

## North Rhine-Westphalia – The economic center of Germany



|                            | Total                      | Percentage of German total |
|----------------------------|----------------------------|----------------------------|
| Surface area               | 34,112 sq. km              | 9.5 %                      |
| Population                 | 17.9 mill.                 | 21.6 %                     |
| Population density         | 526 inhabitants per sq. km |                            |
| Gainfully employed         | 9.6 mill.                  | 21.5 %                     |
| Gross domestic product     | 711.4 bn EUR               | 20.7 %                     |
| GDP per capita             | 39,678 EUR                 |                            |
| Private consumption        | 372.0 bn EUR               | 21.8 %                     |
| Exports                    | 193.7 bn EUR               | 14.6 %                     |
| Imports                    | 245.5 bn EUR               | 22.1 %                     |
| Foreign direct investment* | 162.5 bn EUR               | 21.2 %                     |

\* data as the end of 2018

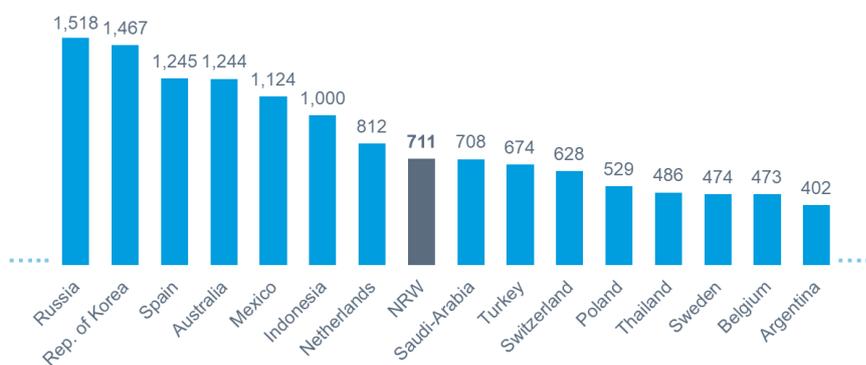
North Rhine-Westphalia (NRW) is located in the center of Europe and borders on the Netherlands and Belgium. It is the most populous and the most densely populated of the 16 federal states in Germany. 17.9 million people live on an area of 34,112 square kilometers. With 526 people per square kilometer, the state is more densely populated than Japan or the Netherlands. The largest cities are Cologne, Düsseldorf, Dortmund and Essen. The most important metropolitan areas are the Ruhr Metropolis with 5.1 million inhabitants and the Rhineland with more than 3.0 million inhabitants.

More than 160 million people live within a radius of 500 km around the state capital Düsseldorf – this represents almost one third of all EU consumers. From no other location in Europe can so many people with such high purchasing power be reached within such a short distance as from NRW. 21.5 percent of Germany's purchasing power is concentrated in the state. Every year, the inhabitants of NRW spend more than 372 billion euros on private consumption.

## Germany's no. 1 economic region

At more than 711 billion euros, NRW generates 20.7 percent of the German gross domestic product (GDP), putting it clearly ahead of all the other federal states. The GDP per inhabitant amounts to 39,678 euros and per employed person to an average of 73,832 euros. NRW generates 4.5 percent of the European GDP (EU-28) and is thus one of Europe's most important economic regions. In the international ranking, NRW as a federal state is placed higher than other European countries such as Sweden, Switzerland, Poland and Belgium.

### GDP in international comparison 2019 (in EUR bn)



Source: World Bank 07/2020, figures in EUR billion 2019

## Top location for manufacturers and suppliers

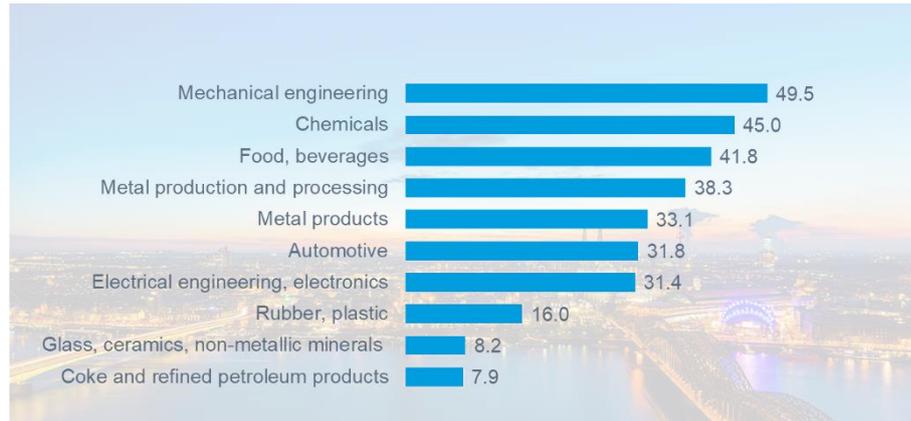
18 of the 50 top-selling German companies (not counting banks and insurance companies) are based in NRW, e.g. **Bayer, Bertelsmann, Deutsche Post, Deutsche Telekom, E.ON, Henkel, Metro, Rewe, RWE** and **thyssenkrupp**.

NRW is home to large industrial corporations of world standing as well as dozens of smaller companies which are leaders in their respective business fields. In



2019, the industrial enterprises based in NRW generated sales of about 352 billion euros – which is 18.1 percent of industrial sales in Germany. 19.7 percent of the employed population of NRW work in the industrial sector. NRW is home to the most powerful industrial regions in Europe. North Rhine-Westphalian industry contributes approx. 27 % of the state's and nearly 18.8 % of Germany's gross value added.

### Sales 2019 (in EUR bn)



Source: IT.NRW; the figures refer to companies with 20 and more employees

## Strong industry offers good environment for service providers

Nowhere else in Germany do industry-related service providers (e.g. consultancies, engineering offices, EDP, R&D) – many of which are business partners to industrial companies – contribute so much to innovation and value added as in NRW. The strength of industry in NRW is due in no small measure to the strength of these industry-related service providers.

26.1 percent of the sales generated in the narrower sense by industry-related service providers in Germany comes from NRW – more than in any other state. The same is true of employment: 25.0 percent of all people employed in industry-related services in Germany work in NRW. 21.2 percent of the companies are also located here.

In 1970, 55.7 percent of the state's gross value added was generated in industry and only 42.3 percent in the service sector. By 2019, this ratio had been more than reversed: the service sector dominated in NRW with 72.3 percent as compared to industry with 27.1 percent. The number of people employed in the service sector has grown by more than a million to 7.4 million since 1970.

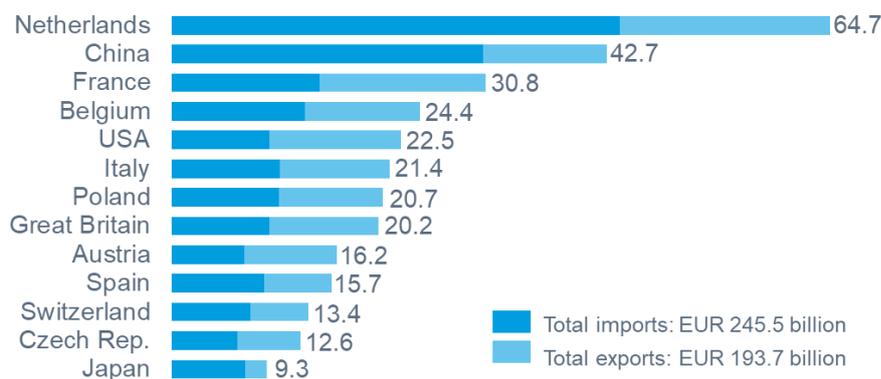
## SMEs form the mainstay of the economy

NRW is a state of small and medium-sized enterprises (SMEs): Around 711,600 SMEs form the economic backbone of the region. They account for 99.4 percent of all the companies in the state. 78.4 percent of the employed people subject to social security contributions work in small and medium-sized enterprises. SMEs provide more than 82 percent of all training positions in NRW. Skilled trades account for about 190,000 companies in NRW and are at the same time the state's biggest employer with more than one million employees.

## Europe's largest sales and sourcing market

The total trading volume of NRW from imports and exports amounts to 439 billion euros. 14.6 percent of German exports are "Made in NRW". 22.1 percent of all German imports go to NRW. In 2019, the value of exports totaled 193.7 billion euros (-1.2 percent) and the value of imports came to 245.5 billion euros (+1.9 percent).

### The most important trading partners 2019 (in EUR bn)



Source: IT.NRW, March 2020

NRW is clearly an attractive location for trading companies: 13 of the 40 top-selling trading companies in Germany are based here (**Aldi, Deichmann, Metro, Rewe, Tengelmann**).

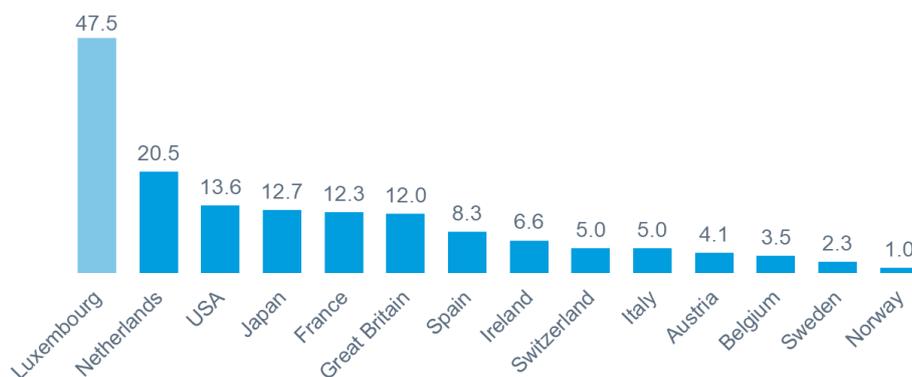


## Germany's no. 1 investment location

North Rhine-Westphalia has been gaining in attractiveness for foreign investors for years. At 21.2 percent (162.5 billion euros), the state had the second-highest share of all 16 federal states of total direct investments in Germany (768 billion euros) at the end of 2018; first place was taken by Bavaria with 22.5 percent, then Hesse with 20.0 percent in third and Baden-Württemberg with 12.4 percent in fourth.

If we disregard Luxembourg on the grounds of its special role as a financial hub, the Netherlands is then the biggest investor in NRW, accounting for 12.6 percent of the direct investment volume in the state, followed by USA with 8.4 percent and Japan with 7.8 percent.

### The biggest foreign investor countries in NRW (in EUR bn)



### Special case Luxembourg: mainly financial investments

Source: Deutsche Bundesbank, May 2020; position as at end of 2018

About 20,000 foreign companies from the most important investor countries control their German or European operations from NRW: **3M, BP, Ericsson, Ford, Huawei, QVC, Toyota and Vodafone.**



## The biggest trade fair location in the world

The trade fairs in Cologne, Dortmund, Düsseldorf and Essen mirror global market conditions and serve as an important marketing tool for exhibitors. The state's outstanding infrastructure and central location in the heart of Europe ensure the excellent accessibility of all the trade fair cities and the transportation of the highlights from here to the world market. More than 100 internationally leading trade fairs such as **anuga, boot, drupa, MEDICA** or **photokina** attract more than 6 million visitors every year. The state is one of the world's largest trade fair locations – ahead of Hanover, Frankfurt a.M., Milan, Guangzhou (China), Paris, Chicago, Barcelona and Valencia.



## Excellent transportation infrastructure

**Airports:** The two major international airports – Düsseldorf Airport and Cologne Bonn Airport – as well as additional airports with European connections in Dortmund, Münster/Osnabrück, Paderborn/Lippstadt and Weeze/Lower Rhine connect the state to all major German domestic destinations as well as to cities and holiday regions all over the world. High-speed trains can be used to reach the European hub at Frankfurt airport in less than one hour. Also of interest to the Aachen Technology Region is the proximity of the Maastricht Aachen Airport in the Netherlands. With 24.3 million passengers Düsseldorf Airport is the third-largest passenger airport in Germany following Frankfurt/Main and Munich. With 12.9 million passengers Cologne Bonn Airport ranks number six throughout Germany; it is also Germany's number three air cargo center (following Frankfurt a. M. and Leipzig). NRW's airports offer approx. 450 direct flights to destinations all over the world.



**Roads:** A network of more than 2,200 kilometers of expressways links every important town or city in NRW directly and quickly to the European expressway system. Every place of importance in the state has its own expressway entrance and exit. There are also around 4,500 kilometers of federal highways, 13,100 kilometers of country roads and around 9,800 kilometers of local district roads.



**Rail:** NRW has the highest rail network density in Germany. Track length amounts up to approx. 6,000 kilometers. The state is an important hub in the high-speed rail network. Prime examples are the Thalys connections to Brussels and Paris, as well as ICE high-speed line from Cologne via Frankfurt/Main to Basel. The central station in Cologne is one of Europe's busiest railway junctions (280,000 travelers and 1,220 trains every day). Deutsche Bahn AG, as well as numerous regional rail, tram and suburban train systems, provide daily local public transport services.



**Water:** NRW lies at the interface of major European waterways and, although the state has no coastline, connections to important European seaports are ensured. 226 kilometers of the Rhine, one of the world's most busiest waterways, flow



through NRW. The state is by far the largest location for inland ports in Germany. Approx. 120 ports (there of 23 public) handle 115 million tons of goods by ship. In addition, the world's largest inland port, the Port of Duisburg, is located here. Including the private commercial ports, using all modal options, 128 million tons of goods are handled at Duisburg.

## R&D location of world standing

NRW has 70 universities and technical colleges with more than 773,000 students guaranteeing a dynamic research and development landscape. The state's universities and technical colleges offer a choice of more than 4,000 study courses. 27.0 percent of all German students attend universities and technical colleges in NRW. Six of Germany's ten largest universities are located here. With 51,480 students, the University of Cologne, known among other things for its economic science faculty, is the second-largest university in the state following the University of Hagen (64,340 students). The RWTH Aachen University and the University of Cologne were declared elite universities as part of the Excellence Initiative of the German federation and the federal states. About 97,750 students at universities in NRW come from abroad (12.6 percent of students).

More than 60 technology and start-up centers and over 50 non-university research facilities form one of the densest research networks in Europe and provide ideal conditions for technology transfer. The research facilities include internationally renowned facilities such as the Research Center Jülich, the German Aerospace Center and the 14 Fraunhofer and 12 Max-Planck institutes financed jointly by the national and state governments.

## High quality of life

NRW entices with one of Europe's most impressive natural and cultural landscapes. Although the federal state is densely populated, three-quarters of it is comprised of nature and green spaces. The landscape is characterized by 12 natural preserves and the National Park Eifel, more than 200 lakes and dams as well as several romantic moated castles. The federal state is not only able to call more than 900 museums and more than 130 theaters its own, but also has five buildings that have been named UNESCO World Heritage Sites: the cathedrals in Cologne and Aachen, the Abbey Church of Corvey in Ostwestfalen-Lippe, the Zeche Zollverein colliery in Essen and the Augustusburg castle in Brühl. The city of Essen had been named the European Capital of Culture 2010 on behalf of the Ruhr Metropolis.

