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Invest Facts and *in Bavaria* Figures



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Learning and *Invest* working *in Bavaria*



Primary, secondary and post-secondary education

Bavaria's system of education

Bavaria's system of primary and secondary education is held in high regard. The rate of unemployment in Bavaria of young people is the lowest of any state in Germany. The quality of the education they received in the state's schools is an important reason why. This system of education is continually being further developed and adapted to meet the business world's ever-changing needs, and to keep the pipeline of professionally-qualified persons flowing. This flow will ensure that Bavaria stays at the top of the economic growth tables.

To that end, we have launched a campaign preparing our elementary and secondary school students to master the challenges arising in this new century. Bavaria's government is committed to maintaining our two-track system of education. One of these tracks provides students heading towards technical professions with the essentials of their future jobs. The other prepares the students to continue with their studies. This twin-track system provides for a fostering of any and all gifts which a young person might have. The degree to which courses of primary and secondary school studies can be individualized is to be enhanced in the years to come, as will be the ability to transfer between the various kinds of schools.

The **schools of general purpose** are divided into three main groups:

- Grund- und Hauptschule
- Realschule
- Gymnasium.

These are complemented by a number of occupational schools. Their graduates earn a general school leaving certificate, or one permitting them to major at a polytechnic in the area of their secondary school studies.

Young adults completing these courses are eligible to attend a wide variety of programs of further **occupational education**. A number of vocational schools also offer full-time courses of study also leading to the earning of secondary school leaving, vocational and other certificates. These courses take two or more years. Also to be gained from the above-mentioned programs, students can qualify for certificates—with these including the Abitur—required for attending university. This is causing an ongoing increase in the number of students at these institutions of higher education who have completed a course of occupational education.

Bavaria's primary and secondary schools

Bavaria's **elementary schools** form the foundation of the state's entire education system. Children between the ages of 6 and 10 attend elementary schools. After completing the fourth grade, students attend a Hauptschule, a general secondary school, or a school tracking them to higher education.

The **Hauptschule** provides its students with instruction designed to speak to them in their own language and to address their daily realities. This instruction disseminates a broad range of information. It will be of use in the occupational life to follow. The information gained serves as the basis for the graduate's participation in a course of vocational education. Graduates of such courses are then eligible to pursue post-secondary studies.

In Bavaria, young persons are legally required to attend the Hauptschule or another kind of secondary school. Students attending the Hauptschule can earn several different types of high school diplomas:

- a general school leaving certificate, earned by all those successfully completing the ninth grade;
- a certificate of education—nicknamed the “Quali” (short for “qualified certificate”) attesting to its holder’s having displayed an above-average level of scholastic performance, with this evaluation referring to the scale of judgement established by the state in question. The “Quali” thus indicates that the student is well prepared to commence his or her program of vocational education or to start working. The certificate is well regarded by the state’s business community.
- an **intermediate-level high school diploma**, awarded to those tenth-graders who have completed a special, four-year (at most) course of study staged in their Hauptschule.

After completing the fourth grade at the Hauptschule, many students transfer to the **Realschule**. Its six years provide three distinct ranges of curricula:

- one oriented toward mathematics, the natural sciences and technical knowledge
- another centered around business, economics and other commercial content
- a third providing instruction in the arts, design, the maintenance of the household or societal studies. This course has French as its second foreign language in some cases.

At the Realschule, all students attend text processing classes. Optional are information studies. These subjects can be replaced by information technologies. The Realschule’s curricula are designed to prepare students for a wide range of professions. Upon their passing a series of final examinations, students receive an **intermediate-level high school diploma**.

Students attending **schools of economic studies** can also earn this diploma. Such students generally transfer to these schools from the Hauptschule after the sixth or seventh or ninth grade. In addition to subjects of general applicability, the schools’ curricula cover those of practical utility to specific professions in the areas of business and civil administration. A particular focus of the schools is the teaching of how to apply the business-related knowledge gained in the classroom (i.e. in school-run practice firms).

The third major component of the country’s system of secondary education, the **Gymnasium** (university-track secondary school) also has a curriculum building on the knowledge and skills imparted in the country’s elementary schools. The Gymnasium provides students during their eight years there with the breadth and depth of knowledge requisite for studying at a university or pursuing a course of vocational education. The ranges of curricula taught at Bavaria’s Gymnasias include:

- linguistics (the humanities)
- technologies
- the performing and visual arts
- economics and the social sciences.

Students take two foreign languages. They also have their choice of a wide range of electives. Students passing a final battery of examinations—held during the 12th grade in Bavaria—receive an **Abitur**, equivalent to the French baccalaureate.

Students holding an intermediate-level certificate are eligible to attend **schools of advanced technical education (SATE)**. Also necessary for admission is proof of suitability. This can take the form of the student's having satisfied the requirements of the Gymnasium's A-levels, or his or her recording grades of 3.5 or better in German, English and mathematics, or his or her having passed an entrance examination. Students taking design also have to pass a dedicated entrance examination. Their courses of education extend over the eleventh and twelfth grades. Their graduates are eligible to attend polytechnics. These courses cover subjects of general and professional interest. The latter is disseminated during a six-month program staged during the 11th grade on corporate premises, in a public-sector institution or in a school-run workshop. The SATE's range of curricula include those with emphases on technology, economics, societal studies, agrobusiness and design.

Being tested since 2004/2005 is the holding of a 13th grade at SATE's. During this school year, high-performing students (those graduating from the normal course of study with a grade point average of 2.5 or better) can obtain diplomas entitling them to study at universities of polytechnics. The holding of a 13th grade places the SATEs at the level of the SAPEs.

Students holding an intermediate-level high school diploma and having completed a course of vocational education (or having secured occupational experience and having demonstrable suitability—see SATE above) are eligible to attend the **schools of advanced professional education (SAPE)**. Graduates of the schools' two-year courses of study can attend a university, where they are eligible to major in the focus of their secondary-school education. This restriction is lifted for those having proof of proficiency in two foreign languages. Students completing a one-year course of study can attend a polytechnic. The SAPE's range of curricula include those with emphases on technology, economics, societal studies and agrobusiness. Planned is the merging of the SATEs and SAPEs into a single network of schools of advanced occupational study.

The level of education possessed by Bavaria's inhabitants has been rising continually

<i>High school diplomas earned by Bavaria's young persons: recent trends</i>					
share of age group in %	1985	1990	1995	2000	2004
SATE (between the ages of 18 and 20)	5	8	8	10	12
Abitur (between the ages of 18 and 20)	15	17	18	20	20

It is forecast that some 139,600 young persons will graduate from Bavaria's secondary schools in 2010. Of them, nearly 25% will have earned a high school diploma entitling them to study at an institution of higher education.

<i>Forecast for the period until the year 2010</i>				
	1990	2000	2005	Forecast for 2010
Abitur	25,893	26,140	26,639	34,800
Intermediate-level** high school diploma	37,202	44,665	54,571	57,200
General high school diploma	48,279	48,181	45,923	37,300
Total graduates* from schools providing general curricula of education	120,545	131,180	137,990	139,600

* With this including schools of business studies ** Including those earned at schools of business studies

Objectives and importance

Germany's system of vocational education is "dual," in that its students receive their vocational education on corporate premises and in schools of vocational education. For some two thirds of all young persons, their working lives begin with their attending such a program.

Germany's system of vocational education constitutes one of the key assets held by Bavaria and the rest of country, as it produces the steady stream of highly-qualified personnel needed by the business community.

The success of the system stems from the close working relationships existing between companies and vocational schools. The system's work is complemented by that of the many organizations providing courses of ongoing occupational education in Germany.

Vocational schools: their role in Germany's dual system; schools of technical specialization

Along with some 20% of the classes graduating from Gymnasiums, most graduates of a general or intermediate-level high school begin a three-year program of occupational education. Its staging accords to the precepts of Germany's dual system. The instruction takes place in the **vocational school** and in the **individual company**. The vocational education provided is thus a joint product of the partnership existing between the private sector (individual companies) and the public sector (vocational schools).

In companies, young persons get to know the realities of the world of work. They are assigned to a succession of positions, and learn how to handle the demands on skill and judgment inherent in each of them. In addition, the students attend a vocational school, in which they acquire a store of indispensable information. It reinforces and deepens the practical insights they have already acquired at the company. The school's curriculum also includes courses in subjects of general interest.

Students attend the **school of vocational specialization** (Berufsfachschule) on a full-time basis. Forming the final stage of a vocationally-based high school education, these schools provide instruction in a wide range of professions, including health and child care, social work, computer sciences and other technical occupations, and in occupations in which foreign languages play a major role.

Should a range of preconditions be met, the certificate of completion of a course of studies at the schools of vocational education and specialization entitles its holder to be awarded an **intermediate-level high school diploma**.

Bavaria's system of higher education**Universities and polytechnics in Bavaria**

As of the beginning of 2005/2006, some 252,500 students were enrolled in Bavaria's universities and polytechnics. These offer a highly variegated range of courses of study.

Located in Bavaria are nine public sector universities, 17 public sector polytechnics, four public sector academies of the arts, and an institute of television and film. Complementing this range are the institutions of higher education maintained by municipalities, religious and private bodies.

The quality of education provided and of research conducted at Bavaria's institutions of higher education have earned them a reputation for excellence the whole world over. The students graduating from these institutions often find employment with the state's companies.

Bavaria's business community requires a steady stream of graduates equipped with knowledge and skills of practical use. Both these items are provided by the state's polytechnics, which were founded to serve the business community, and are staffed by professors who have at least five years of professional business experience.

Courses of study available at Bavaria's universities (a selection)

All of Bavaria's universities provide instruction in the following subjects:

- geography (except for Passau and Regensburg)
- art history (except for Bayreuth)
- political science (except for Bayreuth)
- sociology (except for Bayreuth and Regensburg)
- economics (except for Bamberg and Passau)

The specialties of the individual universities include

University of Augsburg

Jurisprudence, Canadian studies, applied computer sciences, physics, materials and environmental engineering

Bamberg's Otto-Friedrich University

Catholic theology, Oriental studies, psychology, Romance studies, vocational education, computer-based cultural studies, computer-based econometrics, studies of Slavic cultures

University of Bayreuth

Jurisprudence, microbiology, biochemistry, chemistry, physics, materials engineering, earth and Africa studies, polymers and colloids-derived chemistry, sports and health industries

Catholic University of Eichstätt and Ingolstadt

Journalism, Catholic theology, teacher training

Friedrich-Alexander University, Erlangen-Nuremberg

Evangelic theology, jurisprudence, American studies, Sinology, Japanese studies, computer sciences, computer-based econometrics, biology, biochemistry, chemistry, physics, electronics engineering, industrial engineering, materials engineering, process technologies/chemical and biological engineering, information and communication technologies, medicine

Munich's Ludwig-Maximilians University

Jurisprudence; American, Romance, Japanese studies; Sinology, computer sciences, statistics, theology, biology, biochemistry, chemistry, physics, geophysics, medicine, veterinary medicine, archeology, psychology, communication sciences, comparative methodology, econometrics

Munich's University of Technology

Architecture, civil engineering, computer sciences, surveying, biology, chemistry, physics, electronic engineering, industrial engineering, brewing, aviation and space transport technologies, process technologies/chemical engineering, medicine, sports, land development

Munich's University of the German Army

Civil engineering, surveying, computer sciences, electronic engineering, aviation and space transport technologies

University of Passau

Jurisprudence, American studies, linguistic and cultural sciences, computer sciences, Southeast Asian studies

University of Regensburg

Jurisprudence, computer-based econometrics, microbiology, biochemistry, chemistry, physics, medicine, American studies, biology

Würzburg's Julius-Maximilians University

Jurisprudence, theology, Sinology, Indian and Japanese studies, technical and business-use computer sciences, general computer sciences, computer-based econometrics, biochemistry, chemistry, biology, botany, physics, nanostructural technologies, medicine, psychology, philosophy, classical studies, applied linguistics

Courses of study available at Bavaria's polytechnics (a selection)**Amberg-Weiden Polytechnic**

Business administration, electronic engineering, industrial engineering, financial engineering, computer sciences

Ansbach Polytechnic

Multimedia, communication technologies, business administration, financial engineering

Aschaffenburg Polytechnic

Business administration, electronics, information technologies, mechanical-use communications

Augsburg Polytechnic

Business administration, architecture, civil engineering, computer sciences, electronic engineering, industrial engineering, multimedia, mechanical-based communications

Coburg Polytechnic

Business administration, architecture, civil and electronic engineering, industrial engineering

Deggendorf Polytechnic

Business administration, civil and electronic engineering, media technologies, computer sciences

Hof Polytechnic

International-level management, computer-based econometrics, textile technologies (Münchberg)

Ingolstadt Polytechnic

Business administration, industrial and economic engineering

Kempten Polytechnic

Business administration, computer-based econometrics, electronic and industrial engineering

Landshut Polytechnic

Business administration (including a pan-European program of studies), computer sciences, electronic engineering, industrial engineering

Munich Polytechnic

Business administration, computer-based econometrics, architecture, civil engineering, industrial design, computer sciences, electronic engineering, physics-based technologies, microengineering, automotive and avionic technologies, industrial engineering

Neu-Ulm Polytechnic

Business administration, financial engineering

Nuremberg Polytechnic

Business administration, architecture, civil engineering, computer sciences, electronic engineering, industrial engineering, process and material technologies

Regensburg Polytechnic

Business administration at the national and pan-European levels, architecture, civil engineering, computer sciences, electronic engineering, industrial engineering, microengineering, mathematics

Rosenheim Polytechnic

Business administration, computer-based econometrics, computer sciences, electronic engineering, plastics processing technologies

Weihenstephan Polytechnic

Biotechnologies and dedicated information technologies, garden design and landscape conservation

Würzburg—Schweinfurt Polytechnic

Business administration, computer-based econometrics, architecture, civil engineering, computer sciences, electronic and industrial engineering, plastics processing technologies

The number and diversity of international schools in Bavaria give non-Germans working in the state and their families a wide, attractive range of ways to educate their children.

1 Greek Lyceum Schweinfurt

Wirsingstr. 7
D-97424 Schweinfurt
Phone (+49 97 21) 80 46 26
Fax (+49 97 21) 80 46 26
Graduation: Apolitirio

2 Franconian International School

Christoph-Dassler-Str. 1
D-91074 Herzogenaurach
Phone (+49 91 32) 79 79 10
Fax (+49 91 32) 79 79 12
E-Mail: ecis@ecis.org
www.ecis.org/fis
Graduation: International Baccalaureate

3 Greek Lyceum Nürnberg

Philipp-Kittler-Str. 24
D-90480 Nürnberg
Phone (+49 9 11) 86 43 70
Fax (+49 9 11) 80 37 70
Graduation: Apolitirio

4 Greek Lyceum Nürnberg

Glogauer Str. 27
D-90473 Nürnberg
Phone (+49 9 11) 89 88 99
Fax (+49 9 11) 817 82 85
E-Mail: griechische-schule@freenet.de
www.griechische-schule.de
Graduation: Apolitirio

5 Greek Lyceum Augsburg

Philippine-Welser-Str. 13
D-86150 Augsburg
Phone (+49 8 21) 57 62 26
Fax (+49 8 21) 2 52 85 92
Graduation: Apolitirio

6 International School Augsburg

Ziegeleistr. 22
D-86368 Gersthofen
Phone (+49 8 21) 45 55 60-0
Fax (+49 8 21) 45 55 60-10
E-Mail: info@isa-augsburg.com
www.isa-augsburg.com
Graduation: International Baccalaureate

7 International School Ulm/Neu-Ulm

Schwabenstr. 25
D-89231 Neu-Ulm
Phone (+49 7 31) 37 93 53-0
Fax (+49 7 31) 37 93 53-50
E-Mail: info@is-ulm.de
www.is-ulm.de
Graduation: International Baccalaureate

8 Bavarian International School

Schloß Haimhausen
Hauptstr. 1
D-85778 Haimhausen
Phone (+49 81 33) 91 70
Fax (+49 81 33) 91 71 35
E-Mail: admissions@bis-school.com
www.bis-school.com
Graduation: High School Diploma,
International Baccalaureate

9 European School

Elise-Aulinger-Str. 21
D-81739 München
Phone (+49 89) 62 81 60
Fax (+49 89) 62 81 64 44
www.esmunich.de
Graduation: Baccalaureate Certificate

10 Greek Lyceum München

Schatzbogen 29
D-81829 München
Phone (+49 89) 12 02 06 11
Fax (+49 89) 12 02 06 11
Graduation: Apolitirio

11 Greek Lyceum München

Schatzbogen 29
D-81829 München
Phone (+49 89) 14 86 96 76
Fax (+49 89) 12 02 06 12
Graduation: Apolitirio

12 Japan International School München

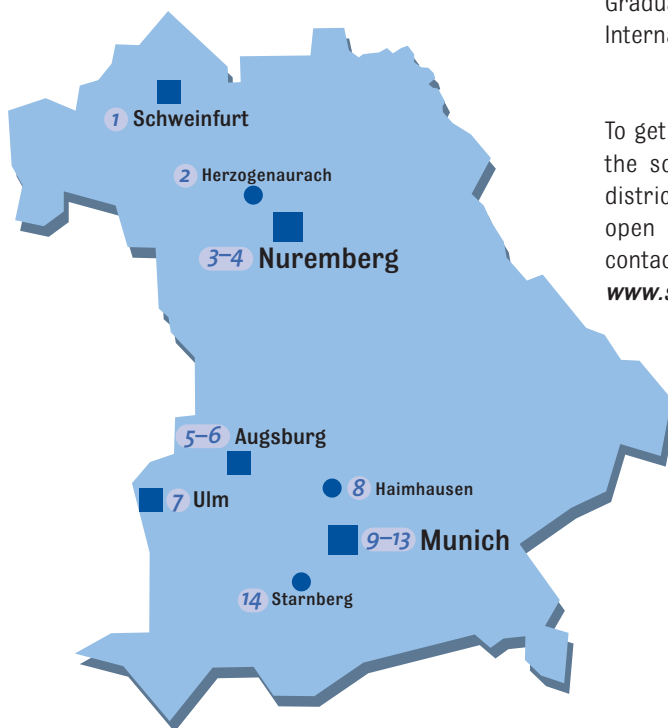
Bleyerstr. 4
D-81371 München
Phone (+49 89) 74 85 73-0
Fax (+49 89) 78 92 63
E-Mail: info@jism.de
www.jism.de
Graduation: Basic School (Grades 1–9)

1 Lycee-Francais Jean Renoir

Berlepschstr. 3
D-81373 München
Phone (+49 89) 72 10 07-0
Fax (+49 89) 72 10 07-30
E-Mail: contact@lycee-jean-renoir.de
www.lycee-jean-renoir.de
Graduation: Baccalauréat/Abitur

12 Munich International School

Schloß Buchhof
Percha
D-82319 Starnberg
Phone (+49 81 51) 36 60
Fax (+49 81 51) 36 61 09
E-Mail: admissions@mis-munich.de
www.mis-munich.de
Graduation: High School Diploma,
International Baccalaureate



To get a detailed briefing, please contact the school information service in your district. To find out when the service is open and where it's located, please contact a school in your vicinity—or visit www.schulberatung.bayern.de.

Ongoing occupational education and retraining

Objectives and importance

Two of the Bavarian government's primary objectives are to improve the conditions under which the state's programs of ongoing occupational education operate, and to promote an awareness by the general public of the key role played by these programs in helping Bavaria's rank-and-file and executives learn on a lifetime basis. Much of this learning now centers around the procurement and management of information and other forms of knowledge. This learning is imparted in programs run by the company itself or by outside institutes and agencies. The structure of this highly flexible system of education ensures that Bavaria's companies have a pool of young persons with the qualifications required to turn them into high-performance technical and executive-level staff members.

In-company ongoing education systems

Bavaria's companies allocate a great deal of resources to funding a wide range of training programs. These provide their staff members with the skills and knowhow needed to operate on and adapt to markets continually adopting new technologies and procedures.

Inter-corporate and general-access programs of occupational education

Bavaria's chambers of commerce and industry, chambers of skilled trades, facilities maintained by officially certified, state-level organizations, entities providing adult-level education, and private-sector bodies offer a wide range of training programs and courses for individual skill groups and for entire professions. These courses are not held on company premises. Some courses are designed to acquaint participants with the basics of a particular area, others are centered around inculcating practical information and skills. ICT (information and communication technologies) constitute a special focus of today's programs. All over Bavaria they provide information on

- information and communication technologies
- basic technical knowledge
- product development and planning
- manufacturing, technological and environmental processes
- corporate leadership, business administration.

Programs of ongoing occupational education provided by Bavaria's schools

More than 350 schools offer students an opportunity to **continue with their secondary-level studies**. Offering technical, business, design, social concern, agricultural and other degree-track curricula, these **schools of technical education** or **academies of professional instruction** are run by the state government or municipal authorities, or are privately owned.

The **schools of technical education** serve as the next step for students wanting to extend or augment their vocational proficiencies, generally acquired during an initial program of vocational education. These schools provide their students with the vocational experience required to pursue careers as entrepreneurs or to hold middle-management positions. Students attending these schools on a full-time basis require between six months and two years to complete the courses of instruction, with this depending on the individual's education-related objectives. Students attending these schools on a part-time basis require a correspondingly longer period of time to complete their instruction. After completing a course of instruction of at least one year in length and having passed a state-supervised final examination held at the school, the students are awarded an **intermediate-level high school diploma**.

These schools are comprised of several individual subsets. Graduates of the **schools of technical instruction** can earn a certificate of technical proficiency. The **schools of technical mastery** prepare their graduates to take the corresponding examinations, which are held by the skilled trades chambers, or by the chambers of industry and trade.

The attaining of the intermediate-level high school diploma and, in most cases, the completion of a course of vocational instruction helping the student realize his or her education-related objectives—or previous, occupational activities—are the preconditions for being admitted to an **academy of professional instruction**. This kind of school is to be found only in Bavaria. The course of instruction at the academies is a minimum of two years long.

Students and graduates of a course of education of at least two years in length and offered by a school of technical education are entitled to take a subsequent examination. Those passing it receive a secondary school leaving certificate allowing its holder to attend a university or a polytechnic. This possibility is also open to holders of diplomas testifying to mastery of a trade or of an equivalent vocational degree. Should they have a high grade point average or display a high level of performance in another way, students at and graduates of academies of professional instruction can be granted a diploma enabling its bearer to study his or her major at an institution of higher education.

Bavaria's labor market

The size of an area's labor market is determined by a large number of variables, including population growth, net of migration, net of commuters, duration of educational lives, and the propensity to work shown by women and other groups. Another factor strongly playing a role in the '90s: the rise in the number of non-German members—on a relative basis and vis-à-vis the number of those holding German passports—in the workforce. A further factor shaping Bavaria's labor market dates back to the fall of the Wall. That unleashed a large-sized stream of workers commuting from Germany's eastern states to Bavaria. As of 2005, their number came to nearly 88,000. A final factor shaping the labor market: the improvement in the education and vocational training provided to women has increased the percentage of them seeking employment.

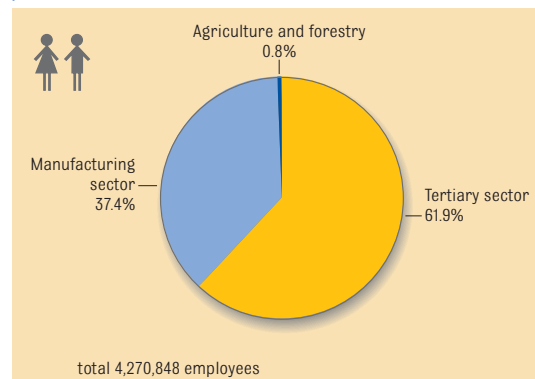
Its size

A labor market is comprised of the gainfully employed (defined to be those paying into social accounts, those partially employed, self-employed, assisting family members, civil servants, soldiers), the unemployed, and those persons attending programs of ongoing occupational education. The market also includes those persons comprising the so-called "hidden reserves." These are people who are unemployed and not registered as such, but who would probably be prepared to work.

Structure and traits

More than half (some 62%) of Bavaria's 4.3 million gainfully employed work in the service (tertiary) sector—a percentage much higher than that of the industrial sector.

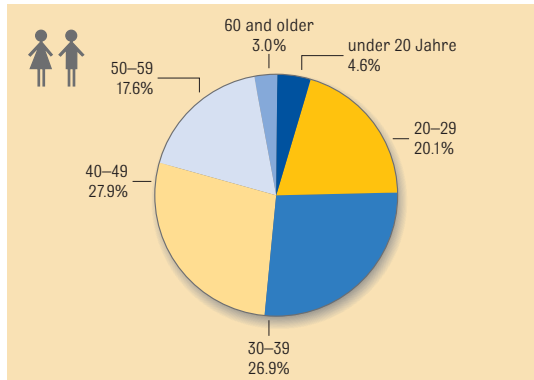
Bavaria's workforce: sectors of employment*
share in %, June, 2005



* Employees paying into social security accounts

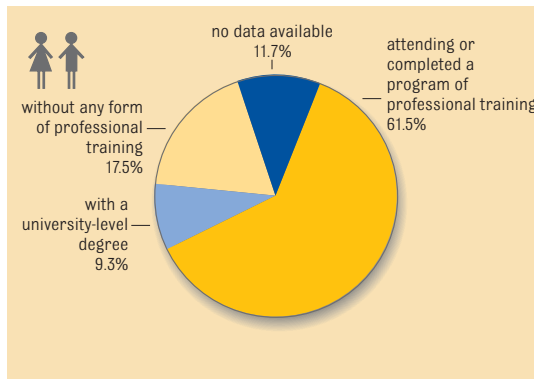
Bavaria's workforce is relatively young and highly-qualified. Some 51.6% of the state's gainfully employed are less than 40 years old.

Bavaria's workforce*: categorized by age
share in %, June, 2005



Some 70.8% of the workforce is enrolled in a program of vocational training, or has completed same, or has earned a university-level degree.

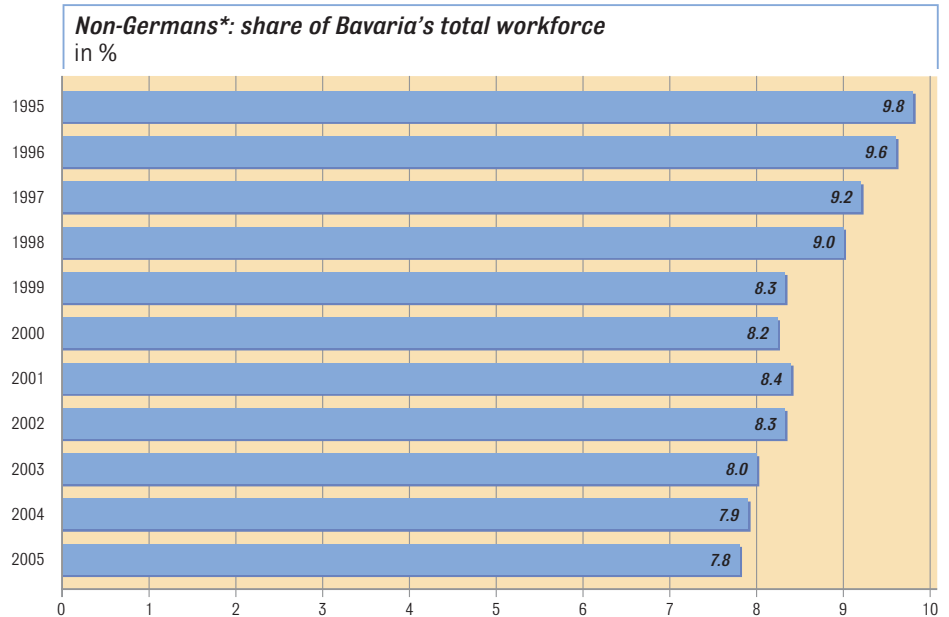
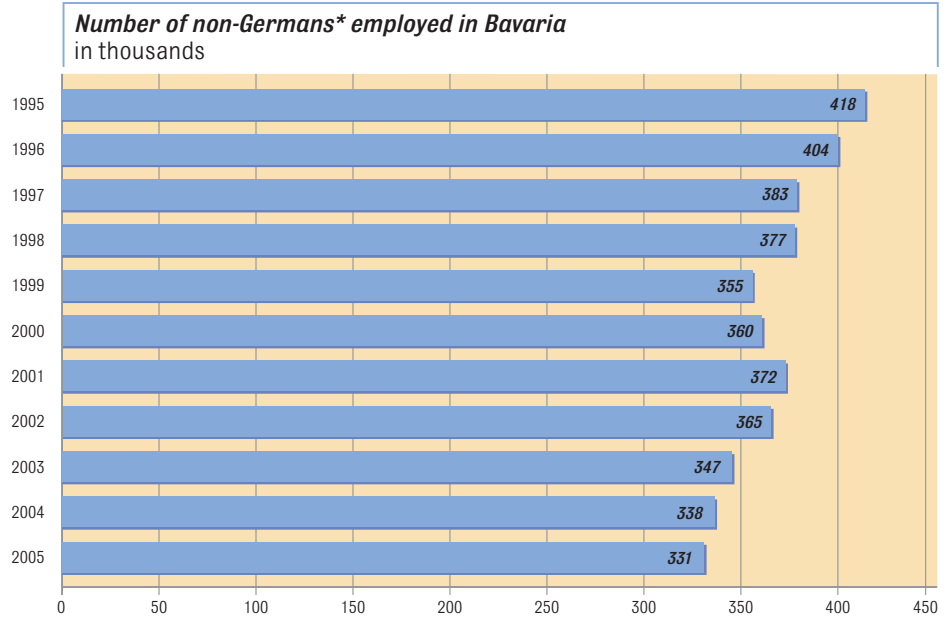
Bavaria's workforce*: categorized according to occupational qualification
share in %, June, 2005



* Employees paying into social security accounts

Non-Germans in Bavaria's workforce

Non-Germans continue to constitute a key component of Bavaria's workforce. Their numbers and share of the total workforce figure reached high points in 1993, and have gradually declined since then. Non-Germans account for 7.8% of Bavaria's workforce—7.8% for western Germany as a whole. The largest single national groups in Bavaria's non-German workforce are Turkey, Austria and the various Yugoslav successor states, followed by Italians and Greeks.

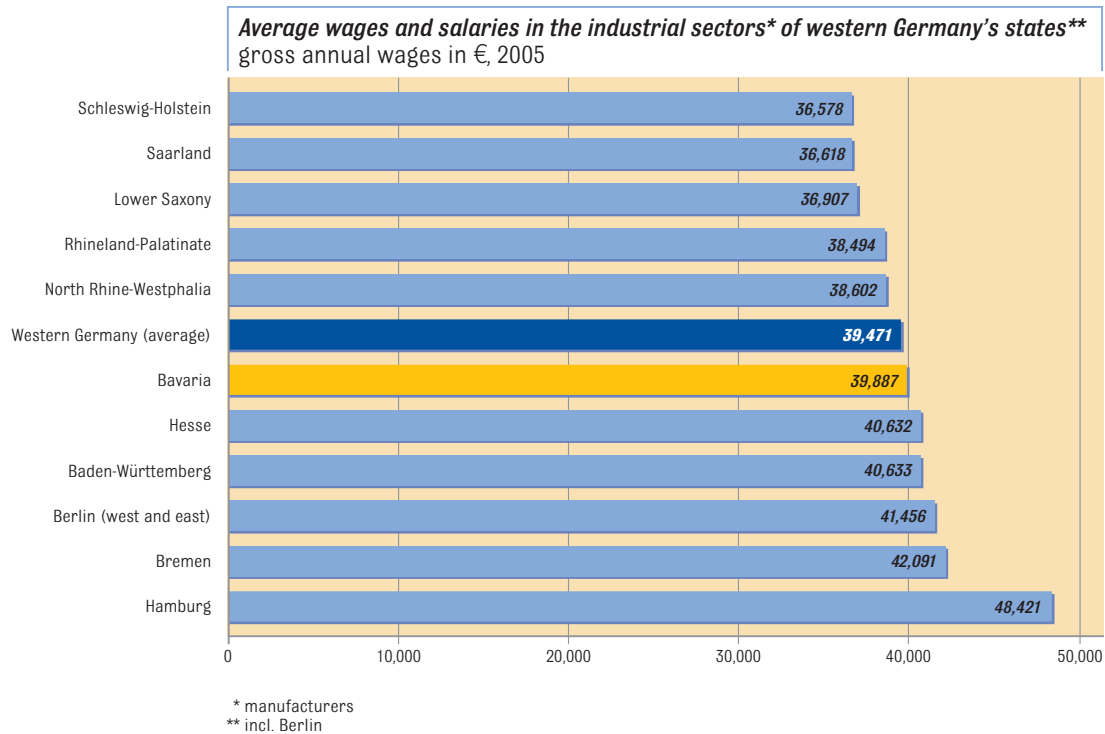


* Employees paying into social security accounts, as of June

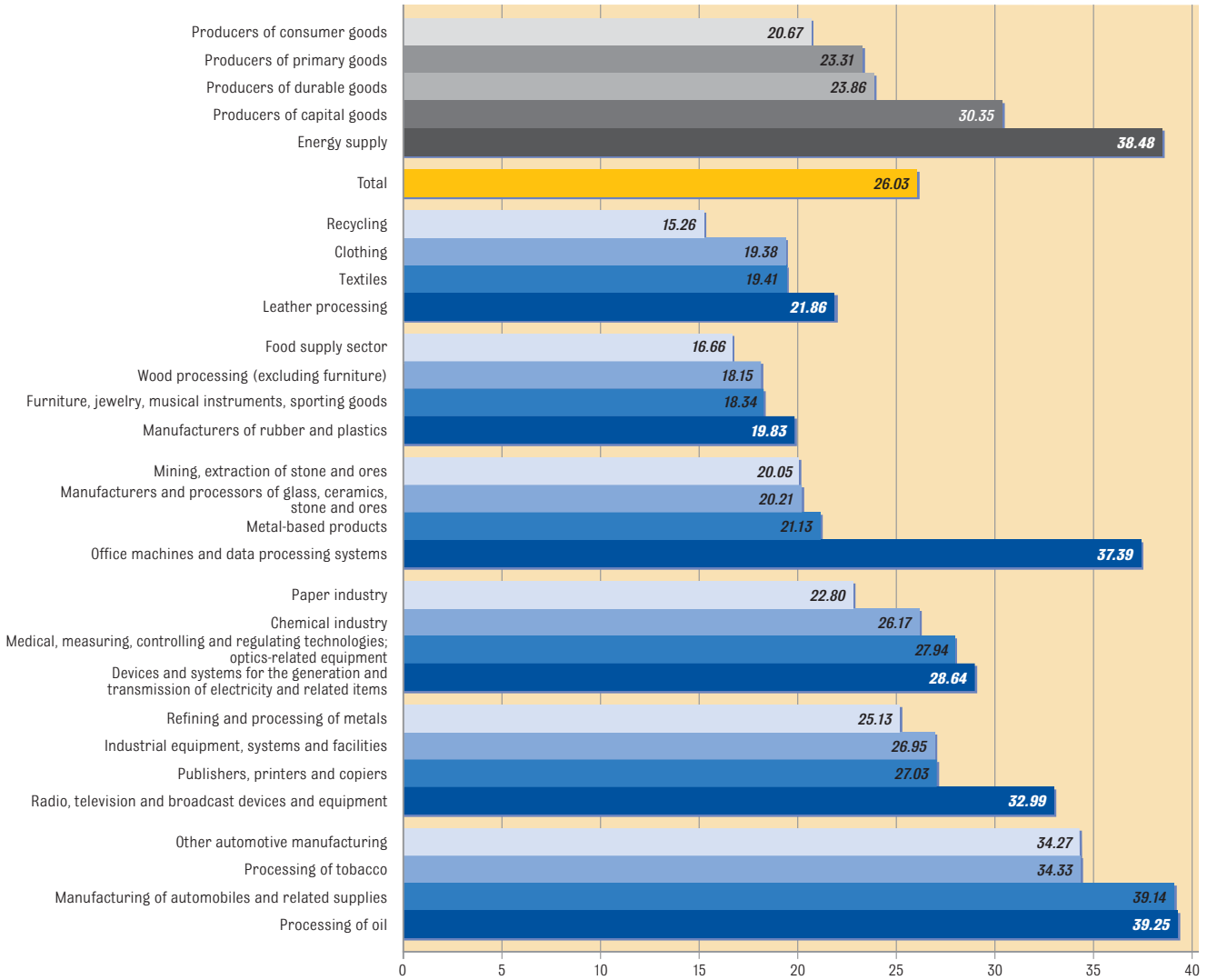
Unitized and absolute labor costs, productivity

Wages and salaries in Bavaria

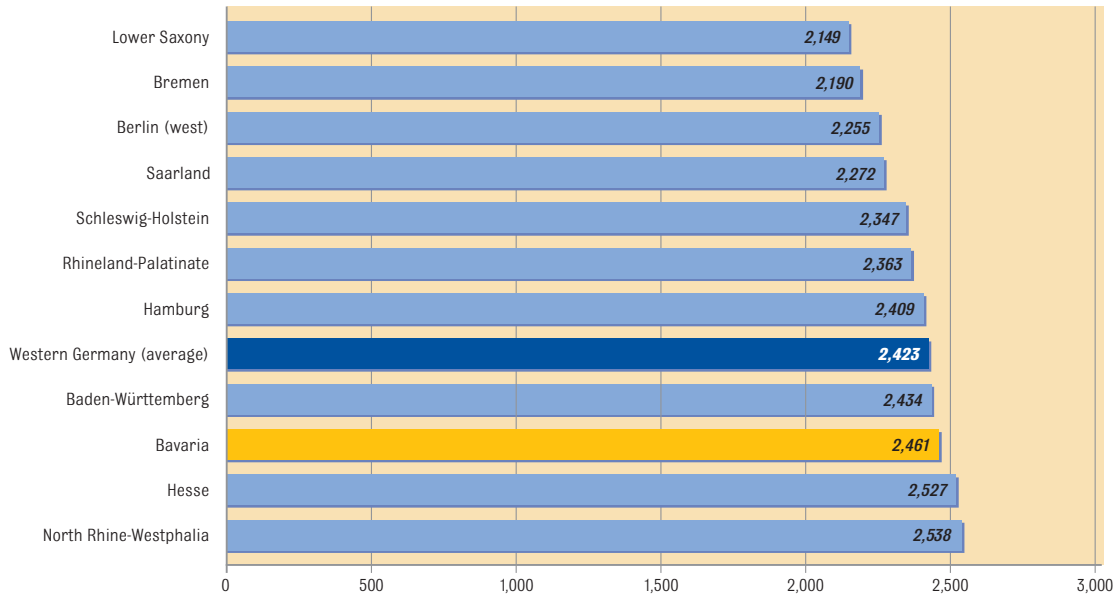
The development of Bavaria into an advanced manufacturing and service base has been accompanied by an increase in the remuneration paid in the state. Notwithstanding this, the average wages and salaries paid by Bavaria's manufacturers were in 2005 still less than that of five western German states and corresponded to the average of western Germany's industrial sector as a whole.



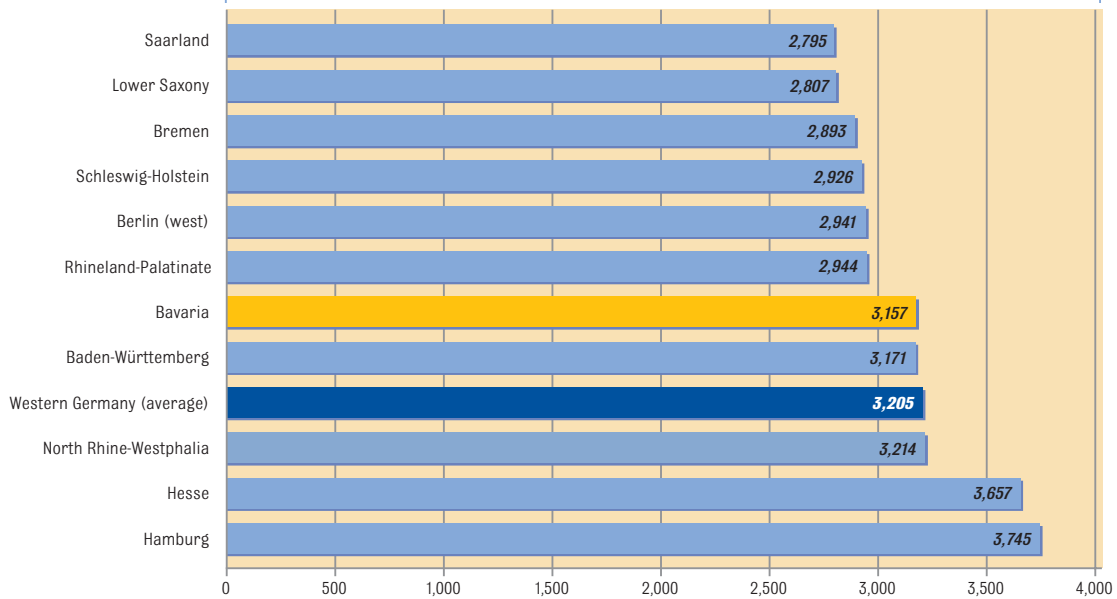
Average wages in selected industrial sectors in Bavaria
gross remuneration per hour worked in €, 2005



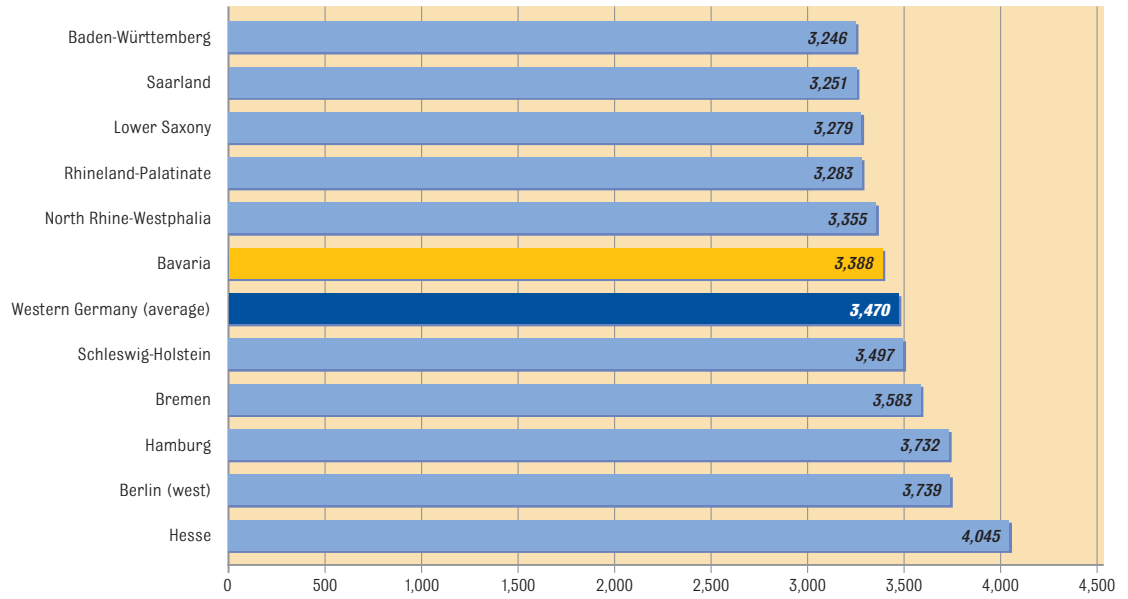
Average gross monthly wages in selected service sectors in western Germany—*Retailing*
in €, as of October 2005



Average gross monthly wages in selected service sectors in western Germany—*Wholesaling*
in €, as of October 2005



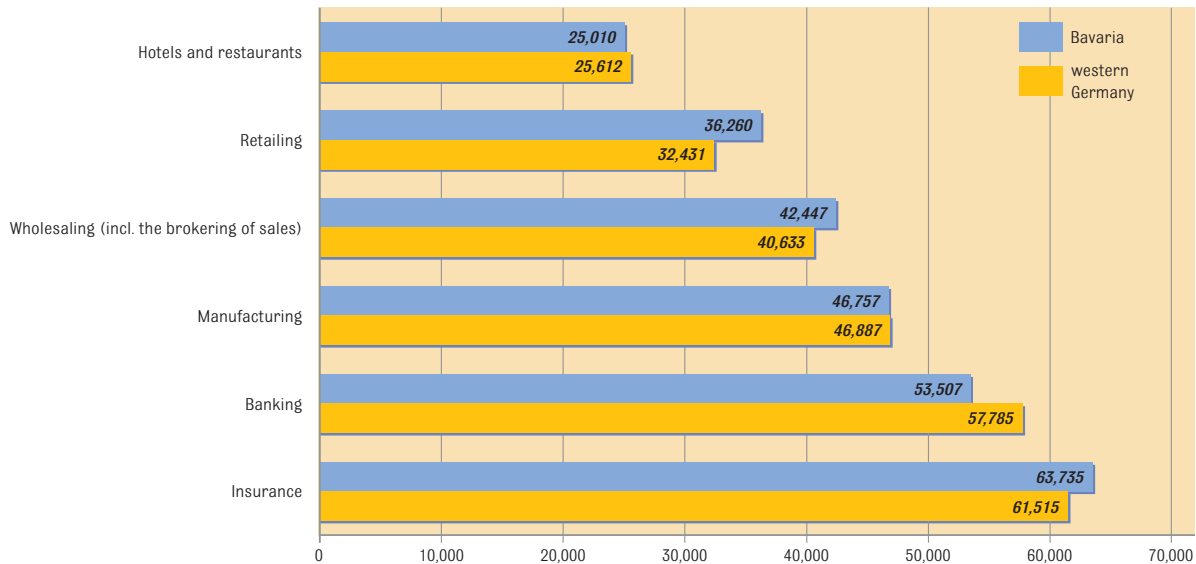
**Average gross monthly wages in selected service sectors in western Germany—
Banking and insurance**
in €, as of October 2005



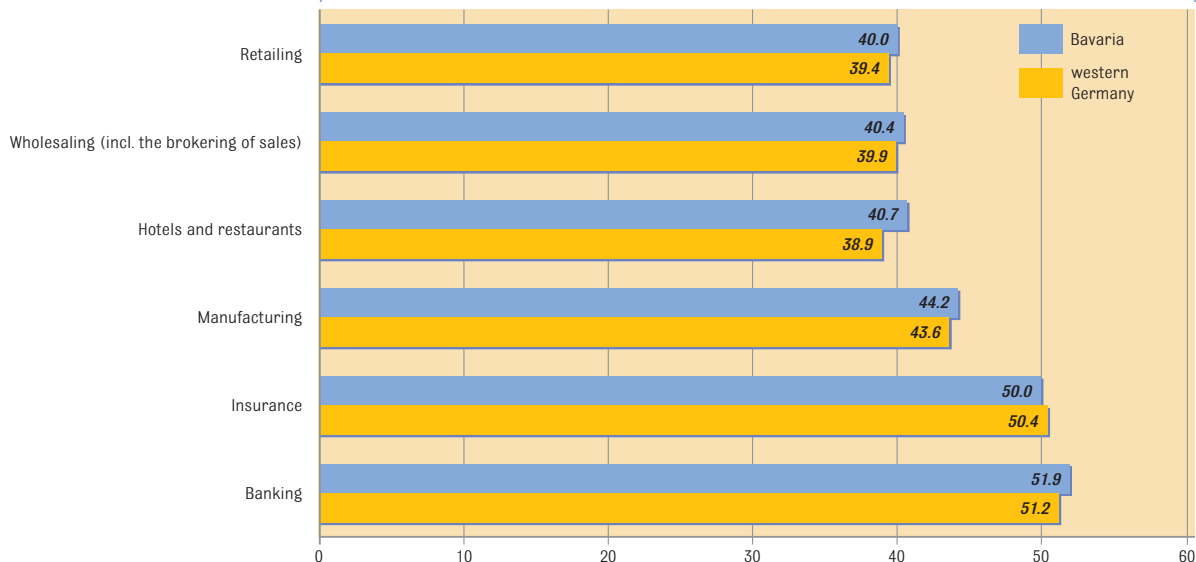
Labor costs

Labor costs have two components: the remuneration itself, and benefits and other supplemental personnel costs. For employers, legally-stipulated benefits include payments for their personnel's health, unemployment and home care insurance, and for social security. In the area of benefits, wage negotiations between employers and employees generally center around the granting of days of vacation (and of gratifications associated with that), the size of special payments (with these including the paying of a 13th monthly wage), and the amount and conditions of coverage provided by the corporate pension scheme.

**Labor costs in the manufacturing sector and in selected services:
a Bavaria/western Germany comparison**
per full-time employee, in €, 2000

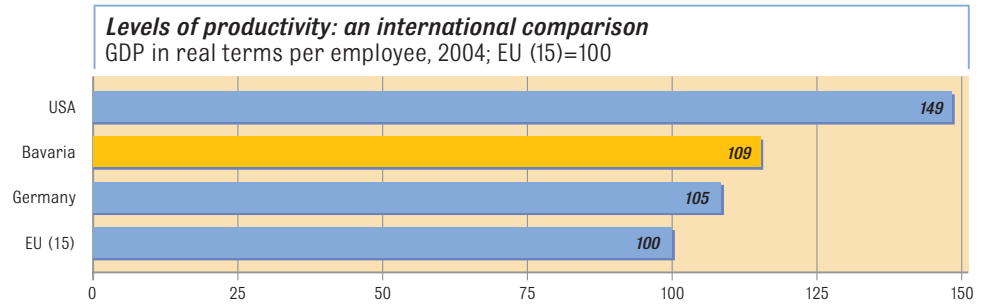


Supplemental costs as percent of total labor costs
labor costs in %, 2000

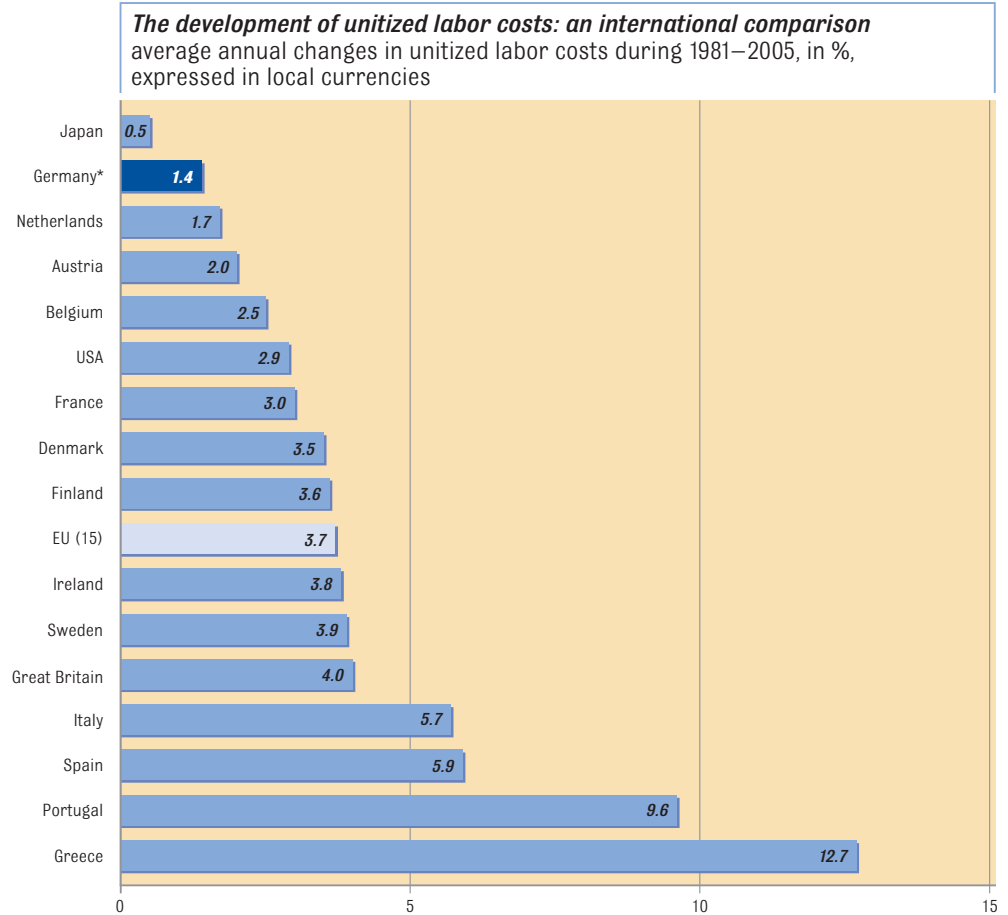


Productivity

The productivity of Bavaria's economy is greater than that of Germany as a whole and the EU (15).



A country's unitized labor costs provide a useful indication of how well it can compete with its counterparts for investments. As was the case for Germany as a whole, Bavaria's costs rose less than those of most of the industrialized countries during 1981–2005.



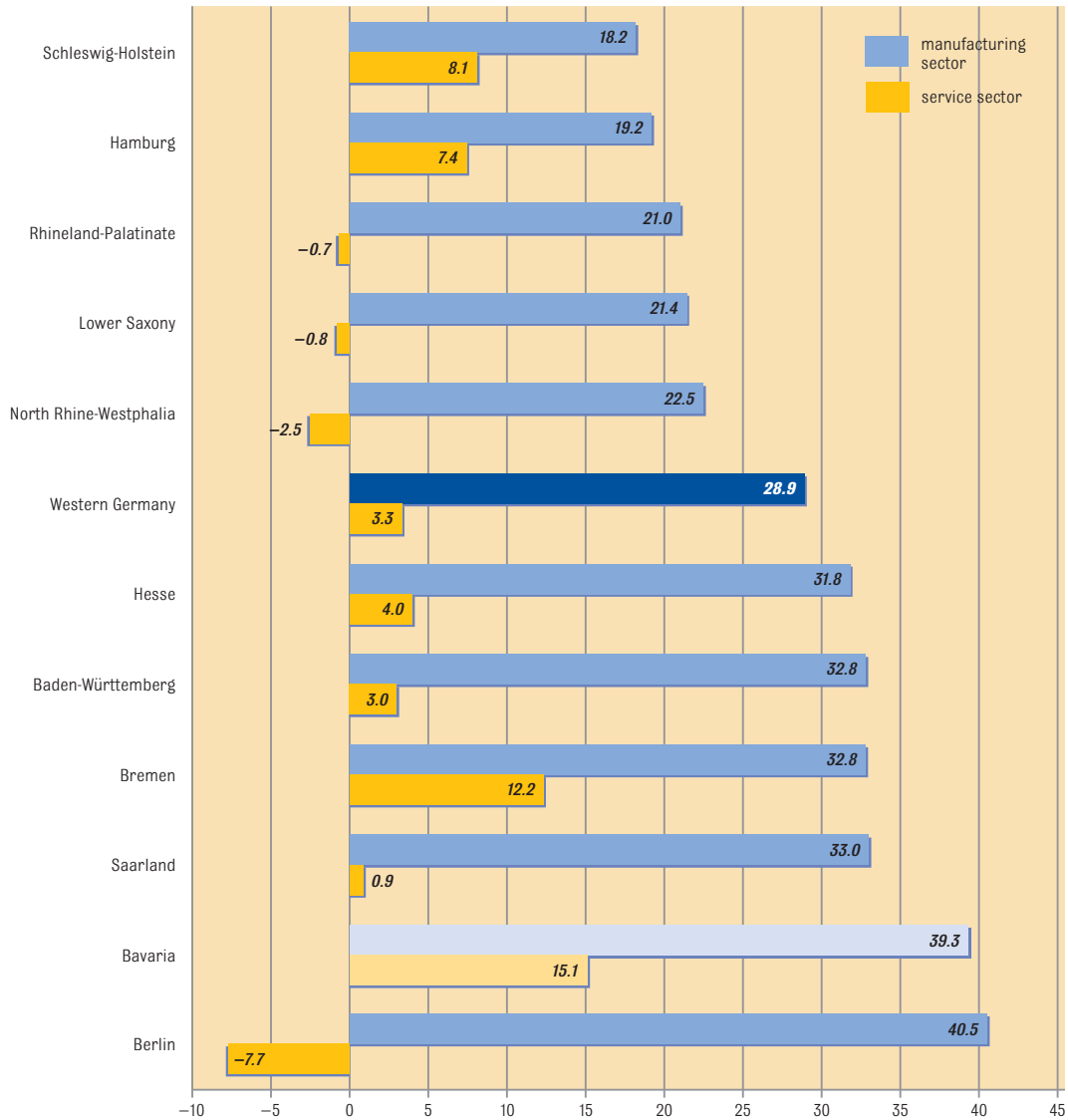
* until 1991, West Germany

Source: Deutsches Institut für Wirtschaftsforschung, Berlin

Between 1995 and 2005, Bavaria's manufacturing sector experienced the second strongest rise in productivity of any state in western Germany. The productivity rose 39.3%; that of Bavaria's service sector, 15.1%—the highest rise.

Increases in manufacturing and service sector productivity among western Germany's states

changes in real gross value added after allowing for inflation and other factors, per employee during 1995–2005 in %



Occupational co-determination and working relationships in companies

Corporate management and their staffs

At the dawning of the industrial age, the relationship between Germany's employers and their employees was marked by strife and enmity. Since then, the relationship between them has progressed into one of partnership, a partnership serving as a role model for much of the world's business community. Had corporate management and unions not learned to work together, Germany would not have become a country whose free market economy features a strong sense of societal responsibility.

Germany's collective employment code includes a charter regulating employer-employee relations (Betriebsverfassungsgesetz) in individual companies. The charter stipulates that the employees' council (Betriebsrat), the collective voice of the employees in a company, will work together with the company's management in good faith.

The employees' council has the statutory right to participate or be consulted in matters affecting the company's personnel, human affairs or conducting of business. Furthermore, the council monitors the company's adherence to labor regulations, labor contracts and in-company agreements. By doing so, the council helps assure that work is carried out at the company without strife or interruption. The great majority of Bavaria's employers find that a positive, productive climate prevails in their companies. This opinion is also held by their employees.

Working weeks

Over the last few decades, in nearly all of Europe's countries, the length of the working week—set in various collective wage agreements reached between corporate managements and the unions—has been progressively decreased. All throughout Europe, this reduction has generally gone hand-in-hand with the reaching of agreements imparting a greater flexibility to the scheduling of times of work. These agreements allow for a varying of the time spent at work each day or week, as long as the employee puts in the requisite time at work on a monthly, or a yearly basis. The trend is, once more, towards agreements increasing the number of hours worked each week by staff members.

In 1994, Germany promulgated a law on times of work. This undid some of the constrictions imposed by the state on the scheduling of such times. The law permits companies to ask their employees to work up to 10 hours a day (Monday–Saturday), provided that the time of work recorded during a six-month period does not exceed an average of 8 hours a day or 48 hours a week. Collective agreements permit further flexibility being built in.

The law forbids employers from asking their employees to work on Sunday. The law does, however, set up a number of exceptions. These apply to those persons providing life-maintaining or leisure-time services, as well as to a variety of situations involving manufacturers and service providers.

Were the interruption of work to lead to an impairment of quality or output, operations can be pursued on a full-scale basis on Sundays. Exceptions are also made for those operations competing for business with companies based in countries allowing the full-scale pursuing of work on Sundays, in cases in which this prohibition would lead to a material impairment of the operations' abilities to compete, endangering jobs in the process.

In June, 1996, the government of the Free State of Bavaria concluded a “pact” with the state’s leading business organizations and with the unions. The objective behind the entering into this pact was the creating and securing of jobs. The pact obliges state employers and unions to reach collective wage agreements securing employment in the years to come. The pact also recognizes the need for the furthering of the process of imparting more flexibility to the scheduling of working weeks, and to the need for individual companies to have more operating latitude in the fulfilling of collective wage agreements, which are generally universally and unvaryingly binding for an entire industry or business sector. Collective wage agreements reached since the concluding of this pact have already manifested its stipulations—and have produced a number of noticeable achievements.

The establishment of times of work is generally accomplished in basic collective or framework contracts. In addition to establishing how long employees are expected to work, these contracts are increasingly setting up procedures imparting a great deal of flexibility to the time’s apportionment. These include the creation of “corridors” (in which the times of work can vary), “accounts” (in which overtime can be paid in, for instance), and “times of compensation” (in which overtime can be “vacationed down”). Teleworking and other forms of remote-access labor constitute other ways of putting more flexibility into the scheduling of work.

Which of these procedures is used, and how, is generally determined on a company-by-company basis. The employment of these procedures allows employers to precisely adapt their companies’ operating capacities to fluctuations in the amount of orders on hand, and to other changes in business. These procedures also enable employers to satisfy many of their employees’ wishes. These often pertain to how their leisure-time is to be scheduled.

Negotiations on collective wage agreements

The negotiations conducted by employers and employees produce basic collective agreements and accords on special payments. They also yield reformulations of the tables of wages and salaries (going by the names “general contracts of remuneration”). These tables determine procedures of payment. They also generally establish individual wage and salary groups. Most of these contracts of remuneration have terms of between one and two years, with the trend currently going to those with terms longer than one year. Such long terms of duration provide both employers and employees with a greater ability to plan their futures.

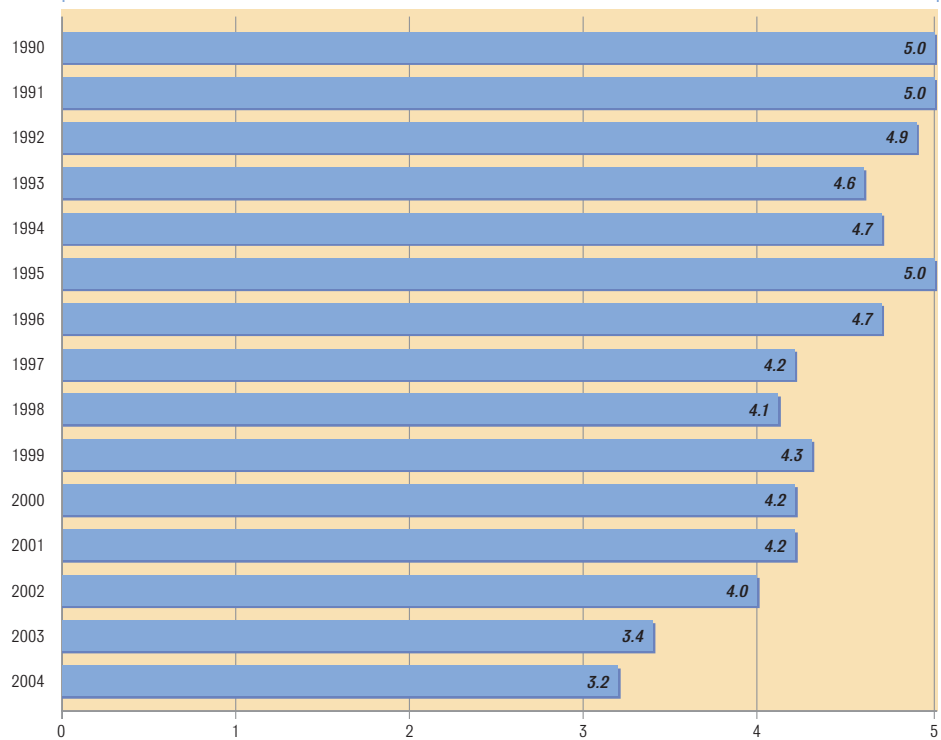
Days lost to illness and strikes

Days lost to illness and strikes

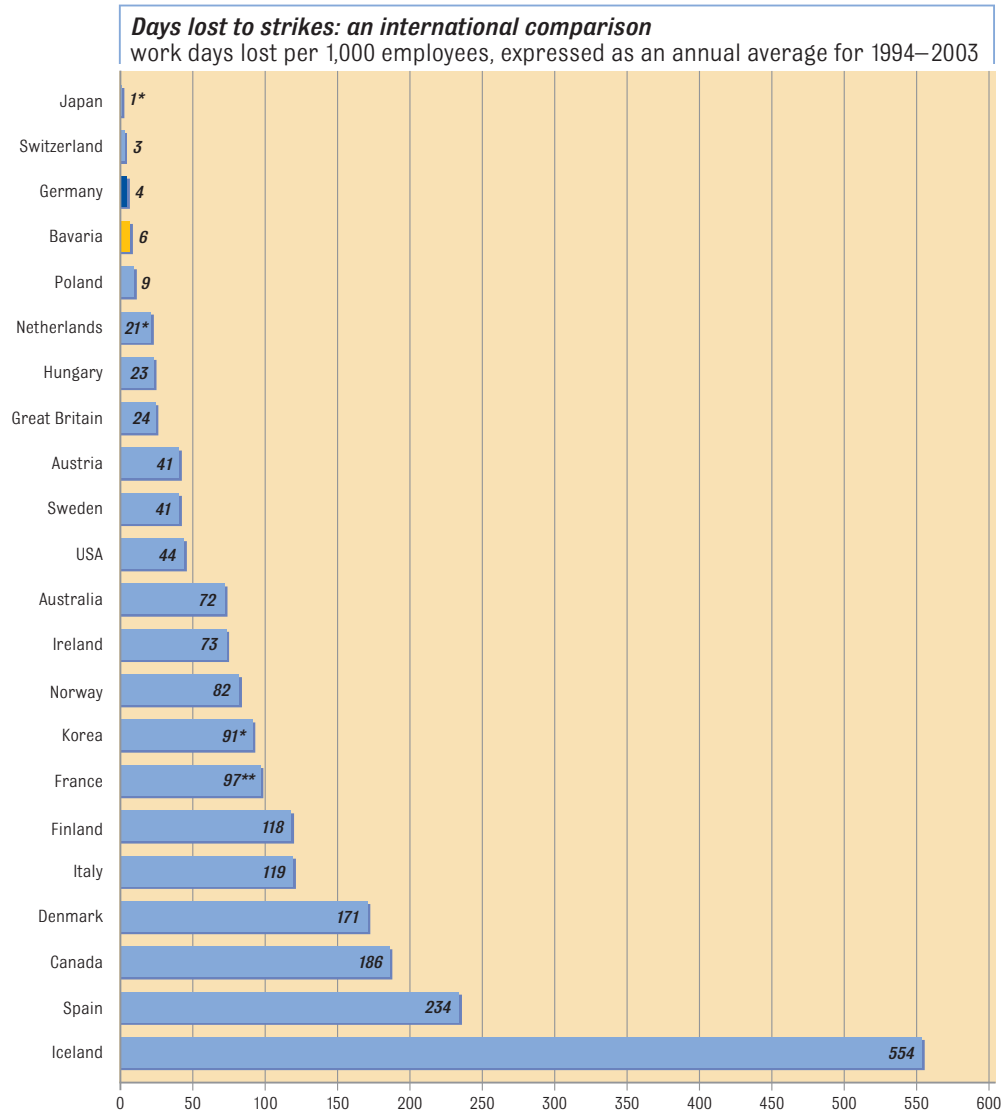
The number of days lost to sickness or incapacitation is very low in Bavaria's business community, and the reasons why are the universal provision of health care (to which all are entitled by law in Germany), the country's highly developed systems of social security and of medical treatment, and its labor protection code, which is a role model for others.

Days lost to illness

persons unable to work in % of total workforce; figures pertain to employees who are members of public-sector-run health insurance schemes



Bavaria's gainfully employed experience their place of work as a positive, productive place. This contentment finds expression in the rate of days lost to strikes or job actions in Bavaria, a rate which is among the lowest in the world.



Source: Institut der deutschen Wirtschaft
*1994–2002
**1994–2001

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