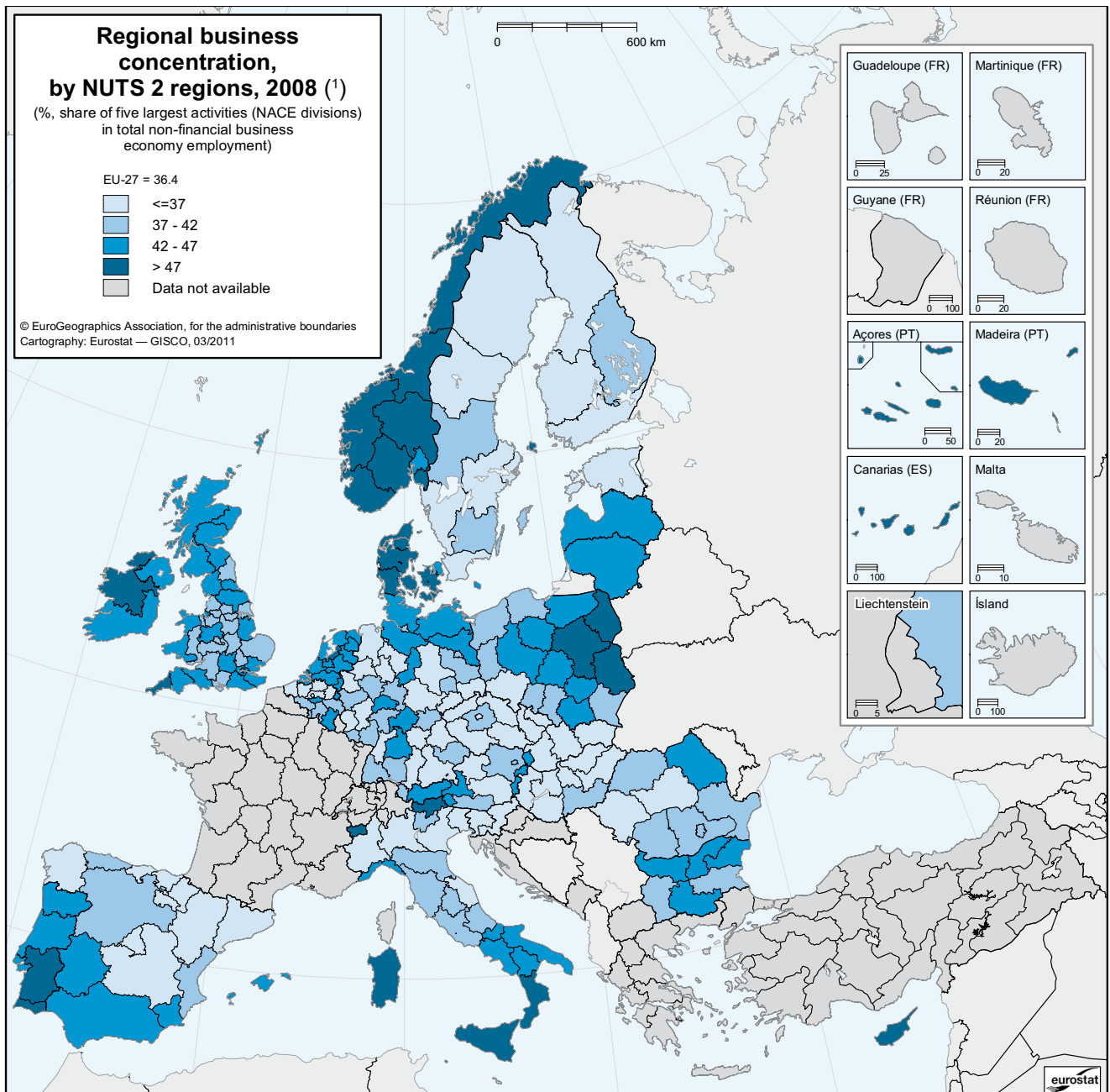
Figure 9.2: Most concentrated activities (NACE divisions), EU-27 and Norway, by NUTS 2 regions, 2008 ⁽¹⁾
(%, share of regions in total sectoral employment)



⁽¹⁾ EU-27, excluding Greece, Spain (divisions F41-F43), France, Latvia (section F), Luxembourg, Malta and Cyprus (division M72); Norway, excluding sections B-E.

Source: Eurostat (online data code: sbs_r_nuts06_r2).

Map 9.3: Regional business concentration, by NUTS 2 regions, 2008 ⁽¹⁾
 (% share of five largest activities (NACE divisions) in total non-financial business economy employment)



⁽¹⁾ Norway, excluding sections B-E; EU-27, excluding Greece, France, Latvia (section F), Luxembourg and Malta.

Source: Eurostat (online data code: [sbs_r_nuts06_r2](#)).



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 is assigned on the basis of the principal activity of the enterprise.

Structural business statistics define the **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 but who belong to it and are paid by it. It includes working proprietors, unpaid family workers, part-time workers and seasonal workers.

Context

Regional structural business statistics offer users who want 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 shows how some of these data can be used to analyse different regional business characteristics: the focus, diversity and specialisation of regional business economies and the nature and characteristics of regional business services. The analysis in this chapter generally confirms the positive expectations for the business services sector, strengthening the belief that this 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 technological gains are likely to lead to further integration among Europe's regions (and beyond), bringing buyers and sellers of these services closer together.