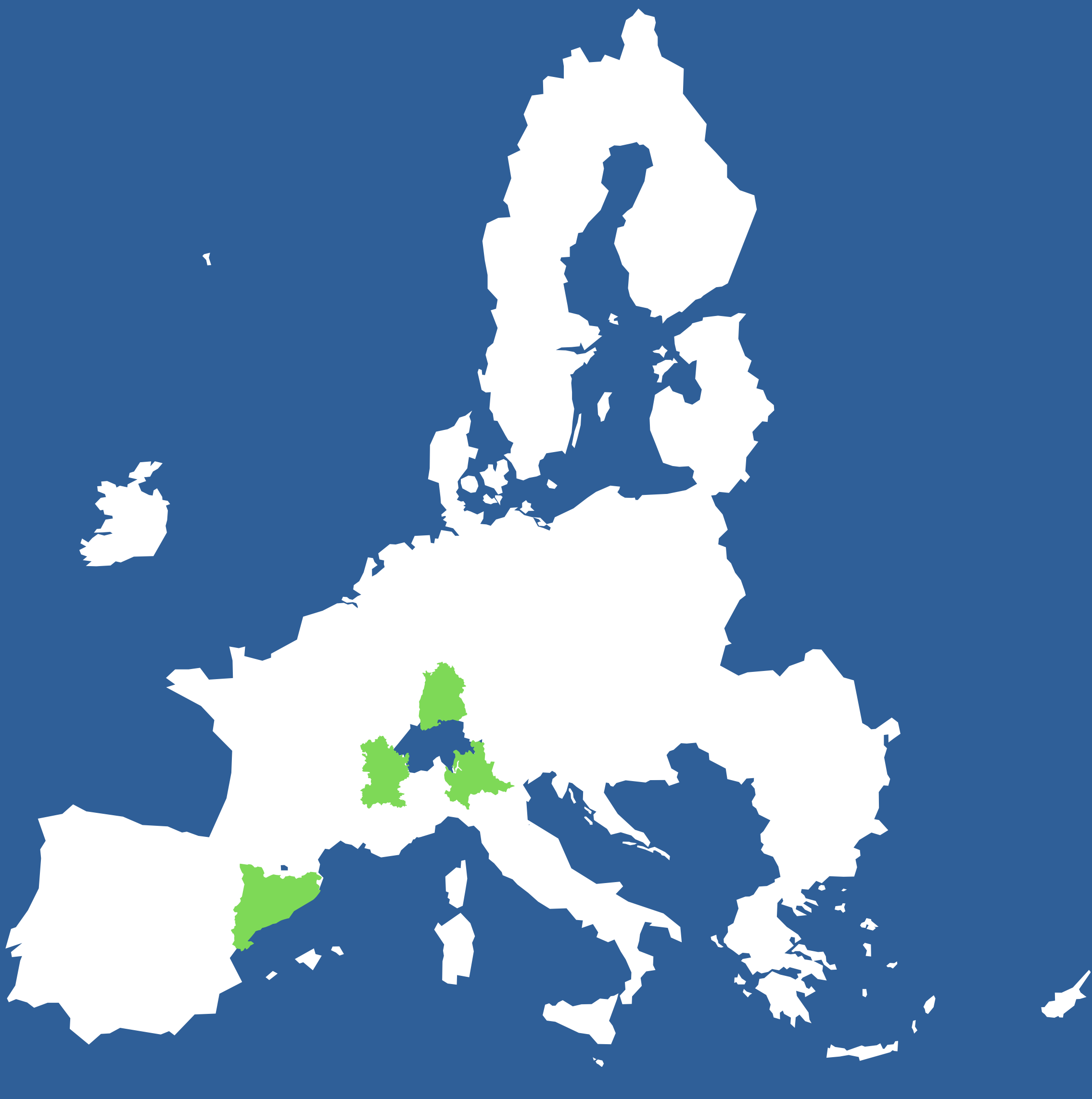
CONFCOMMERCIO
IMPRESE PER L'ITALIA
LOMBARDIA

THE FOUR MOTORS OF EUROPE

THE CONTRIBUTION OF THE TERTIARY SECTOR TO CREATION OF WEALTH IN LOMBARDY AND IN EUROPE

Research

in collaboration with Format Research



January 2025

*In the year of the **Presidency of the Lombardy Region of the "Four motors for Europe"** - Lombardy, Auvergne-Rhône-Alpes, Baden-Württemberg, and Catalonia - and with the start of the new European Parliament for the 2024-2029 term, it becomes crucial to analyze the evolution of the European economic geography to understand the contribution of the various productive sectors to **wealth creation and employment** in Europe. The progressive "**tertiarization**" of the European business base determines a strategic role for this sector, which translates into a significant commitment to **fostering competitive growth, attractiveness, quality of life, and social cohesion**.*
*The research, conducted by Format Research, provides a useful snapshot for informed and targeted choices by both **European Institutions**, which have the delicate task of legislating on matters with a strong impact on this sector, and by the **Regions**, called upon to balance the use of European cohesion funds according to the socio-economic characteristics of their territories."*

Carlo Sangalli
President of Confcommercio Lombardia - Imprese per l'Italia

INDEX

1. RESEARCH OBJECTIVE

Following the process of de-industrialization and globalization, many advanced economies have witnessed a steadily **increasing contribution of the tertiary sector to their Gross Domestic Product**. This sector now constitutes a majority and growing share, representing approximately **70% of GDP in Lombardy/Italy**, including Eurozone countries. As a result, the growth of productivity in the Lombard economic system is closely linked in particular to the growth of the market services sector and, following the pandemic years, to a progressive increase in Tourism.

This research aims to investigate **the contribution of the tertiary sector to wealth creation in Europe**, using as an interpretative framework and field of application the so-called "**Four motors of Europe": Lombardy, Catalonia, Auvergne-Rhône-Alpes, and Baden-Württemberg**, which in national and international debates tend to be considered exclusively in reference to industry, without taking into account the very significant contribution of the tertiary sector

2. QUANTIFYING THE DOMINANT TERTIARY SECTOR: THE NUMBERS

LARGEST SECTOR BY NUMBER OF BUSINESSES

In Europe	79,2% (23.090.434)
In the Four motors	80,1% (2.007.724)
In Lombardy	78,9% (659.038)

LARGEST SECTOR BY NUMBER OF EMPLOYEES

In Europe	67% (153.075.477)
In the Four motors	67,2% (9.825.235)
In Lombardy	69% (3.013.302)

LARGEST SECTOR BY ADDED VALUES

In Europe	70% (10.776.120 MLN)
In the Four motors	68,1% (1.040.275 MLN)
In Lombardy	69,8% (295.904 MLN)

3. THE IMPACT OF LOMBARDY IN THE FOUR MOTORS

LARGEST SECTOR BY NUMBER OF BUSINESSES (*)

Lombardy	836.057
Baden Württemberg	425.095
Catalonia	629.017
Auvergne-Rhône-Alpes	619.046

LOMBARDY RANKS FIRST IN BUSINESS DENSITY. ONE COMPANY FOR EVERY:

Lombardy	12 RESIDENTS
Baden Württemberg	27 RESIDENTS
Catalonia	13 RESIDENTS
Auvergne-Rhône-Alpes	13 RESIDENTS

LOMBARDY RANKS FIRST IN TERMS OF EMPLOYEES (*) IN THE TOURISM SECTOR AND SECOND IN COMMERCE AND SERVICES.

LOMBARDY RANKS SECOND IN TERMS OF TERTIARY SECTOR ADDED VALUES (*)

(*) In absolute terms

4.1 THE TERTIARY SECTOR IN LOMBARDY: BUSINESSES

Lombardy underwent a marked tertiarization process between **2012 and 2022**. While industrial companies decreased by 8.5%, tertiary sector businesses saw a substantial growth of 12.3%, rising from 586,777 to 659,038.
In this context, the contribution of **service businesses** (+22.9%) stands out, followed by those operating in the **tourism** sector (+5.6%).

2012-2022 TRENDS

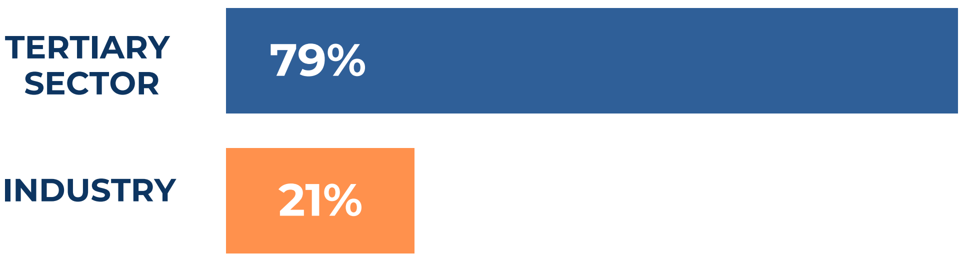
TERTIARY SECTOR **+ 12,3%**

INDUSTRY **- 8,5%**

TRENDS IN THE TERTIARY SECTOR

SERVICES	+ 22,9%
TOURISM	+ 5,6%
RETAIL & WHOLESALE	- 8,5%

BUSINESSES CLASSIFICATION



4.2 THE TERTIARY SECTOR IN LOMBARDY: EMPLOYEES

Over the same time period considered for the number of businesses (2012-2022), the number of employees in the industrial sector remained almost stable (-1.7%), while the number of women and men working in the tertiary sector **increased by 655,315 units** (+27.8%): +44.9% services; +2.7% retail & wholesale; +15.3% tourism. This increase led to **7 out of 10 employed people working in the sector**.

2012-2022 TRENDS

TERTIARY SECTOR
+ 27,8%

INDUSTRY
- 1,7%

TRENDS IN THE TERTIARY SECTOR

SERVICES	+ 44,9%
TOURISM	+ 15,3%
RETAIL & WHOLESALE	+ 2,7%

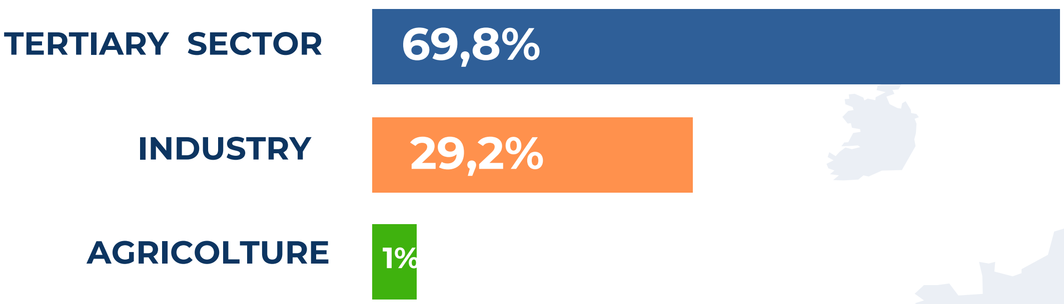
EMPLOYEES CLASSIFICATION

TERTIARY SECTOR	69%
INDUSTRY	31%

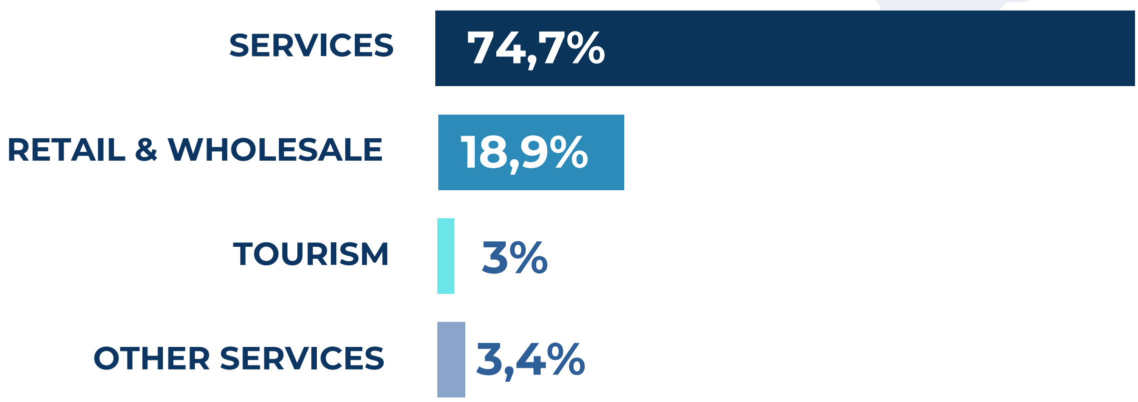
4.3 THE TERTIARY SECTOR IN LOMBARDY: ADDED VALUES

The tertiary sector's contribution to **added values** is striking, accounting for a dominant **69.8%** of the total, far outpacing industry (29.2%) and agriculture (1%). Nevertheless, **the Covid-19 pandemic and subsequent lockdown have slowed its growth rate**. While added values in this sector grew until 2020, it contracted by 1.2% over the decade."

ADDED VALUES DISAGGREGATION



CONTRIBUTION OF THE TERTIARY SECTOR



4.4 THE TERTIARY SECTOR IN LOMBARDY: THE WEIGHT OF THE SECTORS

Considering the three main categories of the tertiary sector in terms of number of enterprises, employees, and added values , the **strong weight of services** emerges, followed by **retail & wholesale** and **tourism**.

RETAIL & WHOLESALE

BUSINESSES	**157.921**, representing **18,9%** of the total and **24%** of the tertiary sector
EMPLOYEES	**770.869**, representing **17,7**% of the total and **25,6%** of the tertiary sector
ADDED VALUES	**55.796** million euros, representing **13.15%** of the total and **18.9%** of the tertiary sector

TOURISM

BUSINESSES	**46.260** representing **5,5%** of the total and **7%** of the tertiary sector
EMPLOYEES	**285.633**, representing **6,6%** of the total and **9,5%** of the tertiary sector
ADDED VALUES	**8.871** million euros, representing **2,1%** of the total and **3%** of the tertiary sector

SERVICES

BUSINESSES	**454.857 representing 54,4%** of the total and **69%** of the tertiary sector
EMPLOYEES	**1.956.800**, representing **44,9%** of the total and **64,9**% of the tertiary sector
ADDED VALUES	**221.178** million euros, representing **52,1%** of the total and **74,7%** of the tertiary sector

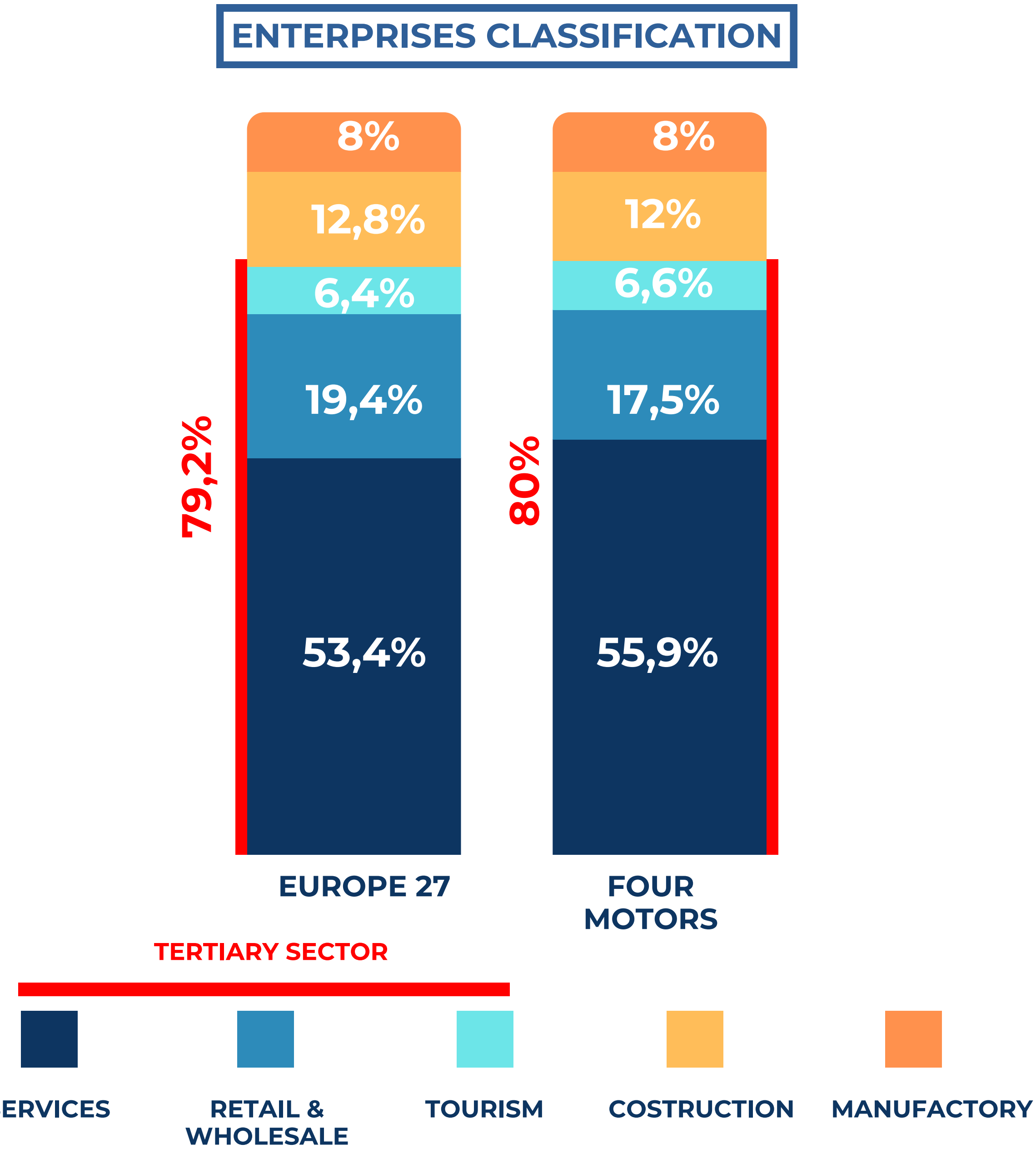
5. THE TERTIARY SECTOR IN LOMBARDY AND IN ITALY

The high level of tertiarization in Lombardy becomes apparent when comparing regional and national data. **Lombard tertiary companies are 4% more prevalent than the national average**. Moreover, the region's **tertiary sector contributes 4.47% more to employment** than the Italian average. Lombardy generates 22.6% of Italy's GDP, with the tertiary sector contributing **15.5% more to value added** compared to the national average

	LOMBARDY	ITALY	
BUSINESSES	78,83%	74,65%	+4,18
EMPLOYEES	69,21%	64,74%	+4,47%
ADDED VALUES	69,8%	54,31%	+15,5%

6. THE FOUR MOTORS AND EUROPE

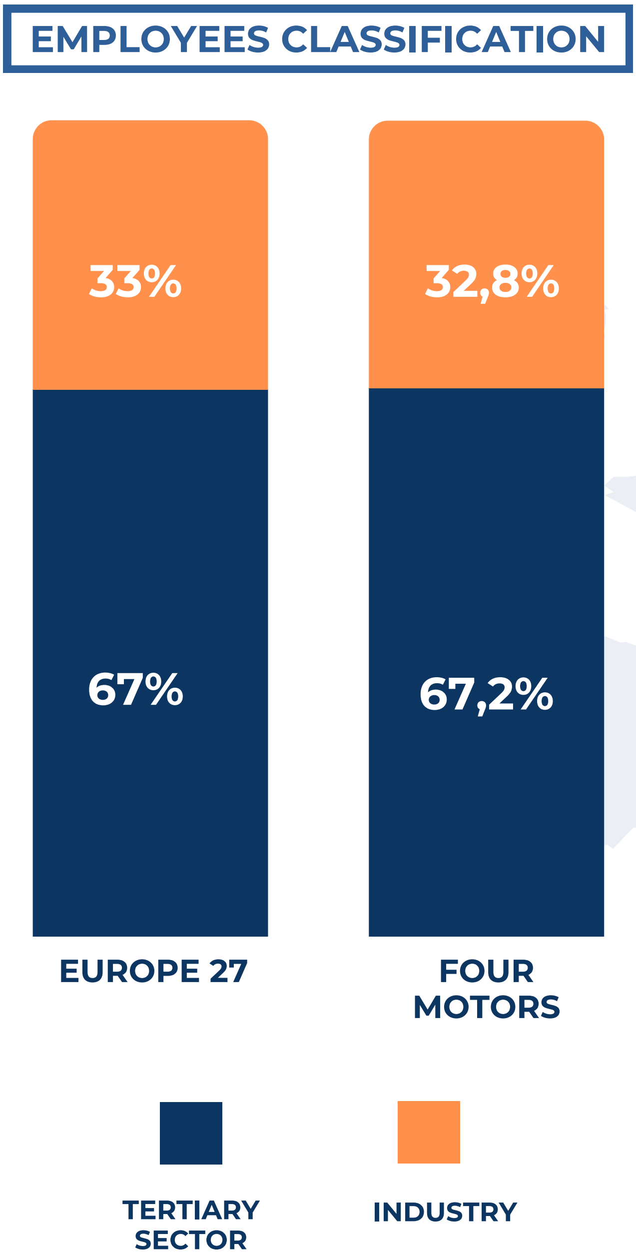
Home to over **37 million people** and **2,509,216 businesses**, the Four Motors of Europe represent approximately **9%** of both the EU's population and businesses. **The tertiary sector**, particularly retail & wholesale, tourism, and services, **is slightly more prevalent in the Four Motors compared to the European average**. This is driven by a higher share of service (55.9% vs 53.4%) and tourism businesses (6.6% vs 6.4%).



6. THE FOUR MOTORS AND EUROPE

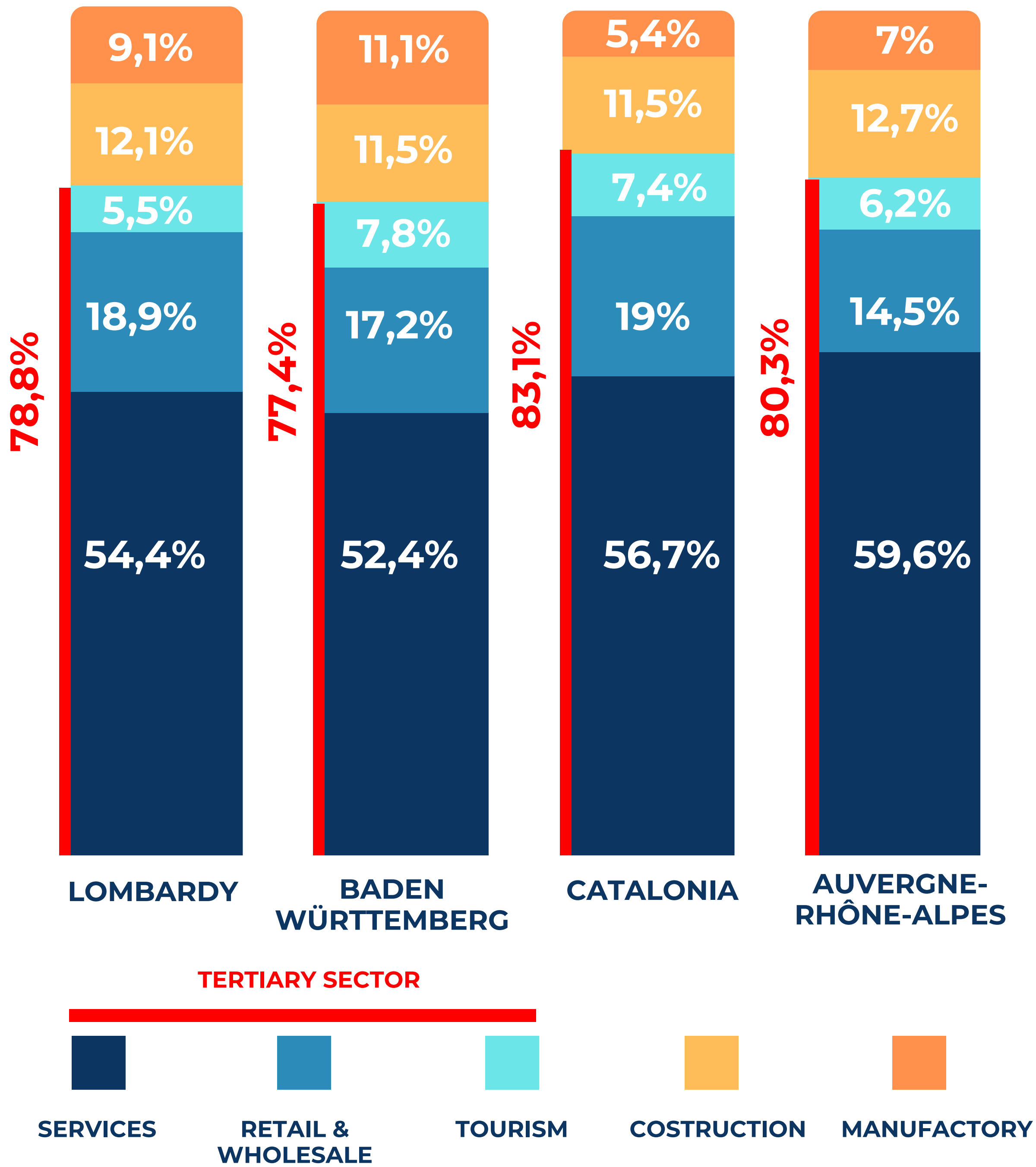
The tertiary sector accounts for 67% of employment in both the Four Motors and the EU27.

In 2023, the Four Motors generated a GDP of **1,685,016 million euros** and added values of **1,527,706 million euros**, approximately **10%** of the EU total



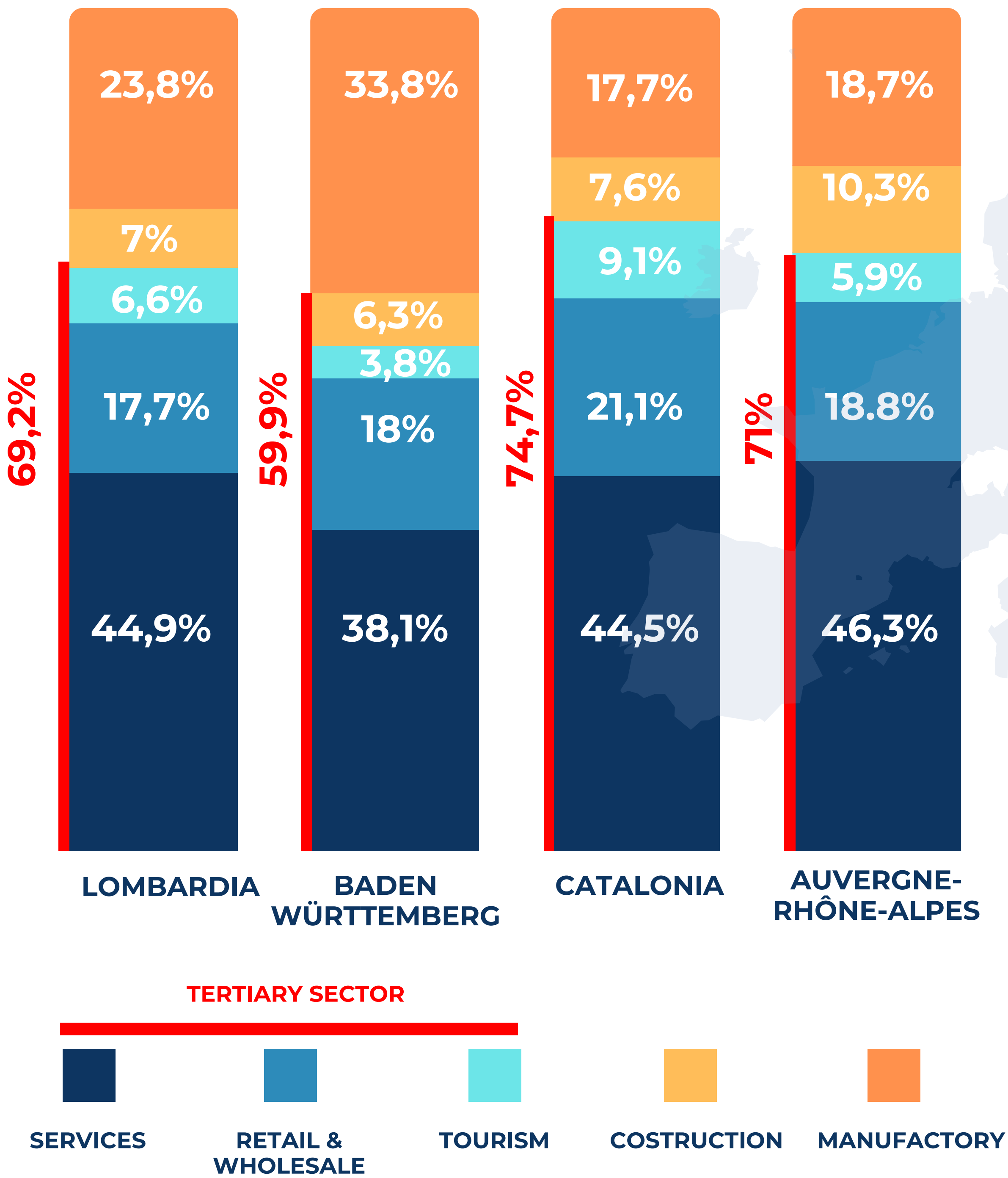
7.1 LOMBARDY IN THE CONTEXT OF THE FOUR MOTORS OF EUROPE: BUSINESSES

When examining the percentage of **tertiary sector businesses in each of the Four Motors regions**, Catalonia leads with 83.1%, followed by Auvergne-Rhône-Alpes (80.3%), Lombardy (78.8%) and Baden-Württemberg (77.4%). However, a more detailed analysis of specific sectors such as retail & wholesale, tourism, and services reveals greater diversity, reflecting the unique geographical, economic, and social characteristics of each region



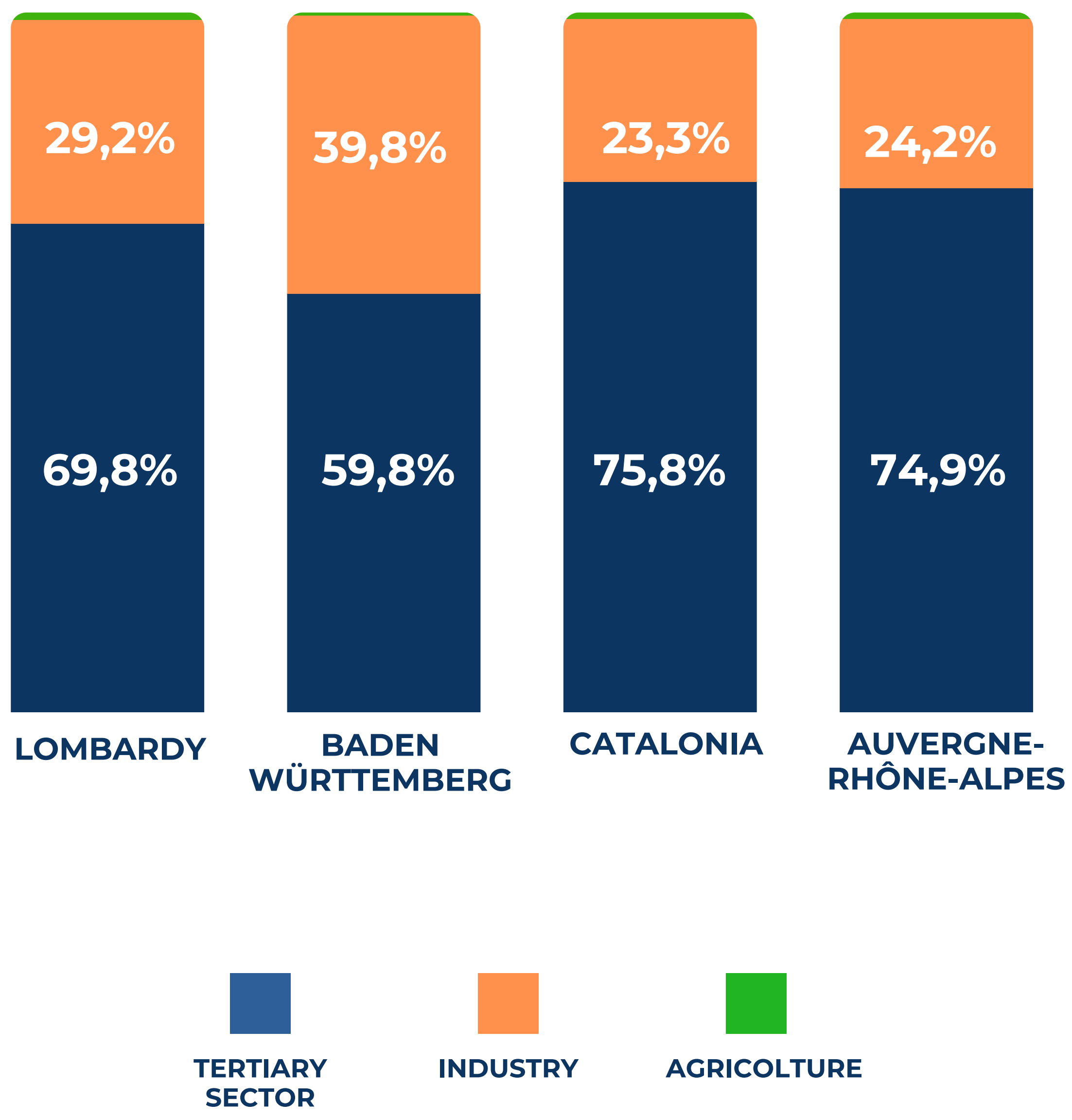
7.2 LOMBARDY IN THE CONTEXT OF THE FOUR MOTORS OF EUROPE: EMPLOYEES

The Four Motors of Europe have an average of 70% of their workforce employed in the tertiary sector. **Lombardy comes in second place for both services and tourism employment**, surpassed only by Catalonia, which is particularly attractive due to Barcelona and its coast



7.3 LOMBARDY IN THE CONTEXT OF THE FOUR MOTORS OF EUROPE: ADDED VALUES

Lombardy's added values is particularly significant, accounting for **27.7%** of the Four Motors' total, following Baden-Württemberg (36.5%) but ahead of Auvergne-Rhône-Alpes (19.3%) and Catalonia (16.5%).
A breakdown of the added values generated by different tertiary sectors reveals that **Lombardy ranks second in both commerce and tourism**



8. METHODOLOGY AND DATA SOURCES

For this study, a targeted selection of companies included in the analysis was carried out, with the aim of **ensuring greater consistency and continuity of the data collected** across the different Regions examined. In particular, companies belonging to the following sectors were considered:

- **Manufactury** (Codes B, C, D, E)
- **Construction** (Code F)
- **Retail & Wholesale** (Code G)
- **Tourism** (Code I)
- **Services** (Codes H, J, K, L, M, N, O, P, Q, R)

This choice is based on the need to analyze economic sectors that present **homogeneous characteristics and a high degree of interaction** between the different Regions. The selected sectors are **fundamental for the economy** and contribute significantly to employment and economic growth at a local level.

Conversely, companies belonging to the following sectors have been excluded from the analysis:

- **Agriculture** (Code A)
- **Other service activities** (Code S)
- **Domestic services** (Code T)
- **Extraterritorial organizations** (Code U)
- **Unclassified enterprises** (NC)

The decision to exclude these sectors is motivated by several factors. Firstly, the agricultural sector exhibits dynamics and variables that differ significantly from those of the industrial and tertiary sectors considered, making direct comparison difficult. Furthermore, "other service activities" and "domestic services" are often non-standardized and can vary significantly from one Region to another, thus compromising the reliability of aggregated data

Extraterritorial organizations and unclassified businesses do not provide relevant data for our regional economic analysis. Therefore, they were excluded. **The selection of sectors and the exclusion of certain categories were aimed at ensuring the highest quality data and providing a more accurate and comparable representation of economic dynamics in the analyzed regions**.

Data sources (*):
- **ISTAT**, «I.Stat (Datawarehouse Istat)»
- **IstatData** ,il nuovo data warehouse di diffusione (in sostituzione di I.Stat)
- **EUROSTAT**, L'Ufficio statistico dell'Unione europea
- **IDESCAT**, Instituto de Estadística de Cataluña
- **INE**, Instituto Nacional De Estadística
- **DESTATIS**, Statistisches Bundesamt
- **INSEE**, Institut national de la statistique et des études économique

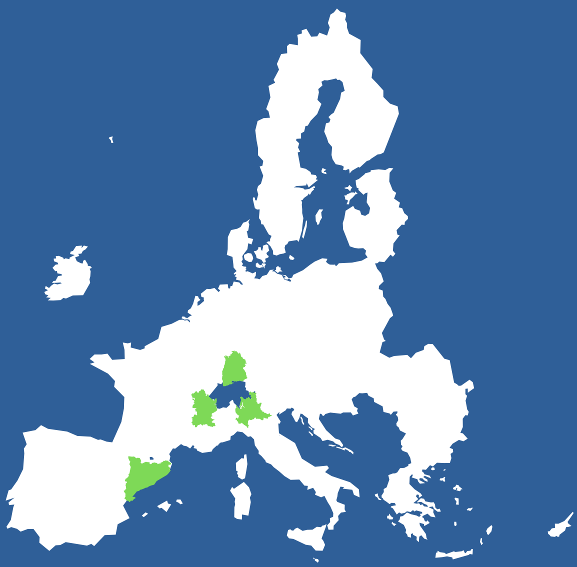
(*) latest available data

Research by Confcommercio Lombardia in collabotion with Format research

Printed in janauary 2025 by La Serigrafica Arti Grafiche srl

FSC
www.fsc.org
MISTO
Carta | A sostegno della gestione forestale responsabile
FSC® C118635

CONFCOMMERCIO
IMPRESE PER L'ITALIA
LOMBARDIA



The Four motors of Europe
The contribution of the Tertiary sector to Creation of wealth in Lombardy and in Europe

january 2025