

supply of quality CIM engineers, technicians and operators. Moreover, whether a firm is active in advanced technology or in more traditional sectors, all enterprises are increasingly relying on processes that use advanced production technology. For that reason, the same locational factors can be critical to both companies active in advanced technology areas and to the producers of low technology goods.

High technology and value-added manufacturing industries in particular tend to locate in regions where networking to subcontractors is possible. For example, the German company, Mannesmann, one of the largest firms in the world in the mechanical (machine tool, hydraulic) industry, located its French subsidiary near Grenoble, in the Rhône-Alpes region. Because of the nature of its products, it has developed supplier relationships with nearly 500 local firms. Hewlett-Packard has also located a manufacturing plant there, developing ties to over 250 local subcontractors.

Firms interested in establishing production capabilities based on low cost labour are still going to Spain and Portugal, with Catalonia especially popular. Service sector firms, including the headquarters of major multinationals, have been flocking to major cities such as Milan, Paris, Brussels, London, Munich, and Paris. Financial capital is largely oriented toward Switzerland, Luxembourg, and the U.K. because of their highly developed financial industries.

Some key factors corporations use to assess a region:

- communications infrastructure
- technology supply
- efficient and highly skilled suppliers
- reliable energy supplies
- higher education, technical training facilities and quality workforce
- an attractive quality of life (fresh air and access to nature) to keep skilled workers satisfied

The top 24 (out of 160) most competitive regions of the EC

Rank*	Subregion (Region), Country
1	Darmstadt (Hesse), Germany
2	Oberavon (Hesse), Germany
3	Stuttgart (Baden-Württemberg), Germany
4	Hamburg, Germany
5	Ile de France, France
6	Karlsruhe (Baden-Württemberg), Germany
7	Luxembourg
8	Rheinland-Pfalz (Rhineland), Germany
9	Valle d'Aosta (North West), Italy
10	Berlin (West), Germany
11	Hovedstadsregionen, Denmark
12	Mittelfranken (Bavaria), Germany
13	Alsace, France
14	Düsseldorf (Westphalia), Germany
15	Greater London (South East), U.K.
16	Freiburg (Baden-Württemberg), Germany
17	Tübingen (Baden-Württemberg), Germany
18	Lombardy, Italy
19	Grampian (near Aberdeen, Scotland), U.K.
20	Liguria (North West), Italy
21	Schwaben (Bavaria), Germany
22	Rhône-Alpes, France
23	Köln (Westphalia), Germany
24	Emilia-Romagna, Italy

* The ranking was determined using four weighted variables: GNP/persons employed (25%), GNP/population (25%), unemployment (40%) and employment potential (10%).

Source: EC 1987.