



Socio-economic information about Alsace

Author: **iconoval** – Competitive intelligence Dpt
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22 avenue de l'Europe F-67300 Schiltigheim
tél : +33 (0)3 88 37 26 00 / fax : +33 (0)3 88 37 26 01
contact@iconoval.fr / www.iconoval.fr

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1. Alsace: an industrial region at the heart of Europe

Because of its position at the heart of Rhineland Europe, Alsace is very open to international trade: it is only two hours away from the international airports of Frankfurt and Zurich; it has three ports on the Rhine, the premier commercial waterway in the world; it has optimal links with the major European motorway networks and it is already the European crossroads for the TGV (since June 2007 with the inauguration of the East European TGV, and north-south in 2012 with the coming of the Rhine-Rhone TGV).

Alsace is the second most industrialized region in France, the second largest banking centre and the third largest scientific centre. Moreover, its venture capital facilities are growing.

Sources:

- INSEE, <http://www.insee.fr/fr/regions/alsace/faitsetchiffres/default.asp>
- Région Alsace, <http://www.insee.fr/fr/regions/alsace/faitsetchiffres/default.asp>

2. Alsace's assets: diversified tertiary and industrial sectors

The trade service sector is now the principal driving force behind its economic growth, yet Alsace remains one of the most industrialized regions in France.

The region's industrial base remains diversified: no activity is truly predominant nor does any sector have a much wider workforce.

The two main industries in Alsace are the agri-food sector and the mechanical equipment industry and account for 33% of the industrial jobs.

Four sectors are specific to the Alsatian region: the automotive sector, the mechanical equipment sector, the textile sector and the home sector. Compared to the job-rates per sector in the rest of France, these sectors are over represented in Alsace.

The most significant industrial branches are:

- The agribusiness, especially present in the Bas-Rhin, to a great extent composed of multinational subsidiaries: Nestlé, Dove Europe, Mars, Wrigley but also traditional regional subsidiary businesses (breweries -60% of the French production-, wines and ready meals)

- Mechanical industries where, despite the presence of all the components, Alsace specializes in car bearings. The largest producers are INA Roulements and Timken. Other actors in this area are Kuhn, Schlumberger or De Dietrich;
- The automotive industry, spread across Mulhouse (Peugeot), Colmar and Strasbourg (General Motors, Mercedes);
- The electrical and electronic industries specialized in telecommunications (Alcatel-Lucent) and the electro mechanic industry (Socomec, Hager...);
- The textile industry, established in the Haut-Rhin and the Vosges valleys since two centuries. If big brands like DMC, Martel Catala (Albany) or Boussac manage to perpetuate, Alsace has restructured the sector moving towards upscale production or technical fabrics, especially nonwoven fabrics. As a matter of fact, Alsace's production in this field accounts for 40% of France's nonwoven fabric production.

The industry also develops in the chemical sector and, more recently, in biotechnologies and health. The three competitiveness poles ("clusters") endorsed by the State evidence the turnaround negotiated by the economy in Alsace: therapeutic innovation, vehicle of the future and natural fibers.

Sources:

- INSEE, <http://www.insee.fr/fr/regions/alsace/faitsetchiffres/default.asp>
- DRCE Alsace, <http://www.dgtpe.fr/se/redirection.htm>
- Région Alsace, http://www.region-alsace.eu/dn_economie/

3. A strong foreign presence, another asset for the region's economy

Since the beginning of the 70's and even more so during the 80's, Alsace has been able to attract several foreign industrials. The number of foreign subsidiary companies in Alsace is estimated to exceed a thousand. Near 30% of them come from Germany and 24% from the United States.

The Bas-Rhin has received two thirds of the foreign industrial implantations and the Haut-Rhin the other third, especially Swiss chemical companies and pharmaceutical firms from Basel. In 2006, Alsace is one of France's top regions in terms of foreign direct investments.

Three quarters of the region's industrial exports are produced by foreign multinationals' subsidiaries, mainly German, Swiss and American. Moreover, 35% of the industrial workforce works for a foreign group in Alsace, which is twice as much as the national average. There is a relative absence of large multinational groups with French majority funds.

Peugeot has a big production unit near Mulhouse but generally, the Alsatian exports produced by large French groups seldom appear at the region's top 20 exporters.

Alsace has therefore a smaller proportion of French independent small businesses (SME) than other regions, even if they are competitive both industrially and financially. Their export rate is of 20% in average, against 47% for the foreign groups' subsidiaries.

This strong foreign presence and the region's history explain the fact that the public sector is less represented in Alsace than in the rest of France. Moreover, the region's public sector employs less than 6% of the industrial workforce, against 16% in the rest of the country (the energy and agribusiness fields considered separately).

Sources:

INSEE, <http://www.insee.fr/fr/regions/alsace/faitsetchiffres/default.asp>

DRCE Alsace, <http://www.dgtpe.fr/se/redirection.htm>

4. Alsace's research potential

There are some 66,000 students in Alsace.

Strasbourg also houses the International Space University (ISU), which prepares the future space experts, the National School of Administration (ENA) and the European Institute of Telesurgery of Strasbourg (EITS), which trains surgeons of all over the world.

In Alsace, there are 250 research laboratories, over 7,000 researchers, six Regional Centers for Innovation and Technology Transfer (CRITT) and Technology Platforms (PFT), which aim at reinforcing the links between the training world and the companies. Thus, Alsace is the third scientific pole in France. With 46 laboratories and 1,740 researchers, the National Centre for Scientific Research (CNRS) is one of the main actors in Alsace's scientific research.

Other actors that need to be noted in this field are the National Institute for Health and Medical Research (INSERM) and the French National Institute for Agricultural Research (INRA).

Alsace's strengths are life science and chemistry. However, all the scientific fields are present in the region with a wide range of specialties.

Sources:

- CNRS, http://www.alsace.cnrs.fr/points_forts.aspx
- Région Alsac, http://www.region-alsace.eu/dn_economie/

5. Alsace Key's figures

In 2006, Alsace's industry accounted for 4.1% of the French industrial value-added. Over the last decade, the working population has increased by 8,000 people a year. This progression together with a qualification level improvement has helped redistribute the social and professional structure in Alsace.

Although factory workers remain the largest working category, the intermediate professions and executive positions have largely benefited from the economical boom and have themselves risen the regional level of qualification and salary rates.

In terms of workforce, Alsace is the third industrial region in France, right after the Franche-Comté and the Picardie. Moreover, it has not suffered from too important an industrial specialization.

- 2006 (3% of 1,817,000 inhabitants, on the 1st of January the French population)
- 8,280 km² (1.5% of the French surface)
- 30.8% of Alsace's population is less than 25 years old in 2004

- 4th French exporting region in 2006
- Unemployment rate (1st quarter 2007): 7.4%
- 876,000 jobs in 2005
- 25% of the jobs are in the industry and the rest in the service sector
- GDP: 4th place in France (2.8% of the French GDP) in 2005 with 26,122 euro per inhabitant. The Alsatian industry represents 20% of the region's GDP.

- 62,476 companies on the 1st of January, 2006
- 63,100 cross-border workers (living in Alsace and working in Switzerland or Germany) in 2006
- 7,244 company creations in 2005 (creations, takeover and reactivations).

- Density of the banking network in 2003:
 - Alsace: one agency for every 1,437 people,
 - France: one agency for every 2,315 people.

Sources:

- Région Alsace, http://www.region-alsace.eu/dn_economie/economie-chiffres-cles.html
- INSEE, <http://www.insee.fr/fr/regions/alsace/faitsetchiffres/default.asp>
- CRCIA, <http://www.alsace.cci.fr/index.php>