



FUNDACIÓN BIT
PARCBIT

“ILLES BALEARS”

BACKGROUND INFORMATION

S3 platform peer review workshop

Palma de Mallorca 7/8 February 2013

SOCIO ECONOMIC DIAGNOSIS

The main socio-economic dimensions of the Balearic Islands are the following:

Balearic Islands socioeconomic Main figures¹

Indicator	Value	% Spanish total	Spanish average
Population (number of people)	1.113.114	2,36%	-
GDP mp (€)	26.859.091	3%	-
GDP per capita (€)	24.585	132%	18.595
Employed population	469.870	2,71%	-
Activity rate (%)	67,15%		60,04%
Unemployment rate (%)	21,96%		25,02%
No. establishments	98.002	2,7%	-
No. of companies	85.372	2,6%	-
Exports (thousands of euros)	653.416,15	0,45%	-
Imports (thousands of euros)	1.080.050,59	0,64%	-
R & D expenditure (% of the GDP)	0,7%	-	1,33%
Researchers Staff (number of people)	2007,3	0,93%	-
Articles published in international and national journals	60	3,35%	-
Application of national patents	34	2,06%	-
Number of tourists received (2011)	8.378.477	9,81%	85.366.976
Number of overnights (2011)	53.753.804	18,75%	286.761.260

Source: INE and Datacomex.

¹ Data available in December 2012. This table presents the available data for each indicator in the latest update of each source.

Population and territory

The Autonomous Community of the Balearic Islands is located in the Mediterranean Sea along the eastern coast of the Iberian Peninsula. The region is integrated by five islands, Mallorca (where is located the capital of the region, Palma de Mallorca), Menorca, Ibiza, Formentera and Cabrera, but only the first 4 are inhabited. Cabrera is from 1991 National Shoreline Park.



The insularity and lack of soil are peculiarities of the region that mark in a special way its economy.

The total population of the islands in 2011 reached 1.113.114 inhabitants (2,36% of the Spanish total population), of which 50,1% are male and 49.9% female.

Economic Structure

The Balearic GDP in 2011 reached a 3% of the total Spanish GDP, and its evolution in recent years has been decreasing, as in the whole country.

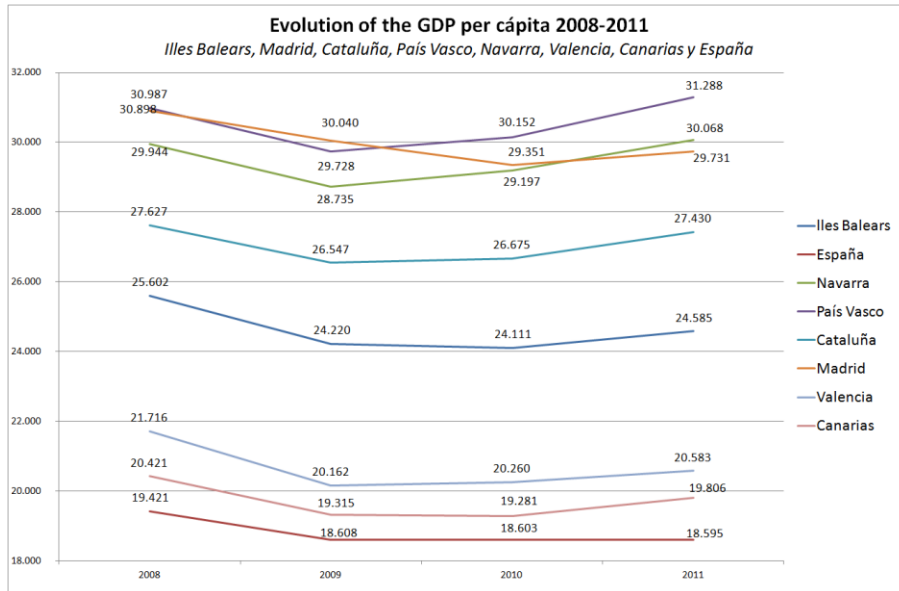
GDP Growth, 2008-2011 (market price - thousands of euros)

	2008	2009	2010	2011
Illes Balears	27.104.230	26.034.867	26.041.244	26.859.091
Spain	888.406.500	854.130.250	856.862.750	868.424.750

Source: INE

Balearic Islands have one of the highest GDP per capita in Spain, with 24,585 euros in 2011, higher in comparison with the 18,595 euros of the Spanish average.

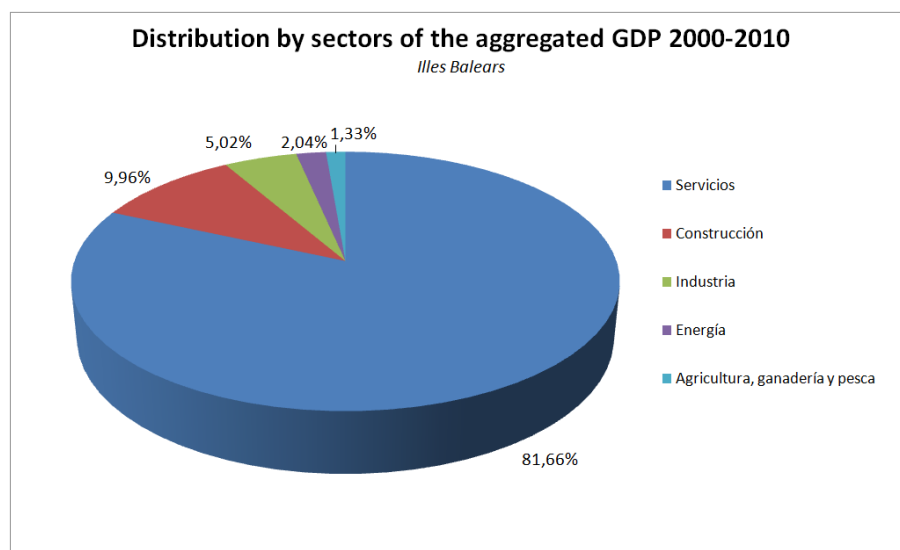
The following graph shows the evolution of the Balearic Islands GDP per capita for the period 2008-2011, in relation to the national total and other regions.



Source: INE

Illes Balears, has remained in 5th place in terms of GDP per capita in the period 2008-2011.

The service sector is the largest sector of the Balearic Islands in terms of contribution to the regional GDP, with 81.66% of the total.



Source: INE

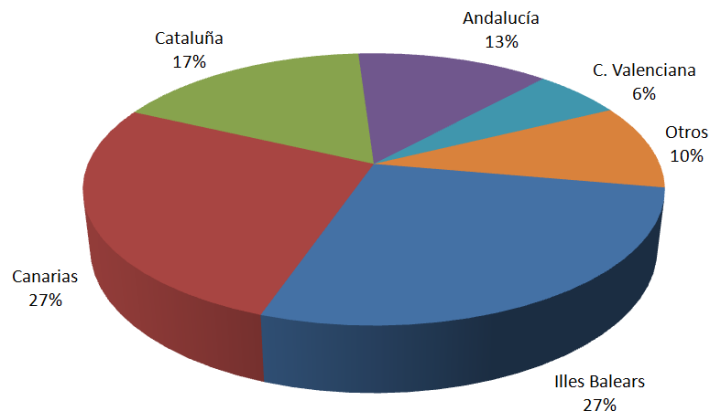
In this context, the tourism sector represents almost the half of the regional GDP (43%), and generates about the 30% of the employment in the region. Tourism is the main economic engine of the islands and has important linkages with other sectors.



Tourism activity generates annually more than 10 billion € of incomes, and around 9 million of tourists, 80% of whom are foreigners. The Balearic Islands receives the 27% of the total foreign visitors to Spain.

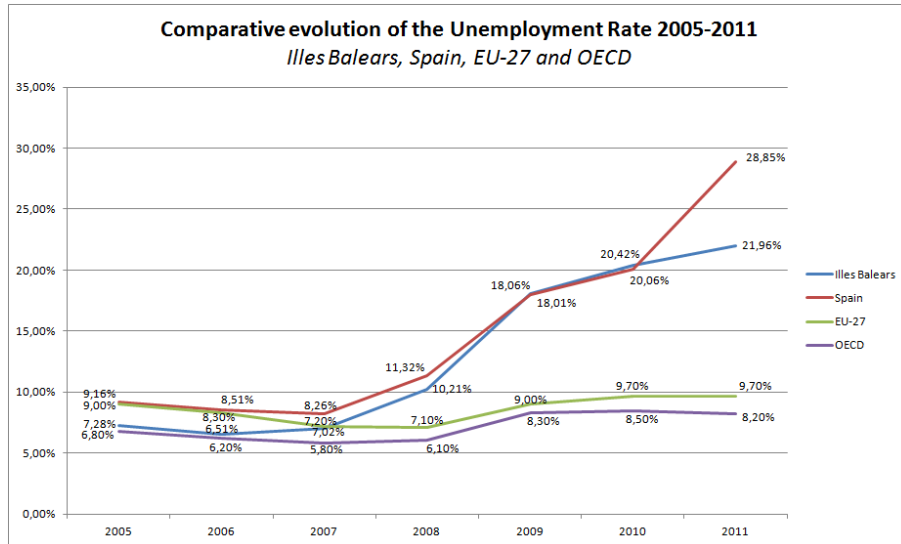
Overnights in Spain of abroad resident tourists

Distribution of overnights by regions 2012



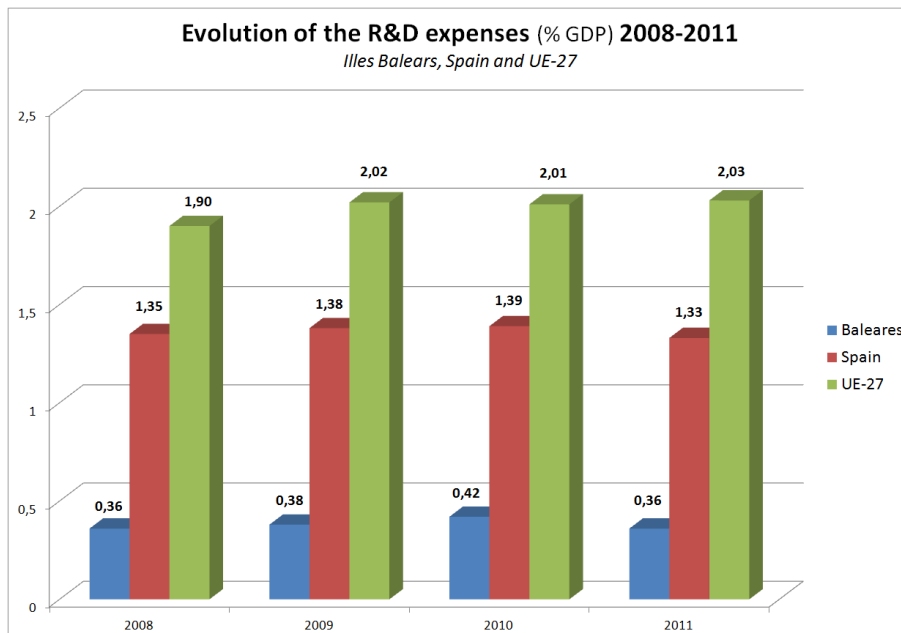
Source: INE. October 2012 data

The unemployment rate in Balearic Islands in 2011 (21,96%) is well above the European average (9,70%) and the OECD countries (8,20%), but below the Spanish one (28,85%).



Source: INE – Eurostat and OCDE

The total domestic expenditure on R&D (% of GDP) in 2011 is the 0,36%, below the Spanish and the EU averages.



Source: INE-Eurostat

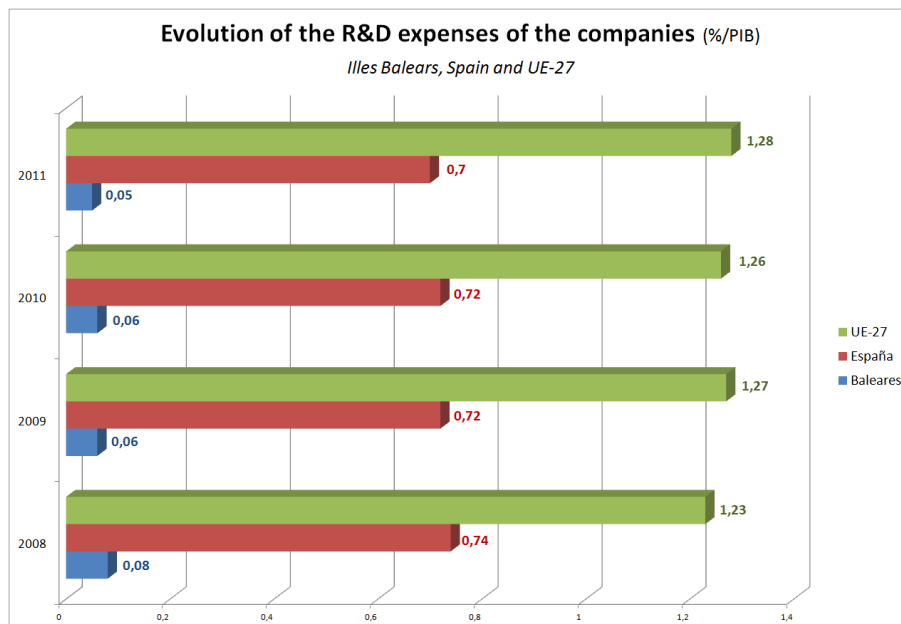
The regional administration and higher education sectors are spending relatively more on R&D than the companies. The companies spend (0,05%) well below the national (0,70%) and the EU-27 (1,28%) averages in 2011.

Expenditure by sector in R&D (%/GDP)

Sectors	2008	2009	2010	2011
Companies and IPFSL	0,08	0,06	0,06	0,05
Public Administration	0,11	0,14	0,18	0,14
Higher Education	0,17	0,18	0,18	0,17
TOTAL	0,36	0,38	0,42	0,36

Source: INE

In 2011, the expenditure on R&D of the Balearic Islands companies constituted the 0,05% of the regional GDP.



Source: INE-Eurostat

The evolution of the number of researchers in all sectors (business, government and higher education) has increased until 2010. However, in 2011 the number of researchers decreased.

Evolution of the number of researchers (Completing Working Day Equivalent) 2004-2011

		2004	2005	2006	2007	2008	2009	2010	2011
Companies	Baleares	94,1	135,4	106,7	172,8	181,6	138,9	149,4	109,5
	Spain	32.227	35.247	40.293	42.400	46.673	46.464	45.686	45.157
	UE-27	615.006	640.833	670.262	683.101	711.246	712.824	730.892	747.367
Public Sector	Baleares	158	221,7	303,4	284,8	330,2	364,1	434	377,6
	Spain	17.151	20.446	20.063	21.412	22.578	24.165	24.377	22.893
	UE-27	174.866	179.948	183.193	186.439	189.868	195.775	197.865	...
Superior Education	Baleares	483	541	572,5	637,1	666,5	735	878,1	...
	Spain	51.616	54.028	55.443	58.813	61.736	63.175	64.590	62.185
	UE-27	517.459	548.341	563.336	582.239	613.065	640.938	660.384	671.039

Source: INE, Eurostat

Information Society

The Balearic society has tradition in the field of the new Information and Communication Technologies (ICT). There are in the region an important number of ICT companies developed as a consequence of the tourism activities tractor effect. In this context, the Association of ICT companies (GsBIT) was created in 2000.

In addition, the cluster turisTEC was created in 2007. The aim of the cluster consists on connecting businesses from the ICT sector with the companies from the tourism sector.

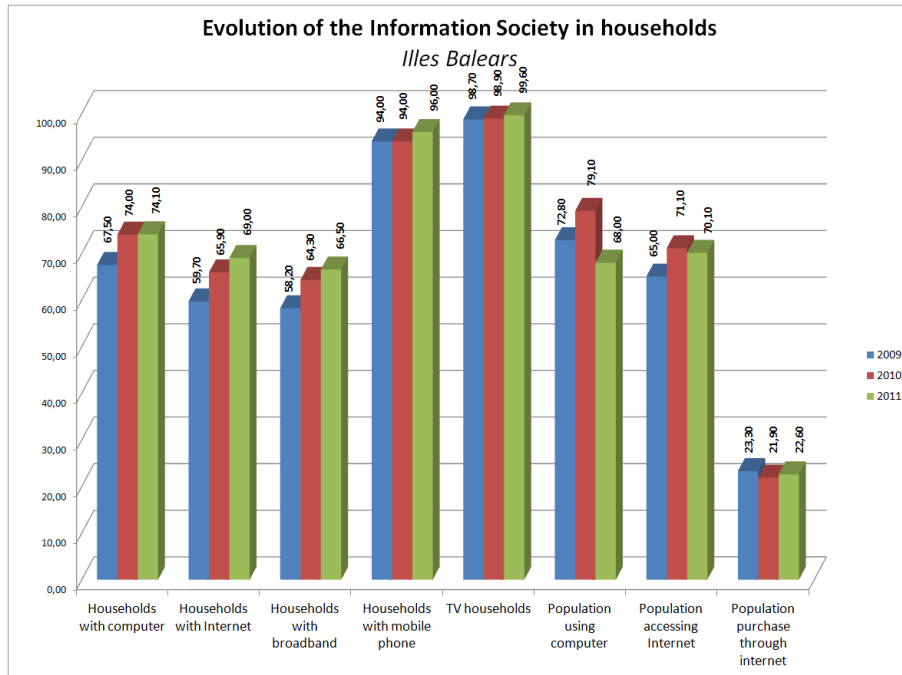
This importance of the ICT sector in the region, has contributed to achieve better indicators than the Spanish average in the field of information society.

Key figures of the Information Society (2011)

Indicator (%)	Baleares	España
COMPANIES		
Companies with computer	98,4	98,6
Companies with Local Area Network	90,9	86,4
Companies with internet	97,9	97,2
Companies with broadband	99,5	99,4
Company to use e-commerce	58,7	51,4
Personal computer using	50,1	53,5
Staff using internet	42,7	43,8
Companies with website	66,6	67,0
Companies using digital signature	28,0	24,4
Employees who received ICT training	13,8	17,4
Net domestic ICT market (thousands of euros)	189,5	1,49%
PUBLIC SECTOR		
Companies interact with AAPP	83,0	84,0
Companies interacting with the Administration: complete electronic management	47,1	52,6
Population that interacts with government: information gathering	42,1	53,7
Population that interacts with government: sending completed forms	24,2	25,5
HOMES		
Households with computer	74,1	71,5
Households with Internet	69,0	63,9
Households with broadband	66,5	61,9
Households with mobile phone	96,0	95,1
TV households	99,6	99,5
Population using computer	68,0	69,3
Population accessing Internet	70,1	67,1
Population purchase through internet	22,6	18,9

Source: Regional sheets of the New Economy. N-economy.

The equipment and use of ICT in households, has increased in Balearic Islands in the last years.



Source: Regional sheets of the New Economy. Balears. N-Economics. June 2012