

2. REGIONS AS DRIVERS OF NATIONAL COMPETITIVENESS

Regional contributions to GDP growth

Some regions generate larger gross domestic product (GDP) than others. In 2013, the OECD regions with largest GDP, representing 20% of total population, generated 26% of OECD GDP. In Hungary, Poland, the Slovak Republic, and the United Kingdom, regions with the highest economic output and totalling 20% of the population, contributed to at least one-third of the national GDP.

GDP growth was even more regionally concentrated than GDP production in many OECD countries. On average, 20% of OECD population in the regions with the fastest GDP growth contributed to 36% of the OECD GDP growth in 2000-13 (Figure 2.10). At country level, the regional contribution to growth was very concentrated in Portugal, Italy, Denmark, Greece and Canada where the 20% of the most dynamic regions in terms of GDP growth rates were responsible for 50% or more of the national growth in 2000-13 (Figure 2.10).

Predominantly urban regions attract the largest share of economic activity. In 2013, 55% of total GDP in OECD countries was produced in urban regions (where 47% of OECD active population live), and reached 75% or more of national GDP in the United Kingdom, the Netherlands, and Belgium (Figure 2.11). The GDP share of predominantly urban regions was particularly pronounced in Hungary,

Estonia and the Slovak Republic, above 15 percentage points of the population share. Predominantly rural areas generated 15% of total GDP, with more than 40% in Ireland and the Slovak Republic.

During the period 2000-13, the average value of the yearly GDP growth rate was 1.4% among OECD regions, 1.5% and 1.3% in predominantly urban and predominantly rural regions, respectively. Differences in regional GDP annual growth rates between urban and rural regions were larger than 1 percentage point per year in Hungary, Estonia, Sweden, Denmark, Greece, Norway and France. On average, GDP growth rates were lower in rural regions than urban regions in 18 out of 24 countries, while in Austria, Korea, Switzerland, the Netherlands, Germany and Belgium predominantly rural regions on average performed better than predominantly urban ones (Figure 2.12).

Wide differences in regional growth do not seem to be associated with faster national growth; Estonia and the Slovak Republic displayed a national growth rate higher than double the OECD average and limited regional differences (Figures 2.13-2.16).

Source

OECD (2015), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

Reference years and territorial level

2000-13; TL3.

Australia, Brazil, Canada, Chile, China, India, Indonesia, Mexico, Russian Federation, South Africa, Turkey and United States, TL2 regions.

Regional GDP is not available for Iceland and Israel.

Figure notes

2.10-2.12: Available years: Austria, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Poland, Spain, Sweden, Colombia, Russian Federation and Latvia 2000-12; Japan 2001-12; Mexico 2003-13; Portugal 2000-14; Turkey GVA data 2004-11; China and Indonesia 2004-12; India 2001-13; Lithuania 2005-12. Norway and Switzerland are excluded from the figures due to lack of data over the period.

2.11: Only countries where GDP is available for TL3 regions.

2.10 and 2.12: Germany non-official grid regions.

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

Definition

GDP is the standard measure of the value of the production activity (goods and services) of resident producer units. Regional GDP is measured according to the definition of the System of National Accounts (SNA 2008). To make comparisons over time and across countries, it is expressed at constant prices (year 2010), using the OECD deflator and then it is converted into USD purchasing power parities (PPPs) to express each country's GDP in a common currency.

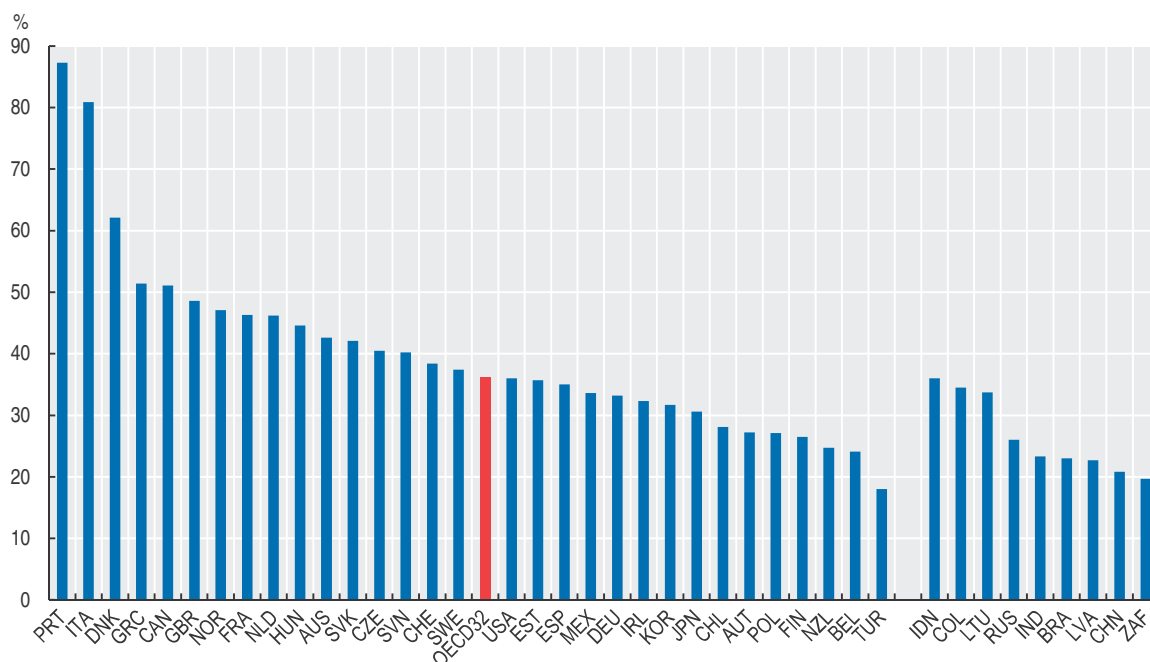
The top 20% fastest growing regions are defined as those with the highest GDP growth rate until the equivalent of 20% of the national population is reached.

OECD has established a regional typology to take into account geographical differences and enable meaningful comparisons between regions belonging to the same type. All regions in a country have been classified as predominantly rural, intermediate and predominantly urban. (see Annex A for the detailed methodology).

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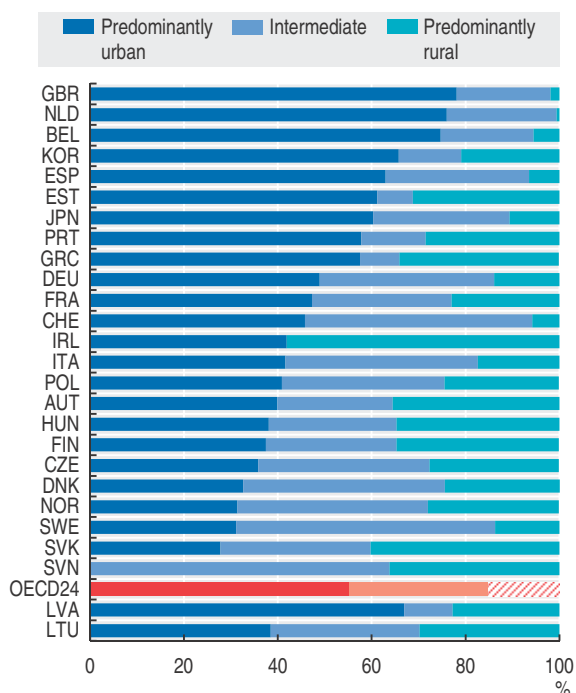
Regional contributions to GDP growth

2.10. Contribution to national GDP growth by top 20% fastest growing TL3 regions, 2000-13



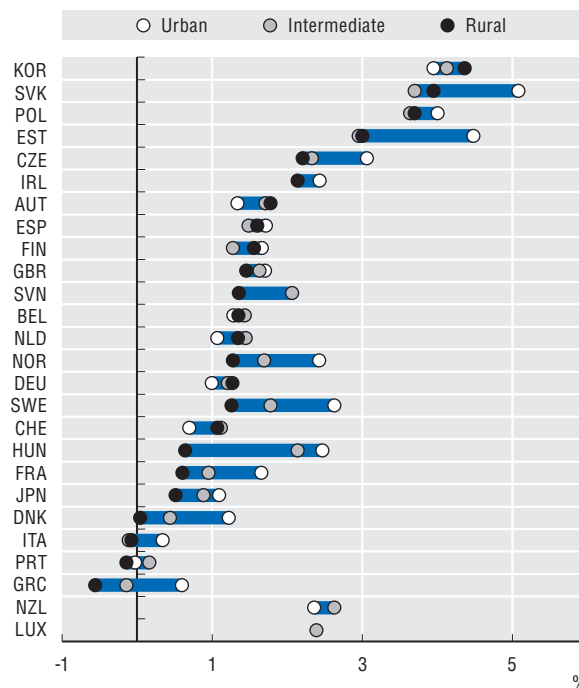
StatLink <http://dx.doi.org/10.1787/888933363194>

2.11. Distribution of GDP by type of TL3 regions, 2013



StatLink <http://dx.doi.org/10.1787/888933363200>

2.12. GDP annual growth rate by type of TL3 regions, 2000-13



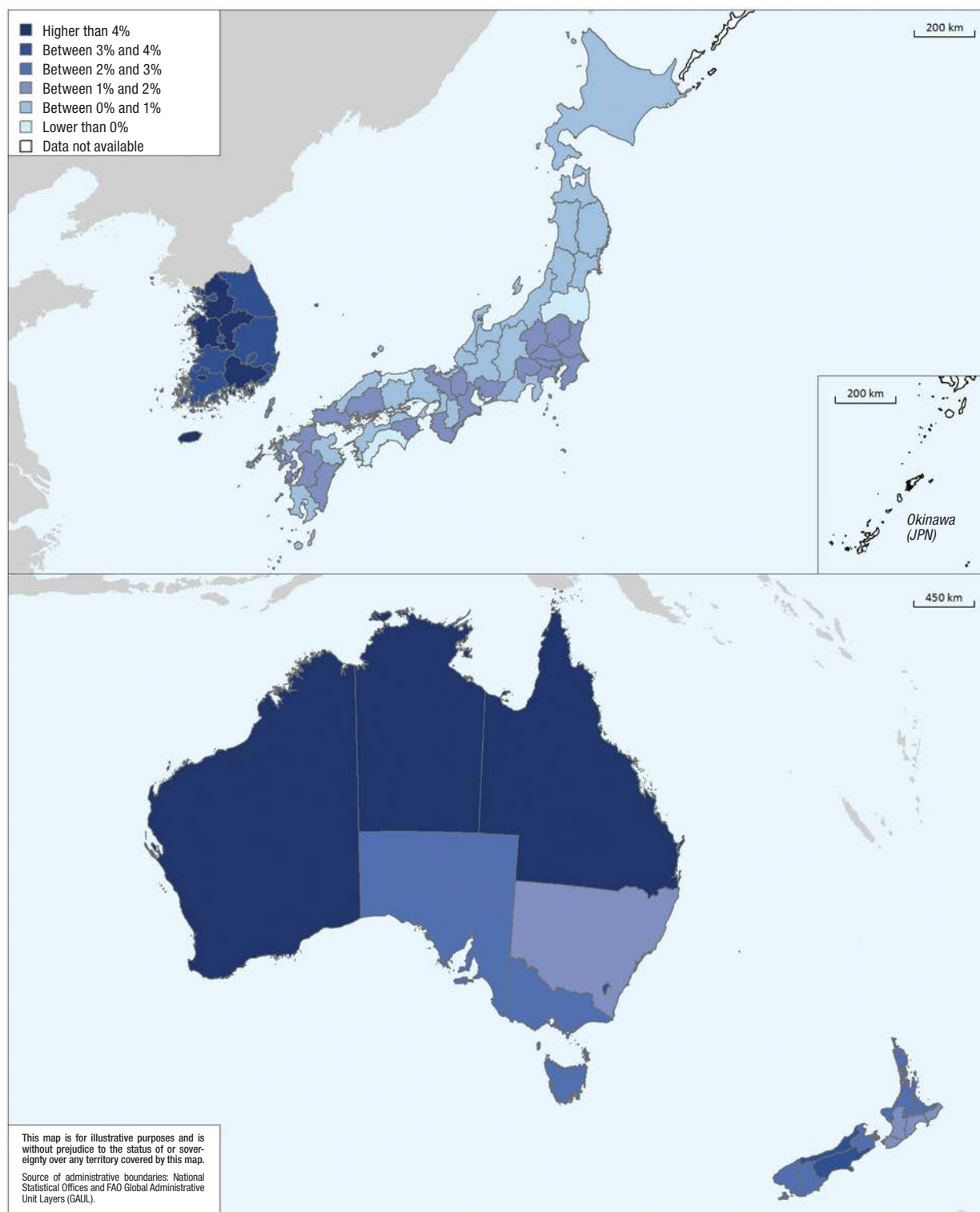
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2. REGIONS AS DRIVERS OF NATIONAL COMPETITIVENESS

Regional contributions to GDP growth

2.13. Regional GDP growth: Asia and Oceania, 2000-13

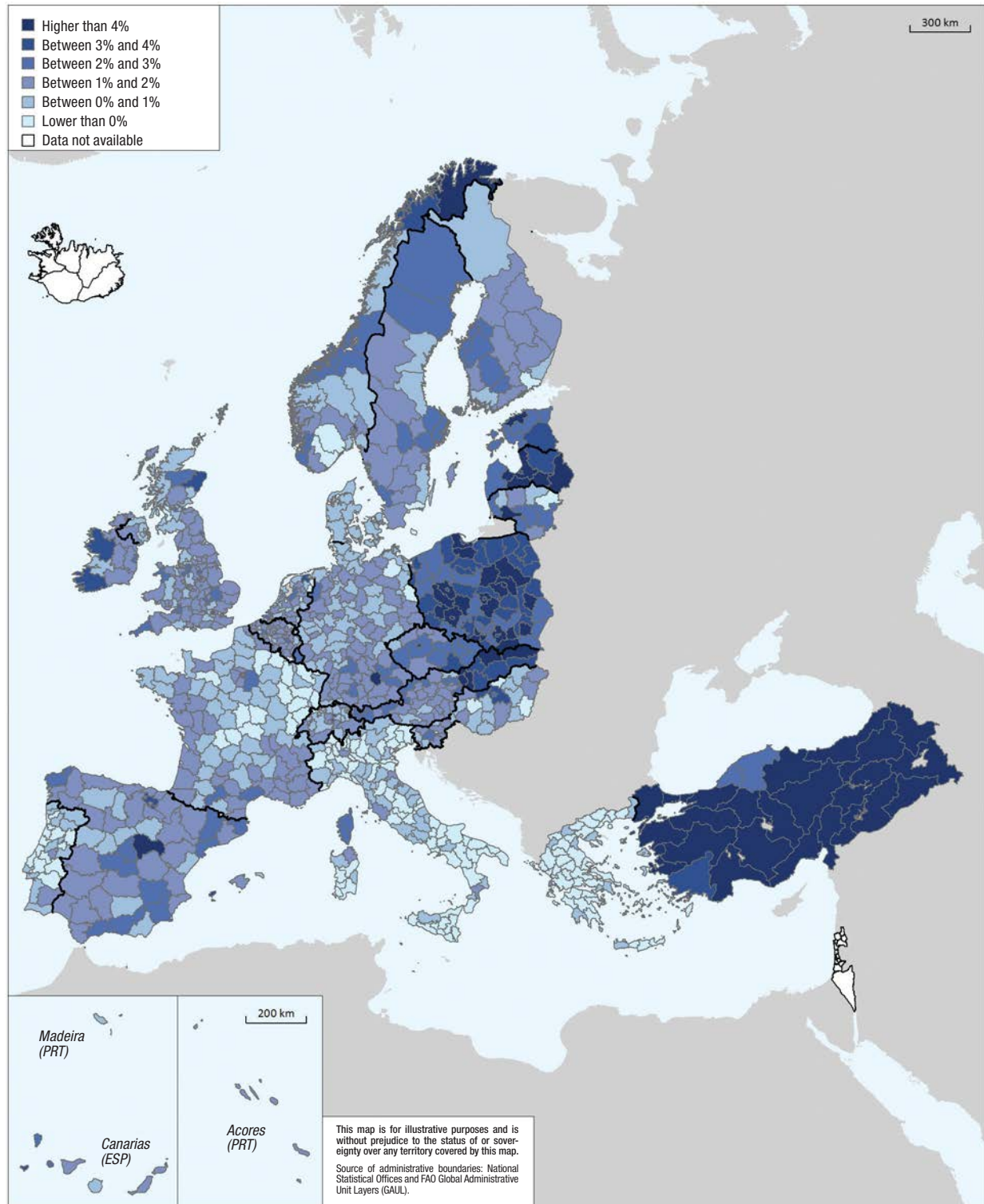
Average annual growth rate (constant 2010 USD PPP), TL3 regions



StatLink <http://dx.doi.org/10.1787/888933364110>

2.14. Regional GDP growth: Europe, 2000-13

Average annual growth rate (constant 2010 USD PPP), TL3 regions



Germany non-official grid (NOG) regions; Turkey TL2.

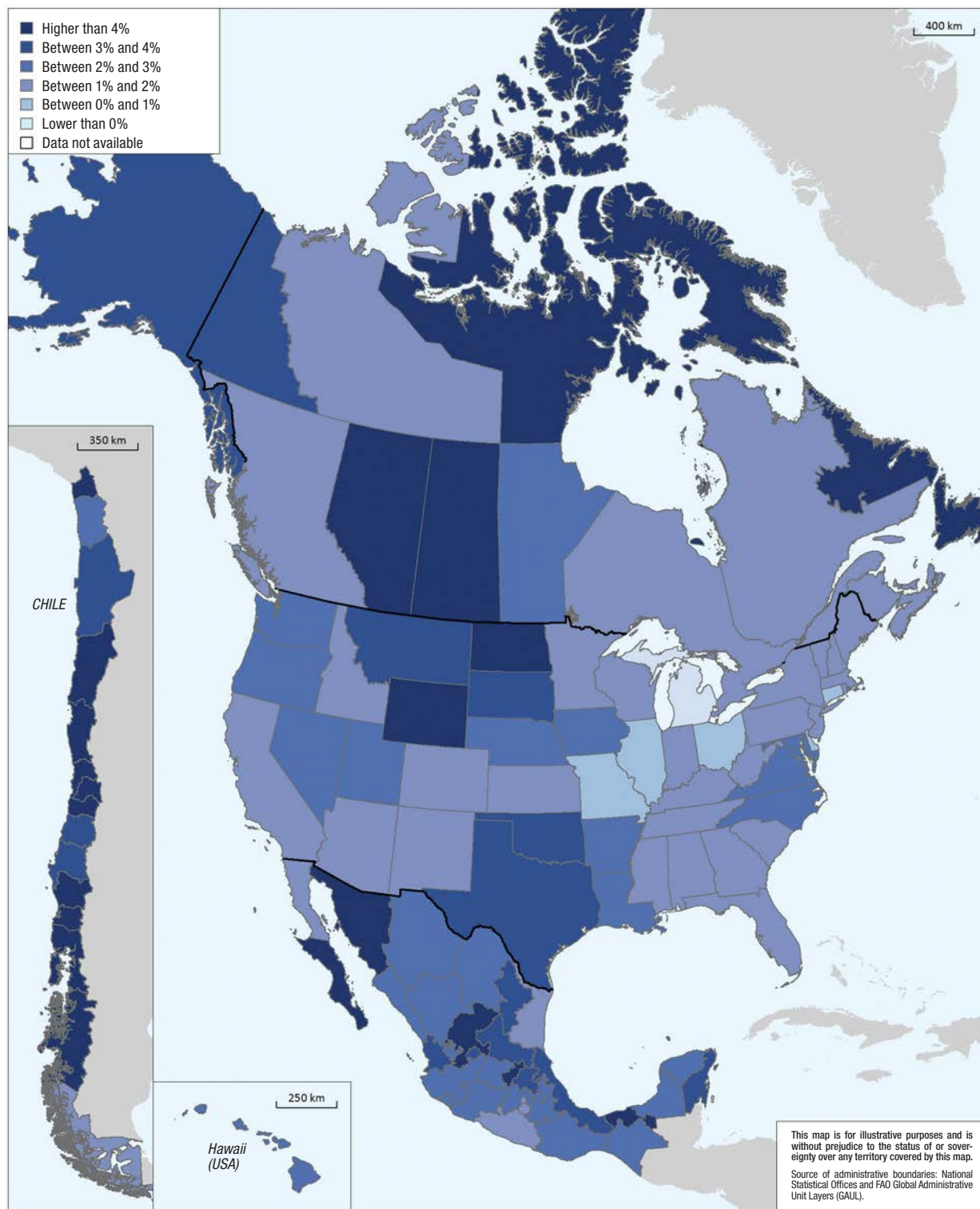
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2.15. Regional GDP growth: Americas, 2000-13

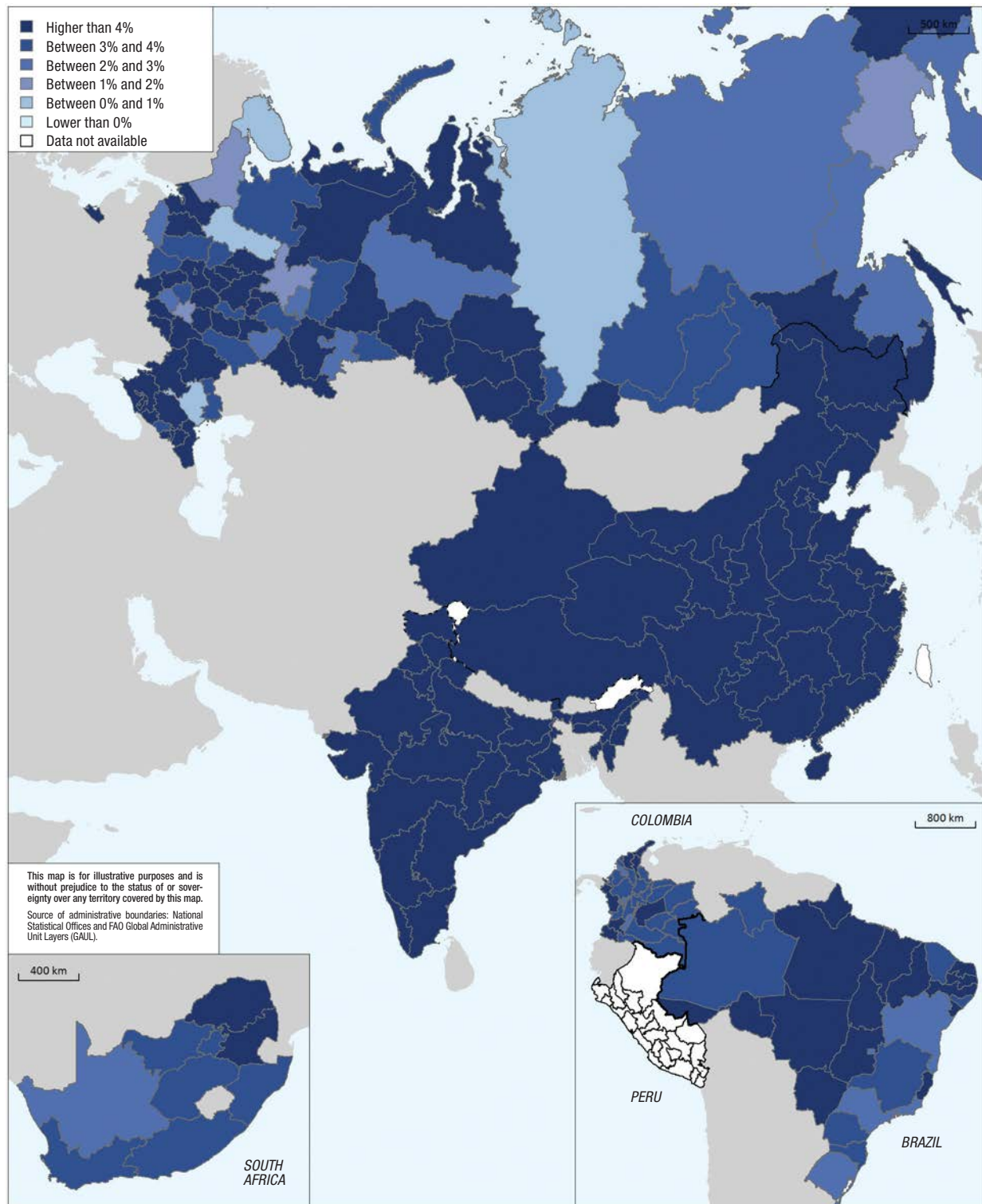
Average annual growth rate (constant 2010 USD PPP), TL2 regions



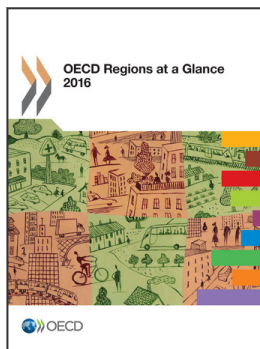
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2.16. Regional GDP growth: Emerging economies, 2000-13

Average annual growth rate (constant 2010 USD PPP), TL2 regions



StatLink <http://dx.doi.org/10.1787/888933364145>



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