



MADE IN
BAVARIAN
SWABIA

2020/2021

Our region at a glance

Facts, figures and information about Bavarian Swabia



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Reporting period: In the publication "Location in brief 2020/2021", the Chamber of Industry and Commerce for Swabia compiles the current data for the Bavarian-Swabian economic region. This data is always only available with a time delay. Therefore, in this brochure you will mainly find information that refers to the year 2019.

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Version: December 2020

Locally driven. Globally successful.

"Our region at a glance 2020/2021" is provided by the Chamber of Commerce and Industry of Swabia for all decision-makers in the world of business, science, politics and society. Our intension is to provide a solid foundation for relevant conversations and leading decisions in Bavarian Swabia. In times of fake news, "alternative facts" and conspiracy theories, we have compiled, structured and qualitatively classified reliable facts from all areas of economic life in our region.

1.8 million people live between the Swabian Danube and the Allgäu Alps, between the border of Baden-Württemberg and the Wittelsbach area. In our region, we learn and continue our education at schools, colleges and universities, as well as at in-house and outsourced trainings. We set up businesses, work in production, trade and services, move goods and people, use electricity and energy, cooperate within and beyond the borders of Bavarian Swabia, generating in total an annual gross domestic product of over 75 billion Euro – partly also due to the fact that our region is a magnet for leisure and tourism. "Our region at a glance 2020/2021" provides an overview of our ideal location and growing economy. Both in this printed version and digitally at:

schwaben.ihk.de

This updated version offers an overview of Bavarian Swabia as a business location by presenting new insights of the business-friendly environment and the innovative spirit that our region has to offer. We invite you to dive into the topics and get to know Bavarian Swabia better.



Dr. Andreas Kopton
President of IHK Swabia



Dr. Marc Lucassen
CEO of IHK Swabia

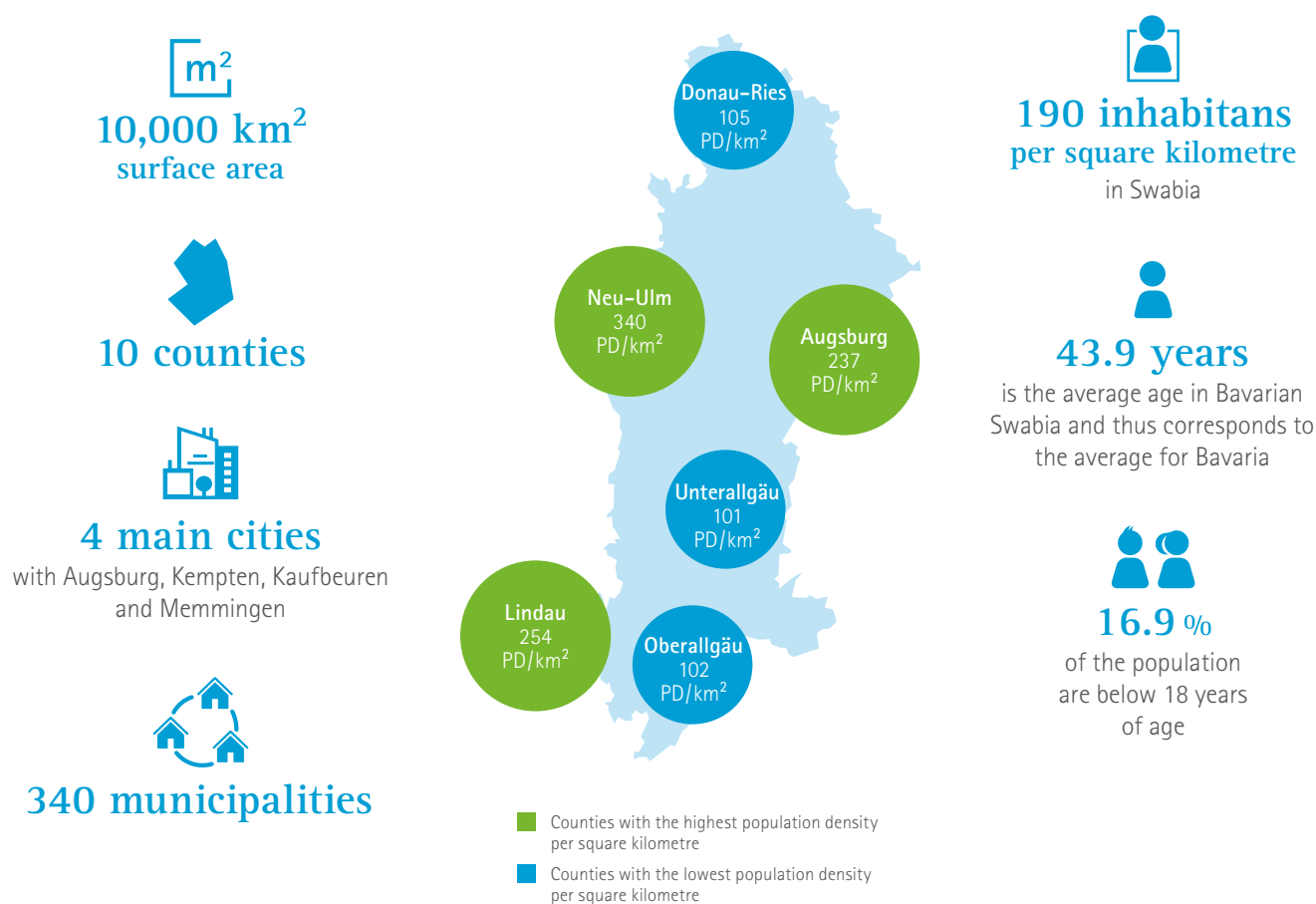


From the left:
Dr. Marc Lucassen, Dr. Andreas Kopton

Demographics

Bavarian Swabia is a great place to live, offering idyllic river valleys and lakes, magnificent natural landscapes and the Allgäu mountains. Furthermore, a strong economy provides jobs and prosperity, and a robust infrastructure. More and more people are appreciating this. 1.8 million people live between the Danube and the Alps – and the trend is rising. Thus, Bavarian Swabia is the second largest region in Bavaria.

Population diversity and regional structure



Regional capital, Augsburg

Third-largest city in Bavaria
with 296,600 inhabitants

15.6 % of the Bavarian-Swabian population live in Augsburg

12.5 % population growth
between 2009 and 2019

Population trend

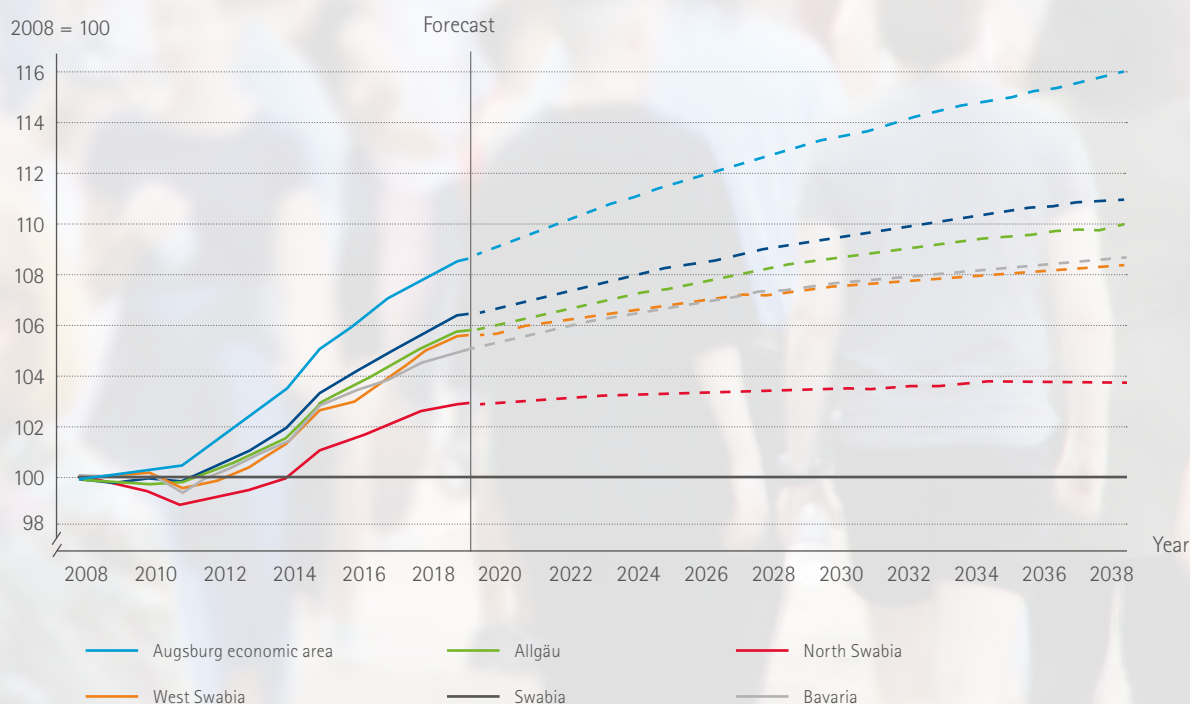
6.4 % population growth in Bavarian Swabia in the past ten years

Swabia is growing at an above average rate. The population in the counties has increased more strongly than in the State of Bavaria (+4.9 %).

The population of Swabia will continue to grow which is an important aspect in regards of the need for skilled workers. Bavarian Swabia will continue to grow faster than the State's average. The economic region of Augsburg in particular is growing rapidly.

The fact that Bavarian Swabia is one of Germany's growing regions is entirely thanks to inward migration, both from within Germany and from abroad.

The biggest magnet for new citizens is the county of Augsburg, where the number of people moving into exceeded the number moving out by more than 2,000 in 2019. However, the city of Augsburg and the counties of Aichach-Friedberg, Günzburg, Ostallgäu and Unterallgäu also have a positive net migration of more than 1,000 inhabitants.

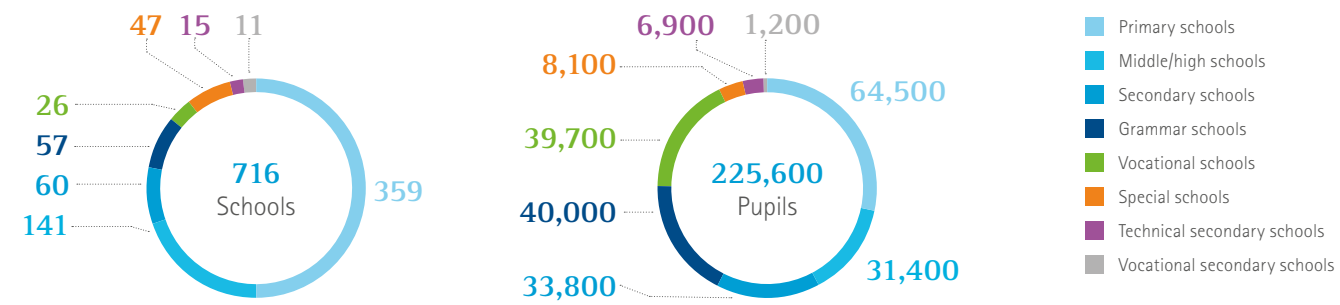


Source: Bavarian State Office for Statistics and Data – statistik.bayern.de, date: 31/12/2019

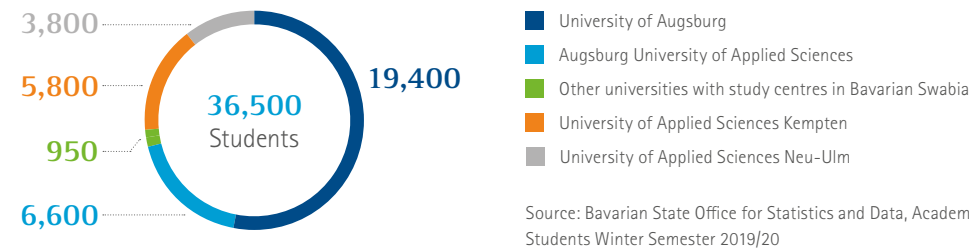
Education

The foundation of long-term prosperity is good education. Germany in particular, which has few natural resources, must invest in education. Bavarian Swabia offers the best conditions for this. A differentiated school landscape, several university locations, whose research and teaching are closely interlinked with the local economy, education providers who take care of lifelong learning in a variety of ways, and companies who take responsibility for vocational training.

Schools and Pupils



Students



Source: Bavarian State Office for Statistics and Data, Academic Year 2019/2020, Students Winter Semester 2019/20

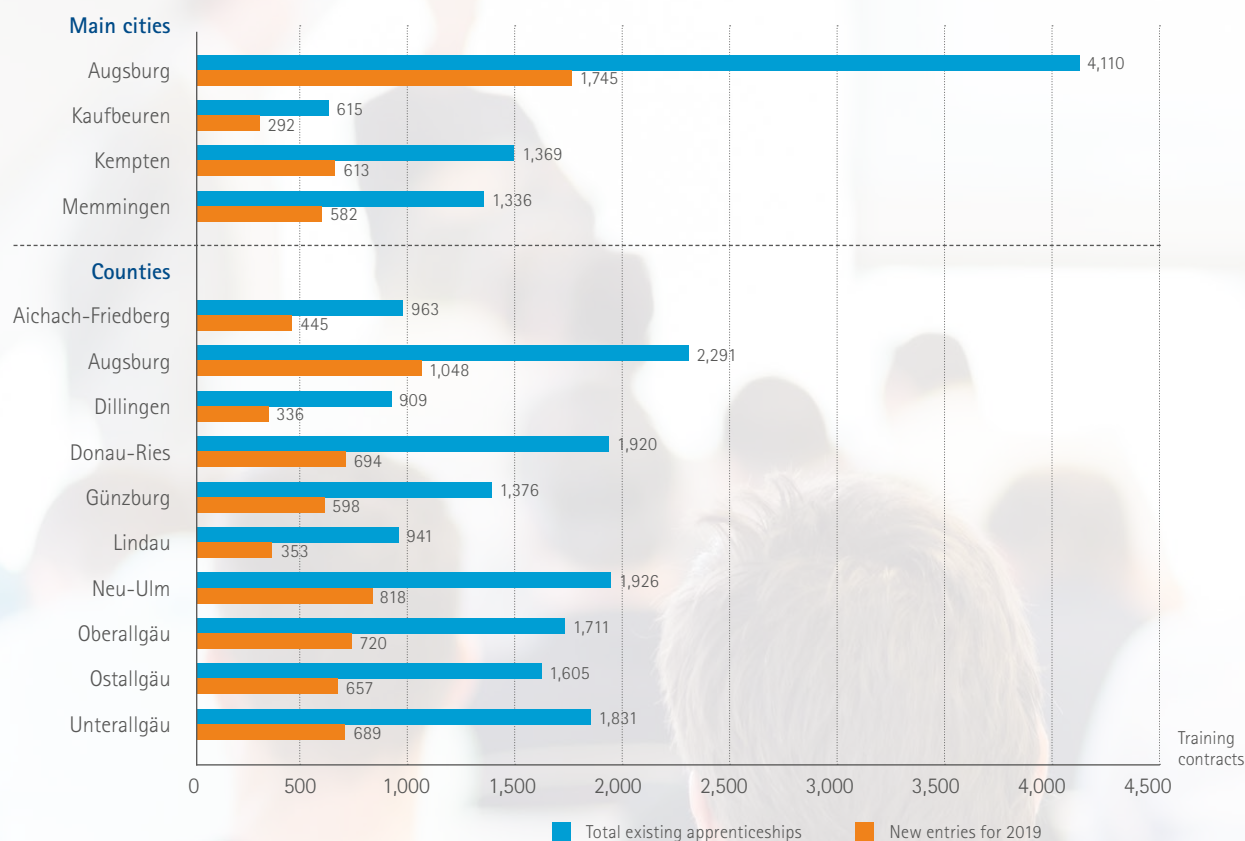
Professional training

Dual training is an important building block in securing skilled labour. In Bavarian Swabia, around 38,000 young adults are currently undergoing vocational training, many of them in an CCI sponsored occupation. Around 5,000 CCI sponsoring companies qualify skilled workers of tomorrow.



Source: IHK Swabia, date: 31/12/2019

Sponsoring contracts



Further education

A cultural change has taken place in continuing education due to rapid changes in technical possibilities, in working methods, but also in the demands on employers and employees require a culture of continuous learning. According to a survey by the Chamber of Commerce and Industry of Swabia, 80 percent of companies support in-house training by covering the costs or giving employees time off. More than 60 percent of companies actively approach their employees and recommend concrete measures.

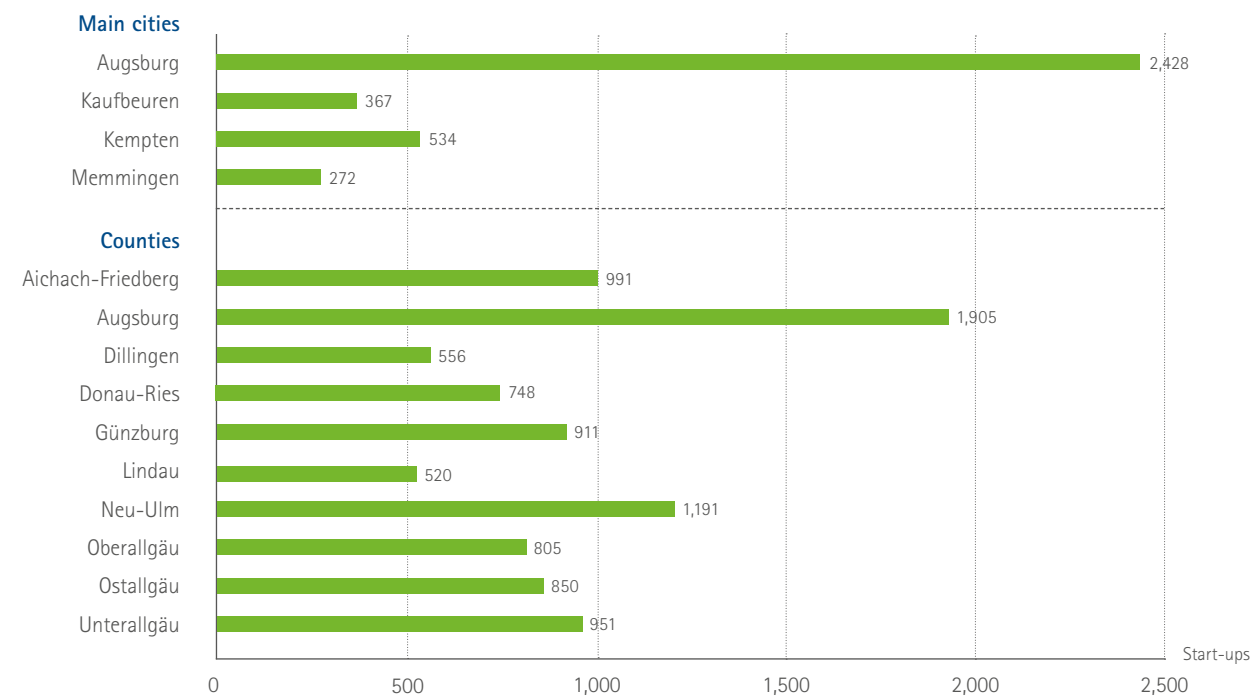
Source: IHK Swabia, date: 31/12/2019


Start-up Scene

Every successful business location needs them: the creative doers, the courageous forward thinkers, the determined problem-tacklers. Bavarian Swabia has all of them. More and more start-ups are rooting themselves in this region. Among them are predominantly classic business founders, who start their professional self-employment as a main or sideline business. But there are also many young entrepreneurs who take off after their studies with innovative business ideas.



Start-ups by region



Source: Bavarian State Office for Statistics and Data –  statistik.bayern.de, 2019

Start-ups by industry

Production



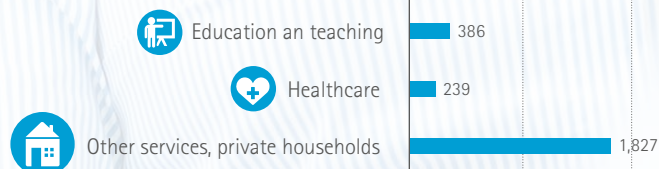
Trade, transport, hospitality



Business service



Public and private service providers



Start-ups
0 1,000 2,000 3,000 4,000

Source: Bavarian State Office for Statistics and Data – statistik.bayern.de, 2019

Start-up hubs

Bavarian Swabia gives start-ups a home. There are 16 technology and start-up hubs between Neu-Ulm and Augsburg, Nördlingen and Sonthofen. Here, young entrepreneurs, start-ups and self-employed people can find what they need in the initial phase: support, a well-developed infrastructure, opportunities for cooperation, access to networks and much more.

Numerous coworking spaces, such as the CoworkingCampus at the University of Augsburg, also offer space for innovation and new ideas.

Source: IHK-Standortportal Bayern, 2020

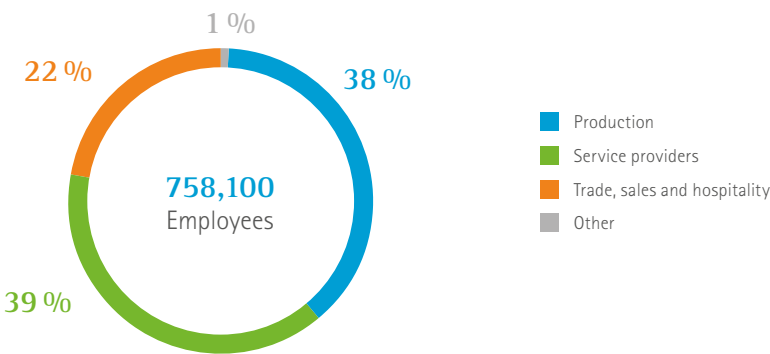


Employment

A business location flourishes through the people’s commitment to contribute to prosperity, security and growth. The manufacturing industry traditionally forms the foundation of the regional labour market. Additionally, trade and the service sector are also important drivers. With their innovative strength, entrepreneurs provide sustainable jobs in the future – in an environment worth living in.


Employees

The number of employees has been increasing for years. In 2019 it increased at an above average rate of two percent. The largest growth in employment was recently recorded in the Allgäu region. However, the largest job magnet remains to be the economic region of Augsburg. More than one in three employees are working in the regional capital or the two neighbouring counties.

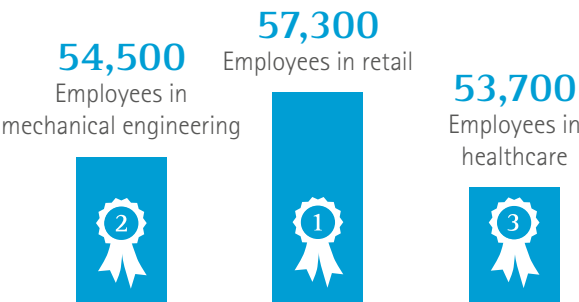


Sector highlights

 **15,000** employees are in the aerospace industry. Bavarian Swabia occupies a globally recognised top position. Almost four times as many people work here as in the German national average.

 **9,400** employees are in the IT/telecommunications sector. However, as the fastest growing sector, only about half as many people are employed here as the national average.

Largest sectors

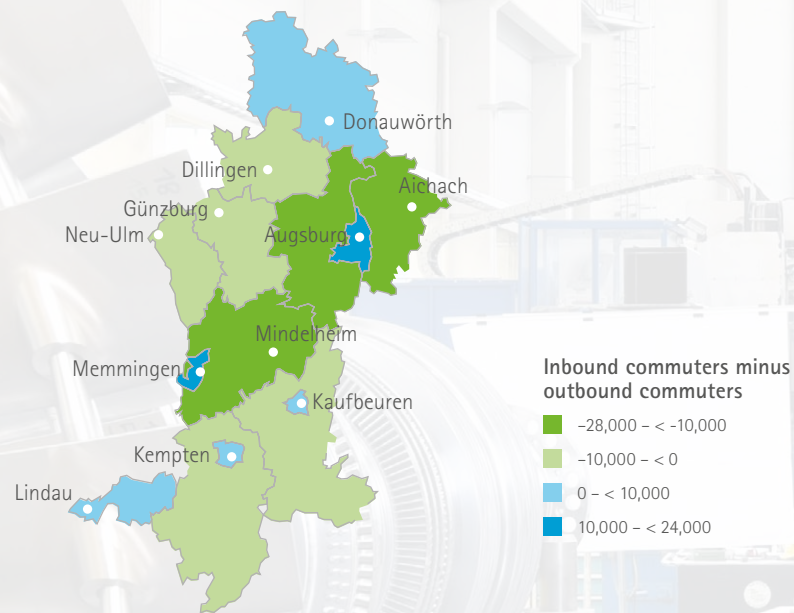


Source: German Federal Employment Agency, date: 30/06/2019

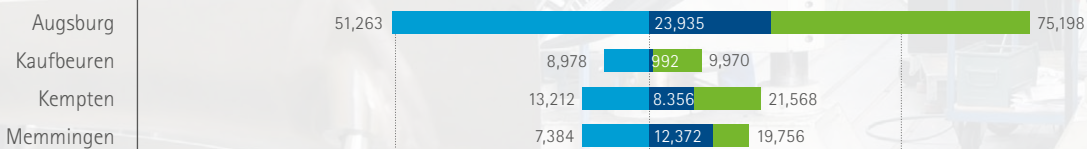
Transportation

The commuter flow within Bavarian Swabia shows the close connection between the cities and counties. Nevertheless, the economic area of Augsburg is the economic hub with a high density of jobs and therefore the center of many commuters.

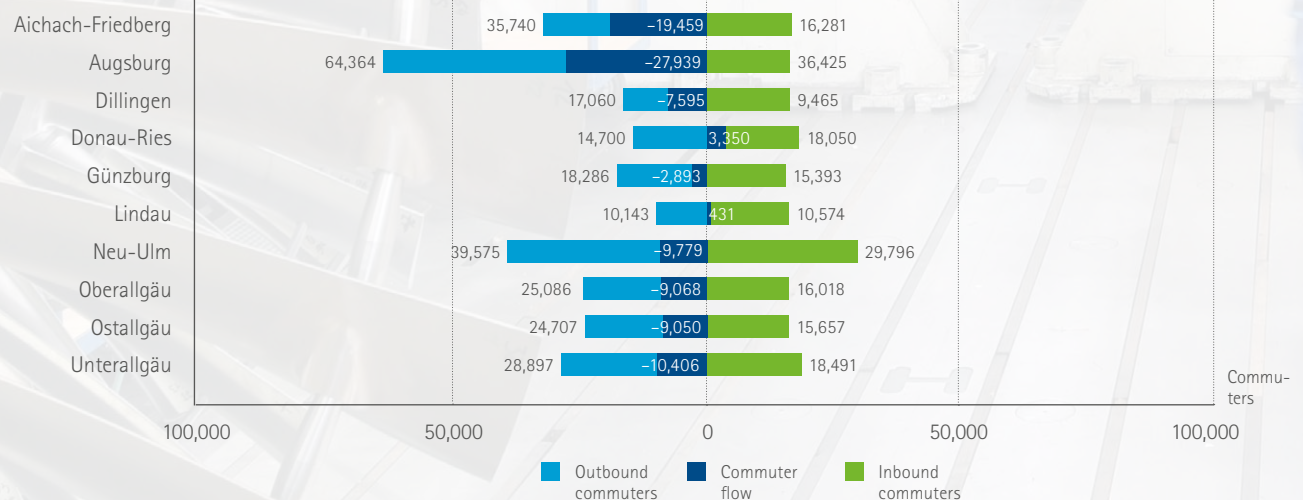
Commuter flow



Main cities



Counties



Source: German Federal Employment Agency, date: 30/06/2019

Infrastructure

An efficient infrastructure is the prerequisite for the economic success of a region. Among the strict regional specifications, accessibility by road, rail and air, as well as the availability of broadband/fibre optic connections and mobile phone reception are at the top of the list. The traffic issue has become a mobility issue: Some forms such as battery or hydrogen-powered, automated driving, the linking of transportation modes, new IT- or AI-based forms of systems in behaviours are influencing today's mobility and logistics.

**272 km** of federal freeways

820 km of federal roads

1,714 km of state roads

2,365 km of district roads

**830 km** of passenger transportation routes

151 passenger train stations, 13 of them have long distance stops (ICE, Intercity, Eurocity)



90,000 passengers on regional trains per working day



74 loading points for freight traffic

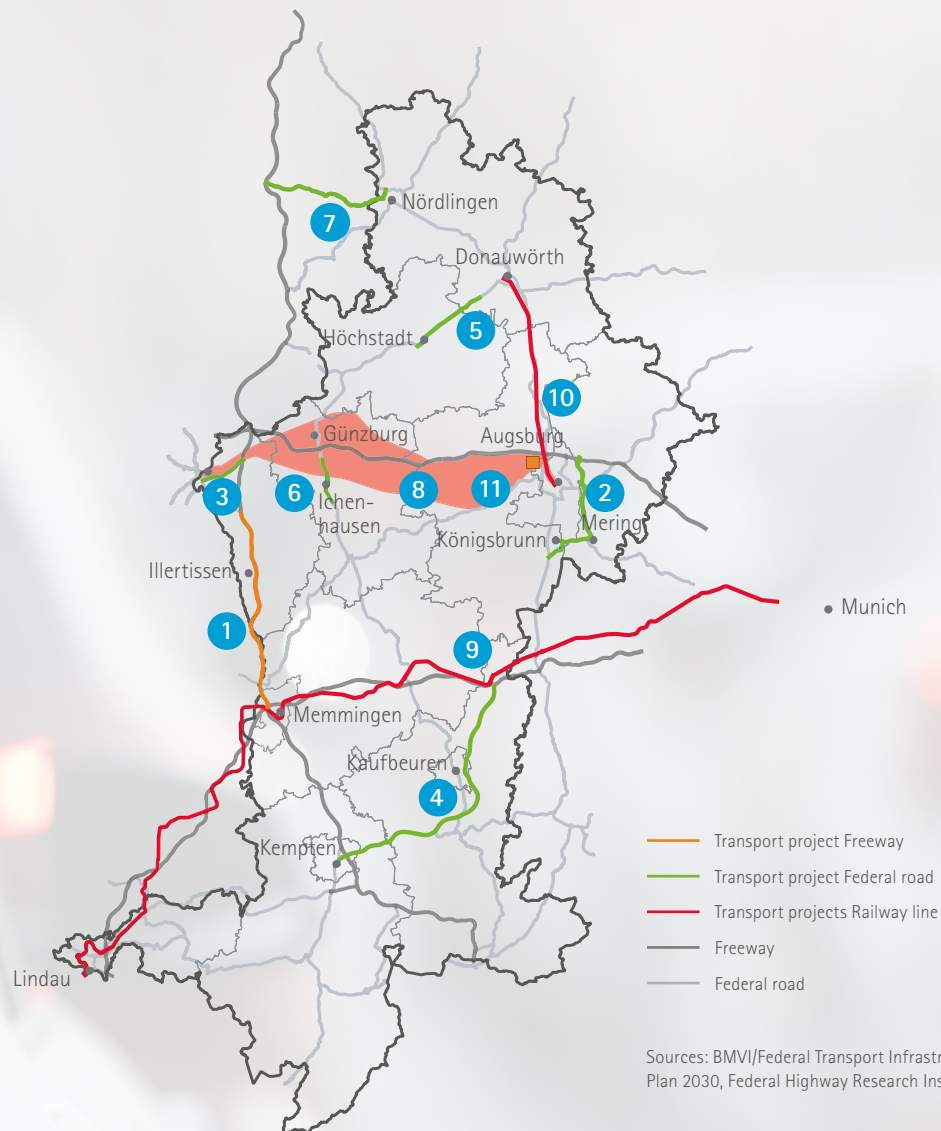
3 terminals for combined transportation for containers

Important transportation projects

Current projects of importance for interurban traffic are pending on the A 7 freeway and on some federal roads (see chart). The extension and new construction of a high-speed railway line between Ulm and Augsburg closes the last gap on the "Main Line for Europe" between Paris and Munich.

		
	Vehicle/day	km
1 A 7 (6 lanes) Hittistetten–Memmingen	65,600	39
2 New B 2 /Osttangente Augsburg	20,600	25
3 B 10, four-lane expansion Neu–Ulm–Nersingen (A 7) under construction	23,300	6
4 B 12, four-lane expansion Buchloe (A 96)–Kempten (A 7)	19,900	51
5 B 16, Local bypasses Höchstädt, Schwenningen and Tapfheim	13,600	19
6 B 16, Local bypass Ichenhausen/Kötz	13,900	10
7 New B 29, expansion and new construction, Nördlingen and freeway (A 7)	10,600	16

		
	Capacity	km
8 Railway extension and new line Ulm–Augsburg		85
9 Railway extension Munich–Memmingen–Lindau		155
10 Railway extension (third platform) Augsburg–Donauwörth		37
11 CT terminal (container railway station) Augsburg freight centre	approx. 60,000 containers/year	33



Broadband and mobile communications

If roads are the "veins" of an industrialised country, then fibre optic lines are the neural pathways. Therefore, the last "white spots" have to be removed. This is an important prerequisite for driving digitalisation forward and giving AI applications a further boost in the economy.



5,800 km of fibre optic cables

884,000 households are to be supplied with min. 30 Mbit/s in the future

128 m Euro promised funding for Swabian municipalities

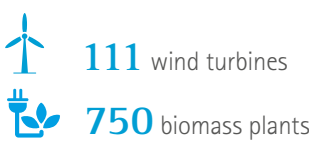
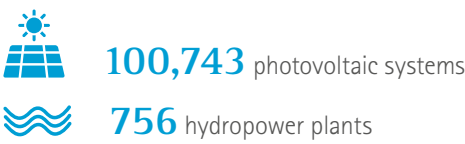
Source: Bavarian State Ministry for Housing, Construction and Transport, date: 01/01/2020

Energy

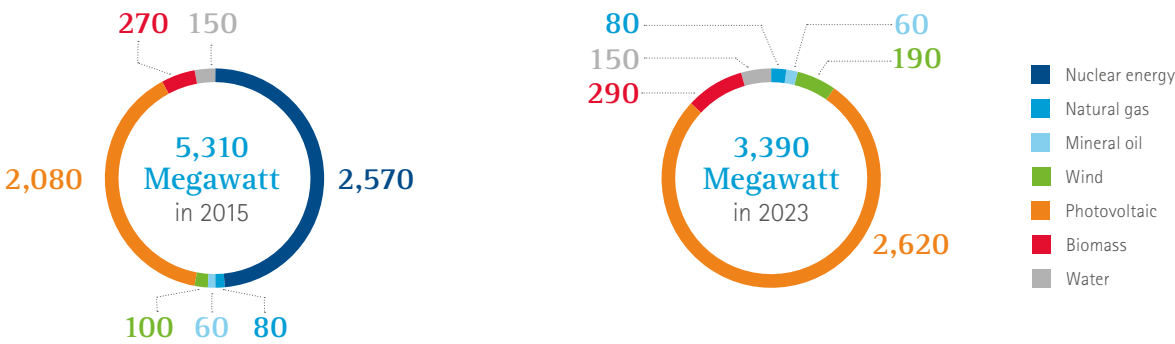
Energy revolution

Bavarian Swabia is leading the way in energy transition. Already more than half of the region's electricity consumption is covered by renewable energies. In comparison, the share of renewable energies is one third of total electricity consumption throughout Germany.

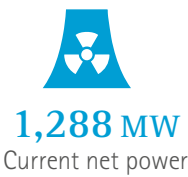
Above all, the largest number of photovoltaic systems is giving momentum to the energy transition. Many companies are actively participating in the energy transition themselves by operating their own power supply systems.



Energy sources in Bavarian-Swabia

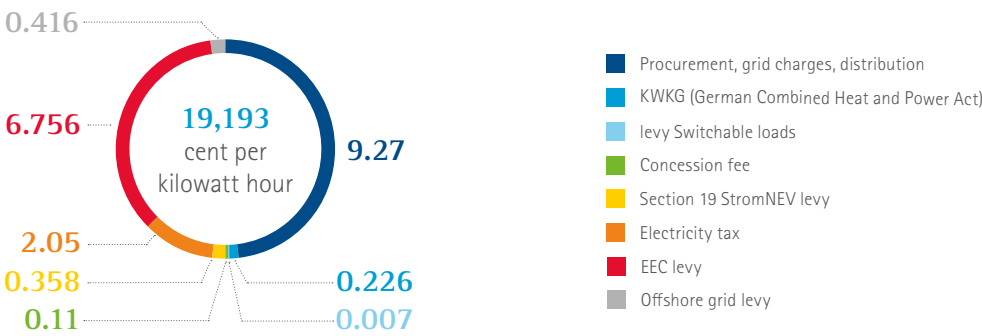


Gundremmingen nuclear power plant



The Gundremmingen nuclear power plant is currently the most important pillar of our energy supply. After the shutdown of the nuclear power plant, the energy deficit must be compensated for with electricity supplied via the power grids and renewable energies.

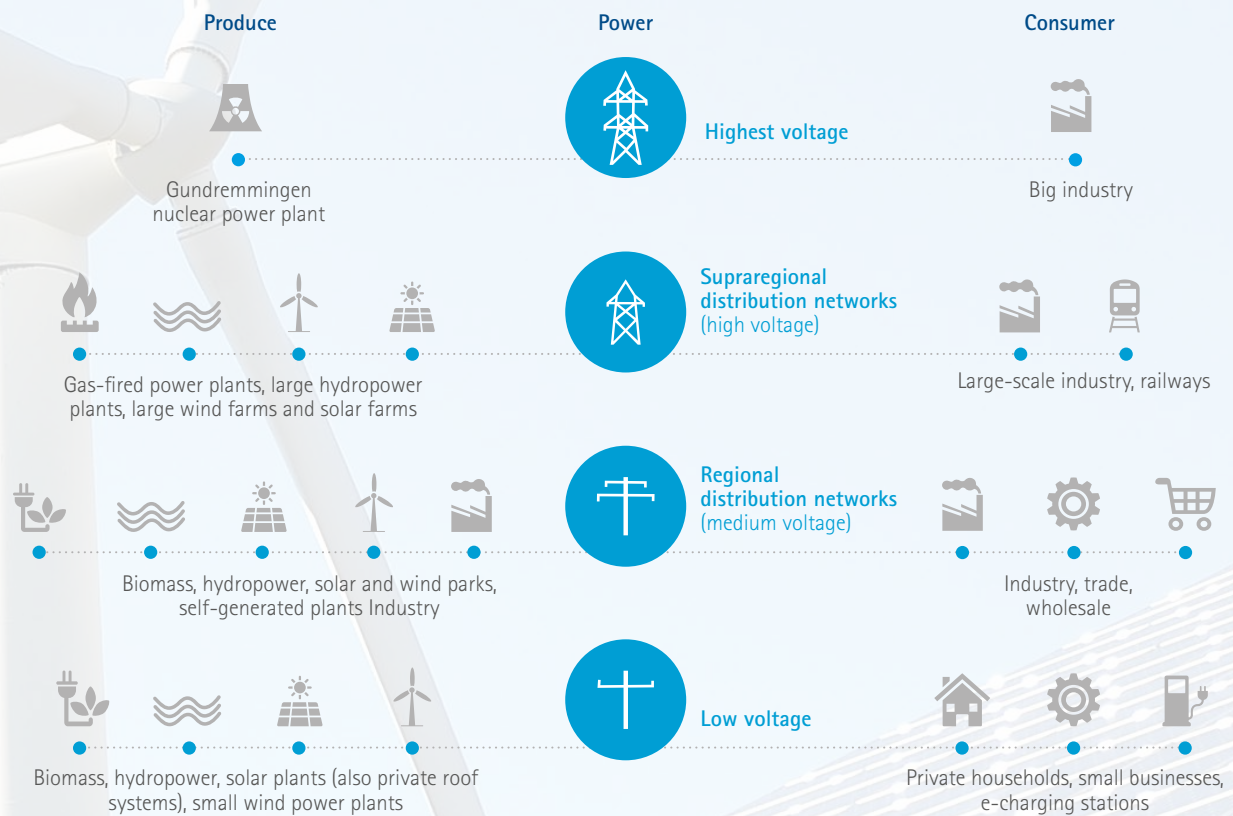
Composition of the electricity price



For an average company using between 160,000 to 20 million kilowatt hours per year.

Source: [bdew.de/media/documents/20200107_BDEW-Strompreisanalyse_Januar_2020.pdf](https://www.bdew.de/media/documents/20200107_BDEW-Strompreisanalyse_Januar_2020.pdf)

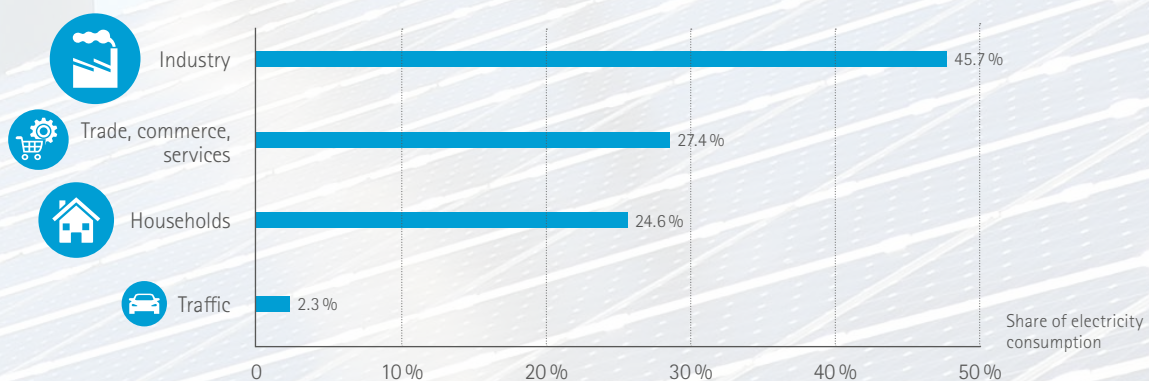
From power plant to consumer



Electricity consumption

11.9 Terawatt hours (TWh), which corresponds to 2 % of Germany's total electricity consumption.

51.3 % of which is from renewable energies (Germany-wide 33 %)



Source: Share of electricity consumption by sector in Germany 2019, de.statista.com

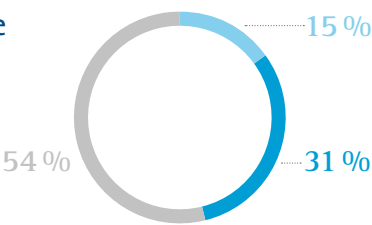
Innovation

Bavarian Swabia is one of the most innovative regions in Europe. Thanks to an economy built on solid foundations together with courage and openness of entrepreneurs who dare to try something new in cooperation with science and research, in addition to people to people who want to help shape progress.

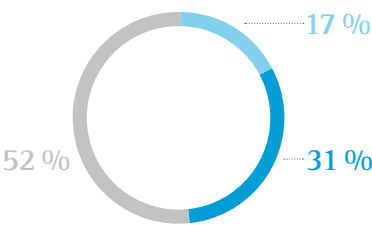
Southern Technology Axis

From the Rhine-Neckar metropolitan region in the west along the A 8 freeway to Passau in the east. The Southern Technology Axis covers an overall area of 94 independent cities and counties with a total of 17.7 million inhabitants. In the middle of this innovative zone lays Bavarian Swabia as its hub. A report by Prognos AG certifies that this region has above average economic and technological performance.

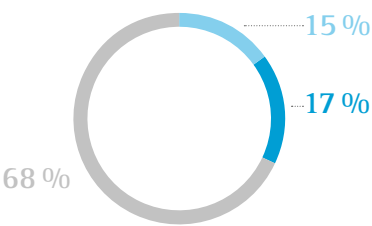
R&D expenditure in the economy



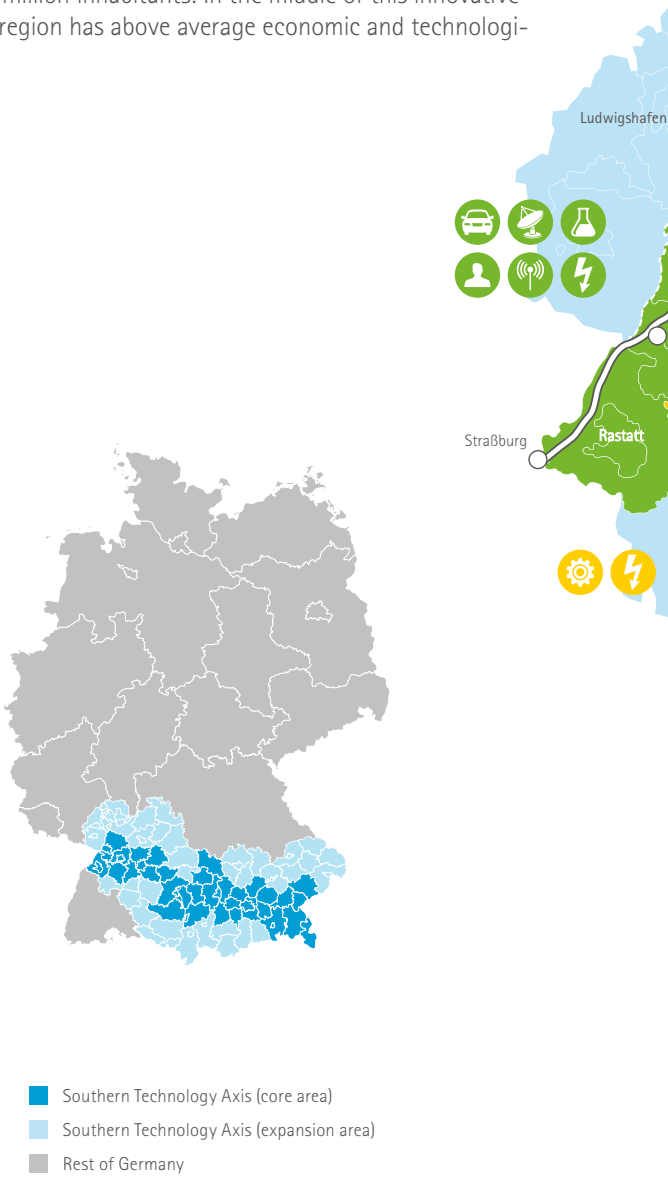
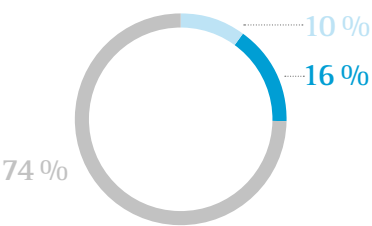
Patent applications



Total industrial turnover



Gross added value



Source: "Wirtschaftliche Leistungsfähigkeit der Technologieachse Süd" ("Economic performance of the Southern Technology Axis"), Prognos AG 2018



TECHNOLOGIE- ACHSE SÜD

technologieachse-sued.de



- Southern Technology Axis (expansion area)
- Karlsruhe Region
- Northern Black Forest
- Stuttgart Region
- Donau-Iller Region
- Augsburg Region
- Munich Region
- Southeast Upper Bavaria

- 🚀 Chemicals/pharmaceuticals/biotech
- ⚡ Electricity
- 🚗 Vehicle manufacturing/aerospace
- ⚙️ IT services
- ⚙️ Mechanical engineering
- 📡 Media/telecommunications
- 👤 Business-related services
- Railway access Paris-Munich-Vienna
- - - Railway project Stuttgart-Ulm, under construction

Image: Ideenmühle GmbH/Word Wide KG
Data: Prognos AG

Trade

The history of Bavarian Swabia is closely linked to trade. Flourishing towns with successful merchant families emerged along important long distance trade routes. Even today traders still organise the movement of goods between manufacturers and customers at markets, in pedestrian zones, city centres, business parks and of course online.

Significance of trade

Retail is growing across all product ranges. However, the retail sector is facing major challenges with digitalisation. Small traders are often still working on building their digital presence. Larger trading companies have often already positioned themselves professionally. Regardless of size and business model, trade is an important employer in the region.

E-commerce is gaining in importance. In addition to pure online retailers, stationary retailers are also establishing digital sales channels. This is how multi-channel retailers are created. The greatest sales potential is seen in the company's own web shop and less in-store business.

Wholesale companies supply the Bavarian Swabian economy. They pre-finance the goods, store them and deliver them. In the course of globalisation and digitalisation, wholesalers have constantly expanded and renewed their range of products and services.



29,600 retail businesses with **57,300** employees subject to social security contributions



5,300 wholesale companies with **32,000** employees subject to social security contributions

Source: Bavarian State Office for Statistics and Data – statistik.bayern.de, date: 30 June 2019 and IHK Swabia, Date: 01/01/2020

Purchasing power

Purchasing power provides information on the disposable income of the population by area, thereby serving as an indicator for potential consumption. Simplified, it can be described as the sum of all net income available to the population in a year and in a region.



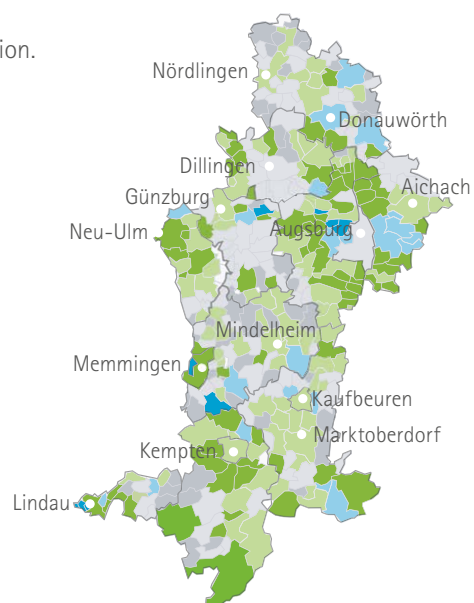
103.1 purchasing power index for Swabia

24,300 Euro purchasing power per person

Purchasing power index

100 = Germany

< 95	95 – < 100	100 – < 105
105 – < 115	115 – < 125	> 125



Export

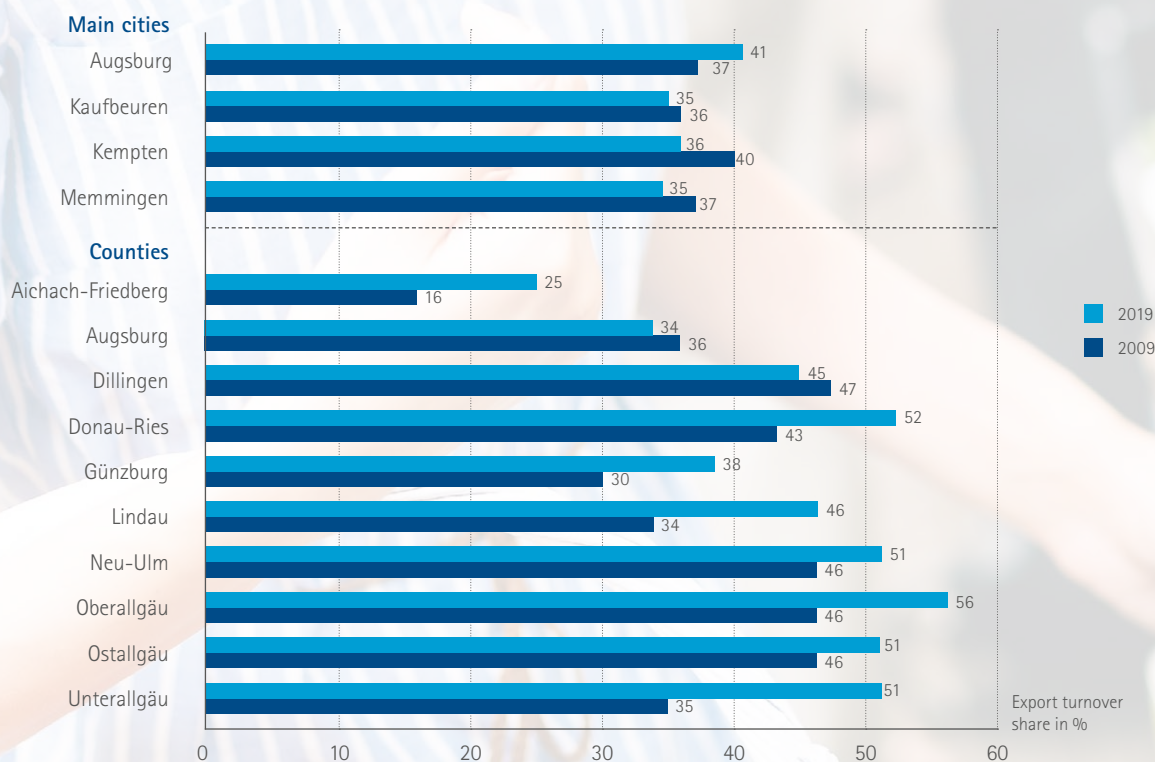
Companies in Bavarian Swabia are networked worldwide. The spectrum of foreign engagements ranges from globally active companies with numerous foreign branches to SMEs with irregular foreign contacts. As a strong production location, Bavarian Swabia is particularly dependent on open markets and free and fair global trade. Every second Euro in the industry is earned through export trade.

Most important export markets



Export ratio in the manufacturing sector

The export markets are of great importance as companies produce indirectly for export. Primary products and parts from this region are found in countless export goods, but are not counted as part of foreign sales.



Source: Bavarian State Office for Statistics and Data – statistik.bayern.de, date: 30/09/2019

Economy

Every county in Bavarian Swabia has its own individual strength while as one region they focus on economic growth. The diversity within Bavarian Swabia makes this region special.

Gross domestic product

A good third of the Bavarian Swabian economic growth is generated in the economic region of Augsburg. The strongest increase since 2008 has been in the counties of Unterallgäu and Dillingen.

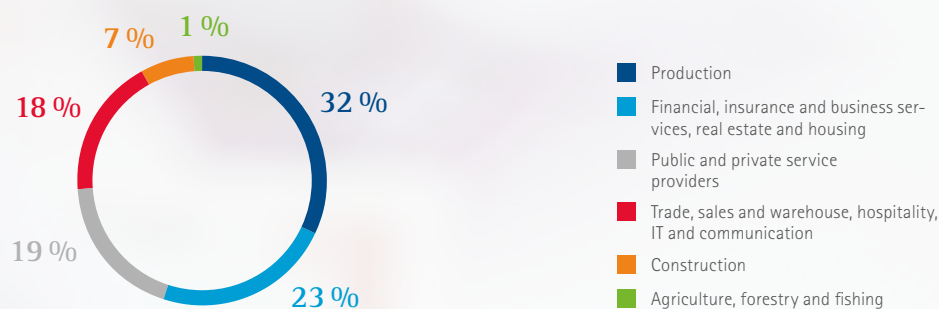
		2018 in million Euro	Shares in Bavarian Swabia in %	Change compared to 2017 in %	Long-term development (base year 2008=100)
Main cities	Augsburg	14,537	19.4	5.1	128.5
	Kaufbeuren	1,701	2.3	5.8	135.3
	Kempten	3,659	4.9	2.1	132.3
	Memmingen	2,715	3.6	5.2	135.7
Counties	Aichach-Friedberg	3,688	4.9	5.1	133.6
	Augsburg	7,631	10.2	4.5	144.3
	Dillingen	3,416	4.6	5.0	153.4
	Donau-Ries	6,612	8.8	2.3	144.2
	Günzburg	5,638	7.5	-0.2	129.4
	Lindau	3,089	4.1	3.8	148.5
	Neu-Ulm	6,802	9.1	4.1	137.2
	Oberallgäu	5,048	6.7	4.4	144.7
	Ostallgäu	5,052	6.7	5.6	144.5
	Unterallgäu	5,470	7.3	4.6	161.3
	Swabia	75,058		4.0	139.1
	Bavaria	616,674		2.5	141.1

Gross domestic product (GDP) measures at market prices the value of all goods and services produced domestically after deducting all intermediate consumption plus the balance of taxes and subsidies on products.

Gross domestic product per inhabitant

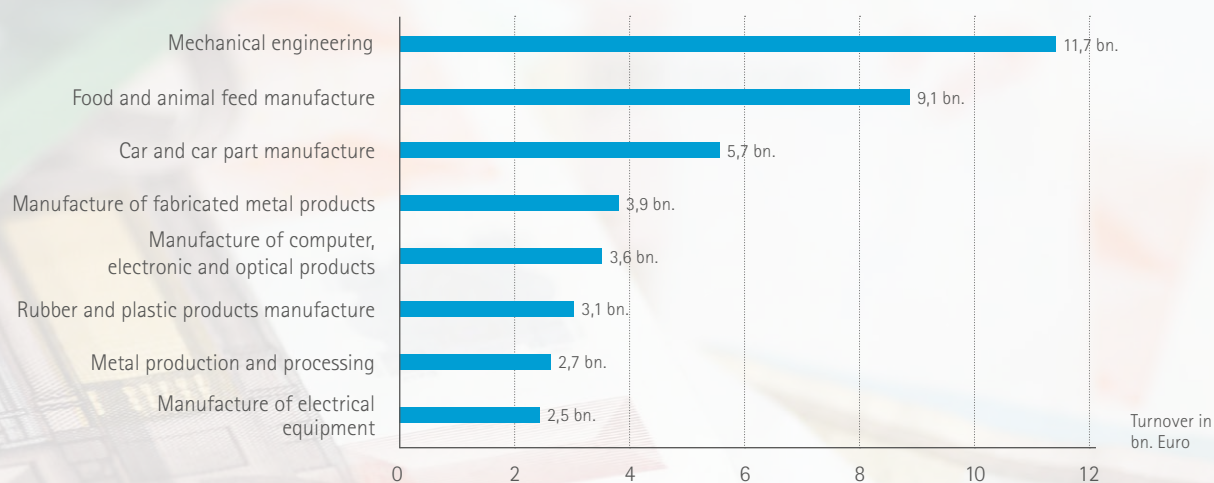


Gross value added by sector



To calculate the gross added value for 2018, the output values (goods and services) of all sectors were added and the incoming goods deducted.
Source: Bavarian State Office for Statistics and Data – statistik.bayern.de, date: 30/09/2018

Economic sectors with the highest turnover



Industrial locations with the highest turnover



Source: Bavarian State Office for Statistics and Data – statistik.bayern.de, date: 31/09/2018

Tourism & Leisure

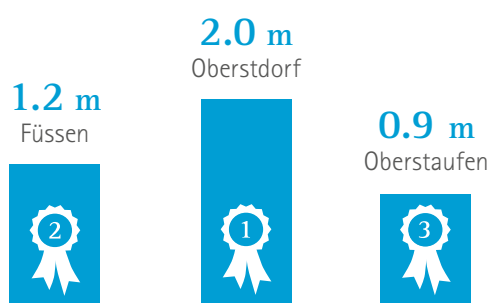
Historic towns, imposing castles, ornate churches and monasteries, a world famous fairytale castle, a UNESCO World Heritage Site and exhilarating mountain scenery, Bavarian Swabia is a tourist magnet. This unique diversity distinguishes the region from the rest of Bavaria. For those seeking adventurous vacation, relaxation time or cultural sites, Bavarian Swabia offers numerous destinations and activities throughout the year.

Tourism is an important economic sector for all of Bavarian Swabia, especially for the Allgäu. In 2019, Bavarian Swabian tourism has developed to new all time high.

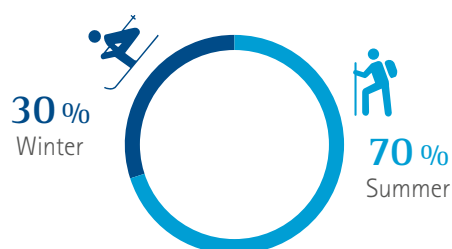
Tourist visits and overnight stays



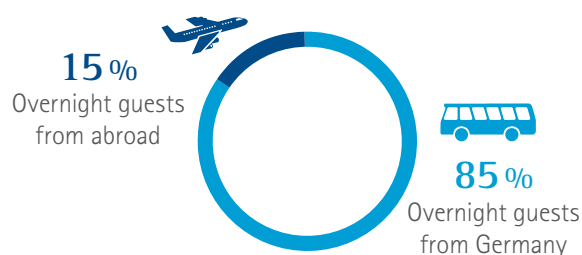
Overnight stays by area



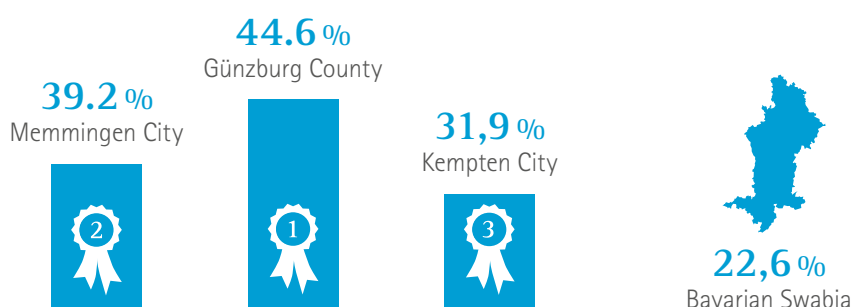
Overnight stays by season



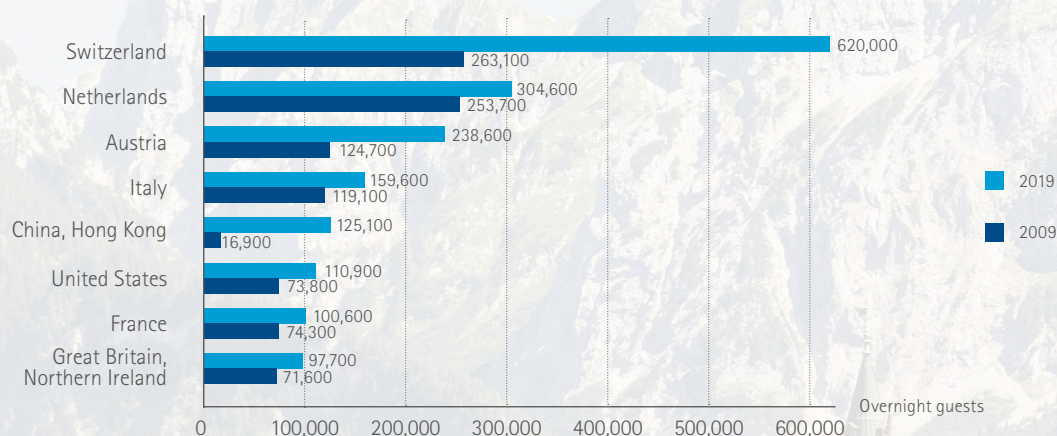
Overnight stays by country of origin



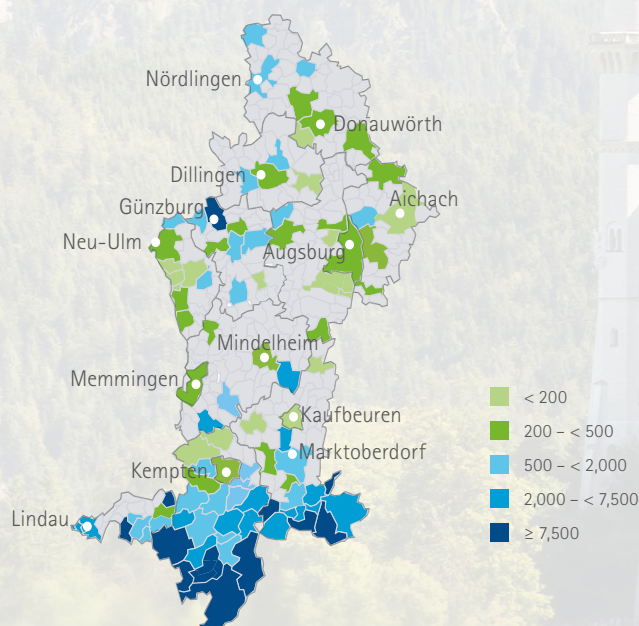
Share of overnight guests from abroad



Origin of overnight guests from abroad



Overnight stays per 100 inhabitants per year



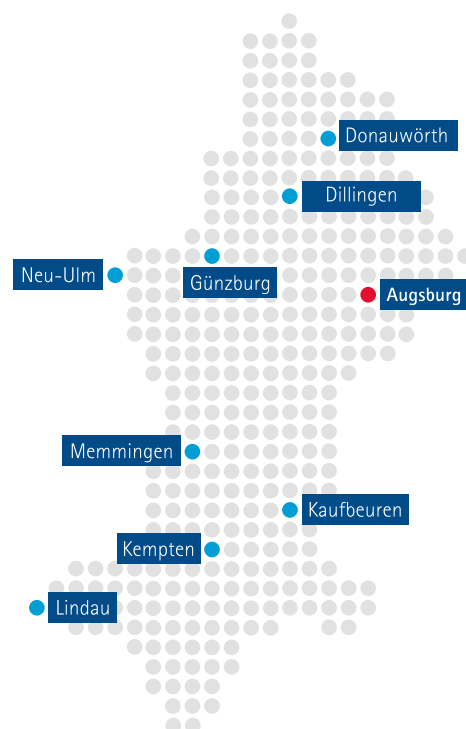
UNESCO World Heritage

In July 2019, Augsburg's globally unique water management system was designated a UNESCO World Heritage Site. A total of 22 objects from over 700 years of the city's history are part of the new World Heritage Site. These include medieval canals and waterworks from the early modern period and three Renaissance fountains, as well as the canoe route on the Eiskanal, which was built to mark the 1972 Olympic Games. 530 small and large bridges cross the city's streams and canals. Hence, Augsburg has more bridges than Venice.

Your local contact for more information

The facts and figures presented are intended to give an initial idea of Bavarian Swabia as a business location. **We provide further information, figures and expert opinions at schwaben.ihk.de, Nr. 4944024.** Furthermore, you will find the current results of the business survey and other surveys, regional statistics on employees, value added or member companies as well as information on commercial leases and the consumer price index.

I am happy to provide you with further facts and figures on our region and gladly support you with your research.



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Here you can find further details (in german) about our region.



Chamber of Commerce and Industry of Swabia

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