

# Structural business statistics

# 6



## Introduction

Structural business statistics (SBS) cover industry, construction and non-financial services, collectively referred to as the non-financial business economy. Presented according to the activity classification, NACE, these statistics describe the structure, conduct and performance of businesses across the European Union (EU). Structural business statistics can be analysed at a very detailed sectoral level (several hundred economic activities), by enterprise size class, or by region.

Cohesion policy supports the creation and growth of businesses, in particular small and medium-sized enterprises (SMEs), with the aim of improving regional competitiveness and performance. SMEs often face difficulties in accessing finance, coping with administrative demands, or keeping-up with technological change. The EU aims to tackle these difficulties through a combination of direct investment and supporting measures, such as training and business support services, fostering an innovative environment, providing information on access to finance or technology transfer, supporting access to global markets, or developing support networks and clusters.

Adopted in June 2008, the Small Business Act for Europe (COM(2008) 394) reflects the European Commission's recognition of the central role that SMEs play in the EU economy (SMEs account for 99 % of all European businesses). It put in place a policy framework for SMEs, aiming to promote entrepreneurship, help SMEs tackle problems which hamper their development and implant a 'think small first' principle in policymaking. In February 2011, a review of the Small Business Act (COM(2011) 78) was conducted: this presented an overview of the progress achieved and set out new actions to respond to challenges resulting from the financial and economic crisis.

Alongside these developments, the European Commission adopted an Entrepreneurship 2020 Action Plan (COM(2013) 795) at the start of 2012, designed to stimulate an entrepreneurial spirit across the EU and to remove obstacles so that more entrepreneurs are encouraged to start a business. The plan is built on three main pillars: entrepreneurial education and training; the creation of an environment where entrepreneurs can flourish and grow; and developing role models and reaching out to specific groups whose entrepreneurial potential is not being fully tapped (for example, ethnic minorities). It seeks to: address cultural factors which discourage people from starting a business (such as removing the stigma attached to business failure); reduce administrative requirements (which are often seen as a major factor in deterring entrepreneurs from starting a business); and make it easier for entrepreneurs to attract investors.

During the financial and economic crisis, the EU enacted a temporary framework that simplified the rules governing state aid schemes co-financed by cohesion policy. Schemes were put in place that allowed advances of state aid to help relieve companies from their economic difficulties, provided subsidised loans or additional capital injections.

More generally, cohesion and regional policy financing must respect state aid rules as laid out in Article 107 of the Treaty on the functioning of the EU, aside from exemptions linked to the operation of structural funds, which allow aid to promote the economic development of areas where the standard of living is abnormally low or where there is serious underemployment and aid to facilitate the development of certain economic activities, where this does not adversely affect trading conditions to an extent contrary to the common interest. These exemptions allow EU Member States to grant state aid to companies in less advantaged regions of the EU, supporting investments in new production facilities and the modernisation of existing facilities; a full set of rules are laid out in the regional aid guidelines.



### BUSINESS SUPPORT — COHESION POLICY FUNDING

As noted above, the EU aims to help develop regional economies by providing support for the creation and growth of business, in particular, small and medium-sized enterprises (SMEs). The economic performance of those regions which are lagging behind the EU average may be stimulated through support to (potential) entrepreneurs, attracting investors and enhancing the productive capacity of regions.

More than a million enterprises are created every year in the EU, equivalent to about 10 % of the total business enterprise population, while SMEs account for approximately two-thirds of all private sector jobs in the EU. However, SMEs often face considerable difficulties to access capital, and frequently lack experience, know-how or knowledge.

During the period 2007–13 the EU allocated a total of EUR 69 733 million to business support measures, equivalent to 20.3 % of its total cohesion budget. The three most prominent objectives were: direct support to SMEs, other support to large and smaller businesses, and support to restructure firms and the adaptability of workers. Business support accounted for 33.7 % of the budget allocation for the regional competitiveness and employment objective, and just less than 18 % of the allocation for both the convergence objective and the European territorial cooperation objective.

#### For more information:

Business support under cohesion policy: [http://ec.europa.eu/regional\\_policy/activity/business/index\\_en.cfm](http://ec.europa.eu/regional_policy/activity/business/index_en.cfm)

## Main statistical findings

Eurostat compiles and publishes SBS for EU regions for NACE sections and NACE divisions; the latest information available generally relates to reference year 2011 (although the latest data for Greece and France refer to 2010). Regional SBS are available for most EU Member States at the NUTS 2 level; they are also available for Norway. Data are presented at a national level for Croatia and for Switzerland, while no information is available for Malta.

According to estimates made using national SBS figures, there were approximately 21.7 million enterprises active in the EU-28's non-financial business economy in 2011. Together, they generated EUR 6 142 billion of gross value added and employed some 133.2 million persons.

### Industrial and services specialisation

The main variable used for analysis in this chapter is the number of persons employed (regional SBS are not collected for value added). On this basis, there are significant disparities between EU regions in terms of the importance of different activities within their non-financial business economies. While some activities — such as retail trade and to some extent construction — ubiquitously appear across all regions, many others exhibit a considerable variation in their level of concentration, often with only a few regions having a particularly high degree of specialisation.

#### *Industrial specialisation is often linked to the availability of natural resources*

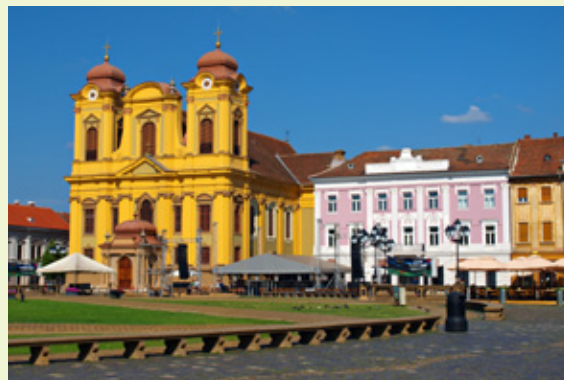
The reasons for such specialisation are varied and include: the availability of natural resources (for example, for mining and quarrying or forest-based manufacturing); access to skilled employees (for example, for scientific research and development); the level of production costs (for example, wages and other labour costs, or the cost and availability of other inputs); adequate provisions of infrastructure (for example, transport or telecommunications); climatic and topographic conditions (particularly relevant in relation to tourism activities); proximity or access to markets; and legislative constraints. All of these may impact upon the considerable disparities that exist between European regions as regards the importance of different activities within their respective business economies.

#### *Industry accounted for almost one quarter of the EU's non-financial business economy workforce*

The share of a specific activity within the business economy gives an idea as to which regions are the most or least specialised, regardless of whether the region or the activity considered are large or small. **Map 6.1** shows that there was a wide range in the relative contribution of industrial activities to non-financial business economy employment in 2011. Across the whole of the EU-28, industrial activities accounted for just less than one quarter (24.7 %) of the total workforce in the non-financial business economy.



#### SPOTLIGHT ON THE REGIONS: VEST (RO42), ROMANIA



#### Union square, Timisoara

The western Romanian region of Vest is characterised by a relatively high degree of inward investment; it is located close to the Hungarian border. Almost half (47.4 %) of the non-financial business economy workforce in Vest was employed within an industrial activity; the highest share across the whole of the EU-28 in 2011. Of the eight NUTS 2 regions within Romania, five had an industrial employment share above 40 %, while only the capital region of Bucureşti – Ilfov recorded a share that was below the EU-28 average.

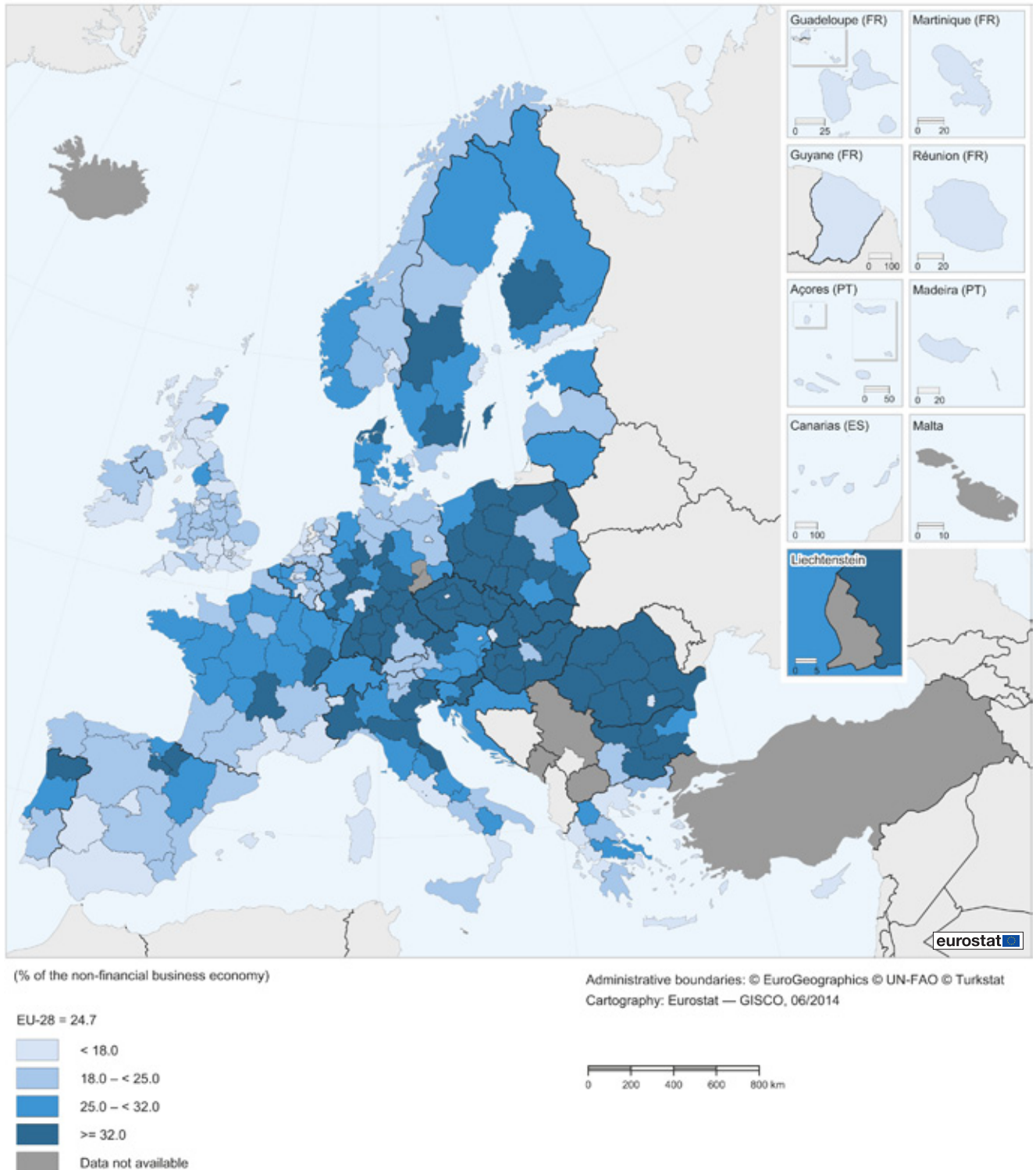
*Photo: Todor Bozhinov*

Among the 268 NUTS 2 regions in the EU for which data are available, just over one quarter (or 73 regions) reported that industrial activities accounted for at least 32.0 % of their non-financial business economy workforce. The highest shares in 2011 — between 45.1 % and 47.4 % — were recorded in the Severovýchod and Střední Morava regions of the Czech Republic, the Közép-Dunántúl region of Hungary, the Vest and Centru regions of Romania, and the Severozapaden and Severen tsentralen regions of Bulgaria. As such, these regions with particularly high degrees of industrial specialisation ran in a band from Liberec, a textile making city in the north of the Czech Republic, down to Ruse, the largest fluvial port in Bulgaria.

#### *Weight of the industrial economy tended to be relatively high across eastern Europe ...*

More generally, the weight of the industrial economy in the non-financial business economy workforce tended to be relatively high across most eastern European regions in 2011; it was most pronounced in Bulgaria, the Czech Republic, Hungary, Poland and Romania. This relatively high degree of specialisation for industrial activities in eastern Europe may reflect, to some degree, relatively low labour costs, outsourcing and foreign direct investment strategies.

**Map 6.1:** Employment in the industrial economy, by NUTS 2 regions, 2011 <sup>(1)</sup>  
(% of the non-financial business economy)



<sup>(1)</sup> Industry: NACE Rev. 2 Sections B–E. EU-28 average: calculated on the basis of available data. Greece and France: 2010. Croatia and Switzerland: national level.  
Source: Eurostat (online data code: [sbs\\_r\\_nuts06\\_r2](#))



*... while there were three southern German regions where industrial activities accounted for at least 40 % of the non-financial business economy workforce*

The southern German regions of Tübingen, Oberfranken and Oberpfalz were the only regions from EU-15 Member States to report that industrial activities accounted for at least 40.0 % of their non-financial business economy workforce. Otherwise, there were 30 other regions across the EU-15 Member States where the industrial workforce accounted for at least 32 % of those working in the non-financial business economy (as shown by the darkest shade in **Map 6.1**). Almost half of these were in Germany (14 regions), while the remaining pockets of concentrated industrial activity were located across Italy (five regions), France, Spain, Austria and Sweden (two regions each), and Denmark, Portugal and Finland (a single region each). Among these the highest shares of industrial employment were registered by: Marche in Italy (39.3 %); Småland med öarna in Sweden (37.3 %); the Comunidad Foral de Navarra in Spain (36.7 %); Franche-Comté in France (36.6 %, data are for 2010); and Länsi-Suomi in Finland (36.0 %).

In Luxembourg (one region at this level of analysis), Ireland, the Netherlands and the United Kingdom there were particularly low employment shares for industrial activities across all regions. In Luxembourg the industrial workforce accounted for 15.1 % of those working in the non-financial business economy in 2011, while this share rose to a high of 19.3 % among Dutch regions in Overijssel, 22.8 % among Irish regions in Border, Midland and Western, and to 25.8 % among the regions of the United Kingdom in North Eastern Scotland.

*Industrial activity was relatively low in most capital regions and remote areas on the periphery of the EU*

There were 72 regions in the EU where less than 18.0 % of the non-financial business economy workforce was active in an industrial activity; this was often the case in capital regions and relatively remote regions on the periphery of the EU, for example island regions (oil and gas exploration off the north-east coast Scotland was an exception to this rule).

In 12 of these 72 regions, the industrial economy accounted for less than 1 in 10 persons within the non-financial business economy workforce; note that data are confidential for 8 of the 72 regions identified and as such, there may be additional regions where the relative weight of industrial employment was below 1 in 10 persons. These 12 regions were spread across seven different EU Member States — with the lowest share recorded in the Ciudad Autónoma de Melilla (Spain), at just 1.8 %. There were three other Spanish regions where the share of industry in the non-financial business economy workforce was less than 10.0 %, the Ciudad Autónoma de Ceuta, and two renowned tourist destinations, namely the islands of the Canarias and the Illes Balears. Other tourist destinations characterised as having relatively low shares of employment within the industrial economy included

the Greek island region of Notio Aigaio in the Aegean Sea and the French island of Corse (data are for 2010 for both of these regions), and the Algarve in southern Portugal. The remaining regions included the capital regions of Région de Bruxelles-Capitale / Brussels Hoofdstedelijk Gewest, Noord-Holland, Inner and Outer London (two regions), as well as Utrecht (the Netherlands).

*Slightly fewer than 1 in 10 of the EU's non-financial business economy workforce was employed in the construction sector*

The regional analysis presented in **Map 6.1** may be contrasted with that presented in **Maps 6.2** and **6.3**, which provide information on the relative contribution of construction and non-financial services to non-financial business economy employment. Given that construction accounted for a relatively low share of the EU-28's non-financial business economy in 2011, just under one in ten (9.7 %) of the total number of persons, the patterns shown in **Map 6.1** are, to some degree, mirrored in **Map 6.3**, with those regions characterised as having relatively low shares of industrial employment expected to report relatively high shares of their workforce within non-financial services.

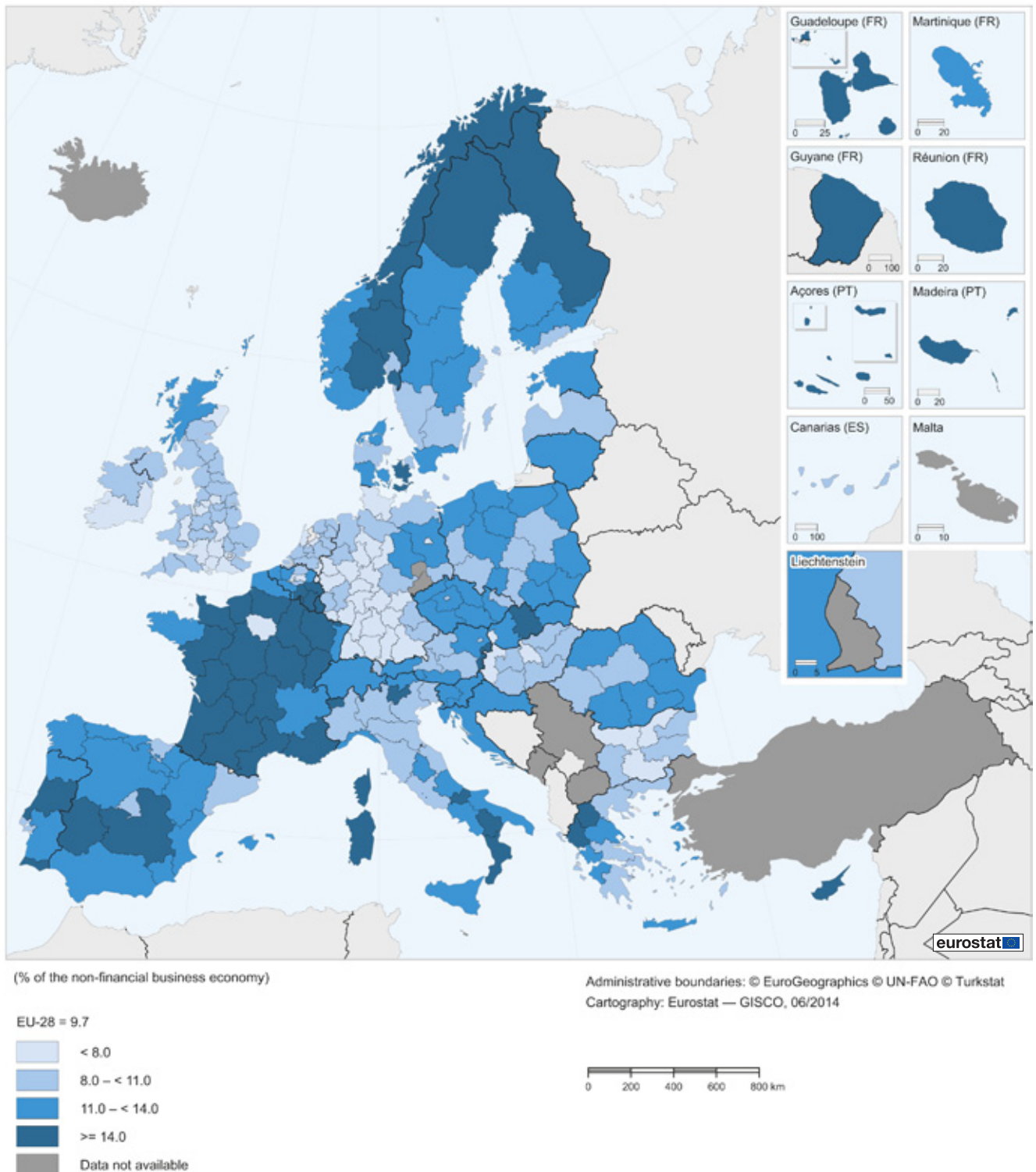
**Map 6.2** shows the employment share of construction activities in 2011. The construction sector experienced a considerable contraction in some of the EU Member States during the financial and economic crisis, for example, prior to the crisis the construction sectors of Ireland, Spain or Cyprus were flourishing. There were 50 regions across the EU where the construction sector accounted for fewer than 8.0 % of the non-financial business economy workforce — as shown by the lightest shaded regions in **Map 6.2**. The vast majority of these were located in either Germany (24 regions) or the United Kingdom (13 regions), while there were also regions from Belgium, Bulgaria, Ireland Hungary and the Netherlands, as well as the capital regions of France and Slovakia.

*Low level of construction activity in many capital regions*

The low share of employment in construction activities within capital regions may be linked to construction enterprises having their offices, vehicle parks and yards for stocking construction materials and equipment outside of capital regions, given the premium on land prices or rental prices in capital cities and major conurbations, or alternatively could be linked to a lack of available sites for certain cities. The lowest regional share of persons working in the construction sector — 3.6 % of the non-financial business economy workforce in 2011 — was recorded in the capital region of Inner London.

Five, largely urban German regions — Hamburg, Bremen, Köln, Darmstadt and Mittelfranken — and the Southern and Eastern capital region of Ireland also recorded employment shares construction of less than 5.0 %. By contrast, the other Irish region — Border, Midland and

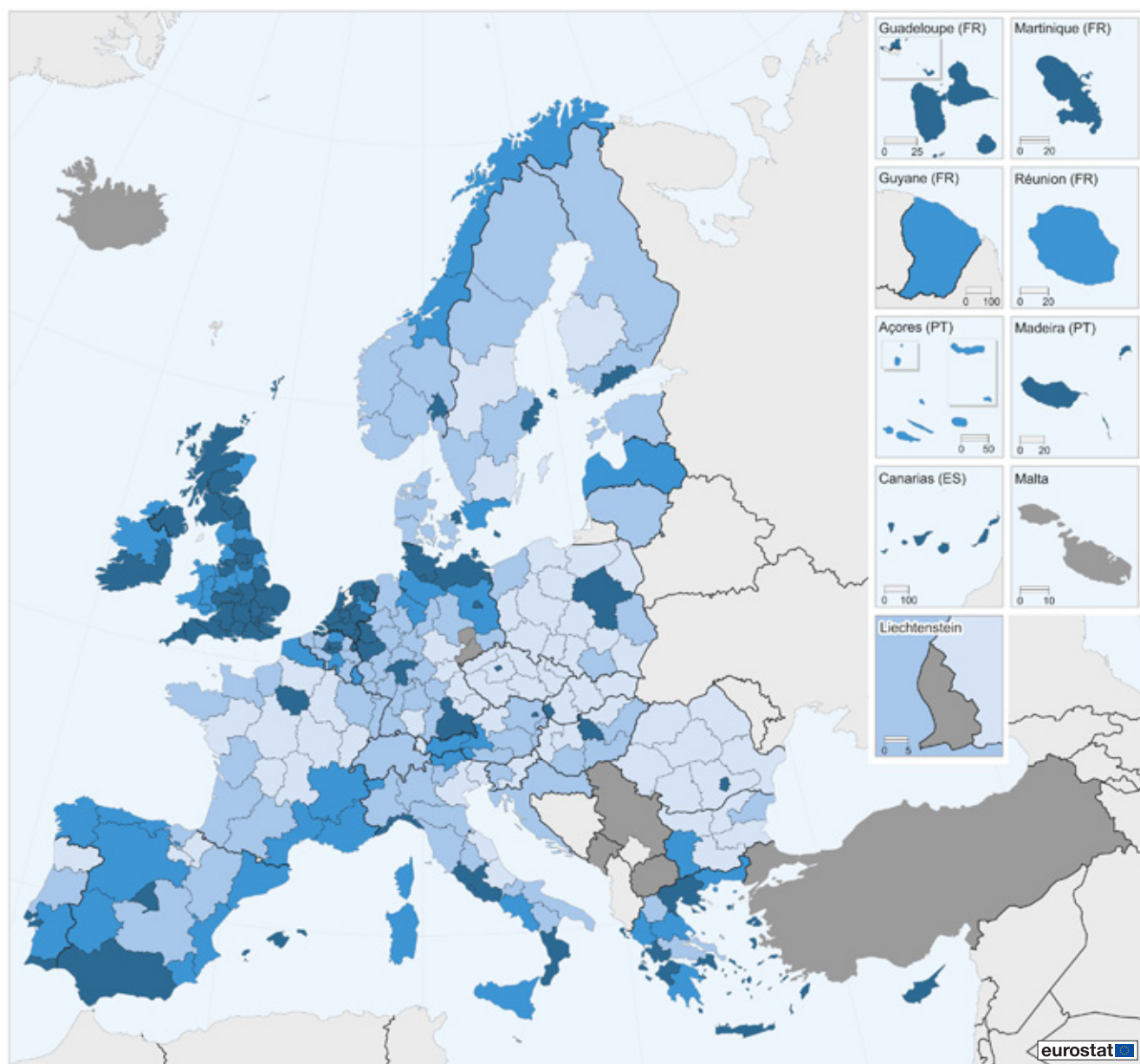
**Map 6.2:** Employment in construction, by NUTS 2 regions, 2011 <sup>(1)</sup>  
(% of the non-financial business economy)



<sup>(1)</sup> Construction: NACE Rev. 2 Section F. EU-28 average: calculated on the basis of available data. Greece and France: 2010. Croatia and Switzerland: national level.  
Source: Eurostat (online data code: [sbs\\_r\\_nuts06\\_r2](#))



**Map 6.3:** Employment in the non-financial services economy, by NUTS 2 regions, 2011 <sup>(1)</sup>  
 (% of the non-financial business economy)



(% of the non-financial business economy)

EU-28 = 65.6



Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat  
 Cartography: Eurostat — GISCO, 06/2014



<sup>(1)</sup> Non-financial services: NACE Rev. 2 Sections G–N (excluding Section K) and Division 95. EU-28 average: calculated on the basis of available data. Greece and France: 2010. Croatia and Switzerland: national level.

Source: Eurostat (online data code: sbs\_r\_nuts06\_r2)

Western — moved from featuring among the 10 EU regions with the lowest shares of employment in construction in 2010 to a position where its employment share (9.0 %) was almost as high as the EU-28 average in 2011; this remained in stark contrast to the prominence of the Irish construction sector pre-crisis, despite indicating a recovery.

***In Corse, almost one quarter of the non-financial business economy workforce was employed in the construction sector***

There were 45 regions in the EU where construction activities accounted for at least 14.0 % of the non-financial business economy workforce in 2011. These were located across a range of Member States: with almost half (20) of the regions in France (all data are for 2010), six in Italy, four in Portugal, three each in Belgium and Spain, two in Greece (2010 data) and a single region from each of Denmark, Austria, Slovakia, Finland, Sweden, Cyprus and Luxembourg (the latter two are single regions at this level of analysis). The highest share of construction activities in the non-financial business economy workforce was recorded in the French island region of Corse (24.5 %), while the southern French region of Languedoc-Roussillon was the only other region to report that more than one in five of its non-financial business economy workforce was employed by the construction sector.

Despite the dramatic slowdown in construction activity in Spain, there remained three regions where at least 14.0 % of the non-financial business economy workforce continued to be employed in the construction sector in 2011. Two of these were central regions characterised by relatively low levels of population density, Extremadura and Castilla-La Mancha, while the third was the overseas autonomous city of Ciudad Autónoma de Ceuta.

***Non-financial services accounted for almost two out of three persons working in the EU's non-financial business economy***

Non-financial services accounted for almost two thirds (65.6 %) of the EU-28's non-financial business economy workforce in 2011. **Map 6.3** shows the distribution of regional workforces within the non-financial services sector, with a high propensity for the most service-oriented workforces to be located in major urban areas and especially in capital regions.

***Relative importance of the non-financial services workforce was highest in Inner London***

Non-financial services accounted for 70.0 % or more of the non-financial business economy workforce in 85 NUTS 2 regions across the EU in 2011 (as shown by the darkest shade in **Map 6.3**; note that data are confidential for six of these regions). In 16 of the remaining 79 regions the relative weight of non-financial services rose to 80 % or more, with the highest share recorded for Inner London (93.8 %). There were five more capital regions — all of which were located in EU-15 Member States — where the share of non-financial services employment was at least 80 %. They included the Région de Bruxelles-Capitale / Brussels Hoofdstedelijk Gewest, Noord-Holland, Berlin, Southern and Eastern (Ireland) and the Comunidad de Madrid. A share of more than 80 % was also recorded for the Norwegian capital region of Oslo og Akershus (81.0 %).

Relatively high shares of employment within non-financial services were also recorded in several regions associated with tourism, particularly island regions, for example, Notio Aigaio in Greece or the Canarias in Spain, while the Algarve in Portugal also registered a high share.

Among those Member States that joined the EU since 2004, the capital regions of Bratislavský kraj (Slovakia, 77.6 %), Közép-Magyarország (Hungary, 74.3 %), București – Ilfov (Romania, 72.1 %), Mazowieckie (Poland, 71.1 %), Praha (the Czech Republic, value cannot be disclosed as it is confidential) and Cyprus (a single region at this level of analysis, 70.1 %) were the only regions where at least 70.0 % of the non-financial business economy workforce was employed within non-financial services.

There were 62 regions in the EU where the non-financial services share of employment was less than 55.0 % (the lightest shade in **Map 6.3**). Among these, there were 28 regions where the share of employment attributed to non-financial services was 50.0 % or less. These were often regions that recorded a relatively high degree of specialisation in industrial activities with most of these regions located in Bulgaria, the Czech Republic, Hungary, Poland and Romania. There were only two regions from the EU-15 Member States which recorded employment shares of less than 50.0 % for non-financial services: both of these were located in France, namely, the Auvergne and Franche-Comté.





## Detailed specialisation within the non-financial business economy

**Table 6.1** presents a much more detailed activity analysis, for NACE sections and divisions. For each activity the table indicates the median and mean share of that activity in the non-financial business economy workforce across all regions. The final two columns in the table show for each activity which region was the most specialised, providing the employment share of that activity in relation to the non-financial business economy workforce in that region; note that some of this information is confidential although the names of the regions with the highest shares (not their values) are presented in the table.

### *Śląskie and North Eastern Scotland were specialised in mining and quarrying*

Mining and quarrying activities of energy-producing and metallic minerals tend to be very concentrated as a consequence of the geographical location of deposits, and therefore only a small number of regions were highly specialised in these activities; these characteristics mean that a handful of regions can account for a relatively high share of sectoral employment in some of these activities. The most notable examples include the mining of coal and lignite in Śląskie (Poland) or mining support services in North Eastern Scotland (the United Kingdom) and Agder og Rogaland (Norway), providing support for the offshore extraction of crude petroleum and natural gas in the North Sea.

### *Primary manufacturing activities often located in rural areas*

Manufacturing activities that involve the primary processing stages of agricultural, fishing or forestry products tend to be concentrated in areas close to the source of their raw materials. The regions most specialised in food manufacturing (NACE Division 10) were often located in rural areas or close to agricultural production centres: for example, Bretagne (in north-west France), Podlaskie (eastern Poland), Dél-Alföld (Hungary), Alentejo (Portugal), Severen tsentralen (Bulgaria) or Lincolnshire (the United Kingdom). Heavily forested Nordic and Baltic regions and mountainous, central Slovakian regions were among the most specialised for the manufacture of wood and wood products (NACE Division 16) and for the related manufacturing of paper and paper products (NACE Division 17). Latvia (a single region at this level of analysis) was the most specialised region for the manufacture of wood and wood products and Norra Mellansverige (Sweden) was the most specialised for manufacturing pulp and paper products. Some manufacturing activities that involve processing or consuming minerals may be located close to mineral deposits. Swietokrzyskie (Poland) was specialised in other mining and quarrying, as well as other non-metallic mineral products manufacturing.

### *Production of chemicals and pharmaceuticals specialised in Germany and Belgium*

Several German and Belgian regions were relatively specialised in the production of chemicals and pharmaceuticals, with Rheinhessen-Pfalz the most specialised region for chemicals manufacturing and the Prov. Brabant Wallon for pharmaceuticals. The highest regional specialisation for the manufacture of rubber and plastics was in the French region of the Auvergne, centred on Clermont-Ferrand. Several German regions were highly specialised in electrical engineering, machinery and motor vehicle manufacturing, with the highest regional specialisation for these activities recorded in Oberpfalz, Tübingen and Braunschweig.

### *Retail trade*

The retail trade sector is ubiquitous across all regions of the EU, although there are relatively large differences between countries as regards the structure of retailing, for example, the propensity for specialist food and non-food retailers, supermarkets and hypermarkets, department stores, shopping centres and out-of-town retail outlets. The highest number of persons employed within retailing activities (NACE Division 47) in 2012 was in Lombardia (almost 307 000). This equated to 9.7 % of the non-financial business economy workforce, one of only a handful of regions where less than one in ten of the workforce was employed within retailing. The retail trade sector generally accounted for a relatively low share of employment in the non-financial business economy in most capital regions: this was particularly the case in Hovedstaden, Île de France (data are for 2010), Luxembourg, Helsinki-Uusimaa and Stockholm.

By contrast, some 28.9 % of the non-financial business economy workforce in the French region of Nord - Pas-de-Calais (data are for 2010) was employed in the retail trade sector (almost 235 000 persons). Retail trade accounted for around one in five of the non-financial business economy workforce in a number of relatively rural French regions, western regions of Germany, most Greek regions, southern regions of Italy and western regions of the United Kingdom.

### *Island and capital regions are often the most specialised in transport services*

Transport services are influenced by location, with water transport (NACE Division 50) naturally being important for coastal regions and islands, while air transport (NACE Division 51) is generally important in those regions which are close to major cities, but also for island regions (especially those focused on tourism). The small island region of Åland (Finland) is a centre for ferry services between Sweden and Finland and other Baltic Sea traffic — it was very highly specialised in water transport, which accounted for 32.6 % of the total number of persons employed in this region's non-financial business economy



in 2011. Outer London was the region most specialised in air transport; while other regions with a high share of their non-financial business economy workforce in air transport included Noord-Holland (the Dutch capital region), Köln in Germany and Niederösterreich in Austria. The German

region of Köln (which includes the city of Bonn, home to Deutsche Post DHL) was particularly specialised in postal and courier activities, which accounted for more than 1 in 10 jobs within this region's non-financial business economy workforce.

**Table 6.1:** Average share of non-financial business economy employment and most specialised regions by activity (NACE sections and divisions) and by NUTS 2 regions, 2011 <sup>(1)</sup>

Activity (NACE code)	Average share across EU regions		Most specialised region	
	Median	Mean	Region name (NUTS level 2)	Share in regional non-financial business economy employment (%)
	(% of non-financial business economy employment)			
<b>Mining &amp; quarrying (B)</b>	0.3	0.6	Agder og Rogaland (NO04)	13.1
Mining of coal & lignite (05)	0.0	0.2	Śląskie (PL22)	9.1
Extraction of crude petroleum & natural gas (06)	0.0	0.1	Vestlandet (NO05)	6.7
Mining of metal ores (07)	0.0	0.0	Övre Norrland (SE33)	c
Other mining & quarrying (08)	0.2	0.2	Świętokrzyskie (PL33)	1.7
Mining support service activities (09)	0.0	0.1	Agder og Rogaland (NO04)	9.7
<b>Manufacturing (C)</b>	21.5	22.7	Severovýchod (CZ05)	44.6
Food (10)	3.1	3.3	Bretagne (FR52)	13.9
Beverages (11)	0.3	0.4	La Rioja (ES23)	3.4
Tobacco products (12)	0.0	0.0	Trier (DEB2)	c
Textiles (13)	0.3	0.4	Prov. West-Vlaanderen (BE25)	3.6
Wearing apparel (14)	0.2	0.8	Severozapaden (BG31)	10.4
Leather & leather products (15)	0.1	0.3	Marche (IT13)	6.3
Wood & wood products (16)	0.7	1.0	Latvija (LV00)	4.2
Paper & paper products (17)	0.4	0.5	Norra Mellansverige (SE31)	3.8
Printing & reproduction of recorded media (18)	0.5	0.6	Limousin (FR63)	1.5
Coke & refined petroleum products (19)	0.0	0.1	Opolskie (PL52)	c
Chemicals & chemical products (20)	0.6	0.8	Rheinhessen-Pfalz (DEB3)	8.3
Pharmaceutical products & preparations (21)	0.2	0.4	Prov. Brabant Wallon (BE31)	c
Rubber & plastic products (22)	1.1	1.3	Auvergne (FR72)	11.4
Other non-metallic mineral products (23)	0.9	1.1	Świętokrzyskie (PL33)	4.6
Basic metals (24)	0.5	0.9	Norra Mellansverige (SE31)	10.1
Fabricated metal products (25)	2.5	2.8	Vorarlberg (AT34)	8.2
Computer, electronic & optical products (26)	0.6	0.8	Észak-Magyarország (HU31)	6.0
Electrical equipment (27)	0.8	1.1	Oberpfalz (DE23)	8.3
Other machinery & equipment (28)	1.6	2.1	Tübingen (DE14)	11.6
Motor vehicles, trailers & semi-trailers (29)	0.8	1.6	Braunschweig (DE91)	c
Other transport equipment (30)	0.3	0.5	Midi-Pyrénées (FR62)	5.7
Furniture (31)	0.5	0.8	Warmińsko-Mazurskie (PL62)	7.6
Other manufacturing (32)	0.5	0.6	Border, Midland and Western (IE01)	5.1
Repair & installation of machinery (33)	0.9	0.9	Mittelfranken (DE25)	3.5
Electricity, gas, steam, & air con. supply (D)	0.7	0.9	Dytiki Makedonia (EL13)	14.1
<b>Water supply, sewerage, waste management (E)</b>	0.9	1.1	Sud-Est (RO22)	3.3
Water supply (36)	0.2	0.3	Severozapaden (BG31)	1.8
Sewerage (37)	0.1	0.1	Trier (DEB2)	c
Waste management (38)	0.6	0.7	Sicilia (ITG1)	1.9
Remediation (39)	0.0	0.0	Valle d'Aosta/Vallée d'Aoste (ITC2)	c
<b>Construction (F)</b>	10.8	11.0	Corse (FR83)	24.5
Construction of buildings (41)	2.7	3.1	Região Autónoma dos Açores (PT20)	11.0
Civil engineering (42)	1.2	1.3	Região Autónoma da Madeira (PT30)	4.4
Specialised construction activities (43)	5.7	6.6	Corse (FR83)	21.1

<sup>(1)</sup> EU-28 averages: calculated on the basis of available data. Greece and France: 2010. Chemnitz (DED4), Leipzig (DED5), Croatia and Malta: not available.

Source: Eurostat (online data code: [sbs\\_r\\_nuts06\\_r2](#))



### Southern Member States are some of the most specialised for accommodation services

Regions traditionally associated with tourism, for example, many regions in Greece, Italy, Portugal and Spain, were the most specialised in accommodation services (NACE

Division 55) and food and beverage service activities (NACE Division 56). The relative importance of tourism to many of these regions has been all the more important in recent years, given the effects of the financial and economic crisis. The south Aegean region of Greece (Notio Aigaio —

**Table 6.1** (continued): Average share of non-financial business economy employment and most specialised regions by activity (NACE sections and divisions) and by NUTS 2 regions, 2011 <sup>(1)</sup>

Activity (NACE code)	Average share across EU regions		Most specialised region	
	Median	Mean	Region name (NUTS level 2)	Share in regional non-financial business economy employment (%)
	(% of non-financial business economy employment)			
<b>Distributive trades (G)</b>	25.6	25.8	Dytiki Ellada (EL23)	41.0
Motor trades & repair (45)	3.0	3.1	Prov. Luxembourg (BE) (BE34)	5.4
Wholesale trade (46)	7.3	7.4	Kentriki Makedonia (EL12)	15.2
Retail trade (47)	14.5	14.7	Nord - Pas-de-Calais (FR30)	28.9
<b>Transport &amp; storage (H)</b>	7.3	7.8	Åland (FI20)	39.7
Land transport & pipelines (49)	4.3	4.3	Lietuva (LT00)	c
Water transport (50)	0.0	0.3	Åland (FI20)	32.6
Air transport (51)	0.0	0.2	Outer London (UKI2)	2.9
Supporting transport activities (52)	1.6	1.8	Bremen (DE50)	11.5
Postal & courier activities (53)	1.1	1.2	Köln (DEA2)	11.6
<b>Accommodation &amp; food service activities (I)</b>	7.5	8.4	Notio Aigaio (EL42)	32.2
Accommodation (55)	1.5	2.1	Notio Aigaio (EL42)	15.9
Food & beverage service activities (56)	5.7	5.8	Notio Aigaio (EL42)	16.3
<b>Information &amp; communication (J)</b>	2.6	3.4	Inner London (UKI1)	14.5
Publishing activities (58)	0.4	0.6	Detmold (DEA4)	3.4
Multimedia publishing (59)	0.1	0.2	Inner London (UKI1)	3.1
Programming & broadcasting (60)	0.1	0.1	Bucureşti - Ilfov (RO32)	0.9
Telecommunications (61)	0.4	0.6	Région de Bruxelles-Capitale / Brussels Hoofdstedelijk Gewest (BE10)	3.9
Computer activities (62)	1.2	1.6	Berkshire, Buckinghamshire and Oxfordshire (UKJ1)	7.8
Information service activities (63)	0.2	0.3	Wien (AT13)	1.6
<b>Real estate activities (L)</b>	1.9	1.9	Latvija (LV00)	5.4
<b>Professional, scientific &amp; technical activities (M)</b>	6.9	7.6	Inner London (UKI1)	25.7
Legal & accounting activities (69)	2.2	2.3	Inner London (UKI1)	9.6
Activities of head offices (70)	1.1	1.4	Inner London (UKI1)	7.0
Architectural & engineering activities (71)	1.9	2.1	North Eastern Scotland (UKM5)	11.3
Scientific research & development (72)	0.2	0.3	Trøndelag (NO06)	2.0
Advertising & market research (73)	0.5	0.7	Inner London (UKI1)	2.8
Other professional, scientific & technical activities (74)	0.6	0.7	Inner London (UKI1)	1.9
Veterinary activities (75)	0.1	0.2	North Yorkshire (UKE2)	0.9
<b>Administrative &amp; support service activities (N)</b>	8.2	8.7	Lisboa (PT17)	20.5
Rental & leasing activities (77)	0.4	0.5	Notio Aigaio (EL42)	2.2
Employment activities (78)	2.1	2.9	Groningen (NL11)	14.0
Travel agency & related activities (79)	0.3	0.3	Ionia Nisia (EL22)	1.9
Security & investigation (80)	0.8	1.0	Bucureşti - Ilfov (RO32)	5.3
Service to buildings & landscape activities (81)	2.8	2.9	Ciudad Autónoma de Melilla (ES64)	14.3
Other administrative & business activities (82)	1.2	1.4	Lisboa (PT17)	8.0
<b>Repair of computers &amp; personal &amp; household goods (95)</b>	0.3	0.3	Limousin (FR63)	1.4

<sup>(1)</sup> EU-28 averages: calculated on the basis of available data. Greece and France: 2010. Chemnitz (DED4), Leipzig (DED5), Croatia and Malta: not available.

Source: Eurostat (online data code: sbs\_r\_nuts06\_r2)

which includes, among others, the islands of Kos, Mykonos and Rhodes) recorded the highest share of non-financial business economy employment in accommodation and food and beverage service activities. These services also accounted for a relatively high share of the non-financial business economy workforce in the Alpine regions of the Provincia Autonoma Bolzano/Bozen (Italy) and Tirol (Austria), the island regions of Illes Balears (Spain) and the Região Autónoma da Madeira (Portugal), as well as in the Algarve (Portugal), the Scottish Highlands and Islands (the United Kingdom) and the German coastal region of Mecklenburg-Vorpommern.

### *Capital regions and their surrounding areas are specialised in business services*

Specialisation in information and communication activities (NACE Divisions 58 to 63), real estate activities (NACE Section L), professional scientific and technical activities (NACE Divisions 69 to 75) and administrative and support service activities (NACE Divisions 77 to 82) is sometimes based on access to a critical mass of clients (enterprises or households) or access to a specific knowledge base (external researchers and/or qualified staff). Inner London in the United Kingdom was the most specialised region for multimedia publishing (NACE Division 59), while Berkshire, Buckinghamshire and Oxfordshire (also in the United Kingdom) had the highest proportion of its regional non-financial business economy workforce employed within computer activities (NACE Division 62). The Belgian capital region of Région de Bruxelles-Capitale / Brussels Hoofdstedelijk Gewest and Köln in Germany were the most specialised in telecommunications (NACE Division 61). Latvia was the most specialised region for real estate activities, while British regions were the most specialised in nearly all of the professional, scientific and technical activities: Inner London for legal and accounting activities (NACE Division 69), activities of head offices (NACE Division 70), advertising and market research (NACE Division 73), and other professional, scientific and technical activities (NACE Division 74); North Eastern Scotland for architectural and engineering activities (NACE Division 71) — which (among other services) provides services for North Sea oil and gas platforms; and North Yorkshire for veterinary activities. Although the Norwegian region of Trøndelag recorded the highest degree of specialisation for scientific research and development (NACE Division 72), the region of East Anglia (which includes Cambridge) also had a high level of specialisation for these activities.



### SPOTLIGHT ON THE REGIONS: LATVIA (LV00), LATVIA



#### **Rīga cathedral and Vanšu bridge, Latvia**

Latvia is a single NUTS 2 region. Along with the other Baltic Member States, Finland and Sweden, it is characterised by its natural endowment of forests and woodland. Latvia was the most specialised region in the EU for the manufacture of wood and wood products, as this activity provided work to 4.2 % of its non-financial business economy workforce in 2011.

*Photo: David Holt*

The Portuguese capital region of Lisboa was most specialised in administrative and support service activities (NACE Section N), with 20.5 % of its non-financial business economy workforce employed in these activities. At a more detailed level, Groningen (the Netherlands) was particularly specialised in employment activities (NACE Division 78) and the Romanian capital region of Bucuresti - Ilfov had the highest proportion of its non-financial business economy workforce engaged in security and investigation services (NACE Division 80).

## Range of specialisation

**Figure 6.1** provides an overview of the relative importance of economic activities at the NACE section level in the non-financial business economy workforce. For each activity, the horizontal lines indicate the spread from the region with the lowest share of that activity in its non-financial business economy workforce to the region with the highest share; the region with the highest share is also named in the figure. The extremes of the highest and lowest shares can be influenced by a single region, and the coloured box shows a narrower range, defined to cover half of the regions (the inter-quartile range), with one quarter of all regions having



a higher employment share in that activity and one quarter of the regions having a lower share. The central bar within the coloured box shows the value of the median region. The activities are ranked from the largest employer (distributive trades) to the smallest (mining and quarrying).

The situation in manufacturing (NACE Section C) is particular in several ways. The range between the least and most specialised region is very wide for manufacturing as is the breadth of the coloured box, indicating the varying degrees of importance for manufacturing across EU regions. By contrast, the employment spread for large, basic activities, like construction and distributive trades, which tend to serve more local clients, was much narrower, both in terms of the spread of the extreme values (shown by the horizontal lines) and in terms of the breadth of the inter-quartile range (the coloured box containing half of the regions).

**The share of manufacturing in the non-financial business economy workforce peaked at 44.6 % in the Czech region of Severovýchod ...**

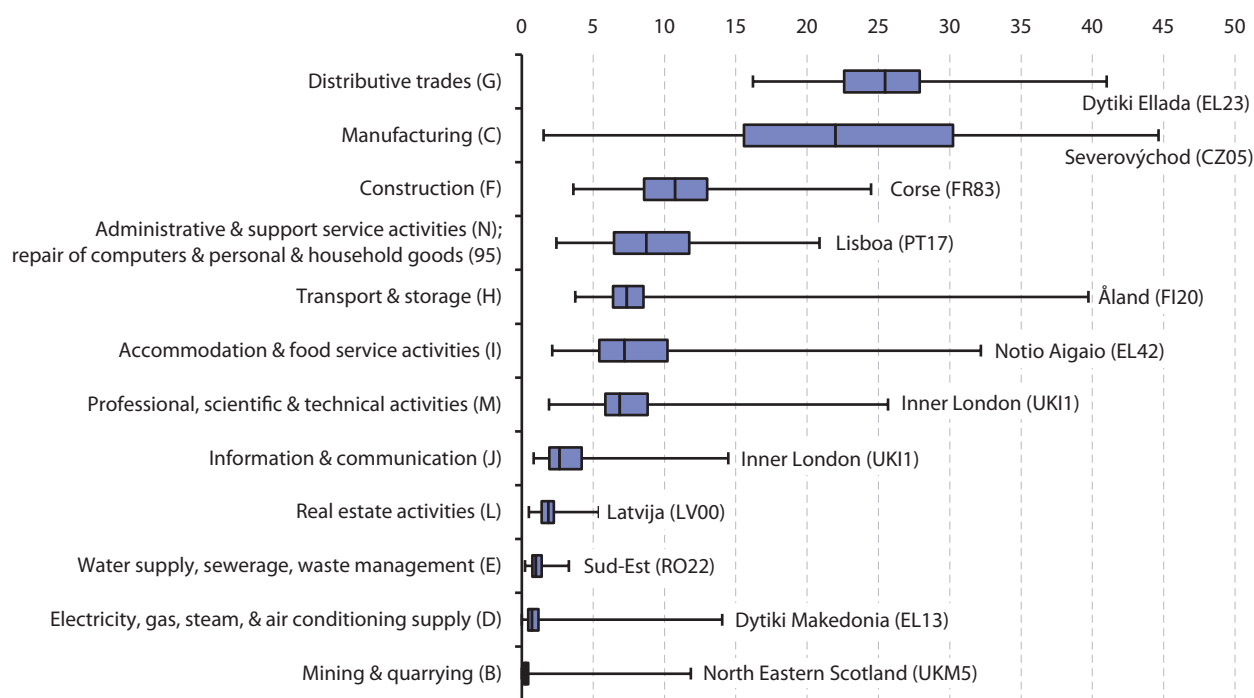
Manufacturing accounted for shares in the total number of persons employed in the non-financial business economy between 1.5 % and 44.6 % — the latter was recorded for Severovýchod (the Czech Republic). Transport and storage

(NACE Section H) and mining and quarrying (NACE Section B) are also activities where a few regions tend to be very highly specialised. The highest specialisation for transport and storage was in the small Finnish island region of Åland, where almost two fifths of the workforce (39.7 %) was employed in this sector; the specialisation in Åland is due almost exclusively to the importance of water transport. Natural endowments play an important role in mining and quarrying and, as such, many regions record little or no such activity, with a few regions being highly specialised on account of deposits of metallic ores, coal, oil or gas. Mining and quarrying accounted for 11.9 % of the non-financial business economy workforce in North Eastern Scotland (the United Kingdom), while the median share across all EU regions was 0.3 %.

**... while that for distributive trades rose to 41.0 % in Greek region of Dytiki Ellada**

By contrast, the spread of employment was much narrower for distributive trades (NACE Section G), which was the activity displaying the highest median employment share, as these activities were present on a relatively large scale in all regions. Employment shares for distributive trades ranged from a low of 16.2 % to just over two fifths (41.0 %) of the non-financial business economy workforce in Dytiki Ellada (western Greece).

**Figure 6.1: Regional specialisation by activity, by NUTS 2 regions, EU, 2011 (1)**  
(% of regional non-financial business economy employment)



(1) Minimum and maximum share (vertical lines at the extremes); inter-quartile range (box); median share (vertical line within the box); the figure is ranked on the median share; the name of the region with the highest value is also included. Greece and France: 2010. Chemnitz (DED4), Leipzig (DED5), Croatia and Malta: not available.

Source: Eurostat (online data code: sbs\_r\_nuts06\_r2)



## Business concentration

While an analysis of specialisation shows the relative importance of an individual activity in a particular region, regardless of the size of the region or the activity, **Figure 6.2** shows the extent to which a particular activity is widely spread across most regions or whether it is concentrated in a small number of regions.

### *Employment highly concentrated in mining and quarrying ...*

Four of the five mining and quarrying NACE divisions topped this ranking in 2011, with a very high share of employment concentrated in relatively few regions. The most concentrated activity was the mining of coal and lignite (NACE Division 05), where the entire EU workforce was concentrated across no more than 50 regions. For the mining of metal ores (NACE Division 07), the top 10 regions with the highest contributions to sectoral employment accounted for 83.9 % of the total workforce. These were the only two activities where more than three quarters of the workforce was concentrated in just 10 NUTS 2 regions across the whole of the EU.

The mining of coal and lignite, the extraction of crude petroleum and natural gas, mining support service activities, air transport services and the manufacture of leather and leather products each reported a relatively high degree of concentration, as more than half of the workforce in each of these activities was working within no more than 10 NUTS 2 regions in 2011. In the case of air transport, the dominance of the top 10 regions was due to a concentration within large metropolitan regions where main airports tend to be situated: chief among these were the regions that contained (Outer) London, Paris, Köln, Amsterdam and Madrid. Leather and leather products manufacturing, on the other hand, is a relatively small activity that was heavily concentrated in Italian, Portuguese and Romanian regions.

### *... but widespread for construction and distribution*

There were 11 NACE Divisions where more than half of the workforce was employed outside of the 50 regions with the highest shares of persons employed. These relatively high shares were often due to the widespread availability and ubiquitous nature of raw materials, such as food products, construction products, or the need for local provision (for example, motor and retail trade). The NACE divisions with the lowest levels of concentration in 2011 included motor trades and repair (NACE Division 45), the manufacture of food (NACE Division 10), retail trade (NACE Division 47), specialised construction activities (NACE Division 43) and veterinary services (NACE Division 75).

**Map 6.4** presents a different aspect of concentration, namely the extent to which a region is dependent on a small number of large activities, or, alternatively, whether it displays the characteristics of being more diversified. The map shows an indicator that is based on the cumulative share of the five largest activities (NACE divisions) in the non-financial business economy workforce: the five largest activities are selected independently for each region, although there are several activities, such as retail trade, that are present among the five main employers in nearly all of the regions.

### *Employment concentrated among relatively few activities in tourist destinations*

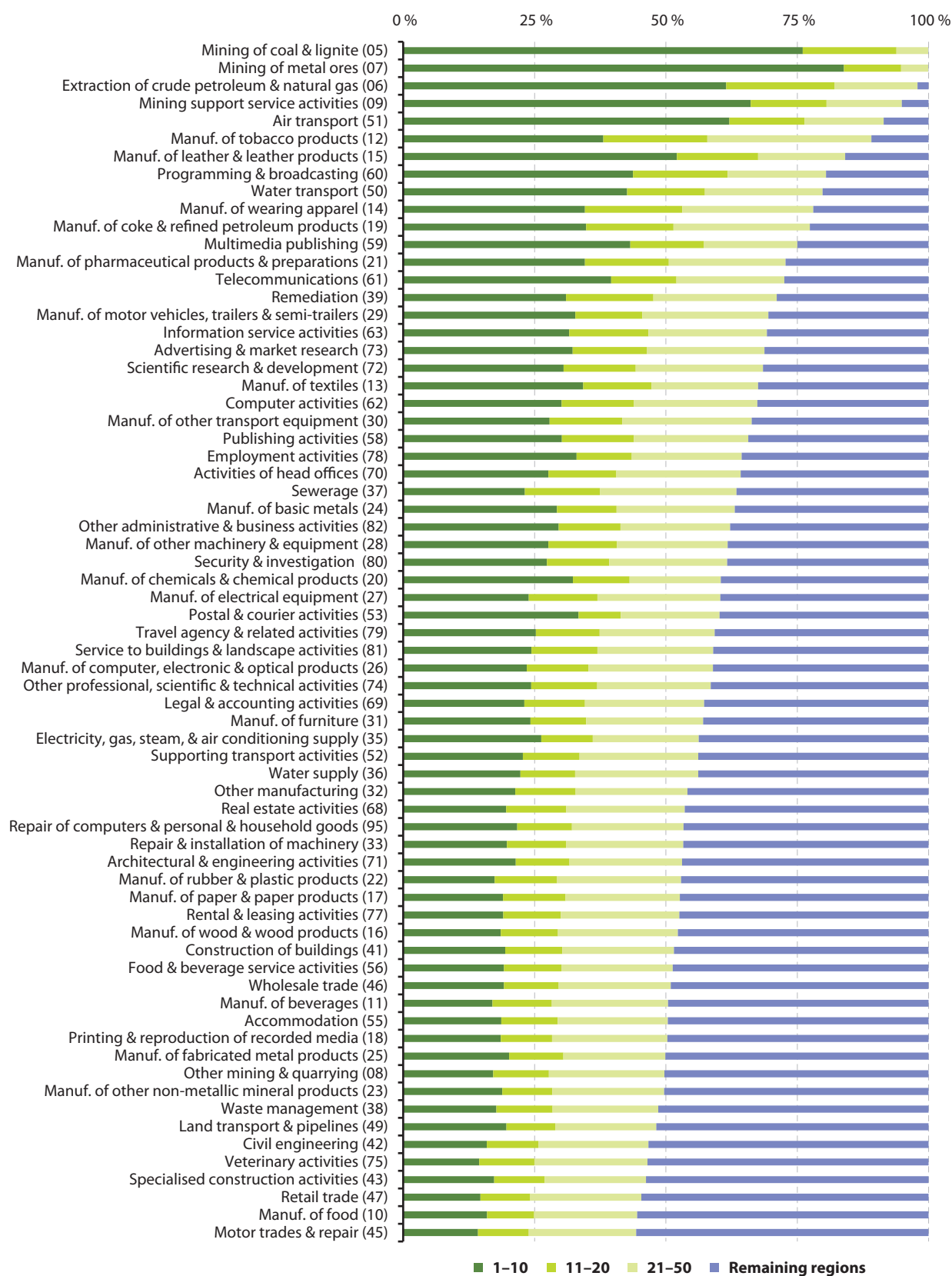
High levels of employment concentration tend to be recorded in those regions where construction, distributive trades or other services dominate the non-financial business economy. Those regions where employment was most concentrated among five activities were often associated with tourism, in particular specific regions in Greece, Spain, France, Italy and Portugal, underlining the importance of construction, distributive trades, transport, and accommodation and food service activities in these regions.

There were 89 NUTS 2 regions that reported in excess of 45.0 % of their non-financial employment concentrated in their five largest activities; note that data are confidential for three of these regions. Among these 89 regions, there were only six where 60.0 % or more of the regional workforce was employed in the five activities employing the highest numbers of persons. The highest share was recorded in the Greek holiday destination of Notio Aigaiio where 71.9 % of the workforce was employed in just five activities.

By contrast, the lowest concentrations were mainly recorded in regions with a relatively small services sector and a relatively large manufacturing activity; this was often the case in eastern Europe, in particular in the Czech Republic, Estonia, Hungary, Slovenia and Romania, but also in several regions of Germany, Italy, Finland and Sweden. The five largest employers accounted for less than 35 % of non-financial business economy employment in five Czech regions (Moravskoslezsko, Jihovýchod, Jihozápad, Severozápad and Severovýchod), the Hungarian regions of Közép-Dunántúl and Közép-Magyarország, both Slovenian regions, the French capital region of Île de France, Dolnośląskie (Poland), Centru (Romania) and Länsi-Suomi (Finland), as well as Estonia (one region at this level of analysis).



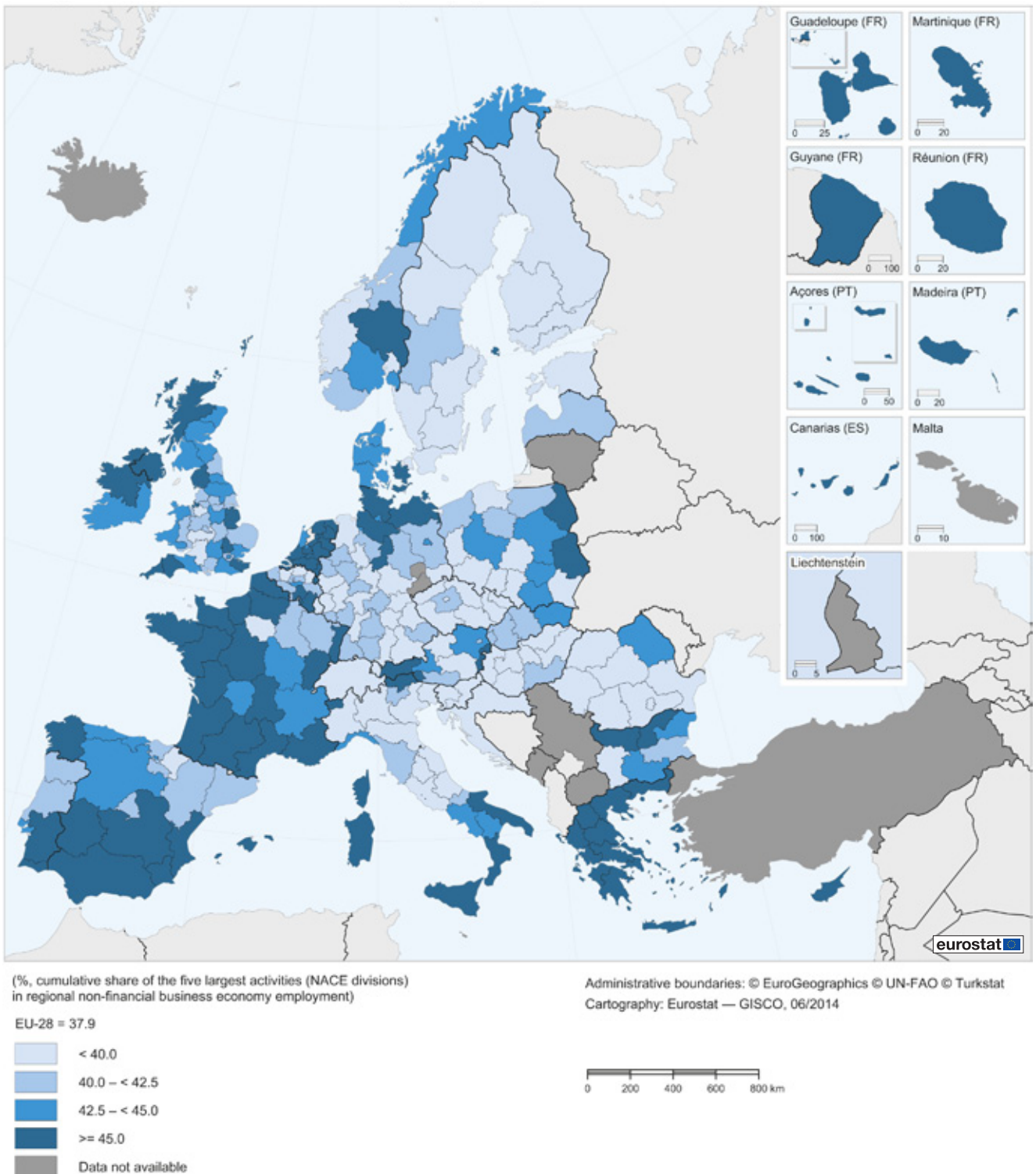
**Figure 6.2:** Concentration of activities (NACE divisions), by NUTS 2 regions, EU, 2011 <sup>(1)</sup>  
(%, cumulative share of top X regions in sectoral employment)



<sup>(1)</sup> Greece and France: 2010. Chemnitz (DED4), Leipzig (DED5), Croatia and Malta: not available.

Source: Eurostat (online data code: [sbs\\_r\\_nuts06\\_r2](#))

**Map 6.4:** Regional business concentration, by NUTS 2 regions, 2011 <sup>(1)</sup>  
 (% cumulative share of the five largest activities (NACE divisions) in regional non-financial business economy employment)



<sup>(1)</sup> EU-28 average: calculated on the basis of available data. Greece and France: 2010. Croatia and Switzerland: national level.

Source: Eurostat (online data code: sbs\_r\_nuts06\_r2)





## Data sources and availability

Regional SBS provide users with information about the structure, performance and development of regional business economies. This detailed and harmonised data source provides for each activity statistics in relation to the number of workplaces, persons employed, wage and salaries, and investments.

Regional SBS are collected under a regulation of the [European Parliament](#) and of the [Council](#), using the definitions and analysis (breakdowns) specified in [European Commission](#) implementing regulations. The regional SBS data presented in this chapter are restricted to the non-financial business economy, which includes NACE 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), as well as NACE Division 95 (repair of computers and personal and household goods). The aggregate for the non-financial business economy therefore excludes agricultural, forestry and fishing activities and public administration and other services (such as defence, education and health), which are not covered by SBS, and also excludes financial services (NACE Section K).

The type of statistical unit used for regional SBS data is normally 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) normally according to their main activity, but in some EU Member States the activity code is assigned on the basis of the principal activity of the enterprise to which the local unit belongs. As such, it is possible for the principal activity of a local unit to differ from that of the enterprise to which it belongs. Hence, national SBS data, based on the enterprise as a statistical unit, are not directly comparable with national aggregates compiled from regional SBS.

The nature of detailed regional SBS is such that some data cells are not disclosed for reasons of statistical confidentiality, following common principles and guidelines. In these cases data are flagged as being confidential and values are not published. Given that the choropleth maps in this chapter are compiled using a range of values for each colour shade, it has been possible to assign confidential cells to a specific class while respecting procedures for non-disclosure.

### Indicator definitions

The main variable used for analysis in this chapter is the number of persons employed. For SBS, this is defined 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. The number of persons employed includes working proprietors, unpaid family workers, part-time workers and seasonal workers.

