

Low labour costs



This crowded pedestrian precinct in Flensburg's town centre is a good example of how higher purchasing power in Schleswig-Holstein is boosting the economy and creating jobs.

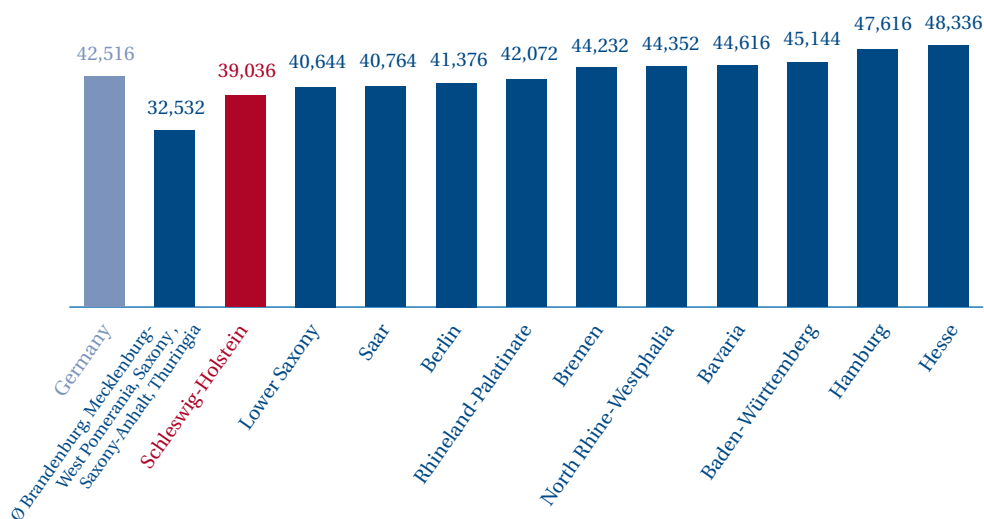
Economic factors naturally play a major role in choosing the best possible location to set up a business. The combination of **well-qualified and highly motivated personnel and relatively low labour costs** is naturally a quality argument.

Labour costs in Schleswig-Holstein are lower than in any other German state, apart from those in the former East Germany. In 2010, the average personnel costs per employee for businesses

in Schleswig-Holstein was €39,036 – or **more than 8% less than the German average** (€42,516). Businesses based in Hamburg have to pay around 22% more for wages and salaries. In Denmark, Schleswig-Holstein's northerly neighbour, personnel costs per employee are around a quarter higher.

The low labour costs do not, however, mean that Schleswig-Holstein's workforce is any less motivated – on the contrary. Thanks to a lower cost of living than in many other German states, people in Schleswig-Holstein have **plenty of purchasing power** despite their lower wages. This is reflected in a **2.9% increase in private consumption** from 2005 to 2009 – a bigger rise than any other German state, apart from those in the former East Germany.

Average gross annual income (€, 2010)
Manufacturing and services (incl. special payments)



Source: Germany's Statistical Offices, as per March 2011