



## Home to commerce and industry



**Baden-Württemberg is one of the leading economic regions not only in Germany but also Europe: Home to internationally renowned corporations and thousands of successful small and medium-sized enterprises, known for its innovative drive and inventive spirit, with a high level of productivity and low unemployment.**

The advent of industrialization saw the start of an unprecedented rise in the economic fortunes of our State. Although its transformation from agricultural to industrial society was slower to progress than in other German regions, during the first half of the 20th Century industrialization took off and the process of structural transformation gathered speed. Over the past sixty years since the State was founded, the sustainable improvement of living conditions and development of our economic structure have been rapid.

### Industrial giants and a strong medium-sized backbone

Ours is a State characterized by strong industry and a high export ratio which is home to internationally reputed industrial giants such as Daimler, Bosch and IBM Deutschland. But the structure of our economy is characterized primarily by its strong backbone of medium-sized enterprises, many of which are world market leaders in their respective product fields. Of particular importance for the economic development of Baden-Württemberg is growth in the knowledge-intensive service sectors with close ties to manufacturing industry.

As the birthplace of the automobile, around one quarter of industrial revenue is generated today in Baden-Württemberg by the automotive engineering industry and its large supplier network, closely followed by mechanical and plant engineering (around 20 per cent) and the metal and electrical industry (each 7 per cent). The chemical, pharmaceutical and optical industries also play a key role.

### Economic strength

In the European Union (EU), Baden-Württemberg's economic strength as gauged by its per-

capita gross domestic product is closely behind that of Luxembourg and Holland. It was 31 per cent above the average of all EU countries in 2010. In a comparison of the strongest of Europe's regions, Baden-Württemberg also scores high with 29 per cent above the EU average.

The disposable income per household is a highly significant indicator of a population's prosperity: Here, the citizens of Baden-Württemberg take the lead, both among the German flatland states and the countries of the EU.

### Land of inventors

Germany's Southwest is Europe's number one region for innovation. Nowhere in Europe is so much money and effort invested in the invention of new products and processes as here in the Southwest of Germany: 5.1 per cent of Baden-Württemberg's gross domestic product is ploughed back into research and development. This figure makes Baden-Württemberg the leading innovator in a comparison of the 97 EU regions by a long margin.

This degree of investment pays off: Nowhere else – relative to the population count – are more patents registered than in Baden-Württemberg. Furthermore, the State is also home to many lead research institutions, including the Institutes of the Max-Planck Society, the German Cancer Research Centre in Heidelberg, the German Aerospace Centre, the Centre for Solar Energy and Hydrogen Research Baden-Württemberg and the Institutes of the Fraunhofer Society.

### A qualified workforce – our most important asset

Companies benefit from the availability of an excellent, well-qualified workforce and capable management personnel, from a world-class research landscape and a modern infrastructure. Practically nowhere else do young people succeed in entering a professional career after completing their vocational training or degree course as quickly as here in the Southwest. Our State looks back on a long tradition of high-achieving individuals and companies.

All of these benefits mean that we enjoy not only above-average growth rates and high work productivity, but also a sustainably low unemployment quota. While the proportion of men and women aged between 15 and 65 in gainful employment is well above the EU average in Baden-Württemberg (74 per cent in 2010), the opposite applies to the number and quota of unemployed members of the population: Within Germany, Baden-Württemberg and Bavaria compete continuously to achieve the lowest unemployment figures, which are regularly well below the average figures for Germany as a whole and for Europe.

### Made in Baden-Württemberg – in demand the world over

Products made in Baden-Württemberg are in popular demand around the world. The importance of foreign trade is clearly illustrated by the export quota: This lies at around 50 per cent – with lead industries such as automotive and mechanical engineering coming in well above this figure. Among Germany's flatland states, we are the leading exporter.

Medium-sized enterprises employing a workforce of up to 250 form the backbone of our economy, accounting for 99.4 per cent of all companies. In this segment alone, the Southwest is home to 277 so-called hidden champions – medium-sized enterprises which are world market leaders in their field, as developers and producers of highly specialized products which they market around the world.

### Green technologies point the way forward

Focal areas for growth within the economy of Baden-Württemberg extend beyond classical sector and industry boundaries, offering enormous potential for innovation. These include primarily four future areas: Sustainable mobility, environmental technology and resource

efficiency, health and healthcare as well as embedded systems and IT services.

In these areas, our State benefits from a close-meshed network of research institutes, and also its many production and research clusters – whether in the greater Stuttgart and Karlsruhe areas, in the regions along the Rhine, in the Heilbronn lowlands, in Oberschwaben or the Hohenlohe region.

Focussing on resource efficiency, environmentally compatible materials and sustainable production methods, Baden-Württemberg-based companies are working at full steam to assume a pioneering role in the lead industries of the future. Because in times of dwindling fossil fuels and natural resources with the resulting rising energy and raw material costs, the innovations, technologies and products developed and produced by companies based in Baden-Württemberg are in high demand.

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<http://www.baden-wuerttemberg.de/en/our-state/business-location/>