Tirol — a powerful land
Population, Labour Market, Economic Performance and Companies
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Preface

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

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 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*

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

Tirol represents 8.5% of the population of Austria

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Source: Statistik Austria
Increases in population 2000 – 2012 in percent
The population of Tirol has grown by 7.3 % since 2000

Population structure of Tirol up to 2050
Demographic change as a challenge

Source: Statistik Austria

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

*Source: Statistik Austria*

**Development in non-independent employment in Tirol since 2007**

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

*Source: AMS*
Unemployment rate in percent (international method)

Tirol’s unemployment rate is clearly below the average for Austria as a whole.

Source: Statistik Austria
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
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

<table>
<thead>
<tr>
<th></th>
<th>absolute figures (in million €)</th>
<th>in percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Germany</td>
<td>2,973</td>
</tr>
<tr>
<td>2</td>
<td>Switzerland</td>
<td>1,657</td>
</tr>
<tr>
<td>3</td>
<td>Italy</td>
<td>1,130</td>
</tr>
<tr>
<td>4</td>
<td>France</td>
<td>637</td>
</tr>
<tr>
<td>5</td>
<td>USA</td>
<td>610</td>
</tr>
<tr>
<td>6</td>
<td>Russia</td>
<td>254</td>
</tr>
<tr>
<td>7</td>
<td>United Kingdom</td>
<td>238</td>
</tr>
<tr>
<td>8</td>
<td>Czech Republic</td>
<td>225</td>
</tr>
<tr>
<td>9</td>
<td>Slovakia</td>
<td>193</td>
</tr>
<tr>
<td>10</td>
<td>Japan</td>
<td>174</td>
</tr>
<tr>
<td><strong>Total exports</strong></td>
<td><strong>11,085</strong></td>
<td></td>
</tr>
</tbody>
</table>
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

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

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

Source: Statistik Austria
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
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

<table>
<thead>
<tr>
<th>Commercial sector, size structure</th>
<th>Businesses</th>
<th>Non-independent employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>number</td>
<td>in %</td>
</tr>
<tr>
<td>EPU 0 Employees</td>
<td>20,362</td>
<td>51.3 %</td>
</tr>
<tr>
<td>KS 1 Employee</td>
<td>5,029</td>
<td>12.7 %</td>
</tr>
<tr>
<td>KS 2 Employees</td>
<td>2,972</td>
<td>7.5 %</td>
</tr>
<tr>
<td>KS 3 Employees</td>
<td>2,060</td>
<td>5.2 %</td>
</tr>
<tr>
<td>KS 4 Employees</td>
<td>1,485</td>
<td>3.7 %</td>
</tr>
<tr>
<td>KS 5 Employees</td>
<td>1,059</td>
<td>2.7 %</td>
</tr>
<tr>
<td>KS 6–9 Employees</td>
<td>2,496</td>
<td>6.3 %</td>
</tr>
<tr>
<td>KB 10–24 Employees</td>
<td>2,702</td>
<td>6.8 %</td>
</tr>
<tr>
<td>KB 25–49 Employees</td>
<td>870</td>
<td>2.2 %</td>
</tr>
<tr>
<td>MB 50–99 Employees</td>
<td>361</td>
<td>0.9 %</td>
</tr>
<tr>
<td>MB 100–249 Employees</td>
<td>185</td>
<td>0.5 %</td>
</tr>
<tr>
<td>GB 250–499 Employees</td>
<td>76</td>
<td>0.2 %</td>
</tr>
<tr>
<td>GB 500–999 Employees</td>
<td>19</td>
<td>0.0 %</td>
</tr>
<tr>
<td>GB 1,000 and more Employees</td>
<td>10</td>
<td>0.0 %</td>
</tr>
<tr>
<td>Total</td>
<td>39,686</td>
<td></td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Province</th>
<th>Proportion (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tirol</td>
<td>13.5</td>
</tr>
<tr>
<td>Salzburg</td>
<td>9.4</td>
</tr>
<tr>
<td>Vorarlberg</td>
<td>6.8</td>
</tr>
<tr>
<td>Carinthia</td>
<td>6.6</td>
</tr>
<tr>
<td>Burgenland</td>
<td>5.8</td>
</tr>
<tr>
<td>Austria average</td>
<td>4.9</td>
</tr>
<tr>
<td>Styria</td>
<td>3.9</td>
</tr>
<tr>
<td>Vienna</td>
<td>3.1</td>
</tr>
<tr>
<td>Lower Austria</td>
<td>2.8</td>
</tr>
<tr>
<td>Upper Austria</td>
<td>2.5</td>
</tr>
</tbody>
</table>

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

Overnight stays in Tirol since 1990
44 million guest overnight stays in Tirol in 2012

Source: STATcube – Statistical database of Statistics Austria

Overnight stay figures
<table>
<thead>
<tr>
<th>Season</th>
<th>Year</th>
<th>Number of Overnight Stays</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winter</td>
<td>Winter 2011/2012</td>
<td>25,699,465</td>
</tr>
<tr>
<td>Summer</td>
<td>Summer 2012</td>
<td>18,325,303</td>
</tr>
<tr>
<td>Total</td>
<td>Year of tourism 2011/2012</td>
<td>44,024,768</td>
</tr>
</tbody>
</table>

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

www.standort-tirol.at
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

Source: Statistik Austria
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

Source: Statistik Austria

<table>
<thead>
<tr>
<th>Region</th>
<th>Private sector</th>
<th>Public sector</th>
<th>Foreign countries incl. internat. organisations (without EU)</th>
<th>EU and private non-profit sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vienna</td>
<td>33.84</td>
<td>48.15</td>
<td>14.79</td>
<td></td>
</tr>
<tr>
<td>Styria</td>
<td>35.52</td>
<td>36.18</td>
<td>26.50</td>
<td></td>
</tr>
<tr>
<td>Upper Austria</td>
<td>73.47</td>
<td>20.83</td>
<td>1.13</td>
<td></td>
</tr>
<tr>
<td>Tirol</td>
<td>41.51</td>
<td>44.47</td>
<td>2.47</td>
<td></td>
</tr>
<tr>
<td>Lower Austria</td>
<td>65.34</td>
<td>20.66</td>
<td>1.26</td>
<td></td>
</tr>
<tr>
<td>Carinthia</td>
<td>40.66</td>
<td>52.78</td>
<td>2.43</td>
<td></td>
</tr>
<tr>
<td>Salzburg</td>
<td>78.62</td>
<td>7.35</td>
<td>1.93</td>
<td></td>
</tr>
<tr>
<td>Vorarlberg</td>
<td>73.52</td>
<td>24.47</td>
<td>0.50</td>
<td></td>
</tr>
<tr>
<td>Burgenland</td>
<td>36.42</td>
<td>52.78</td>
<td>2.53</td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>46.17</td>
<td>36.18</td>
<td>8.48</td>
<td></td>
</tr>
</tbody>
</table>

Source: Statistik Austria
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

<table>
<thead>
<tr>
<th>Academy</th>
<th>Students</th>
<th>Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Innsbruck</td>
<td>27,774</td>
<td>3,935</td>
</tr>
<tr>
<td>Medical University of Innsbruck</td>
<td>7,948</td>
<td>328</td>
</tr>
<tr>
<td>MCI Management Center Innsbruck</td>
<td>2,700</td>
<td>5,000</td>
</tr>
<tr>
<td>Kufstein University of Applied Sciences</td>
<td>1,400</td>
<td>297</td>
</tr>
<tr>
<td>UMIT Private Health and Life Sciences University</td>
<td>1,413</td>
<td>308</td>
</tr>
<tr>
<td>College of Education Tirol</td>
<td>998</td>
<td>330</td>
</tr>
<tr>
<td>University of Applied Sciences for Health</td>
<td>595</td>
<td>288</td>
</tr>
<tr>
<td>Edith Stein Catholic University College for Education</td>
<td>353</td>
<td>297</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43,181</strong></td>
<td><strong>10,783</strong></td>
</tr>
</tbody>
</table>

*Source: Ministry for Science and Research*
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)