BANCA DI TRENTO E BOLZANO | BANK FÜR TRIENT UND BOZEN

THE GLOBAL CRISIS

Impact on the Economies of the Euregio

Freie Universität Bozen
Libera Università di Bolzano
Free University of Bozen - Bolzano

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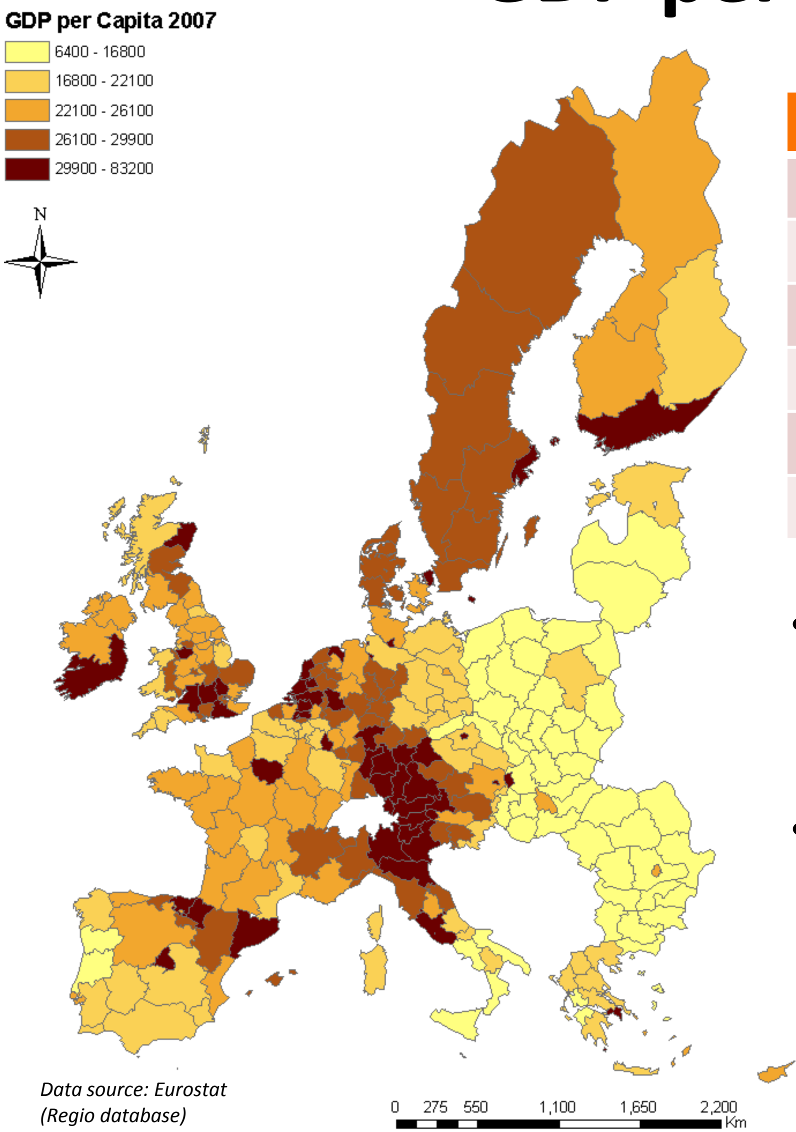
Structure of presentation

1. Background situation at the onset of the crisis
2. Origins of crisis and impact on European regions
3. Direct effects from banking sector on local economies
4. Indirect effects from trade in goods and services
5. Sectoral analysis of changes in export flows
6. Implications

ECONOMIC BACKGROUND 2007

GDP per capita



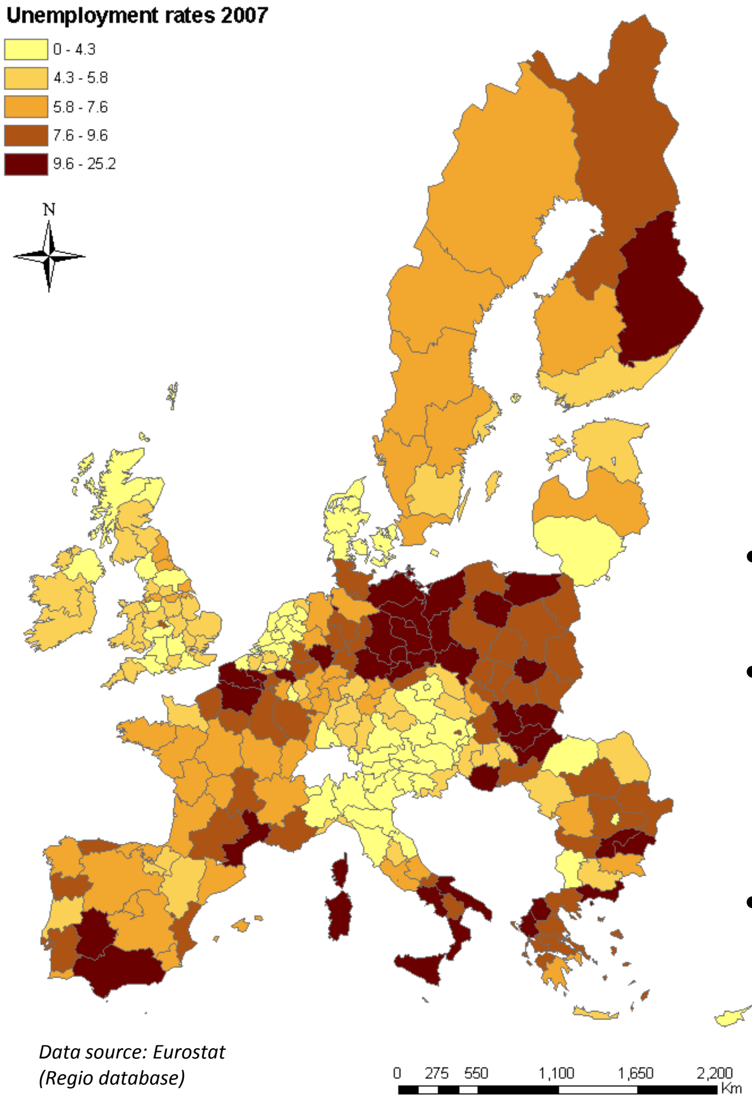
Data source: Eurostat (Regio database)

Territory	GdP	Ranking
Bozen-Bolzano	33.500	29
Trento	30.400	47
Tirol	31.900	34
Italy	25.081	
Austria	29.633	
EU27	24.900	

- **Living standards**: the three regions are among the top 50th EU27 regions; the gdp per inhabitant is more than 30k €.
- The average GDP per inhabitant of the EU27 regions is about 80% of the average GDP per inhabitant of the three regions.

ECONOMIC BACKGROUND 2007

Unemployment rates



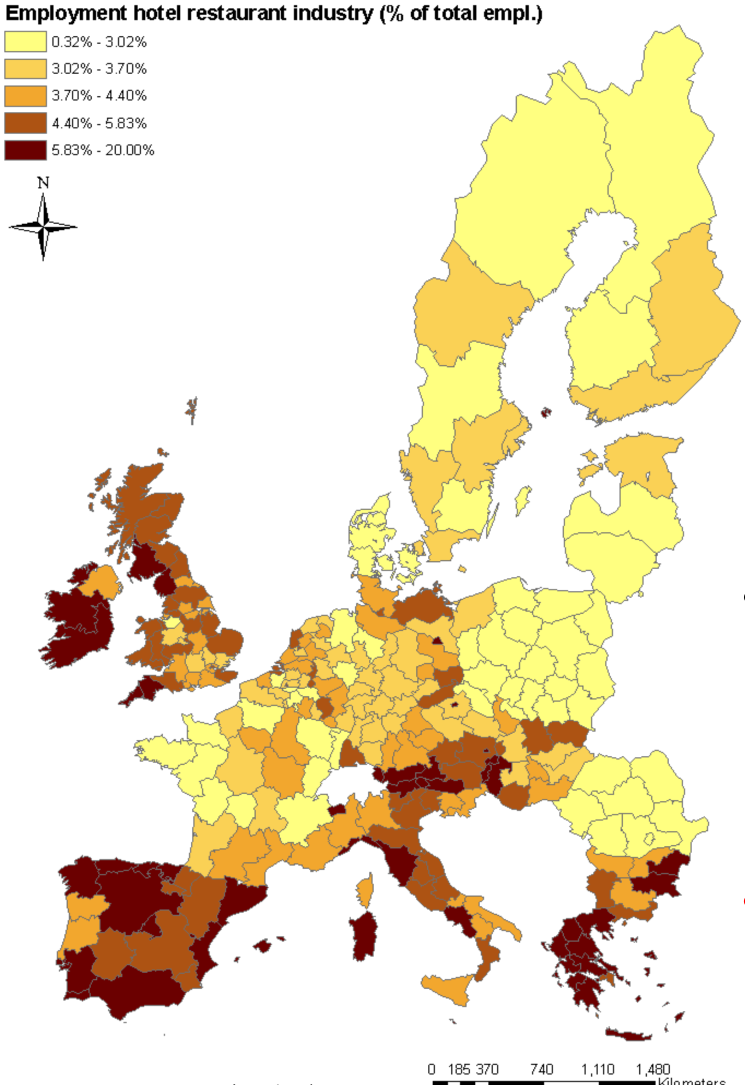
Data source: Eurostat (Regio database)

Territory	Unemployment	Ranking
Bozen-Bolzano	2,6%	3
Trento	2,9%	8
Tirol	2,8%	6
Italy	6,2%	
Austria	3,9%	
EU27	7,2%	

- Labor market is close to the condition of full employment.
- Unemployment rates in the three regions are below the 3% and are among the ten lowest values recorded among EU27 regions.
- The average unemployment rate in the three regions (2,8%) is about 4,4 %-points lower than the average EU27 value

SECTORAL COMPOSITION 2007

Hotel industry Concentration



Data source: Eurostat (LFS data)

Territory	Hotel industry Concentration	Ranking
Bozen-Bolzano	10,7%	9
Trento	5,14%	76
Tirol	11,34%	7
Italy	4,97%	
Austria	6,42%	
EU27	4,20%	

- Employment in the hotel industry of the three regions accounts for a relatively higher share of total employment (9,08%) than observed for average EU27 region (4,2%).
- The share of employment in the hotel industry for Trento is ambiguous!

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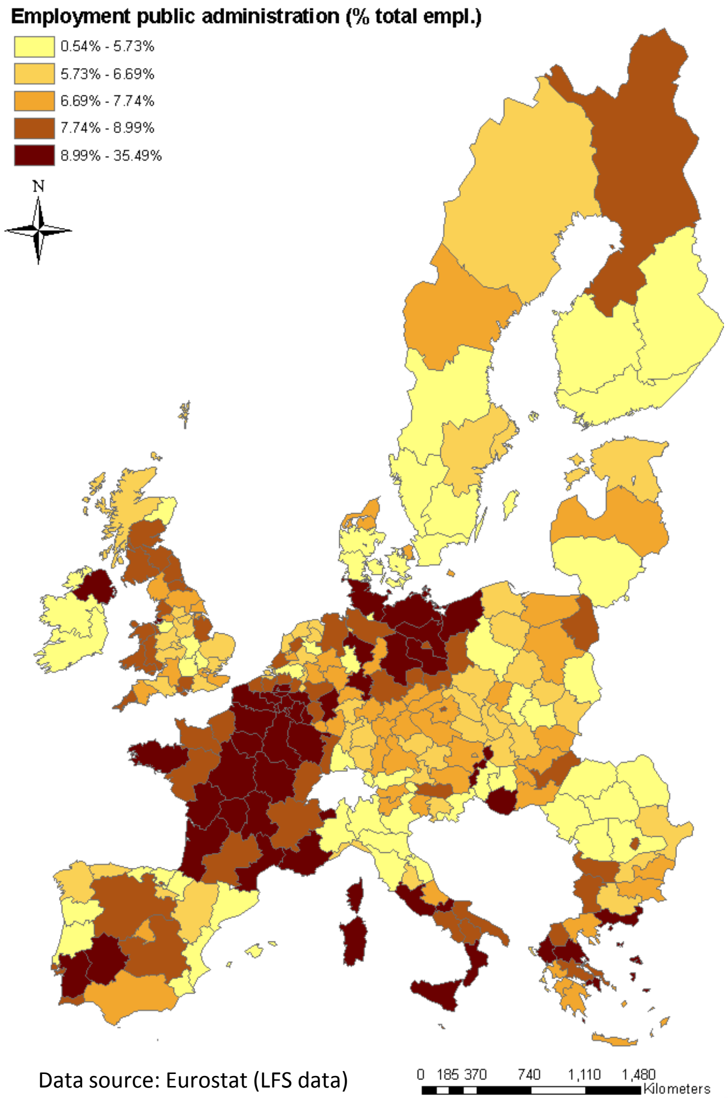
SECTORAL COMPOSITION 2007

Public sector Concentration



Data source: Eurostat (LFS data)

Territory	Public sector Concentration	Ranking
Bozen-Bolzano	7,04%	133
Trento	7,21%	126
Tirol	5,23%	230
Italy	6,11%	
Austria	6,84%	
EU27	7,08%	

- In Trento and Bolzano the share of employment in the public sector is in line with the EU27, but 1 %-point higher than the value recorded for Italy.
- In Tirol the share of employment in the public sector is about 2 %-points lower (5,23%) than in the other two regions.

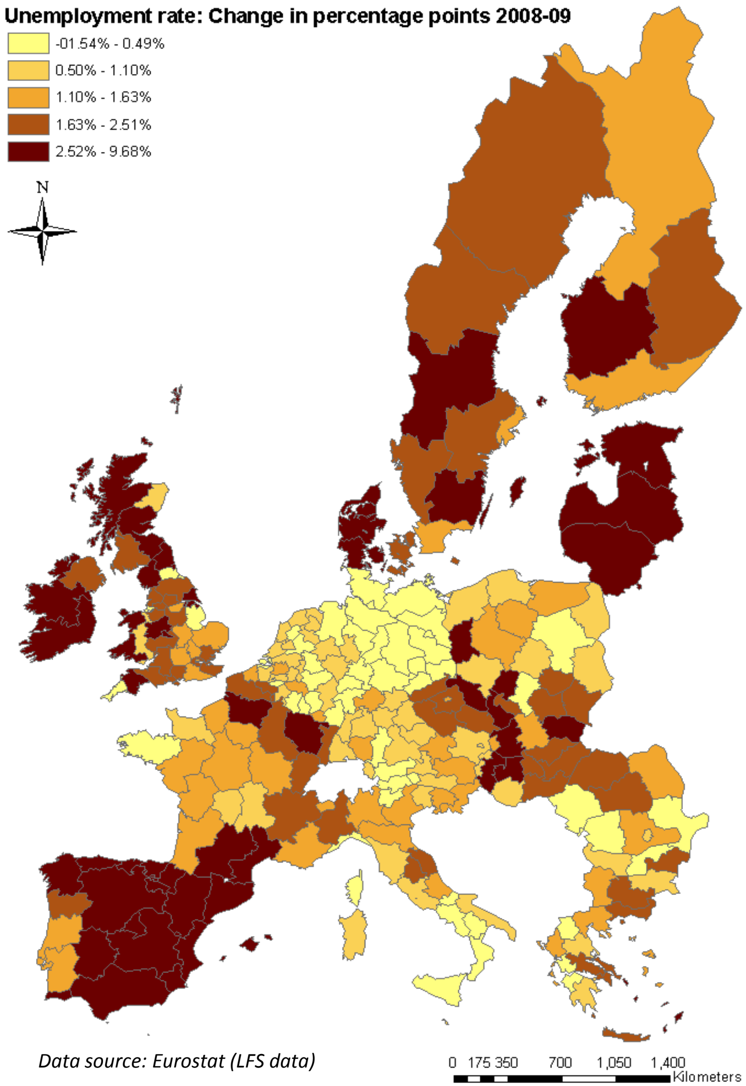
The Financial Crisis: Origins and Diffusion

- **Origins**
  - Long period of economic stability
  - New financial instruments encourage leveraging
  - Emerging economies' trade surpluses (China) finance American debt
  - Target of inflation by monetary policies misses the overheating of asset prices

- **Diffusion**
  - Phase 1. (US, UK, IRL, E) Financial crisis and liquidity crunch (autumn 2008).
  - Phase 2. Restriction of consumption (particularly durables) and investments
  - Phase 3. The fall of production is transmitted (with a buffer depending on stocks and welfare institution) to employment

CRISIS IMPACT 2008-09

Unemployment – change 2008-09



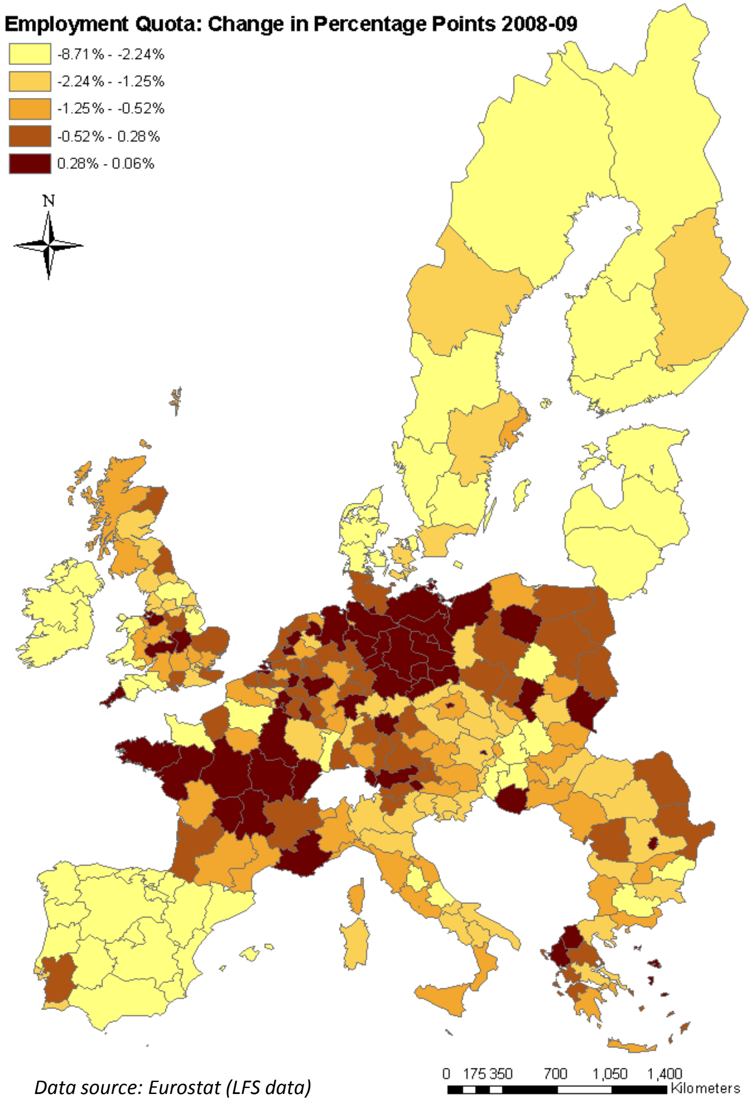
Data source: Eurostat (LFS data)

Territory	Unempl. Rate 2009	Difference 2009-08	Ranking
Bozen-Bolzano	2,9%	0,5	54
Trento	3,5%	0,2	39
Tyrol	2,9%	0,4	50
Italy	7,8%	1,1	
Austria	4,8%	0,9	
EU27	8,9%	1,9	

- **Unemployment** increased of 0,37 percentage points in the three regions on average in the period 2008-2009.
- The rise in unemployment is significantly lower than the upsurge of 1,9 %-points observed for the EU27

CRISIS IMPACT 2008-09

Employment – change 2008-09



Data source: Eurostat (LFS data)

Territory	Empl. Rate 2009	Difference 2009-08	Ranking
Bozen-Bolzano	72,3%	0,2%	58
Trento	67,3%	-0.1%	74
Tyrol	75,4%	0.7%	28
Italy	58,2%	-1,3	
Austria	72,3%	-0,6	
EU27	65,2%	-1,2	

- Unlike what observed for Italy and Austria, employment rate in the three regions doesn't seem to suffer from the economic crisis.
- Employment rate increases in Bolzano (0,1 %-points) and, in particular in Tirol (0,7 %-points). A slight decline is observed in Trento (-0,1 %-points).

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The direct effect of the financial crisis

- Generally speaking the **direct effects** of the financial crisis were a function of
  - different types of banking models across countries:
    - Italy being characterized by conservative banking business mostly relying on loans and deposits,
    - Austrian banks having large expositions to Eastern and Central Europen countries due to geographical proximity and cultural ties
  - different banking regulations and its enforcement (c.f. IMF).

The direct effect of the financial crisis

- Regional economies dominated by SMEs
- Limited demand for sophisticated financial instruments contained the direct effects
- **Trento and South Tyrol**: limited effect as small, local banks held a relatively large share of provincial deposit markets
- **Tyrol**: exposure of nearly half the banking market to the shock

Small banks in 2007				
Deposit shares				**Market share***
Bozen-Bolzano	Trento	Trentino-Alto Adige	Italy	Tyrol
92%	79%	85%	31%	54%

Source: Banca d'Italia and Austrian National Bank
This was obtained by dividing the sum of "Bilanzsumme" of Sparakssen, Raiffeisen and Volksbanken and the sum of "Bilanzsumme" of all banks.

Effects on local credit emissions

- In the last two years, credit emission to firms has been above the national average in the three regions.
- Regional credit emission to households similar to the national level

Credits to households and firms		
Region	**Households**	**Firms**
	Percentage change from December 2007 to January 2010	
Bozen-Bolzano	+8%	+7%
Trento	+12%	+12%
Tyrol*	+4%	+13%**
Italy	+9%	+4%
Austria	+1%	+8%**
Source: Banca d'Italia *** Data on non financial enterprises*	**Source: Austrian National Bank;* *N.A.: no data available*	

Effects on non performing loans

- Share of non performing loans remains below the national average.
- The quality of credits is worsening sizably.

Region	Households	Firms	Households	Firms
	Percentage change from December 2007 to January 2010		*Share of non performing loans on total in January 2010*	
Bozen-Bolzano	+44%	+47%	2%	3%
Trento	+72%	+109%	2%	3%
Tyrol*	N.A.	N.A.	N.A.	N.A.
Italy	+23%	+29%	3%	5%
Austria	N.A.	N.A.	N.A.	N.A.
*Source: Banca d'Italia ** Data on non financial enterprises*	**Source: Austrian National Bank; N.A.: no data available*			

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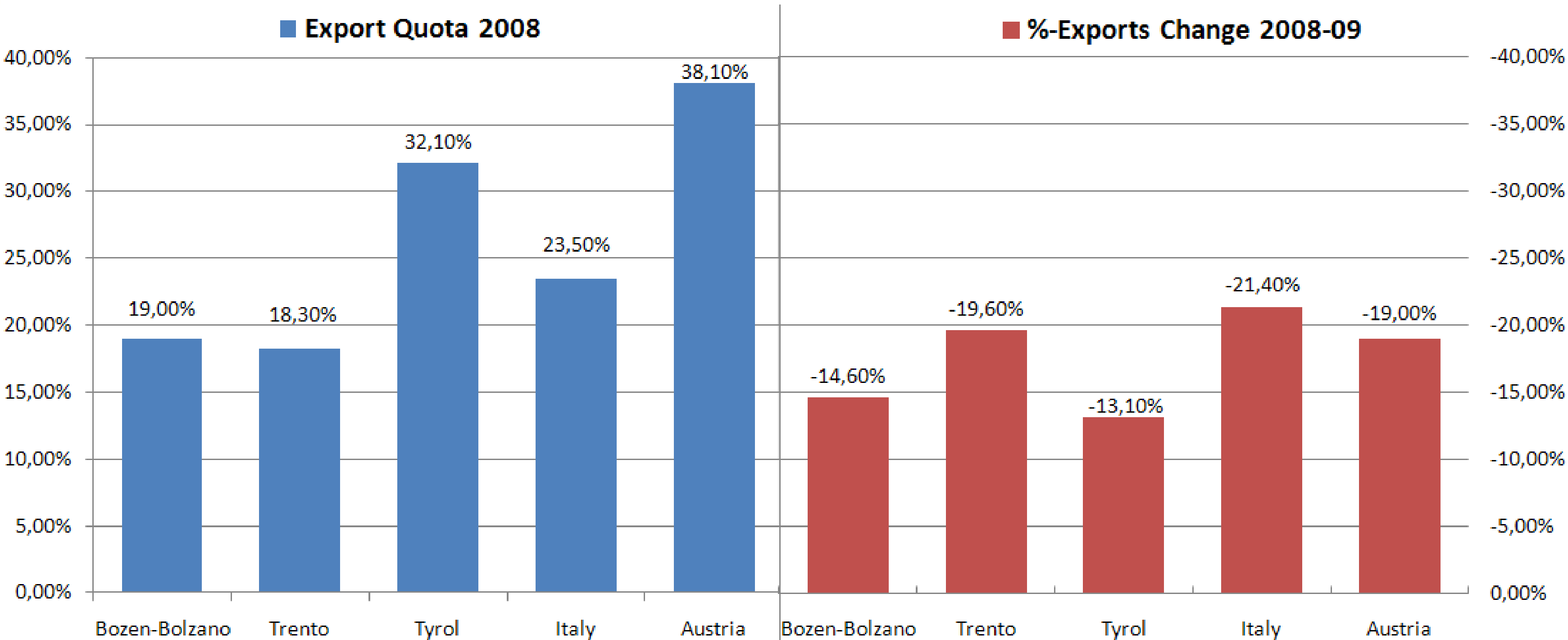
Regional exports

In addition to consumption, investments and public expenses it is external demand in the form of net exports that determines the composition of gross domestic product (GDP). This component links the volume of local economic production to international demand and provides a channel of transmission for global business cycle developments. A traditional perspective on external demand and international trade is provided by import and export flows of goods in industrial sectors. The most significant service sector counterpart is given by tourism flows and overnight stays that indicate demand for local services by foreign consumers.

The transmission capacity of these channels is determined by their size in relation to GDP. Consequently, in the following computations, the rate of change in external demand is weighted by the overall proportion of external demand in GDP of the previous year in order to evaluate the impact on regional economic production.

Export intensity and dynamics



Region	Export Quota 2008	Sectoral export concentration*	Export 2008	Export 2009	%-Change 08-09
Bozen-Bolzano	19,0%	55,8%	€ 3.239.322.800	€ 2.767.034.053	-14,6%
Trento	18,3%	56,0%	€ 2.947.042.998	€ 2.389.587.407	-19,6%
Tyrol	32,1%	46,1%	€ 7.979.835.283	€ 6.942.831.633	-13,0%
Italy	23,5%	40,7%	€ 368.922.708.174	€ 290.078.237.386	-21,4%
Austria	38,10%	46,2%	€ 107.383.919.573	€ 86.984.922.779	-19,0%

* sum of 4 main export sectors

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Sources: Statistik Austria, ISTAT (CoeWeb)

Export structure

A more refined analysis with focus on export flows illustrates important differences between the three regions. The territory most strongly dedicated to export activity is the Land Tirol with a share of exports in GDP of more than 30%. The export quotas of Bozen-Bolzano and Trento are significantly lower and account for around 19% of GDP. All three regions exhibit quotas that are inferior to their national constituencies. However, the same also applies to the reductions experienced in the wake of the crisis: Both Austria and in particular Italy display stronger reductions in export flows than the territories of the Euregio. The relatively steep decline in exports by Trento may be explained by its strong sectoral concentration (4 largest sectors comprise 56% of overall exports), whereas the Land Tirol clearly benefits from its better diversification of exports. A closer look on the sectoral structure and dynamics of exports is given in the following sections.

External demand effects
BOZEN-BOLZANO

Exports 2009 = 2.767,03 mill. €

Growth rate
Exports$_{2008\text{-}2009}$ = -14,6%

Imports 2009 = 3.614,88 mill. €

Growth rate
Imports$_{2008\text{-}2009}$ = -7,5%

Net exports (= EX-IM) 2009 =
-847,85 mill. €

Growth rate
Net exports$_{2008\text{-}2009}$ = 26,5%

Weight of Net exports:

$$\frac{NetEX_{2008}}{nomGDP_{2008}} = \frac{-670{,}44\ mill\ €}{17.059\ mill\ €} = -0{,}04$$

Number of overnight stays 2009 = 28.086.707
Gross value added GVA$_{HRI_2008}$ = 1.664,31 mill. €

Growth rate
Overnight Stays$_{2008\text{-}2009}$ = 1,3%

Weight of tourism flows:

$$\frac{GVA_{HRI\_2008}}{nomGDP_{2008}} = \frac{1.664{,}31\ mill\ €}{17.059{,}00\ mill\ €} = 0{,}1$$

Effects of external demand on nominal GDP = (%NetEX$_{2008\text{-}2009}$ * Weight)+ (% Overnight stays * Weight) :

Effects of Net exports on nominal GDP = 26,5 % * (-0,04) = **-1,0 %**
Effects of Tourism flows on nominal GDP = 1,3 % * 0,1 = **0,1 %**

Combined effects on nominal GDP = (-1,0 %) + 0,1% = **-0,9%**

External demand effects: BOZEN-BOLZANO

The province of Bozen-Bolzano exhibits a decline in good exports in 2008-2009 of ca. 14.5% that is about twice the size of decline in good imports. Overall, in 2009 there is a net position of external demand of almost 850 million Euro. This figure amounts to a deterioration in negative net export of 26%. In the previous year, net exports (due to their negative account balance) accounted for around -4% of GDP. In combination with the disproportionate decline of exports the change in net exports leads to a presumed decline of GDP on the order of around 1%.

In contrast to industrial production the tourism sector has registered a small increase in demand provided by a growth in overnight stays of 1.3%. This figure results in a contribution to growth of around 0.13% given that the share of the hotel and restaurant sector amounts to around 10% of national GDP.

In combination, the two components of external demand bring about a decrease of 0.9% in GDP growth. Even though export flows fell twice as much as import flows, the relatively small size of net exports and the stable demand in the tourism sector limited the overall impact of the decline in foreign trade.

External demand effects
TRENTO

Exports 2009 = 2.369,27 mill. €

Imports 2009 = 1.496,42 mill. €

Number of overnight stays 2009 = 15.235.172
Gross value added GVA_{HRI_2008} = 969,95 mill. €

Growth rate
$Exports_{2008\text{-}2009}$ = -19,6%

Growth rate
$Imports_{2008\text{-}2009}$ = -31,1%

Growth rate
$Overnight\ Stays_{2008\text{-}2009}$ = 2,4 %

Net exports (= EX-IM) 2009 =
872,85 mill. €

Weight of tourism flows:

$$\frac{GVA_{HRI\_2008}}{nomGDP_{2008}} = \frac{969{,}95\ mill\ €}{16.062{,}30\ mill\ €} = 0{,}06$$

Growth rate
$Net\ exports_{2008\text{-}2009}$ = 12,5%

Weight of Net exports:

$$\frac{NetEX_{2008}}{nomGDP_{2008}} = \frac{775{,}62\ mill\ €}{16.062{,}30\ mill\ €} = 0{,}05$$

Effects of external demand on nominal GDP = ($\%NetEX_{2008\text{-}2009}$ * Weight)+ (% Overnight stays * Weight) :

Effects of Net exports on nominal GDP = 12,5 % * 0,05 = **0,6 %**

Effects of Tourism flows on nominal GDP = 2,4 % * 0,06 = **0,1 %**

Combined effects on nominal GDP = 0,6 % + 0,1 % = **0,7 %**

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External demand effects: TRENTO

In Trento we have a decline of almost 20% in export flows. This steep fall is overcompensated by a reduction of imports of more than 30%. In contrast to Bozen-Bolzano, Trento exhibited a positive amount of net exports of ca. 870 million Euro in 2008. This figure amounts to around 5% of GDP, the increase in net exports of 12.5% hence contributes to an increase in GDP of 0.6%.

Similar to the situation in Bozen-Bolzano the tourism sector in Trento also displayed an increase in overnight stays. This growth of 2.4% is weighted with the share of hotelling industry in GDP of 6% which in combination results in a GDP growth of 0.15%.

Given that both pillars of external demand provide a positive contribution, the total effect supposedly amounts to 0.75% of additional GDP growth. The predicted decrease in GDP for 2009 hence is mostly due to factors of aggregated demand internal to the region.

External demand effects
TYROL

Exports 2009 = 6.942,8 mill. €

Imports 2009 = 5.095,1 mill. €

Number of overnight stays 2009 = 42.986.030
Gross value added GVA_{HRI_2008} = 2.728,96 mill. €

Growth rate
$Exports_{2008-2009}$ = -13,0%

Growth rate
$Imports_{2008-2009}$ = -10,4%

Growth rate
$Overnight\ Stays_{2008-2009}$ = -1,9%

Net exports (= EX-IM) 2009 =
1.847,7 mill. €

Weight of tourism flows:

$$\frac{GVA_{HRI\_2008}}{nomGDP_{2008}} = \frac{2.728{,}96\ mill\ €}{24.843{,}00\ mill\ €} = 0{,}1$$

Growth rate
$Net\ exports_{2008-2009}$ = -19,6 %

Weight of Net exports:

$$\frac{NetEX_{2008}}{nomGDP_{2008}} = \frac{1.847{,}7\ mill\ €}{24.843{,}0\ mill\ €} = 0{,}1$$

Effects of external demand on nominal GDP = (%$NetEX_{2008-2009}$ * Weight)+ (% Overnight stays * Weight) :

Effects of Net exports on nominal GDP = -19,6 % * 0,1 = **-1,8 %**

Effects of Tourism flows on nominal GDP = -1,9 % * 0,1 = **-0,2 %**

Combined effects on nominal GDP = (-1,8 %) + (-0,2%) = **-2,0 %**

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External demand effects: TYROL

The export flows of Tirol fell marginally more than the import flows (-13% against -11%). In combination this resulted in a decline of net exports of 17%. On the basis of the size of net exports as a percentage of GDP (9%) this decline should exert a reduction in GDP growth of 1.6%.

Also in the tourism sector Tirol exhibited an albeit modest reduction in overnight stays of 2%. With its size in the economy of 11% the tourism sector reduces GDP growth by a marginal 0.2%.

The two components make up a decline of 2% of GDP growth. This corresponds with a projected fall in Austrian GDP of around this size (figures for Tirol are not available for this point). Again the tourism sector serves to cushion the overall impact of decline in external demand, that is more pronounced for Tirol due to its stronger presence in foreign trade than Bozen-Bolzano and Trento.

Regional Exports: BOZEN-BOLZANO

10 most important regional export sectors	BOZEN-BOLZANO Regional export structure 2008: (green=larger than Italy, red=smaller than Italy)	BOZEN-BOLZANO Exports change rate 2008-09: (green=larger than Italy, red=smaller than Italy)	ITALY National export structure 2008	ITALY National exports change rate 2008-09 (green = larger than total change rate, red = smaller than total change rate)
Agriculture, forestry and fishing	13,6%	-11,5%	1,4%	-15,5%
Manufacture of food products	12,9%	-9,5%	4,3%	-4,8%
Manufacture of beverages	4,1%	-2,3%	1,3%	-5,1%
Manufacture of wood and of products of wood and cork, except furniture;	2,8%	-0,4%	0,4%	-24,7%
Manufacture of chemicals and chemical products	6,2%	-47,1%	6,0%	-19,9%
Manufacture of basic metals	2,9%	-50,8%	7,3%	-34,9%
Manufacture of fabricated metal products, except machinery and equipment	9,2%	-18,7%	5,0%	-21,2%
Manufacture of machinery and equipment n.e.c	15,2%	-6,5%	19,2%	-22,8%
Manufacture of motor vehicles, trailers and semi-trailers	14,1%	-28,1%	7,5%	-34,2%
Manufacture of furniture	3,2%	-18,9%	2,5%	-22,7%

Source: ISTAT, CoeWeb

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Regional Exports: BOZEN-BOLZANO

Two of the dominating export sectors operate in the realm of agriculture (agriculture, forestry and fishing; manufacture of food products) and together make up ca. 25% of all regional exports. This far surpasses the share of these sectors in national exports (ca. 6%) and due to their crisis resilience constituted a cushion for pressures in exports decline. With a reduction of around 10% both sectors exhibit lower rates than the regional average. Two additional sectors with large shares in regional exports are manufacturing of motor vehicles and miscellaneous machinery with a quota of 30% of total exports. Whereas the latter suffered only a mild decline (-6.5%), the second experienced a steep fall (-28%). However, in both cases the regional export reductions were less pronounced than the sectoral counterparts on a national level (-23% and -34%).

Regional Exports: TRENTO

10 most important regional export sectors	TRENTO: Regional export structure 2008 (green=larger than Italy, red=smaller than Italy)	TRENTO: Exports change rate 2008-09 (green=larger than Italy, red=smaller than Italy)	ITALY: National export structure 2008	ITALY: National exports change rate 2008-09 (green = larger than total change rate, red = smaller than total change rate)
Manufacture of food products	5,4%	12,7%	4,3%	-4,8%
Manufacture of beverages	9,6%	2,8%	1,3%	-5,1%
Manufacture of paper and paper products	7,1%	-10,2%	1,5%	-11,2%
Manufacture of chemicals and chemical products	9,7%	-14,4%	6,0%	-20,0%
Manufacture of rubber and plastic products	4,3%	-19,8%	3,5%	-18,5%
Manufacture of other non-metallic mineral products	3,4%	-19,0%	2,6%	-21,0%
Manufacture of fabricated metal products, except machinery and equipment	7,0%	-36,4%	5,0%	-21,2%
Manufacture of electrical equipment	4,6%	10,1%	5,9%	-21,7%
Manufacture of machinery and equipment n.e.c	29,6%	-34,8%	19,2%	-22,8%
Manufacture of motor vehicles, trailers and semi-trailers	2,9%	-50,5%	7,5%	-34,2%

Source: ISTAT, CoeWeb

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Regional Exports: TRENTO

Two sectors that have held up remarkably well during the crisis are manufacturing of food products and manufacturing of beverages. Both sectors were able to record positive growth rates. The large decline in export flows by Trento is predominantly due to its significant concentration in manufacturing of miscellaneous machinery. The share in exports in this sector amounts to almost 30% of total exports with a reduction of 35% in 2009. This disproportionate development contributed significantly to a deterioration of the export statistics. Another notable development can be observed in the sector manufacturing of basic metals with a quota of 9% of total exports. The sector`s decline in exports in 2009 was similar to the development in manufacturing of miscellaneous machinery, both sectors recorded larger reductions in Trento than on the national level.

Regional Exports: TYROL (wholesale trade included)

10 most important regional export sectors	TYROL		AUSTRIA	
	Regional export structure 2008 (green=larger than Austria, red=smaller than Austria)	Exports change rate 2008-09 (green=larger than Austria, red=smaller than Austria)	National export structure 2008	National exports change rate 2008-09 (green = larger than total change rate, red = smaller than total change rate)
Manufacture of wood and of products of wood and cork, except furniture;	8,4%	-22,5%	2,8%	-17,6%
Manufacture of basic pharmaceutical products and pharmaceutical preparations	11,4%	9,2%	3,2%	5,6%
Manufacture of rubber and plastic products	3,4%	-27,4%	3,1%	-16,4%
Manufacture of other non-metallic mineral products	11,5%	-18,4%	1,9%	-18,8%
Manufacture of basic metals	8,2%	-22,9%	9,6%	-32,0%
Manufacture of food products	3,8%	-2,1%	4,2%	-4,5%
Manufacture of computer, electronic and optical products	5,1%	-47,3%	2,6%	-20,0%
Manufacture of electrical equipment	9,5%	-6,0%	5,6%	-11,7%
Manufacture of machinery and equipment n.e.c.	10,7%	-25,7%	11,9%	-30,3%
Information and communication	5,3%	5,4%	1,4%	-8,7%

Source: Statistik Austria

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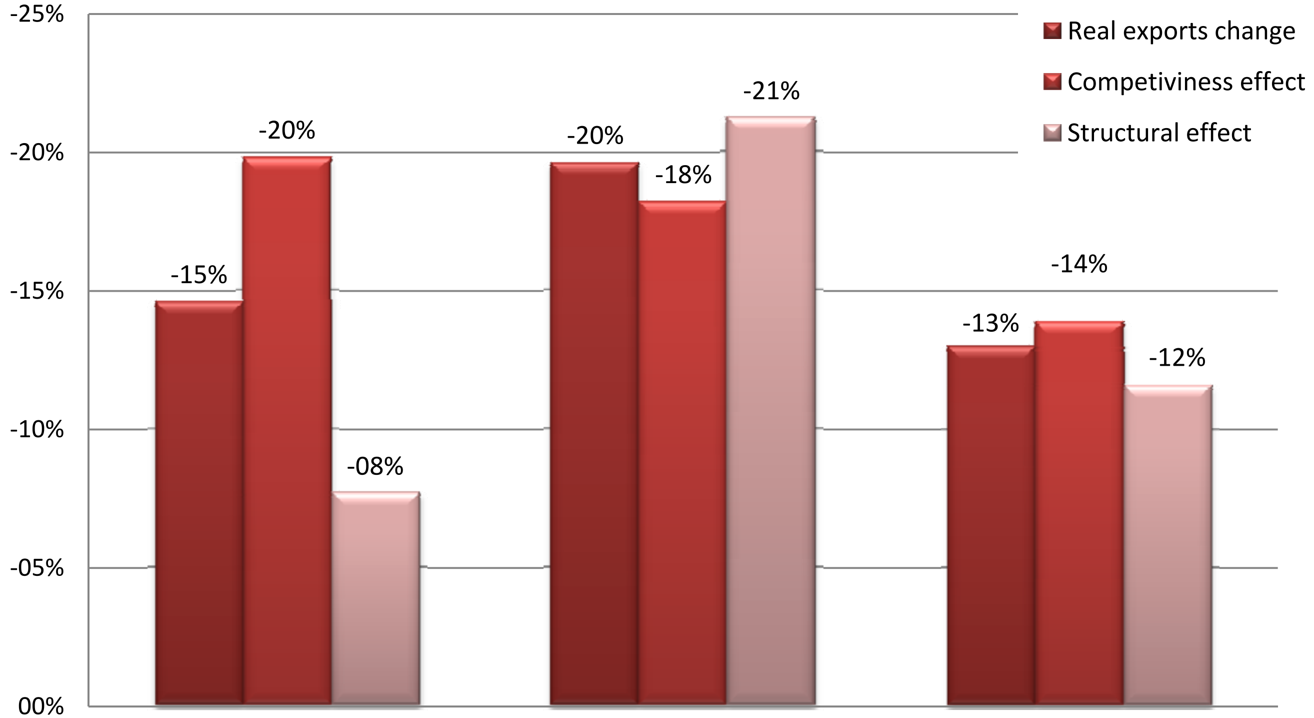
Regional Exports: TYROL

The sectoral composition of Tirol is more equilibrated to the one in the two neighbor regions with no sectore exhibiting a quota of more than 12%. Two of the most dominant sectors in regional exports for Tirol are manufacturing of pharmaceuticals and manufacturing of non-metallic minerals that both display a quota of around 11%. The annual development in these two sectors is markedly different: whereas pharmaceuticals was able to record a growth of 9%, non-metallic mineral products fell by around 18%. Additional important sectors are constituted by manufacturing of electrical equipment and of miscellaneous machinery. Even though both sectors experienced a decline (-6% for electrical equipment, -25% for miscellaneous machinery), their reduction were inferior to their counterparts on the national level.

Competitiveness and structural effects



	Bozen-Bolzano	Trento	Tyrol (mit GH)
Real exports change	-14,6%	-19,6%	-13,0%
Competitiveness effect	-19,8%	-18,2%	-13,9%
Difference (Real-Comp.)	-5,2%	1,4%	0,9%
Structural effect	-7,7%	-21,2%	-11,6%
Difference (Real-Struct.)	6,9%	-1,6%	-1,4%
Nation of reference	Italy	Italy	Austria

Source: Statistik Austria, ISTAT (CoeWeb)

Competitiveness and structural effects: Comparison region - nation

Sectoral decomposition of export growth:

Observed regional growth	= regional structure * regional growth per sector
Competitiveness effect	= regional structure * national growth per sector
Structural effect	= national structure * regional growth per sector

Interpretation:

Observed regional growth:	real change in exports from 2008 to 2009
Competitiveness effect:	hypothetical change in exports based on national growth
Structural effect:	hypothetical change in exports based on national structure

Comments:

Bozen-Bolzano displays a strong competitiveness effect by benefitting from regional growth rates but in experiencing disadvantages in sectoral structure. Both effects are balanced for Trento and Tirol.

Summary and implications

- Euregio with strong economic performances in living standards and employment on the onset of crisis
- Immediate crisis impact on labour market in 2009 very moderate
- Structure of banking sector and low (for Bozen-Bolzano and Trento) to middling (for Tirol) export intensities as cushions of crisis effects
- Size and resilience of tourism sector as stabilising element for local economies

Summary and implications

- A solid government budget position allows the launching of fiscal policy measures to fight consequences of financial crises.
- Conservative banking model and relatively small-sized banks shielded the regions from the direct effects of the financial crises.
- A medium to long term downside of conservative banking models and relatively small sized banks is the restricted access to venture capital which may hamper growth and the non-existence of economies of scale.

Summary and implications

- A low exposure to other countries economic development through relatively low export shares shielded the region from the indirect effects of the economic crises.
- In the medium term the comparatively low export quota may inhibit regional growth when world economy revives
- A long-term downside of a relatively low export share may be lower labor productivity growth.

Summary and implications

- The tourism sector with its stable number of overnight stays exerted a stabilizing impact on the economies
- International changes in the tourism industry need to be closely monitored in order to anticipate trends and potential competition
- The regional competitiveness in this sector requires close scrutiny and ongoing maintenance

Perspectives

- **Euro Weakness:** Tirol with the best conditions for export growth due to largest export share; Trento in better position than Bozen-Bolzano due to larger share of exports in non-Euro countries (ca. 45%-50% against 35%-40%)
- **Tourism:** Short term benefits from currency decline; possibly also from increases in energy costs and airfare rates in a longer term perspective
- **Fiscal consolidation:** Uncertainty over regional contributions in Italy (and to a minor extent Austria) to national budget cuts

EUROBS – Observatory of the Euregio

- **Collaboration project** between Universities of Innsbruck, Bozen-Bolzano and Trento supported by the Banca di Trento and Bolzano
- **Objective:** Ongoing analysis of economic growth and social prosperity in Euregio and surrounding regions
- **Function:** Contact point for policy makers and journalists interested in economic research of local area
- **Activity:** Organisation of conferences and round-tables to discuss current issues and events
- **URL:** http://www.unibz.it/en/economics/EUROBS.html

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Regional fact sheet

	South Tyrol	Trento	Tyrol
Population (2008)	498.857	519.800	704.472
Area	7.400 km²	6.207 km²	12.648 km²
Population density (2008)	67,4 / km²	83,7 / km²	55,7 / km²
Capital - population (2008)	Bozen - 101.919	Trento - 114.236	Innsbruck - 118.035
Income per capita (2004)	€ 31.158	€ 28.212	€ 29.461
GDP per capita (2008)	€ 34.196,17	€ 30.900,35	€ 35.264,71
Freeways lengthens (2006)	130 km	73 km	253
Sources	*ASTAT, Prov. Bozen-Bolzano*	*Servizio statistico, Prov. di Trento*	*Amt für Statistik, Land Tirol*

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List of abbreviations and sources

Abbreviations

NetEX:	Net exports
GVA_{HRI}:	Gross value added for the hotel and restaurant industry (HRI)
nomGDP:	nominal GDP
$\%NetEX_{2008\text{-}2009}$:	rate of change of the net exports from 2008 to 2009
$\%Overnight\ stays_{2008\text{-}2009}$:	rate of change of the numbers of overnight stays from 2008 to 2009

Calculations

$$\text{Effects of Net exports on nominal GDP} = \%NetEX_{2008-2009} \cdot \frac{GVA_{HRI\_2008}}{nomGDP_{2008}}$$

$$\text{Effects of Tourism flows on nominal GDP} = \%Overnight\ stays_{2008-2009} \cdot \frac{GVA_{HRI\_2008}}{nomGDP_{2008}}$$

Bozen-Bolzano

Sources:	Exports, Imports:	ISTAT (CoeWeb)
	Gross Value added:	Wifo Bozen-Bolzano
	Overnight Stays:	ASTAT

Trento

Sources:	Exports, Imports:	ISTAT (CoeWeb)
	Gross Value added:	Servizio statistica, Prov. di Trento
	Overnight Stays:	Servizio statistica, Prov. di Trento

Tyrol

Sources:	Exports, Imports:	Statistik Austria
	Gross Value added:	Statistik Austria
	Overnight Stays:	Statistik Austria
	National growth rate$_{2009}$:	Statistik Austria

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THANKS FOR YOUR ATTENTION!

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