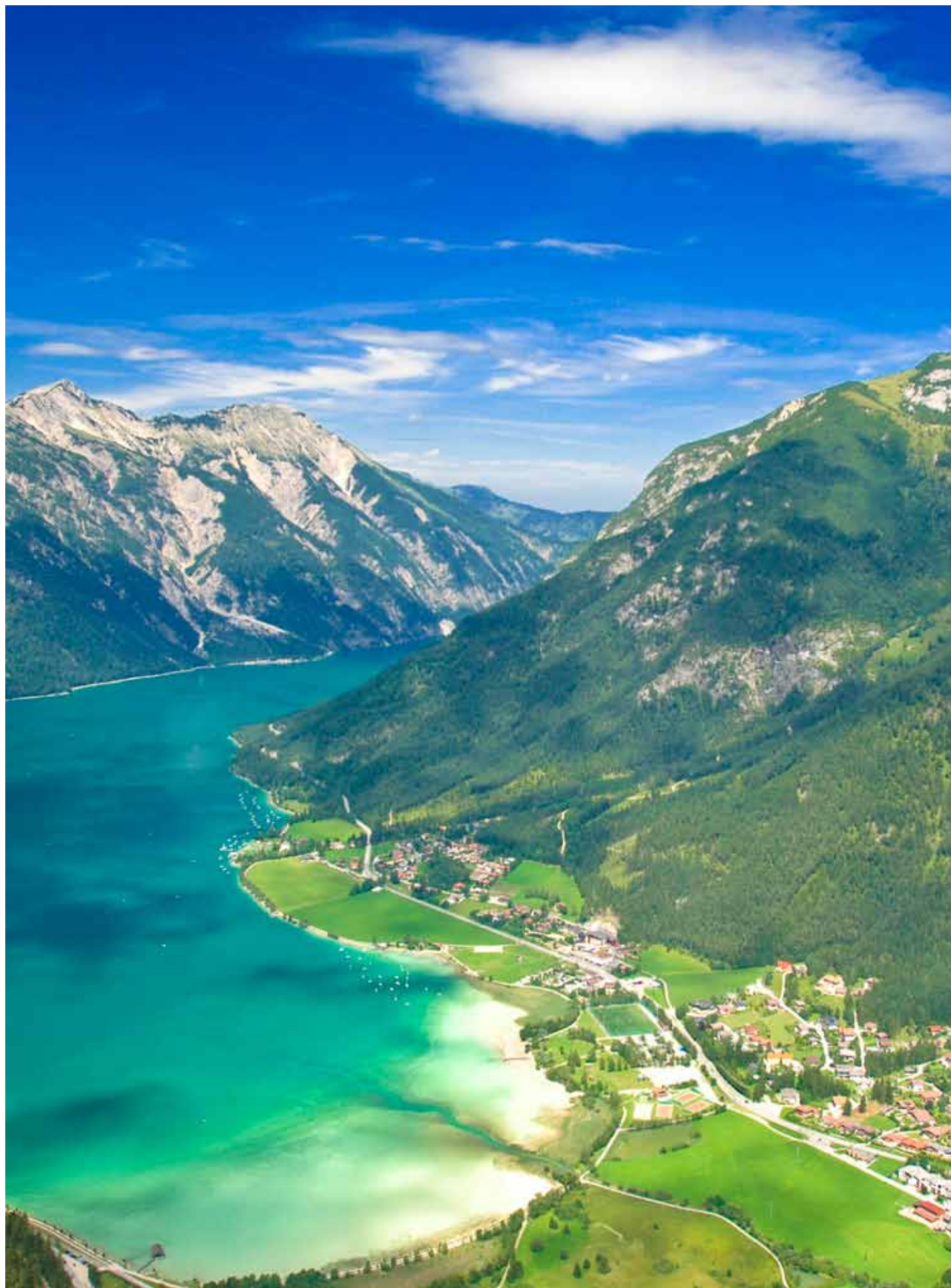


Tirol – a powerful land

Population, Labour Market,
Economic Performance and Companies



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KRin Patrizia Zoller-Frischauf
Tirol Provincial Counsellor for Economy

Dr. Jürgen Bodenseer
President of the Chamber of Commerce Tirol

Preface

About global market leaders and top research performance in a prime leisure destination.

The brochure “Tirol – a powerful land” is not an image brochure. Of course, it does also promote our region through attractive pictures. But first of all it presents exciting figures and puts the Alpine country in perspective with the help of these figures.

Many people know our region mainly as a location for tourism. Quite rightly! After all, Tirol registers 44 million overnight stays per year and, therefore, accounts for more than one third of all overnight stays in Austria. But one should also know about the special economic and technological output in Tirol: It is the production of goods that has the highest share in gross value added. Tirolean industry, including global market

leaders like Swarovski, Plansee, Sandoz, Tyrolit and Med-El, generates the third highest export quota of all Austrian Federal States. The research quota of 2.79 percent makes Tirol one of the top three locations for research in Austria. You can now get to know all aspects of Tirol with this data pool. We wish you exciting insights!



Tirol – a powerful land

Tirol is a special location in every respect. Only 11.9 % of the at times alpine land surface is suitable for permanent settlement. Tirol, however, produces an economic output of more than 25 billion euros with about 365,000 people in paid work (self-employed, employed) on a settlement area of only 1,500 km². Internationally, the country is still strongly identified as a tourism stronghold. But there is much more behind the “label Tirol”.

For example: excellent research at eight academies and numerous other extramural research facilities; an unparalleled strong landscape of innovation resulting from a technological offensive which has been initiated by political measures; a close network of dynamic small and medium-sized companies which successfully work in future-oriented business sectors such as life sciences, medical engineering, renewable energies, IT or mechatronics; and a very ambitious cluster scene that helped to achieve an impressive collaboration performance.

The Tirolean location development is convinced that full force needs strong teams. The available data confirm this approach and are also the basis of the strategic decision to link Tirolean know-how in the sectors of health, technology and tourism even more closely in the future. The vision behind this approach? Tirol will become a “smart region” and the most demanded location in the Alpine world.



Population

Population growth

Since 2000 the population of Tirol has increased by 7.5 %, to a current level of almost 716,000 people.

Overall population proportion

Tirol represents 8.5 % of the population of Austria.

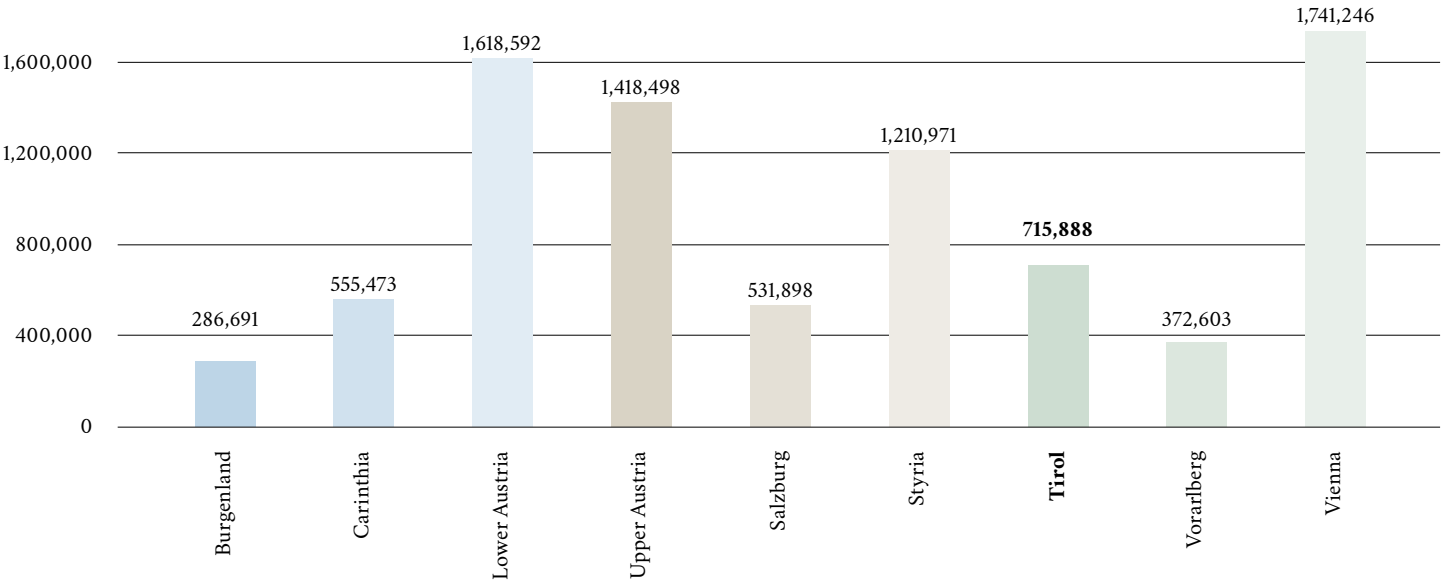
Demographic change

One major challenge for Tirol as an economic location is the demographic change. Over the next 25 years the population in the 20 – 59 age group will shrink from the present 443,000 people to about 418,000.

2012 population figures

715.888 Tiroleans

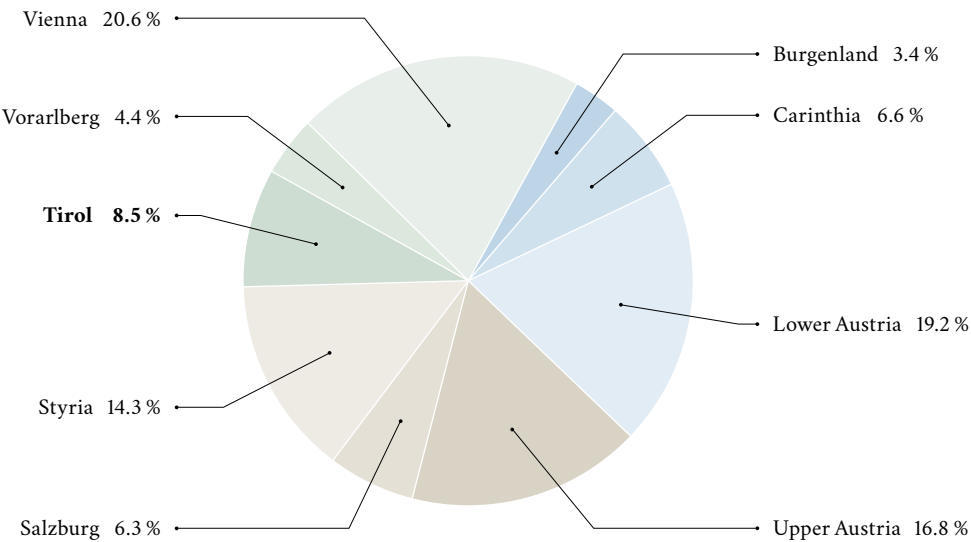
Austria as a whole 2012: 8,451,860



Source: Statistik Austria

Tirol's share of the total population of Austria, as a percentage (2012)

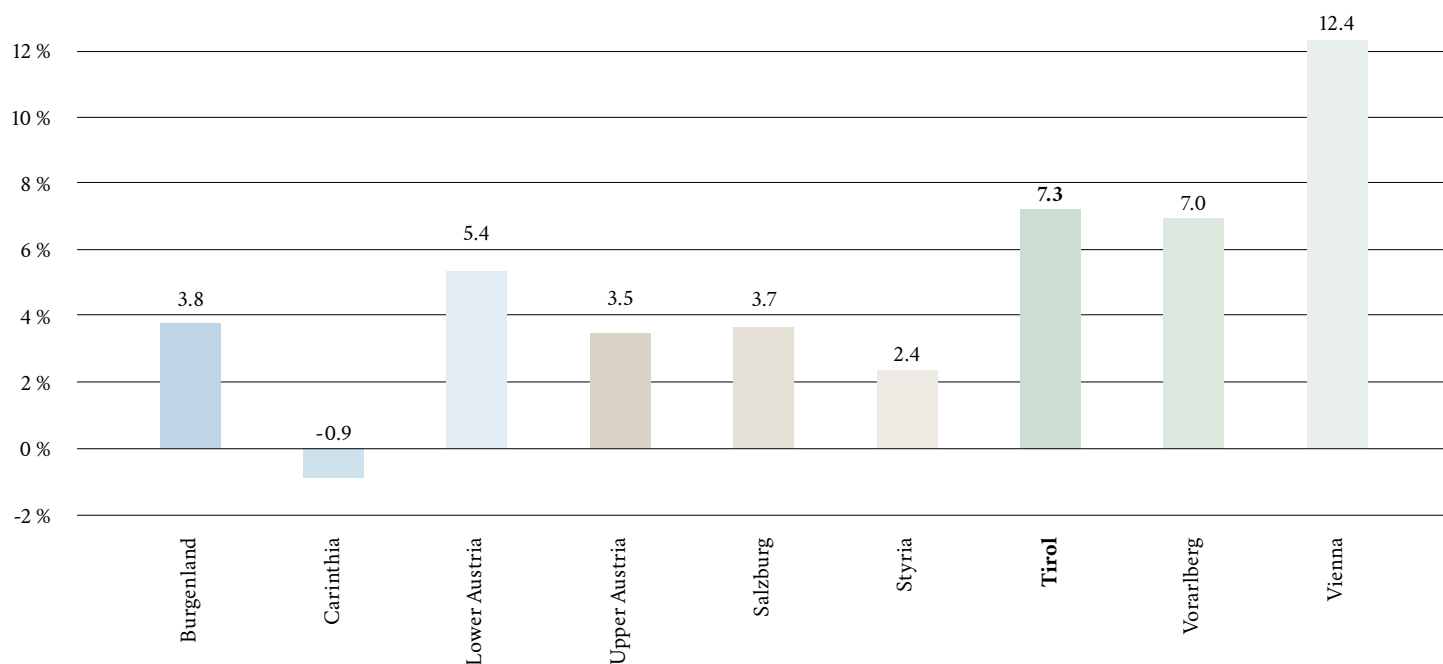
Tirol represents 8.5 % of the population of Austria



Source: Statistik Austria

Increases in population 2000 – 2012 in percent

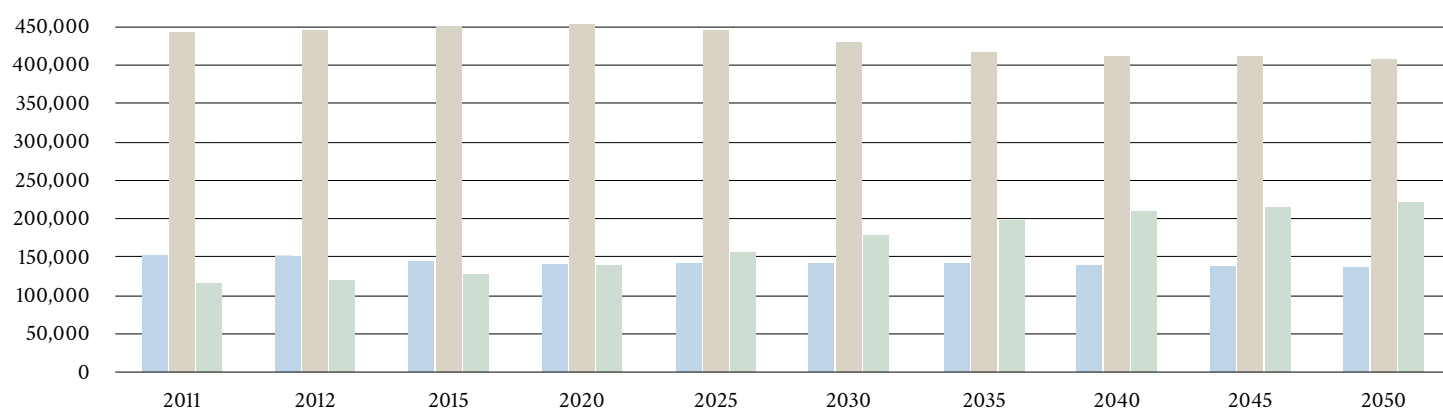
The population of Tirol has grown by 7.3 % since 2000



Source: Statistik Austria

Population structure of Tirol up to 2050

Demographic change as a challenge



Source: Statistik Austria



Labour market

Development in employment

The past few years have seen constant growth in employment in Tirol. One exception was the year 2009, when the financial crisis caused a (slight) reduction in employment during the year.

Growth in employment

There were a number of factors with regard to offers and availability which were responsible for the growth in

employment. On the one hand, there was the (still) increasing number of persons of employable age (15 – 60 age group), as well as the increase in the employment of women, and the increase in part-time work.

Making the labour market more flexible

With regard to demand, over the past few years both the economy in general and the public sector have been creating more jobs, and, at the same time, making them more flexible.

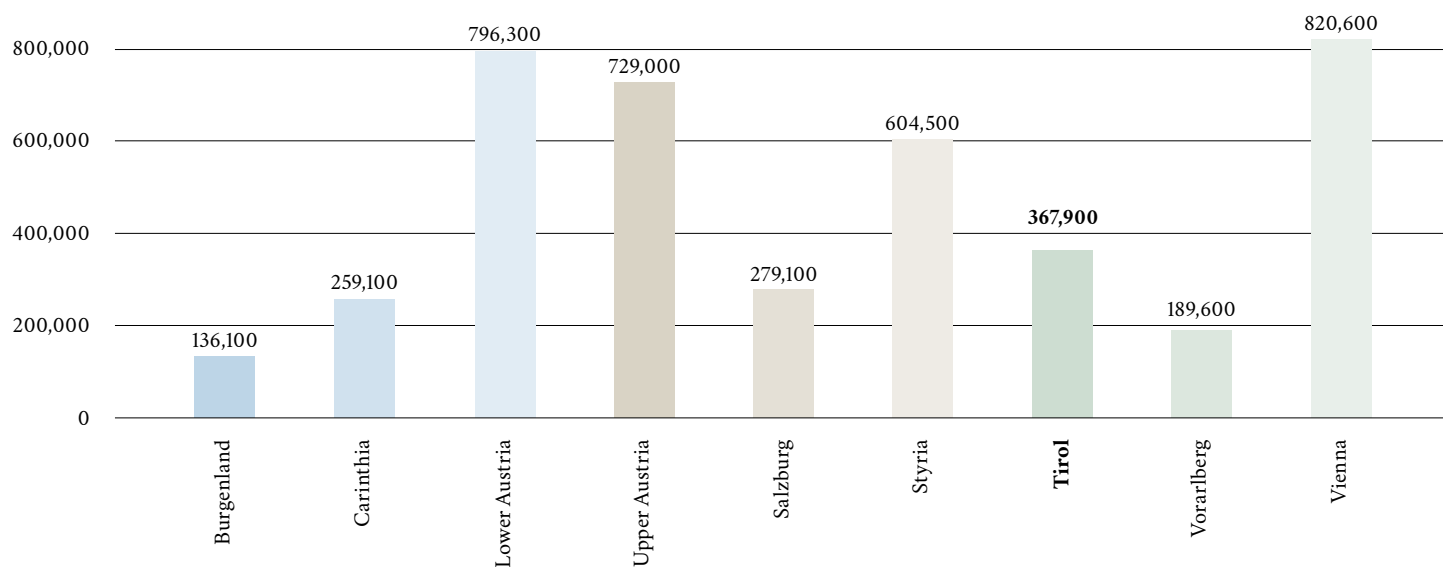
Unemployment rate

On an annual comparison, the unemployment rate in Tirol is consistently and clearly below the average for Austria as a whole. A determinant factor in this is, among others, the higher intensity of employment in the service sector (in particular in tourism).

Employment in absolute terms (ILO-concept)

368,000 employed persons in Tirol, fourth quarter in 2012

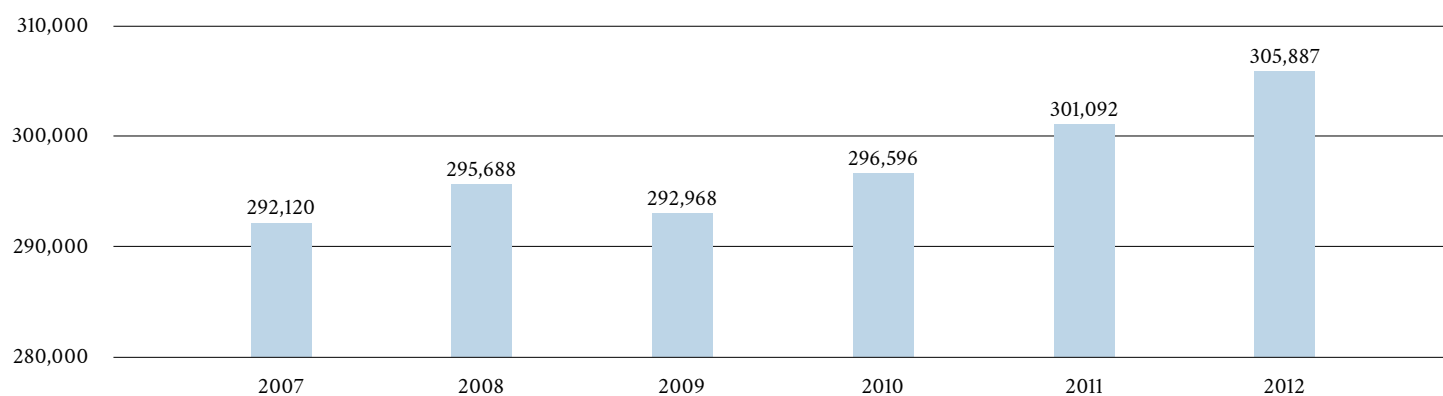
Austria as a whole 2012: 4,182,200



Source: Statistik Austria

Development in non-independent employment in Tirol since 2007

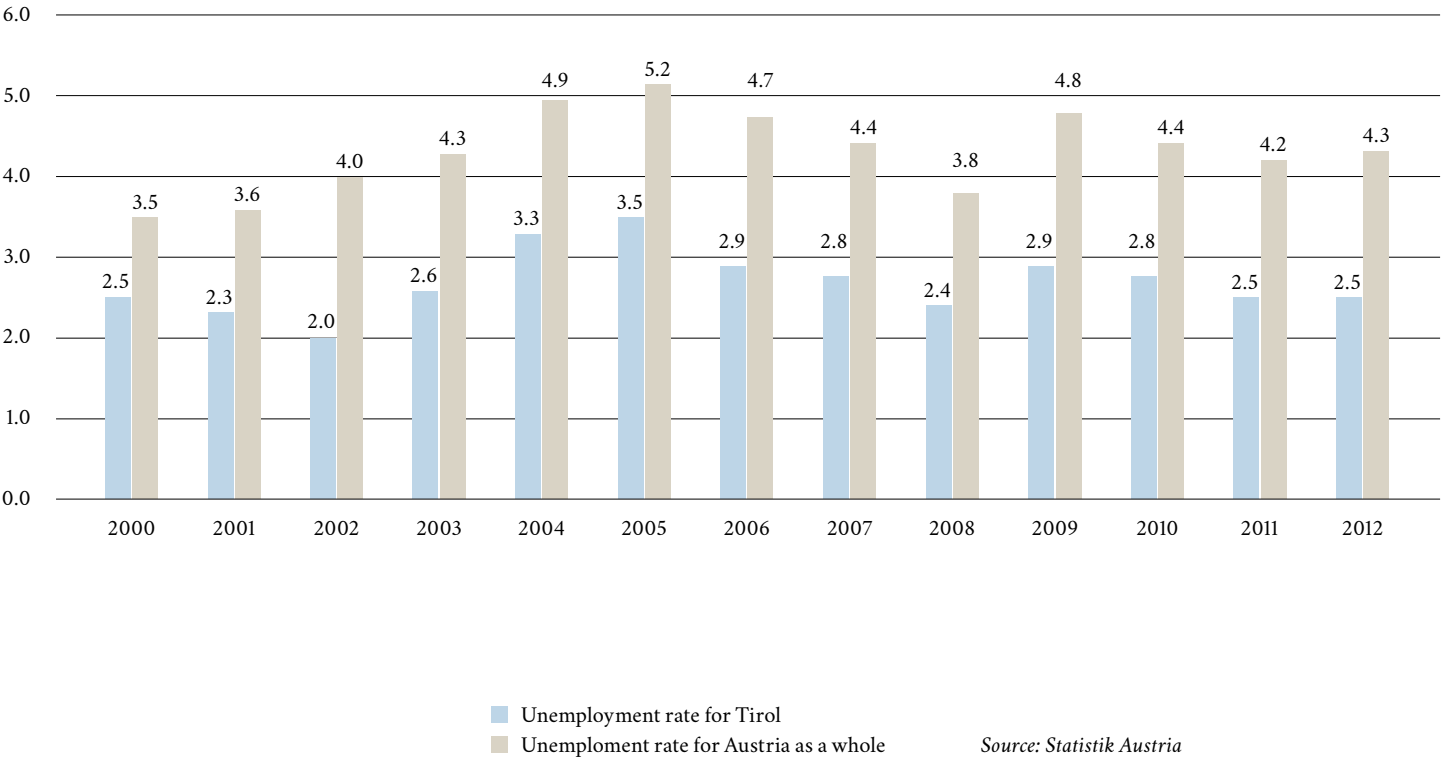
About 306,000 non-independent employed persons in Tirol in 2012



In January 2011 the Main Association of Employment Statistics converted the employment statistics retroactively from 2008, and the changes in previous years in relation to 2007 are therefore distorted.

Source: AMS

Unemployment rate in percent (international method)
 Tirol's unemployment rate is clearly below the average for Austria as a whole





Economy

Economic performance

Export

Value creation

Industry

Commercial concerns

Establishment of companies



Economic performance

GDP per inhabitant

It is the Gross Domestic Product (GDP) per inhabitant which serves as the recognized yardstick for the economic performance of a region. In 2010, the GDP per inhabitant in Tirol stood at 35,400 €, which sets it above the average for Austria, at 34,100 €.

Tirol in a Europe-wide comparison

A comparison of the GDP per inhabitant in the 271 regions of the European Union (referred to as NUTS-2 Regions) shows clear differences: The highest per capita Gross

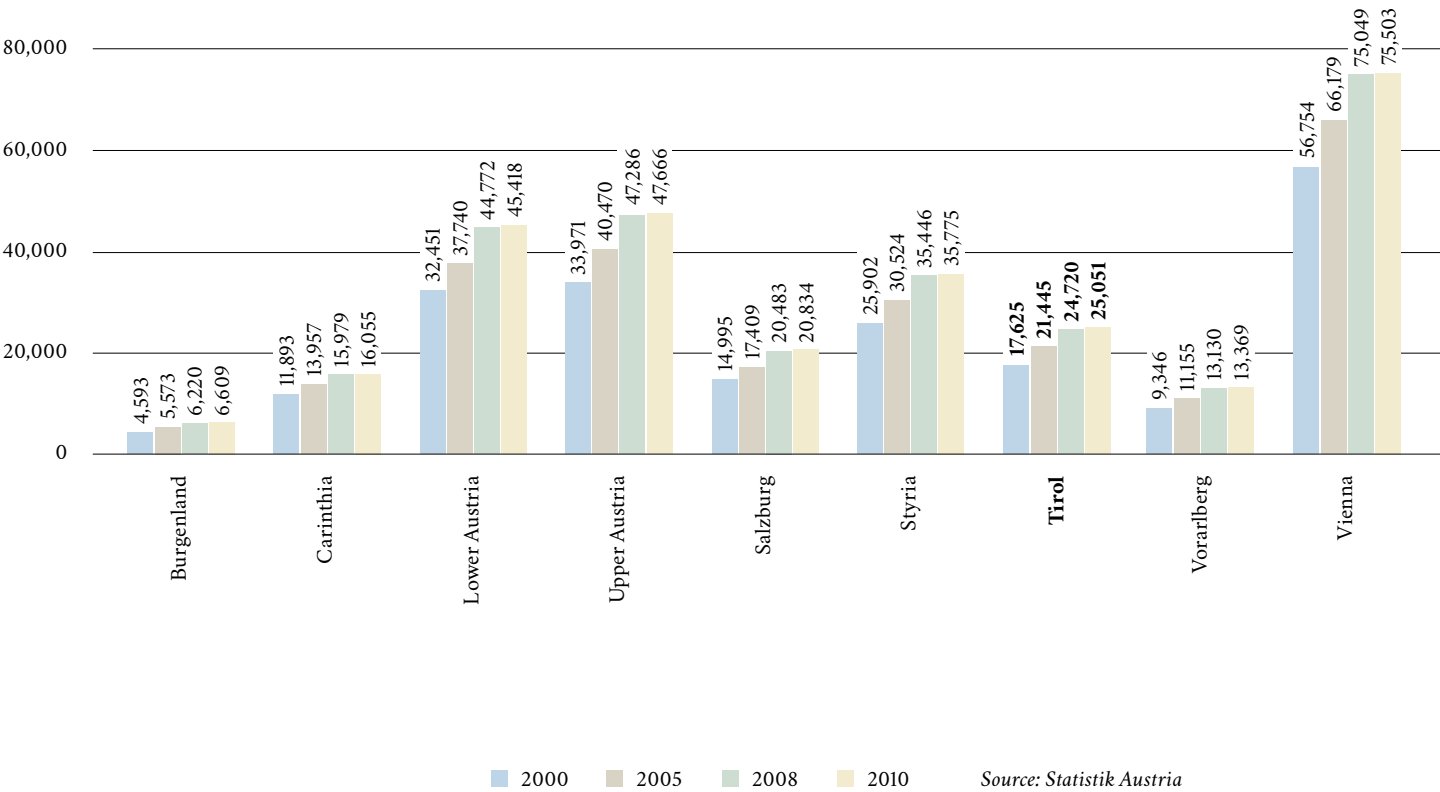
Domestic Product is achieved by the Region of Inner London (80,300 € or 32.8 % of the average), followed by Luxemburg (65,200 €), Brussels (54,700 €) and Hamburg (49,600 €).

In a comparison of all the European regions, Tirol holds place 34. Last in the table are the regions of Severozapaden in Bulgaria (6,500 € or 26 % of the average) and the North-East Region in Romania (7,000 € or 29 % of the average).

Source: Eurostat

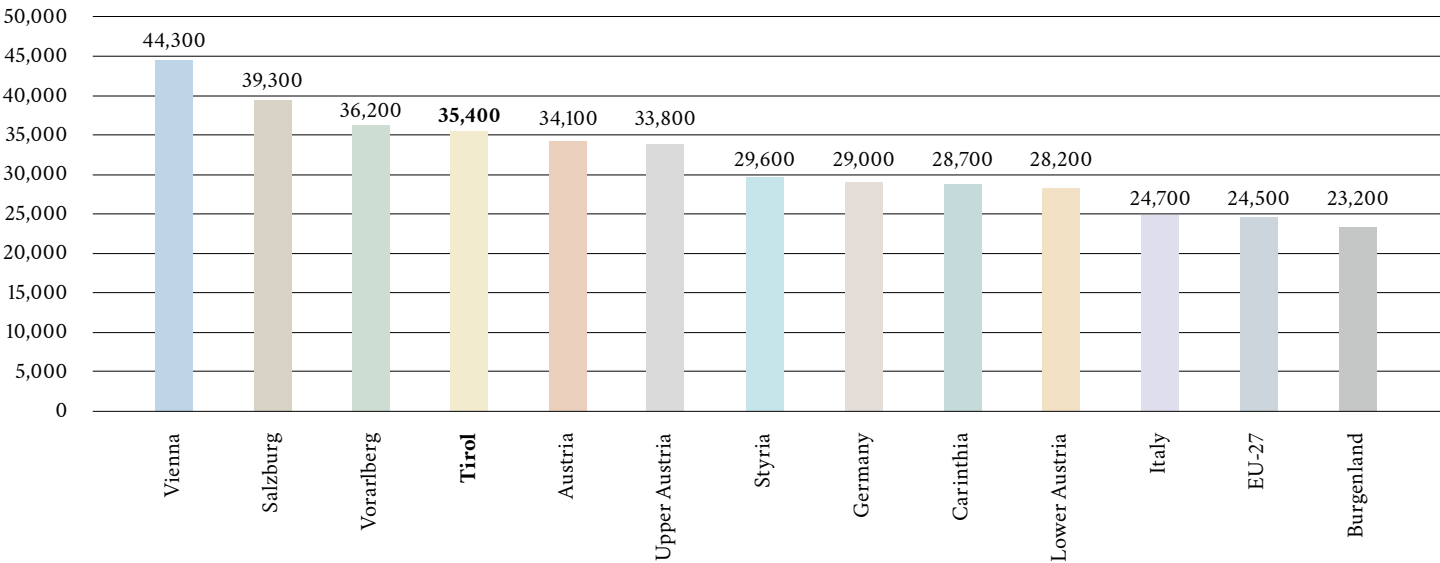
Nominal economic performance by Austrian Federal Provinces, in millions of €

Annual economic performance of almost 25 billion euros (regional Gross Domestic Product) ...



Regional Gross Domestic Product by Austrian Federal Provinces, pro Tirolean in 2010

...which amounts to 35,400 euros “per Tirolean”!





Export

Tirol – An Export Economy

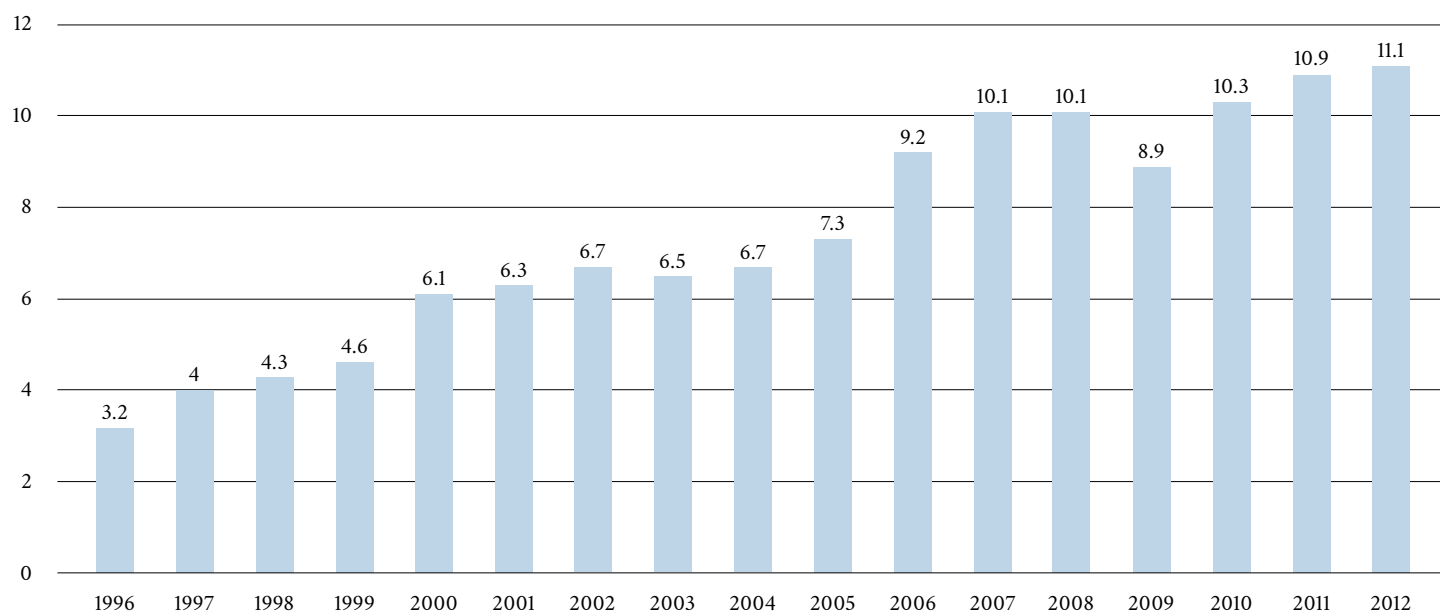
Tirol has a small and open regional economy. That means the economic performance of the region is heavily characterized by export business. In 2012, the Tirolean economy exported goods to the value of 11.1 billion euros – a new record.

Growth in exports

Over the last 12 years (2000 – 2012) the export of Tirolean goods has shown an above-average increase. In terms of economic growth between 2000 and 2012, Tirol (+68 %) was behind Upper Austria (+76 %) and ahead of Vorarlberg (+58 %) in second place, and therefore significantly above the average for Austria as a whole (+56.7 %).

Tirolean export of goods in billion euro since 1996

Tirol is an export economy: 11.1 billion euro export of goods in 2012

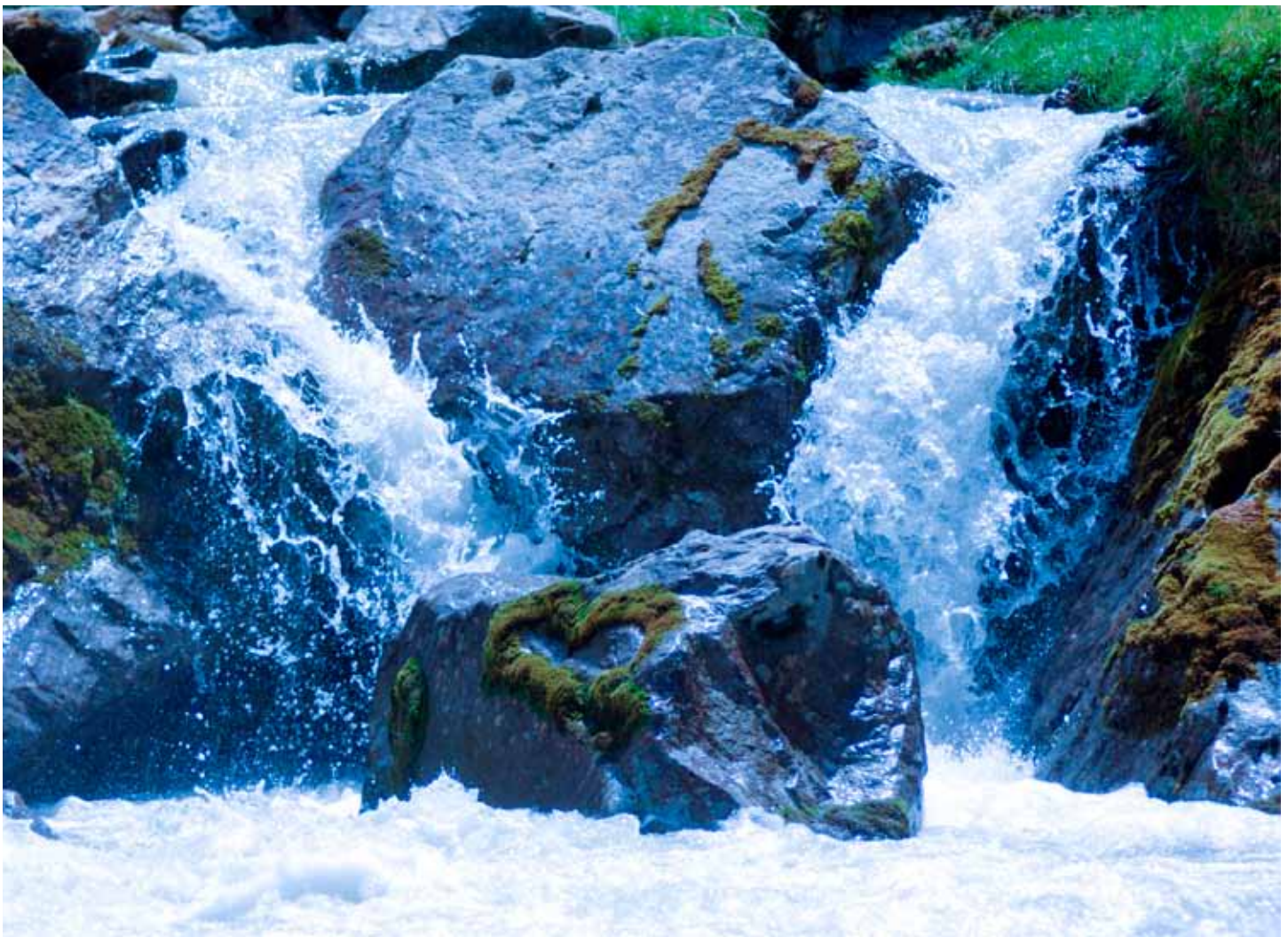


Source: WKÖ 2011

Tirol's most important export markets 2012

		absolute figures (in million €)	in percent
1	Germany	2,973	26.8 %
2	Switzerland	1,657	14.9 %
3	Italy	1,130	10.2 %
4	France	637	5.7 %
5	USA	610	5.5 %
6	Russia	254	2.3 %
7	United Kingdom	238	2.1 %
8	Czech Republic	225	2.0 %
9	Slovakia	193	1.7 %
10	Japan	174	1.6 %
	Total exports	11,085	

Source: WKÖ



Value creation

Regional distribution and trends

43 % of the gross regional product of Tirol is generated in the “central” areas of Innsbruck City and Innsbruck Land, with the importance of the area of Innsbruck Land increasing for a number of years.

In the areas of Landeck and Kitzbühel the tourist economy predominates.

Economic and financial crisis in 2009

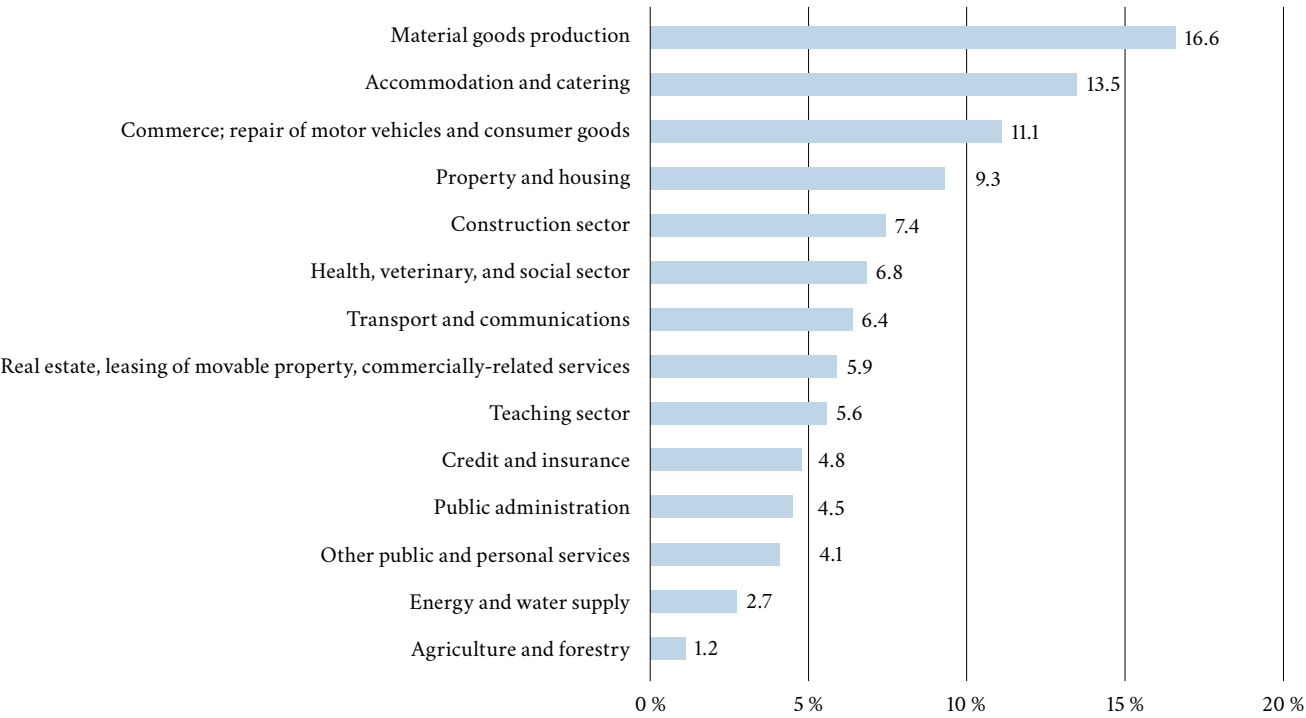
The international economic and financial crisis in 2009 led to a dip in economic performance even in Tirol. Gross value creation fell by 3.7 % in 2009.

Economic growth

But as early as 2010 Tirol was back on track to economic growth. The driving forces here were, in particular, the export economy and Tirol's trade and commerce.

Value creation in Tirol by economic sectors in percent (2010)

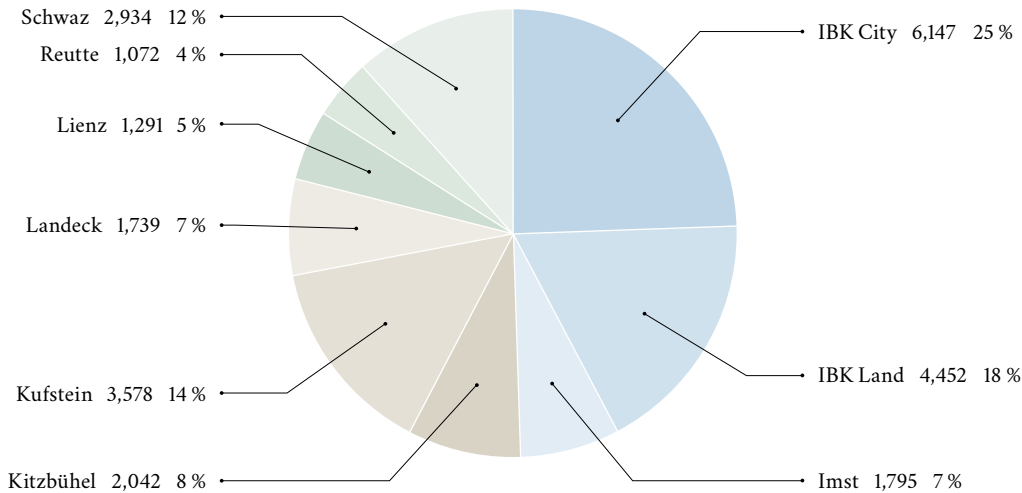
17 % of value creation come from the material goods sector, and 14 % from accommodation and catering



Source: Statistik Austria

Regional distribution of Tirol value creation

Around 43 % of value creation is generated in the “Central Innsbruck” area



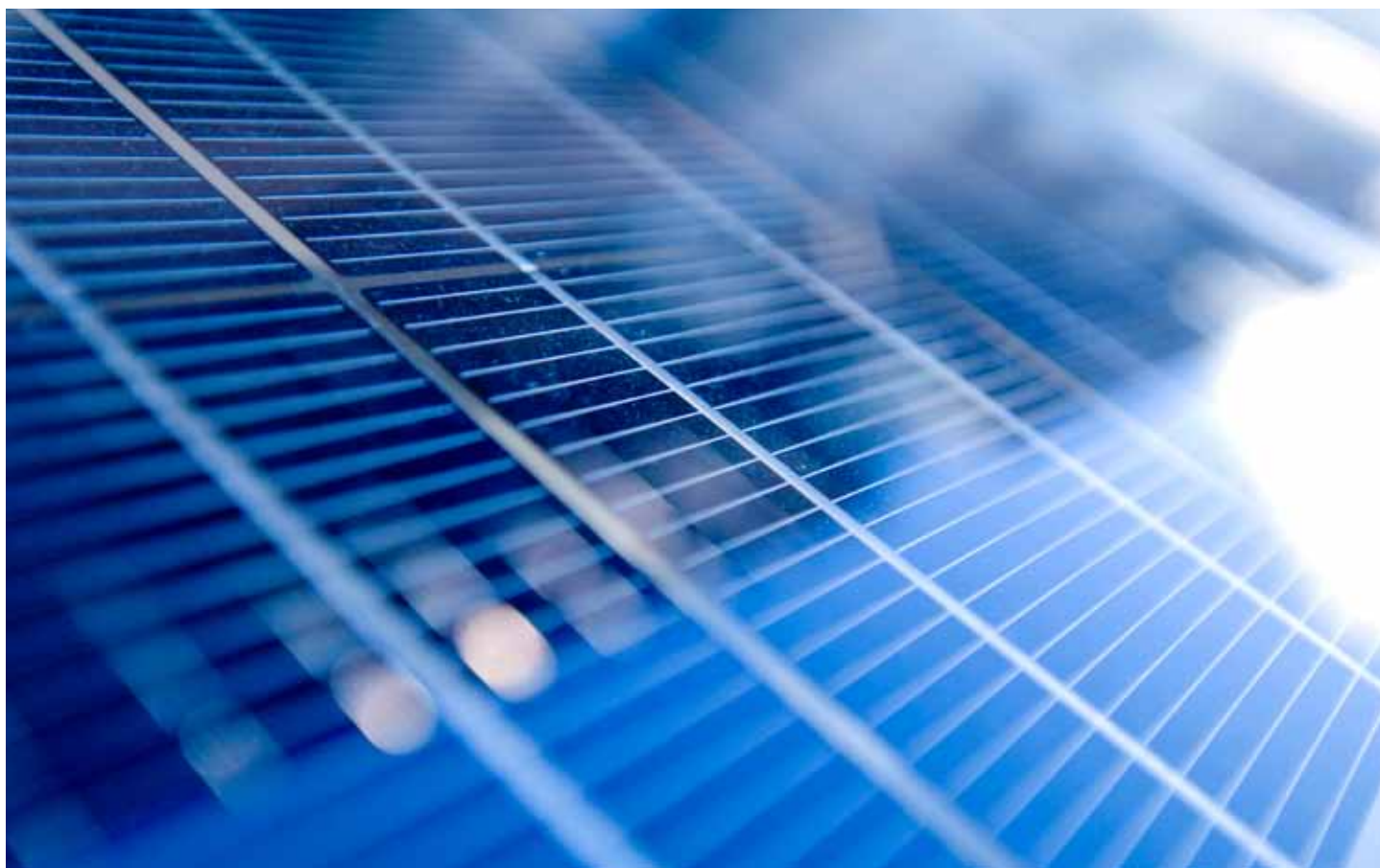
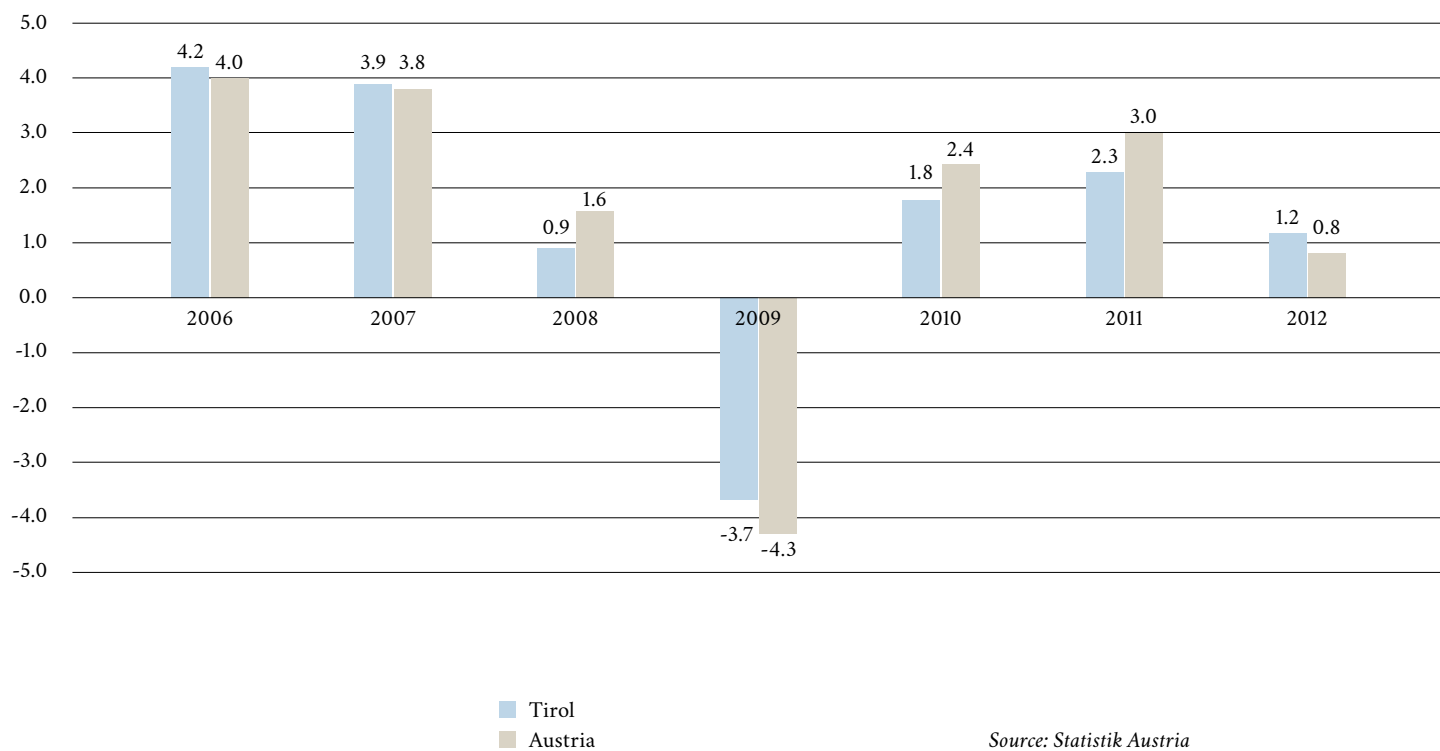
Notes: Conversion (estimated values) on a district level by WKT/ Economic Policy and Strategy

Source: Data on the NUTS-3 Level from Statistik Austria

Changes in real gross value creation in percent

Tirolean economy has successfully overcome the international crisis.

A significant rebound in 2010 and 2011 was followed by an above-average economic growth of 1.2 percent in 2012.





Industry

Major pillar – Industry

With an established production of more than 9.9 billion euros, industry is a major pillar of support for Tirol as an economic region.

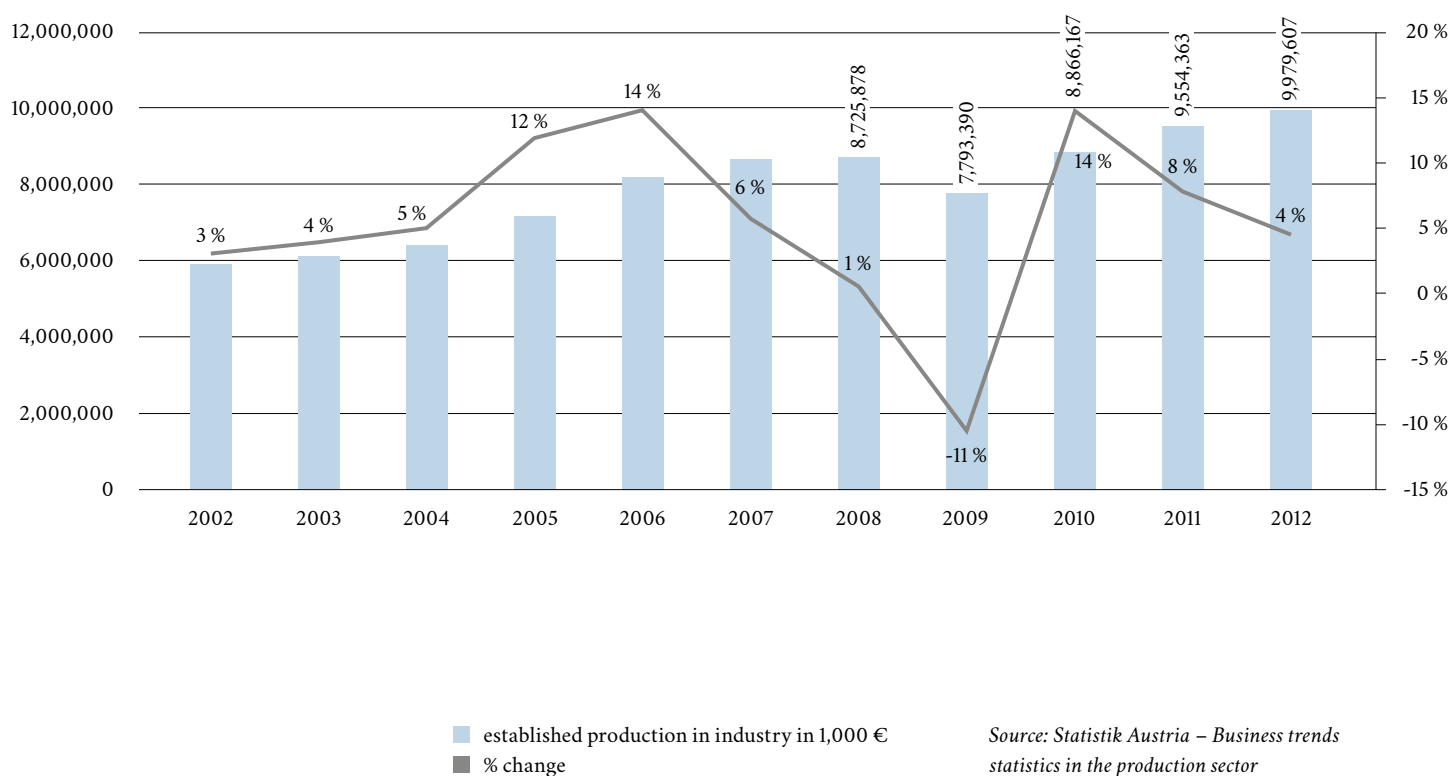
Export of Tirolean industrial products

Around 67 % of Tirol's industrial production is exported, representing goods to the value of 6 billion euros.

For some years now, Tirol has held third place in industrial exports among all of Austrian Federal Provinces, following Vorarlberg and Styria (Vorarlberg export quota: 77.3 % and Styria 68.8 %).

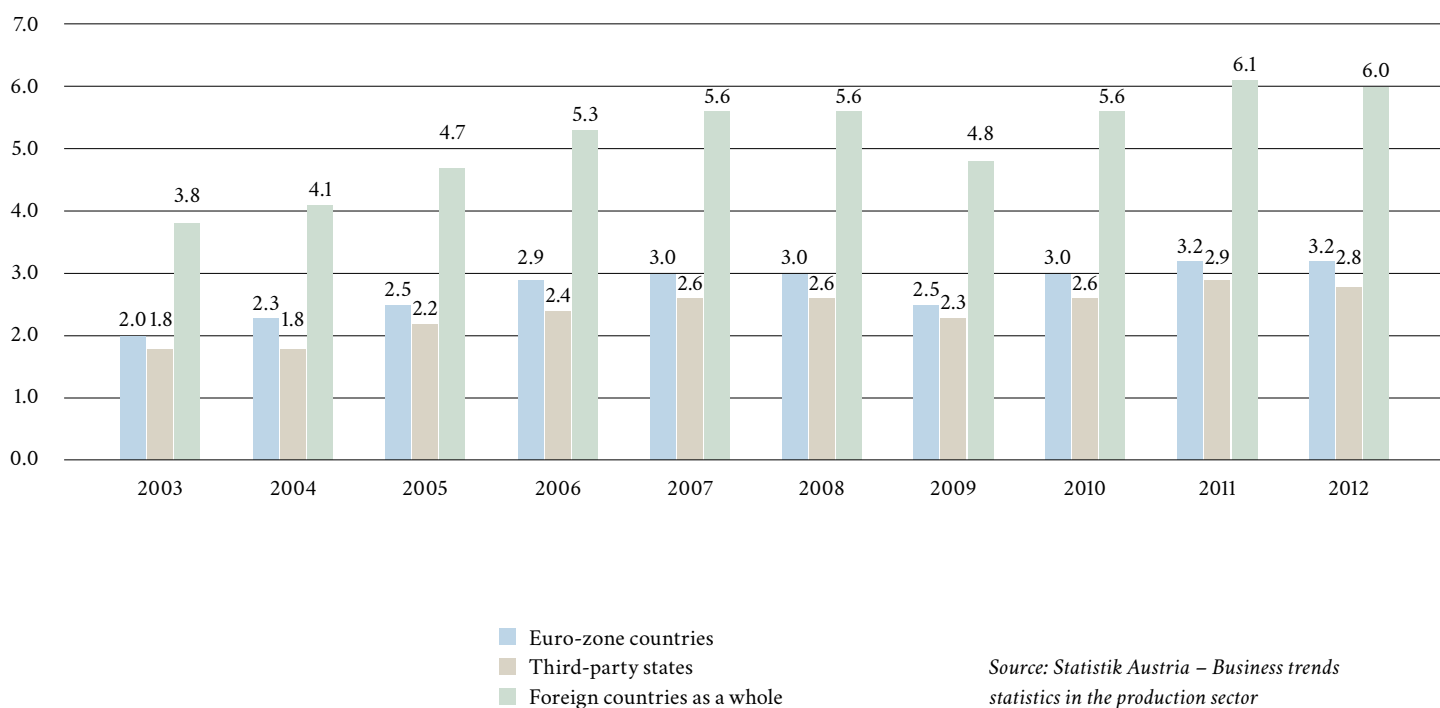
Business trends statistics for Tirol in the production sector

Tirol's industry generated almost 10 billion euros in 2012



Direct exports from Tirol in billions of euros since 2003

Tirol's industry exports to the value of 6 billion euros





Headquarter Durst Phototechnik Lienz

Commercial concerns

Sector mix

Tirol's commercial sector is dominated by small and very small businesses, and characterized by a balanced sector mix. Most companies are classified as small-scale industry and crafts (15,933), followed by trade (11,901) and tourism (9,474).

Small and medium-sized businesses and large businesses

Only 2 % of all the 39,609 businesses are classified as medium-sized or large. Nevertheless, these 2 % of companies employ almost 50 % of the workforce in the commercial sector.

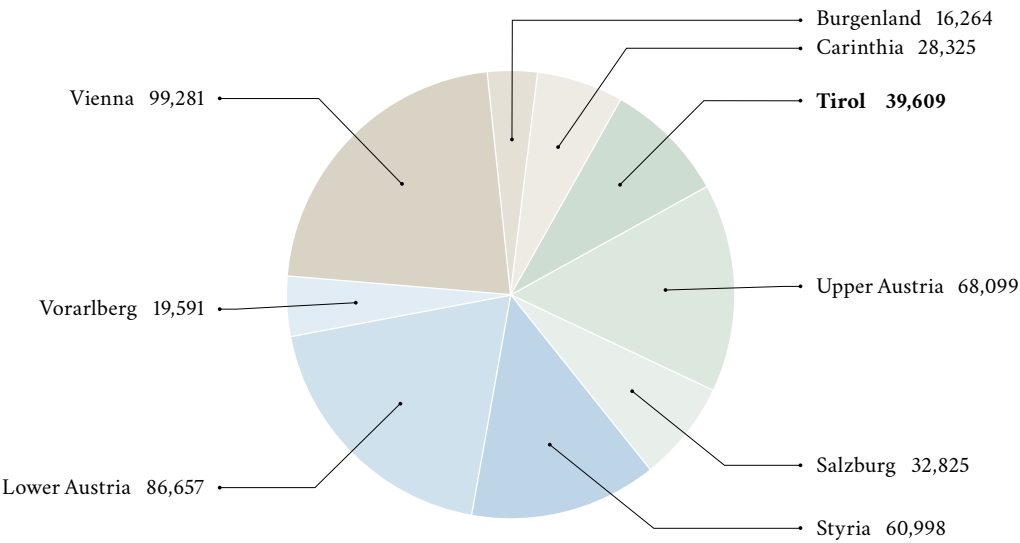
Tirol businesses in family ownership

85 % of all Tirol companies are family businesses!

Active members of Chambers of Commerce, by Federal Province in 2012

39,609 commercial concerns in Tirol

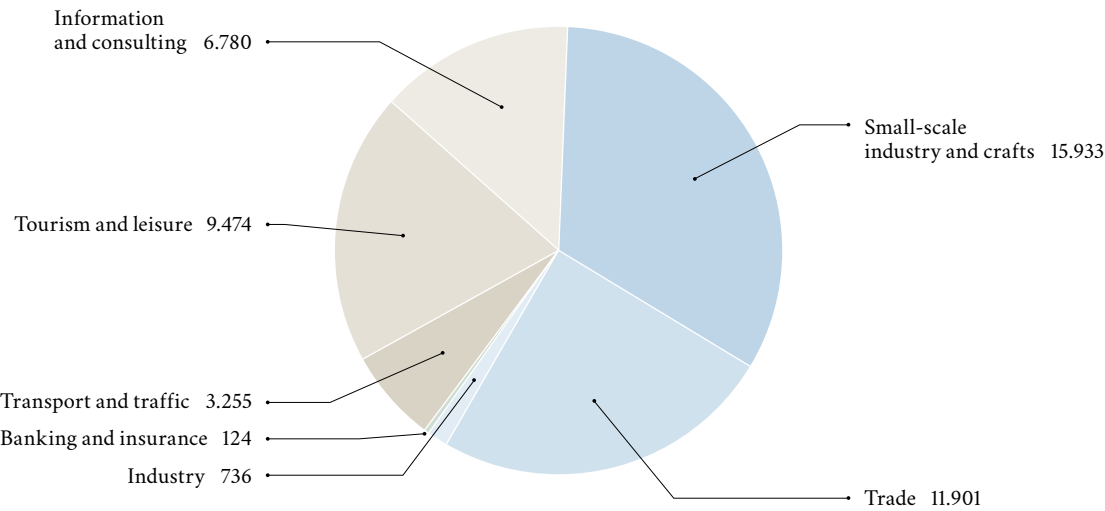
Active members of Chambers of Commerce as at 31.12.2012 in Austria: 451,649



Source: Membership statistics, Chamber of Commerce Tirol

Numbers of Tirol companies according to economic focus

Wide range of sectors among Tirol companies



Source: Membership statistics, Chamber of Commerce Tirol

Size structure of the commercial sector in Tirol in 2012

In Tirol there are 105 large companies with a total of more than 59,000 employees

Commercial sector, size structure		Businesses			Non-independent employees		
		number	in %	% acc.	number	in %	% acc.
EPU	0 Employees	20,362	51.3 %	51.3 %			
KS	1 Employee	5,029	12.7 %	64.0 %	5,029	2.2 %	2.2 %
KS	2 Employees	2,972	7.5 %	71.5 %	5,944	2.6 %	4.8 %
KS	3 Employees	2,060	5.2 %	76.7 %	6,180	2.7 %	7.5 %
KS	4 Employees	1,485	3.7 %	80.4 %	5,940	2.6 %	10.2 %
KS	5 Employees	1,059	2.7 %	83.1 %	5,295	2.3 %	12.5 %
KS	6–9 Employees	2,496	6.3 %	89.4 %	18,058	7.9 %	20.4 %
KB	10–24 Employees	2,702	6.8 %	96.2 %	39,839	17.5 %	37.9 %
KB	25–49 Employees	870	2.2 %	98.4 %	29,762	13.1 %	51.0 %
MB	50–99 Employees	361	0.9 %	99.3 %	24,102	10.6 %	61.6 %
MB	100–249 Employees	185	0.5 %	99.7 %	28,268	12.4 %	74.0 %
GB	250–499 Employees	76	0.2 %	99.9 %	24,955	11.0 %	85.0 %
GB	500–999 Employees	19	0.0 %	100.0 %	12,595	5.5 %	90.6 %
GB	1,000 and more Employees	10	0.0 %	100.0 %	21,495	9.4 %	100.0 %
Total		39,686			227,462		

Source: Employee statistics,
Chamber of Commerce Tirol





Establishment of companies

Entrepreneurial spirit on the rise

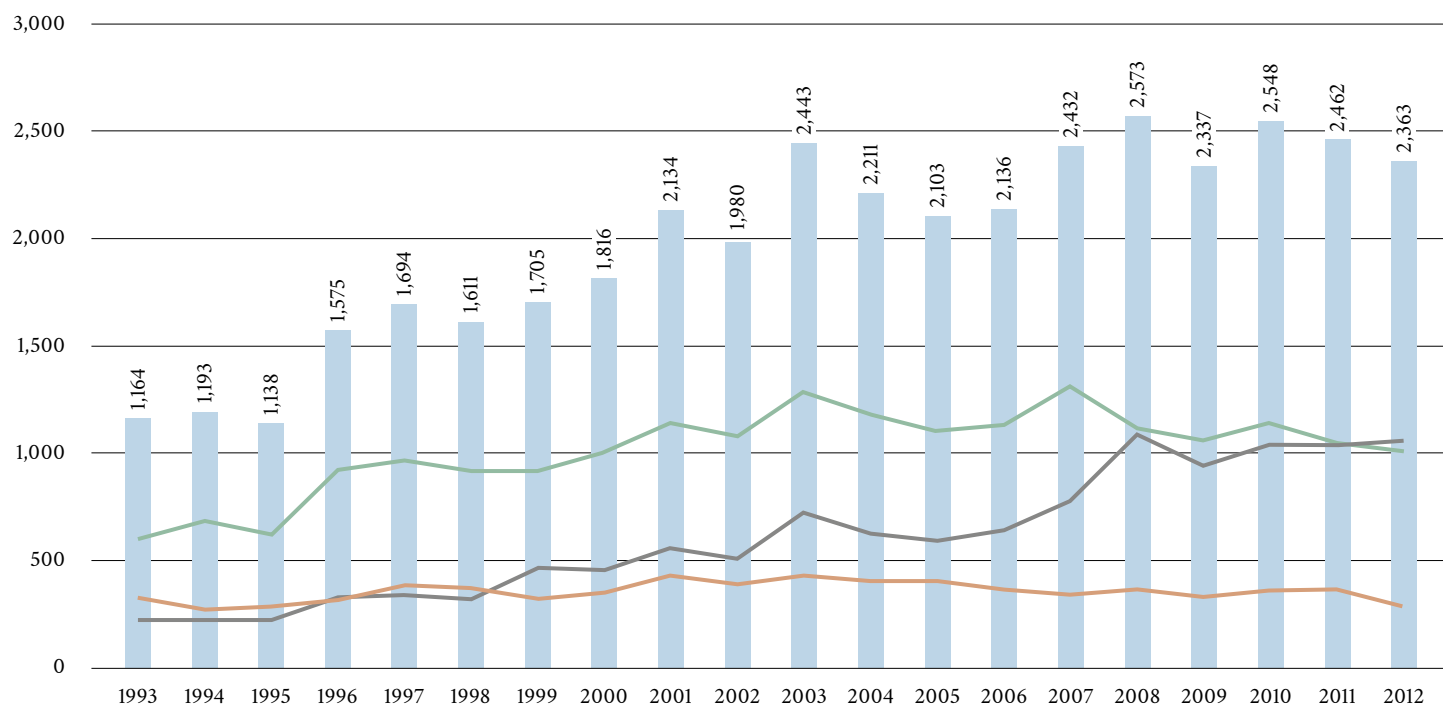
Since the mid-1990's, an increasing number of new businesses has been established in Tirol. This is associated in particular with the structural change taking place in the commercial sector, such as the greater number of single-person businesses and service sector companies.

Stabilization

The demographic change means that in future a stabilization of the development in the establishment of businesses is to be reckoned on.

New business establishment statistics in Tirol since 1993

Tirol demonstrates dynamic development in the establishment of businesses



	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Women	233	234	224	331	338	319	465	457	560	510
Men	602	686	622	924	967	918	916	1,005	1,143	1,077
Legal persons	329	273	291	320	389	374	323	354	431	393

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Women	723	625	593	639	776	1,089	944	1,042	1,042	1,059
Men	1,290	1,180	1,105	1,131	1,313	1,117	1,061	1,142	1,052	1,012
Legal persons	430	406	405	366	343	367	332	364	368	292

Note: There is a break in the time sequence due to a change in the legal situation. In 2007 activity as an independent personal business was expressly regulated by the trade regulation ordinance (Gewerbeordnung), which led to a vigorous rise in the number of members and new establishments in 2008.

Source: New business establishment statistics, Chamber of Commerce Austria



Tourism

Tirol – Stronghold of Tourism

Tirol can truly claim to be a stronghold of tourism. No other Austrian Province records so many guest overnight stays as Tirol.

Value creation from tourism

Tourism is a central pillar supporting the value creation chain of Tirol, and has helped many of the isolated valleys of the region to enjoy prosperity and gain an excellent infrastructure.

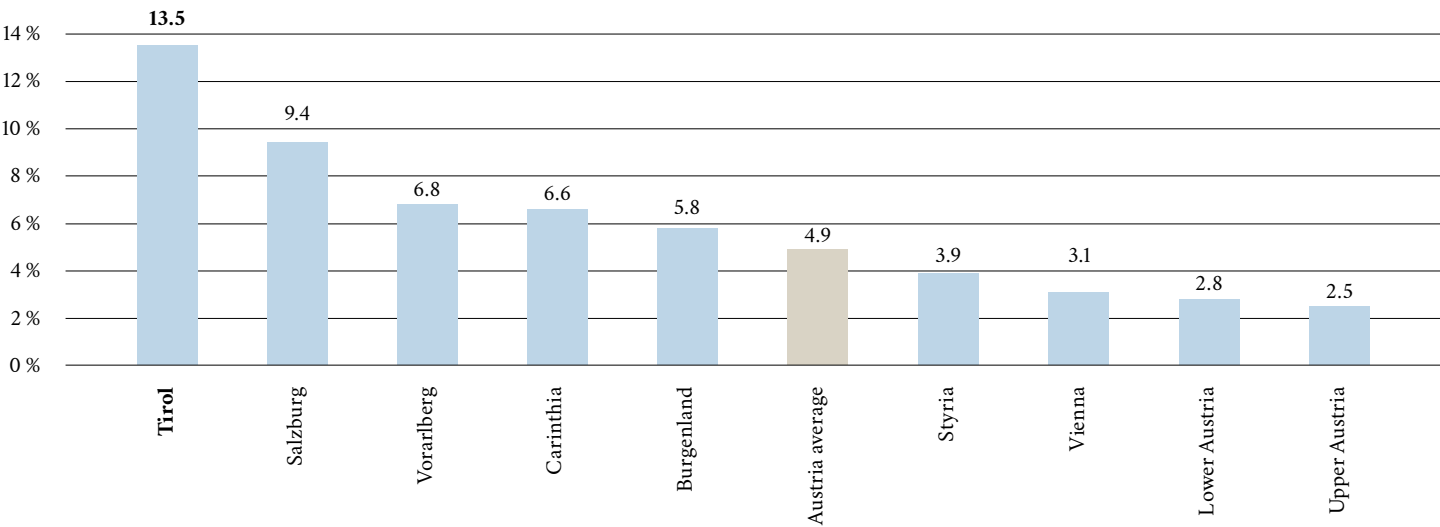
Tourism is also an important client for other sectors of the economy, such as construction and material goods production.

Tourism means stability

As well as this, tourism has repeatedly proved in the past to be an important “economic airbag”, providing stabilization even in difficult economic times, in particular with regard to the labour market.

Proportion of the sector of accommodation and catering in direct gross value creation, by Federal Province, in percent (2010)

Top place for Tirol when it comes to accommodation and catering
Tirol registers the highest tourism intensity in Austria



Source: Statistical database of Tirolean Government

Overall economic significance and integration of tourism in Tirol



Gross value creation by tourism in Tirol (Tourism Satellite Account)

From the overall sales generated in the tourism sector in Tirol (taking account also of sales such as museum admissions, shopping purchases, transport, etc.), in the amount of some 7.96 billion euros, with an average value creation quota of 51.8 %, a gross value creation is derived from tourism in Tirol in

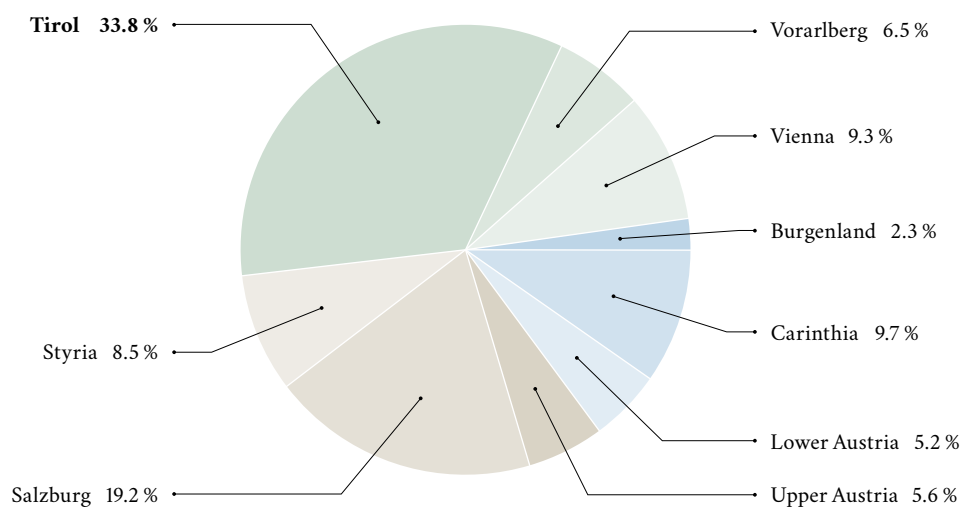
the amount of 4.12 billion euros. The share in Tirol's gross regional product in the amount of 24,720 million euros (2008) accordingly amounts to 16.7 % (2003: 15.4 %).

By way of comparison: In Austria as a whole, gross value creation from tourism in 2008 was 13.8 billion euros, or 4.9 % of gross regional product.

Source: MCI Management Center Innsbruck and Statistik Austria

Ranking of the Austrian Federal Provinces by numbers of guest overnight stays in 2011/2012

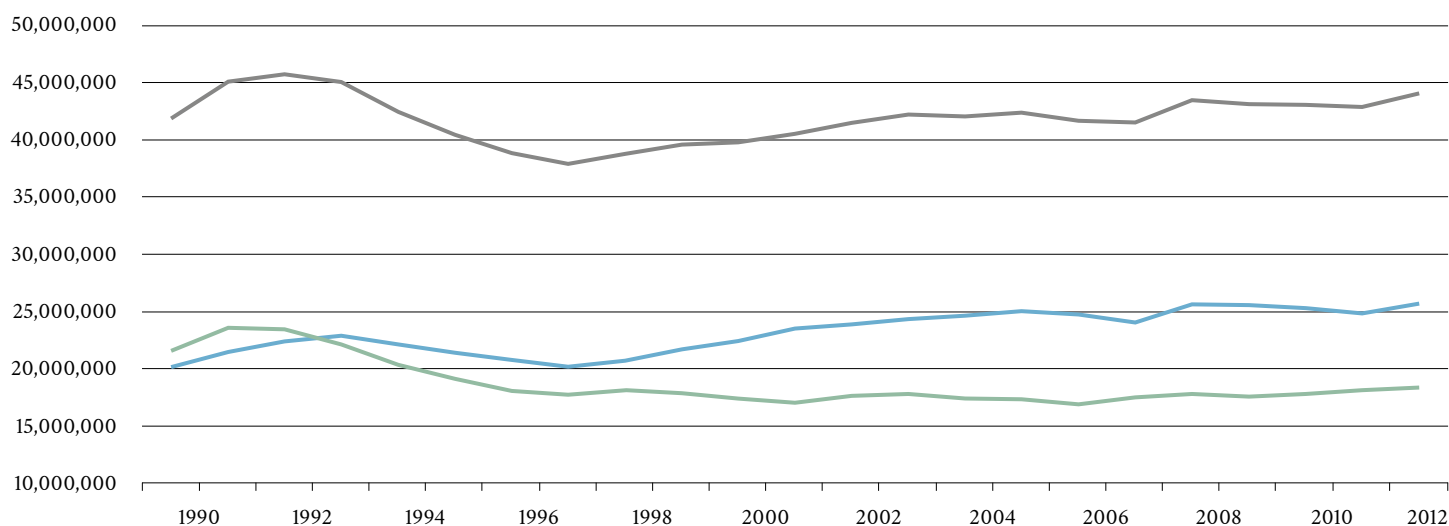
Tirol tourism Number One in 2010 in an all-Austria comparison



Source: STATcube – Statistical database of Statistics Austria

Overnight stays in Tirol since 1990

44 million guest overnight stays in Tirol in 2012

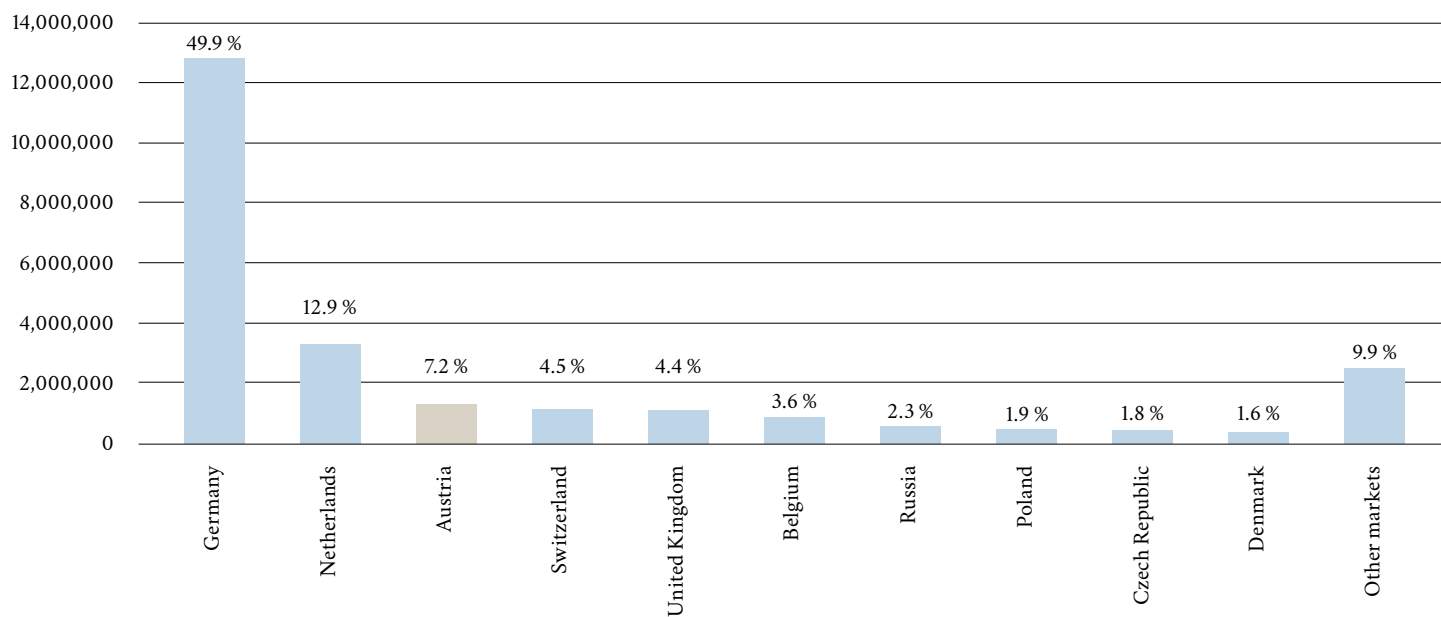


Overnight stay figures		
■ Winter	Winter 2011/2012	25,699,465
■ Summer	Summer 2012	18,325,303
■ Total	year of tourism 2011/2012	44,024,768

Source: Office of the Tirol State Government, Statistical database and tiris

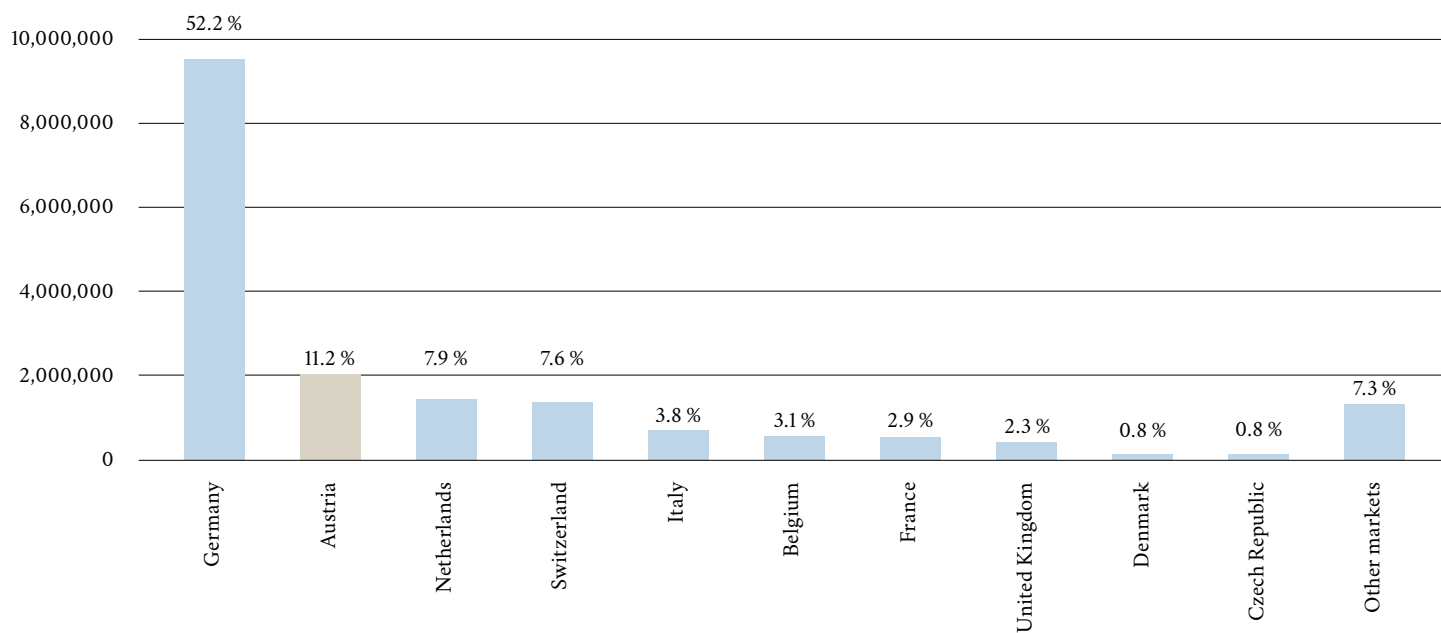
Top 10 source markets by overnight stays in winter 2011/12

Tourists in Tirol come predominantly from Germany, Austria, and the Netherlands



Source: Office of the Tirol State Government,
Statistical database and tiris

Top 10 source markets by overnight stays in summer 2012



Source: Office of the Tirol State Government,
Statistical database and tiris



Research

Research and development rate

Tirol's R&D rate of 2.8 % of the GDP ranks among the top three Austrian locations for research and technology.

Research expenditure

National comparison of the total gross domestic expenditure on R&D for 2001 – 2011 in million euros shows that Tirol again is on third place as to cumulative growth. Tirol's R&D

expenditure increased by 114 % during this period. Tirol also takes third place in gross domestic expenditure per capita with 1,030 euros in 2011.

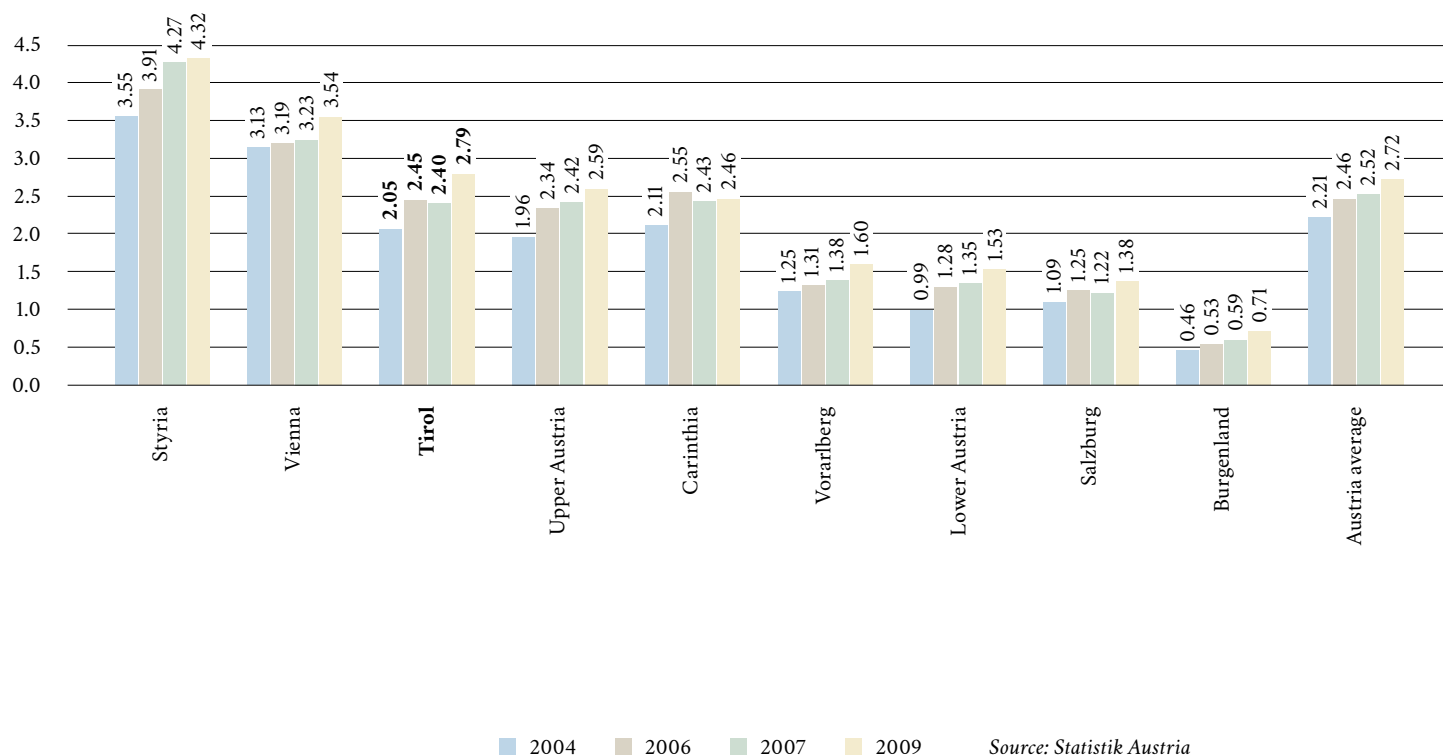
Tirol – Location for research

Basic research and a powerful collaboration with companies and science centres as well as innovative enterprises and R&D facilities in six clusters guarantee the success of the Tirolean location for technology.

Presently, the location counts 3 universities, 20 university hospitals, 2 universities of applied sciences, Management Center Innsbruck, 2 colleges of education, 5 extramural R&D institutions, 3 Christian Doppler-laboratories and further 15 research associations of partners from economy and science, so-called centres of excellence.

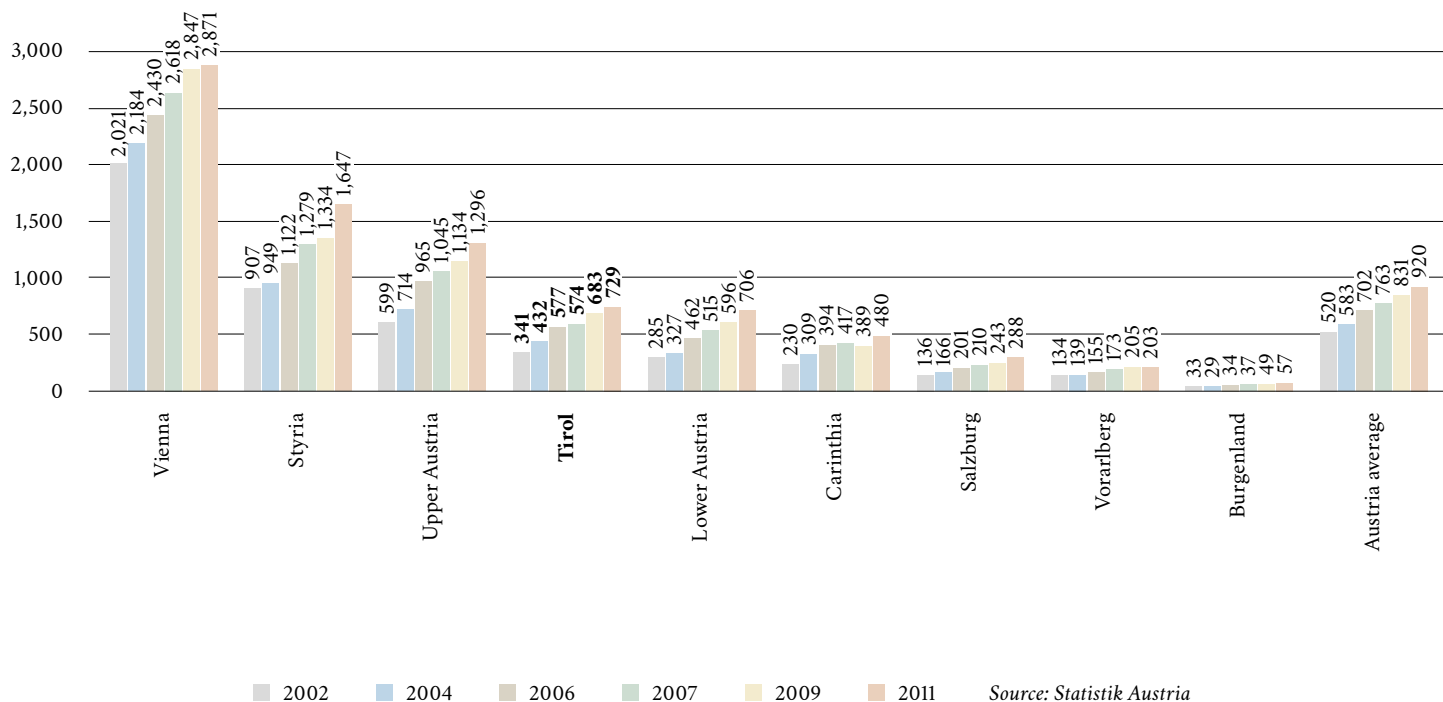
Regional research rate – development 2004–2009 in national comparison

Tirol ranks one of the Austrian top three in research and development (R&D)



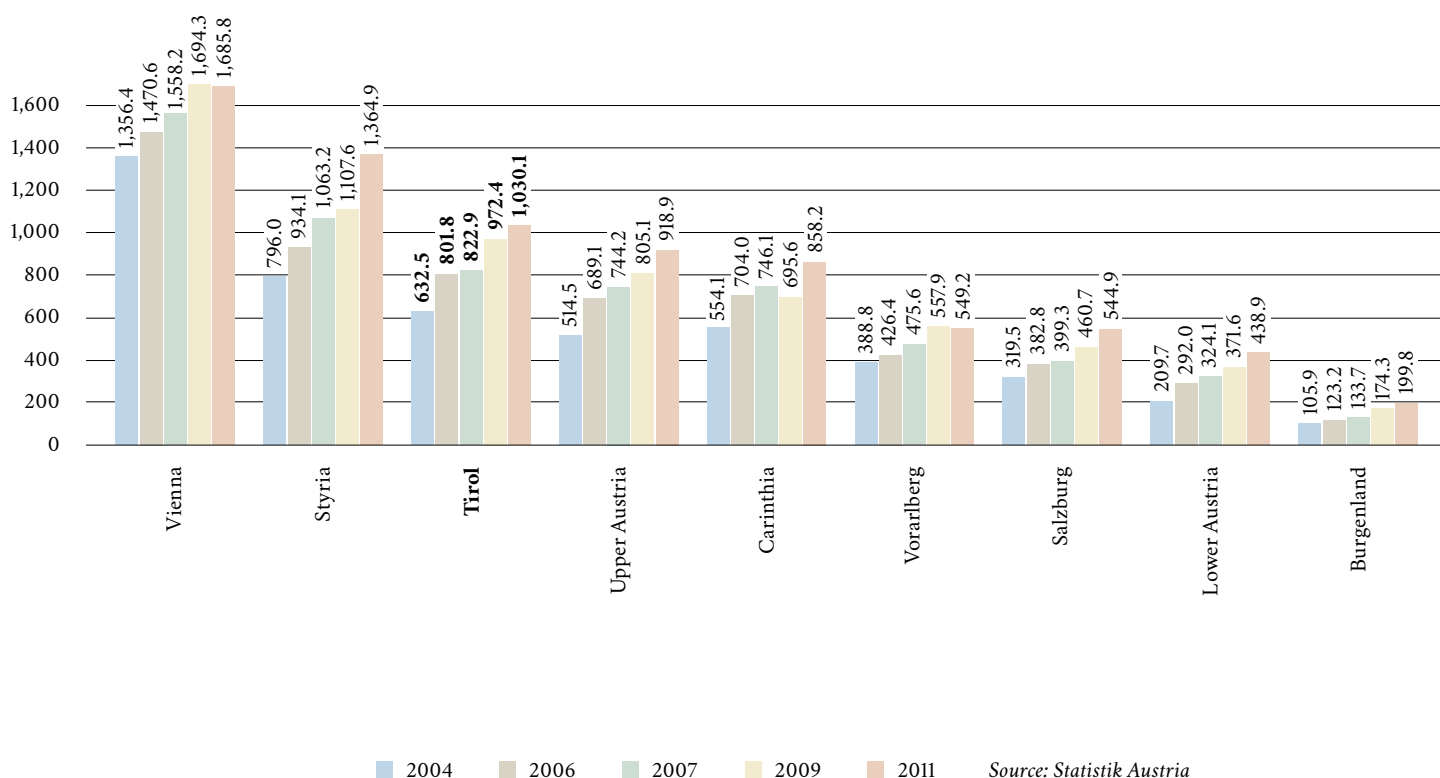
Total gross domestic expenditure on R&D in million euros – development 2002–2011 in national comparison

729 million euros expenditure on R & D in Tirol in 2011



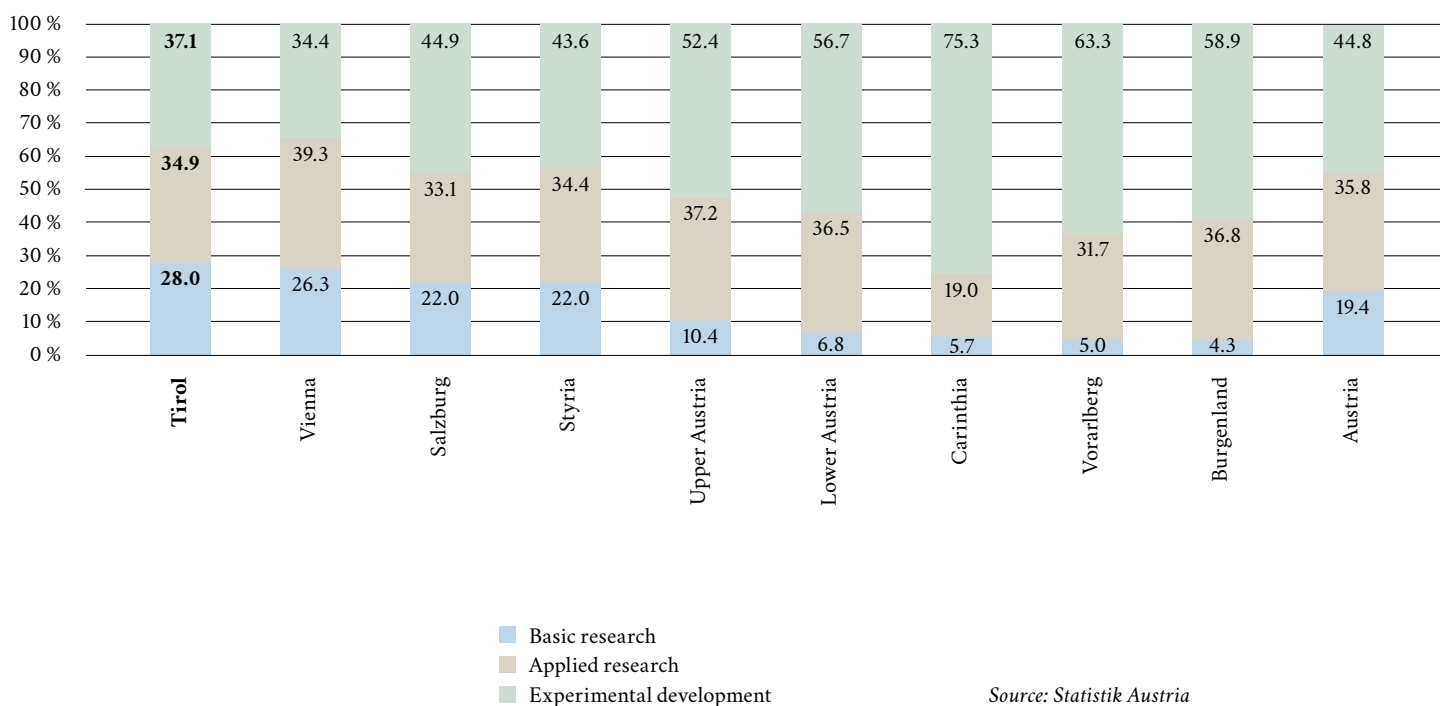
Gross domestic expenditure on R&D per capita – development 2004–2011 in national comparison

Tirol in third place for per capita R & D expenditure



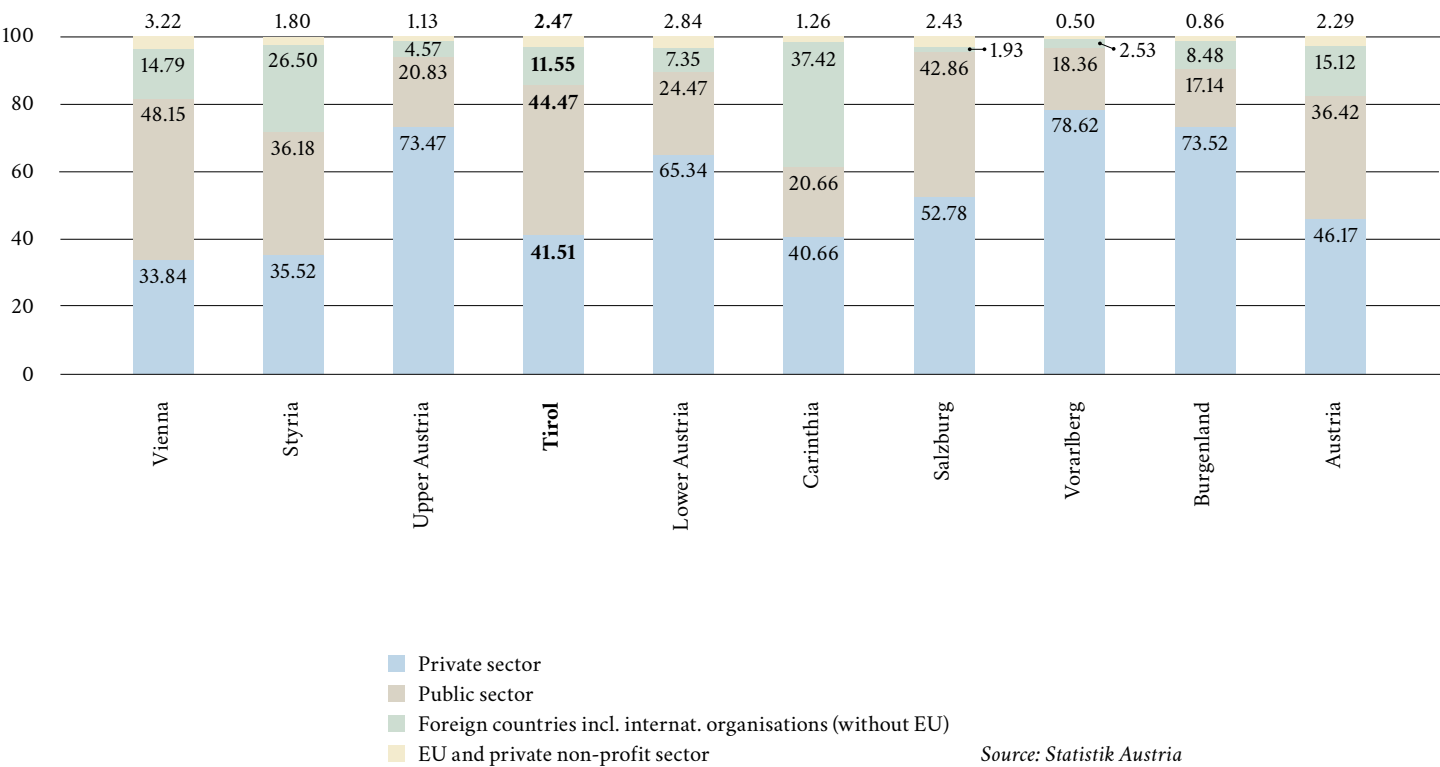
Gross domestic expenditure on R&D by types of research 2011 in national comparison

Tirol holds highest national share in basic research



Shares of the sectors in R&D funding of 2011 in national comparison

Tirol: near balance in research funding by the public and private sector



Tirolean academies and students

More than 43,000 students in Tirol

Innsbruck, the capital of Tirol, is a major university town. Leopold Franzens University was already established in 1669 and is now the biggest and most important West Austrian research and educational institution with about 27,700 students and more than 4,500 employees.

The Medical school spun off in 2004 and has since then been established as independent Medical University of Innsbruck.

Tirol is home to eight academies and other renowned institutions such as UMIT, MCI or Kufstein University of Applied Sciences.

Universities and technical colleges are very important research partners of the Tirolean economy. They are also a substantial economic factor educating and providing highly trained professionals for the domestic economy.

Tirolean academies	Students	Graduates
University of Innsbruck	27,774	3,935
Medical University of Innsbruck	7,948	328
MCI Management Center Innsbruck	2,700	5,000
Kufstein University of Applied Sciences	1,400	297
UMIT Private Health and Life Sciences University	1,413	308
College of Education Tirol	998	330
University of Applied Sciences for Health	595	288
Edith Stein Catholic University College for Education	353	297
Total	43,181	10,783

Source: Ministry for Science and Research





Energy

Tirol – strong in renewable energies

Presently, Tirol covers 40 % of its total energy demand with own resources, two thirds thereof are from hydraulic power and one third from other renewable energy sources (biomass, biogas, solar energy and environmental heat).

Energy from Tirol for Tirol

About 80 % of the electric energy produced from water power is used directly to supply the country.

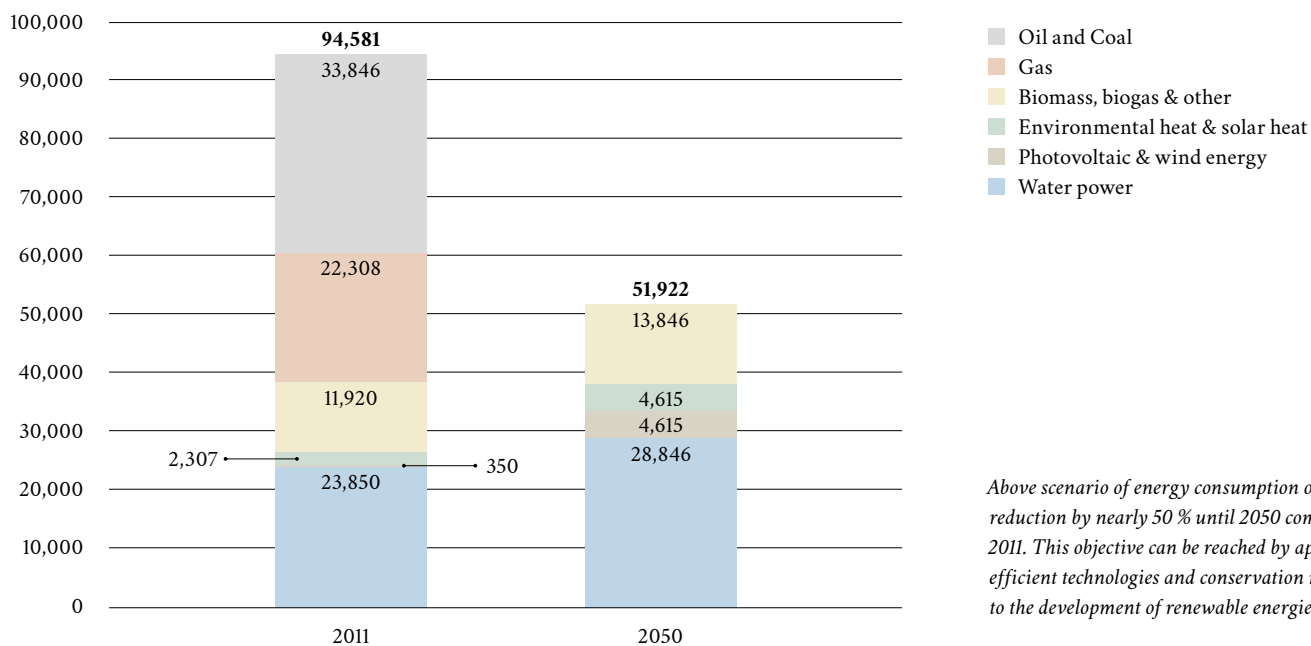
Renewable energies – still under development

It is intended to cover the entire energy demand with domestic, renewable resources by 2050. 40 % or 2.8 terawatt-hours of the 7 terawatt-hours available from hydraulic power will be developed in the next 25 years within the scope regional water programmes.

At the same time power generation from photovoltaic systems will increase; environmental heat, solar heat and biomass will gain in importance.

Development of final energy in Tirol

The future of Tirol energy

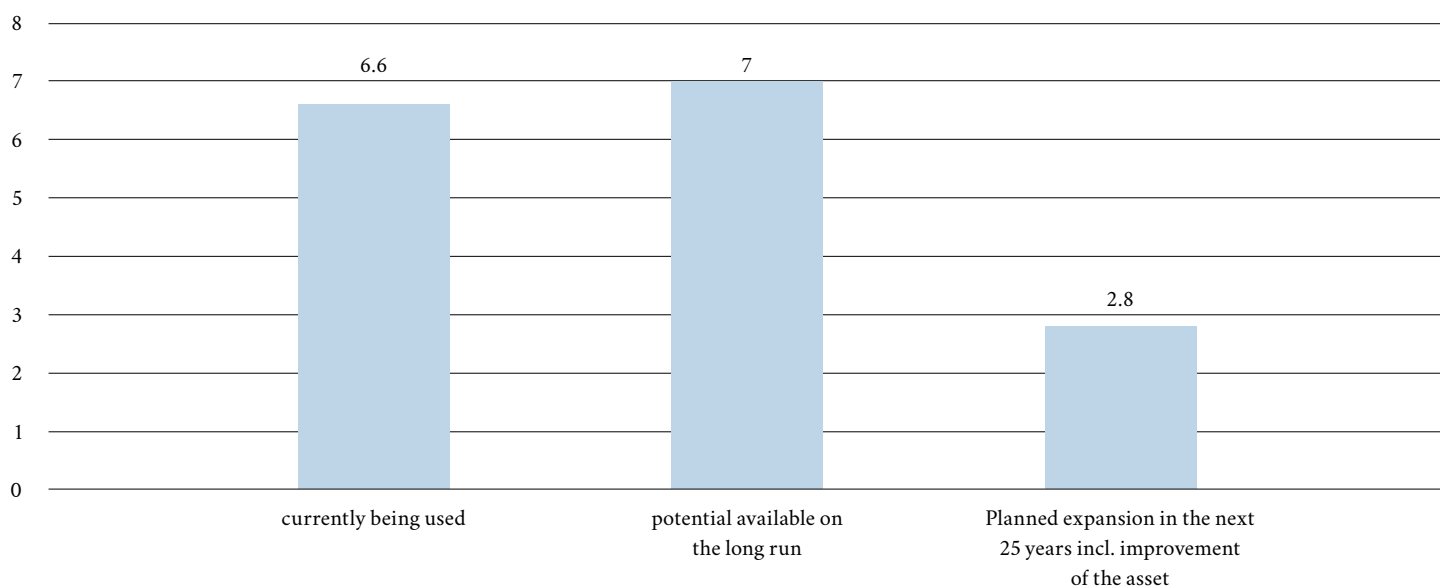


Above scenario of energy consumption outlines a reduction by nearly 50 % until 2050 compared to 2011. This objective can be reached by applying energy efficient technologies and conservation measures linked to the development of renewable energies.

Source: Statistik Austria,
Tirolean energy monitoring 2012

Water power potential of Tirol in TWh

Tirol – Rich in water power (potential)



Notes

Impressum:

Tirol Chamber of Commerce and Standortagentur Tirol

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