REGIONAL SWOT ANALYSIS – REGION OF SOUTHERN TRANSDANUBIA

Version 1

D.T1.2.2

Content

1. Executive summary

@ PP 2 SAXONIA Benchmark Handbook output related to D.T.1.2.2

Komló is the fifth biggest city in the region, in the close neighborhood of Pécs, the center and the largest city of the county.

In Komló, the proportion of those companies which operate in industry is high (21-22%)

There is an existing, well-functioning creative industrial cluster in the region. There are relevant middle and high level educational opportunities related to the creative industry (cultural, music and art departments, architecture, so on. – e.g., Music and Visual Art Faculty, University of Pécs). A vivid cultural community has been existing which is open to culture, with numerous and diverse artistic society.

There are strong artisan industrial traditions within the region (Zsolnay, gloves- leather industrial culture, etc.) A varied supply of cultural festivals and programs make the creative actors well known and provide a market for them.

The sector is growing and becoming international on some fields, mainly in informatics. Some SME-s operate in the creative sector, which diffuses to more and more fields both in geographical and sectoral means (i.e. "gamification", different apps for telecommunication tools). One of them (MarkCon) became successful and well-known in Europe in gamification and is just being known and accepted globally. The informatic sector, been linked to a wide range of other sectors works globally and introduces a very dynamic development trend.

The opportunity of Komló is to reutilize the human and building capacities in order to find new fields of development due to the fact that the city lost the main economic bases in the nineties. That time – similarly to the whole region- the main industries (mainly mines and textile industry) were closed up and no reorganization of the economy was implemented so far. This lead to difficultly manageable drawbacks but on the other hand it may be an advantage to find new development directions and offer resources on reasonable prices.

Civil organizations, high number of SME-s may be the engines of the flow, connected to the project of setting up a well operating incubator house and business center. The Chamber of Industry and Commerce of Pécs-Baranya provides an effective background and partnership for the project.

2. Introduction /Purpose of the document

The purpose of this document is to introduce the economic, demographic background and creative industry of the South-Transdanubia Region, where the Hungarian partners of the REFREsh project located in and operate.

The Hungarian participants of the project are the Chamber of Commerce and Industry Pécs-Baranya (PBKIK); and the City Council of Komló. Both partners are located in the area of the Southern Transdanubia Region, which located in the Southern part of Hungary, close to the border of Croatia. From the following analysis, we can state that the region has severe economic and demographic challenges.

The economic output of the South-Transdanubia Region had dramatically fallen back in the nineties; the industry had collapsed and practically no reorganization had been realized so far. That's why the regional industry was not able to stand back to the original trajectory. Komló city was the most suffering place where practically the most parts of the economy were concerned. These changes affected the population directly and hit it hard. The reduction of jobs started a migration from the city to better prospering Hungarian and foreign areas. This tendency was slowed down but was not stopped yet.

For this region being behind the Hungarian and European average the service sector has been very important. Within this the globally more and more important creative sector may provide challenging jobs for young people and may develop an increasing market for high value-added products and services. This is just an opportunity which a kind region needs where the traditional industries and works lost their future and nor other industries could fill the empty space.

The new local economic trend must be attractive for young and creative people because during the last decades a considerable rate of the manpower, characterized by market-conform competences, left the area. The new economic trends must be attractive for those who are able to create new types of jobs and adopt new technologies. The ongoing global trends show that the near future needs creative and multitalented, flexible people who would be able to connect several kinds of professions, disciplines to each other and have a culture-based knowledge to be able to manage quick changes of the labor-market. In this process the concerned ones are mostly young people, adults having experiences on the creative sector already, business people who like challenges on new fields, people in the cultural sector who would like to open to business-like activity, innovation-sensitive people who discover the opportunities of the new sciences and technologies and recognize the cross-sector innovation fields which lead to new needs, products and services. The target of the project in Komló is to become the first step on this way and to start up a flow which proves to be sustainable, self-preserving.

3. Regional analysis of the partner regions

3.1. Overview

The map of the Region of Southern Transdanubia

<u>Geological and demographical data about the Region of Southern Transdanubia:</u>

The South-Transdanubia Region is the third largest region of Hungary; it occupies 15% of the country's land. This region has the lowest population within the country, only 9% of the Hungarian population lives here. The South-Transdanubia Region contains three counties: Barany, Somogy, and Tolna. These three counties consist of 23 districts, where 41 towns and 614 villages/municipalities are located. Komló is the district center of District Komló, which is the fifth most populated town in the region.

In the past years, the population of the country has been decreasing continuously with 0.2% on average. The population of the region decreased two and a half times higher (year average: 0.45%). The population of Komló decreased more than threefold (year average: 0.66%). In summary, this means that in the last 16 years, the country has lost 2,7%, the region 6.5%, and Komló even 9.4% of its population.

At the national level, the proportion of males within the population is 47.8-48%, and it shows an increasing trend. In the past years, this proportion and tendency are similar in the region. The proportion of females under 15 years old shows an opposite side of men: at the national and regional level, it dropped from 52.1% to 51.9% which shows a slightly decreasing tendency. In 2015, the territorial curves of genders reached the same level.

The tendency was the opposite in **Komló**: until 2007 the proportion of men were above average in the national and local level as well, from 2008 their proportion is lower and shows a negative tendency. The proportion of females, at the beginning of the timeframe, is under the average, but in the last years it is above average and increasing. It is significant to state that, the population of Komló in absolute value decreased by 1300 people from 2000.

The proportion of the major **age groups**, within the population, shows a very similar picture at the national level, in local level and in case of **Komló**, as well. The proportion of the 18-59 years people within the whole population was approximately 60% at the beginning of the 2000s. In the latest years, their proportion has been decreasing continuously. While in 2000, the proportion of the 0-17 age group and 60+ age group were around 20-20%, this number has changed for 2015. It has changed at the national level to 17-25%, at the regional level to 16-26% and in case of Komló to 15-27%. We can state that the tendencies are the same at the different territorial levels, but compared to the national average, the change in case of the regional level is smaller and is more prominent in case of the value of Komló.

The **natural growth** (balance of birth and death) has been continuously negative at the national level, regional level and in case of Komló too, since 2000.

At the regional level, the **domestic migration balance** was also negative in the past 15 years, in average 1200 more people left than migrated into the region in every year. In case of Komló, the tendency turned around in 2013, because 45-95 more people migrated than left in each year, which is slightly reducing the negative values of natural growth.

In case of **qualification**, the proportion of people (**within the appropriate age group**) who has a minimal level of education (elementary school) is around 95% at the national level, regional level and in case of Komló too. Based on the data of census of population, at the national level around 8 million people had at least a minimal level of education, this number in the region was around 755 thousand, in case of Komló, this means approximately 20 thousand people.

In Komló and in the region, the proportion of those people who have at least secondary level of education (high school diploma) is lower than the national average which is 49%. Throughout the country, there are approximately 4 million people with a high school diploma, who are older than 18 years. 8% of these people live in the region, around 323 thousand people (at the regional level 42.1%). In Komló more than 7600 people (37.5%) have a high school diploma.

In the age group 25+, around 1.4 million people have a high education qualification (college or university degree); this is 19% in a national average. In the region, more than 100 thousand people have a university or college degree which is 14.9% of the local population. In Komló around 1800 people have college graduation. This is 9.9% of the appropriate age group which is only the half of the national value.

It is interesting to state, that however 9% of the national population lives in the South-Transdanubian Region, the proportion of those people within the region, who did not finish the first year of primary school is 11.8%.

Essential data relating to the economic sectors

From 2011 to 2015, approximately 54 thousand companies were operating in the South-Transdanubian Region, which is 8% of the national quantity (average around 660 thousand). The operating companies (average around 1000) in Komló are only 2% of the region's operating enterprises. Based on the values per thousand, at the national level, there are about 66 companies for every 1000 people. The regional level is 87% of this (57 companies), the value of Komló (42 companies) is the 65% of the national value, and it makes 75% of the regional value.

56-58% of the companies, which are operating at the national level are social enterprises, while 42-44% of them are individual companies. At the regional level, this proportion, in the average of the last five years, is almost the same. Since 2012, the number of social enterprises has been decreasing, while the number of individual companies has been increasing. The ratio of social enterprises, in Komló, is around 46%, and we can identify a negative tendency which is appeared in the region.

We can distinguish three different types of **individual (self-employed) companies**: full-time, part-time and retired entrepreneurs. The five-year trends are similar in case of the national and regional level. 53-55% of the individual companies are full-time, 36-37% are part-time, and 9% are retired entrepreneurs. In **Komló** the proportion of full-time and part-time entrepreneurs are lower than the average. However, the proportion of retired entrepreneurs is higher than the regional and national level, with its average: 14%. It is related to the tendency that the number of full-time individual companies is showing a slight increase (below 10%), the number of part-time individual companies is steeply rising (above 10% from 2012 to 2015), while the number of retired entrepreneurs is steeply falling (20-35% decrease).

66-70% of the operating joint enterprises are **limited liability companies**. Their quantity and proportion within the joint enterprise category are increasing in all levels: national, regional, in Komló, as well. The second biggest form of enterprising is the **limited partnership**. This category lost 20% of its quantity all around the country within five years. The popularity of the **joint-stock companies** is increasing in the national and regional level. The number of cooperatives is augmenting as well while the number of the other forms of enterprising is falling. The proportion of the enterprises in Komló is following common tendencies.

95% of the companies are micro enterprises (**1-9 people**) based on the size (number of workers/employees with the owners). The proportion within the region is slightly higher, in Komló the proportion of micro-enterprises are even higher than in the region. The ratio of the small enterprises (**10-19 people**) is 2.7-2.8% at the national level, and their size is increasing. The regional value is lower than this but has the same growing tendency. The ratio in Komló is only the half of the national value but follows the trend. At the national and regional level, 1.2-1.4% of the companies are small enterprises with **20-49 people**; their proportion is increasing. In case of Komló, this proportion is higher (in 2015:1.9%) and has a steeper grow rate. However, we can state that only 3% of the regional, small enterprises with 20-49 people are located in Komló. The national tendency shows that the number of employers has been growing in every category, since 2013. At the same time, there was a continuous increase in the number of those companies only, which employed 20-49 employees. The proportion of middle-sized companies (50-249 people) in every analyzed level is around 0.6-0.7%. There are 900 companies which employ more than 250 people. The proportion of these companies is 0.13% at the national level. In the region there are only 40 companies which employ more than 250 people, this means that only 4.5% of the big companies are operating in the region and none in Komló.

At the national average, about 55% of the micro enterprises (1-9 people) are joint enterprises. The regional quantity (about 47%) is lower than this, while the proportion in Komló is even 3% lower than the regional level.

The distribution of enterprises of the national average based on the **sector** they operate in is the followings; 4% agriculture, 16% industry, 80% service. In the region, the presence of agricultural and industrial companies is higher, and the presence of service organizations is lower than the national average. In Komló, the ratio of agricultural and service companies is lower than the national average, while the proportion of companies, which operates in the service sector, is higher than 21%.

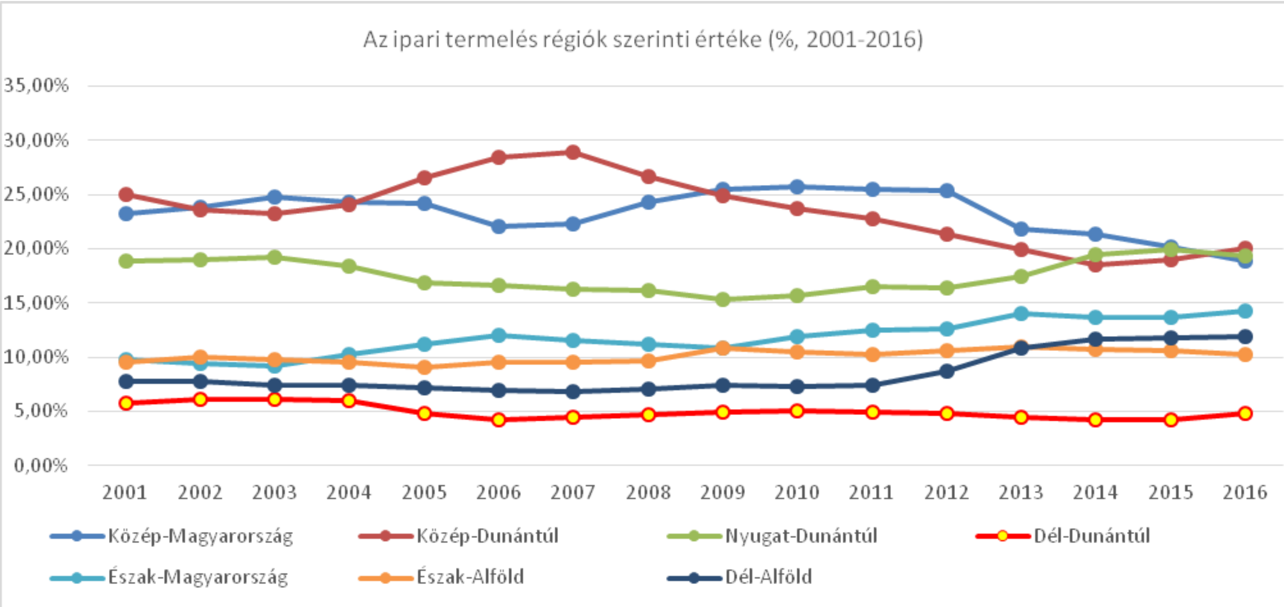
The distribution of companies within the region is the followings: 6% of the companies operate in agriculture, 18% in industry, and 76% in the service sector. In Komló, only around 1.5% of the companies operate in agriculture, 21% in industry, and 77.5% in the service sector.

In more details about the **sectors**, we found that the commerce and car repairing is the most populated category because 20% of the firms are operating there. The second largest category is the Professional, academic, and engineering activity with its 12-17%, and the third is the construction with its approximately 10%.

The number of **non-profit and civil organizations** per thousand people, in the region, is a slightly higher than the national average. In Komló, the number of non-profit and civil organizations per thousand people is 65% of the national average and 60% of the regional value.

In the past five years, the companies within the region contributed to the **gross domestic product** (GDP) by 5% which is the lowest value within comparisons of the regions, and it shows a decreasing tendency.

The **industrial production value**, in the region, between 2001-2016, was only 4-6% of the national performance. Despite the fact, that the production value, in forint, was doubled during the 15 years, this region has the last place in the ranking of regions. The industrial production value of the next regions is contributed only 10-11% to the whole. More regions were able to double or triple their performance which increased their contribution to the national performance.



Title of the chart: Regional value of industrial production (%, 2001-2016) chart lines from left to right:

***middle blue line**: Central Hungary, **red line**: Central Transdanubia, **green line**: Western Transdanubia, **orange line with yellow dots**: Southern Transdanubia, **light blue line**: Northern Hungary, **orange line with orange dots**: Northern Great Plains, **dark blue line**: Southern Great Plains*

The number of **registered unemployed** people (so-called: job seekers) increased by sesquialter in nation-wide between 2000 and 2012. For 2015, at the national and regional level, this number dropped to the 90% of the value of the 2000's, in case of Komló, it reduced to the half. The significant decrease was the result of the introduction of the communal work program.

About 27-28% of the registered job seekers are registered **more than one year** at the national and regional level. In case of Komló, this ratio was moved around 30% until 2013, from 2014, this was decreasing to the level below 20%.

The tendency of **young people in search for the first job** was similar at the national and regional level. Komló followed this trend with a small deflection: until 2011 the ratio of young people in search for the first job was around 8-9% within the registered job seekers, but this proportion increased to 13% for 2014, and after that, we can realize a decrease.

The ration of **disabled job seekers** within the registered job seekers is around 4-6% at the national and regional level, as well. In Komló, this value reached the 9-11% in some years. In 2015, the ratios were about the same. The reasons behind the high ratio of disabled people (100-200 people) can lead us back to the mining past of Komló.

The distribution of registered job-seekers based on the educational level is similar at the national and regional level, Komló has a slightly different value. The two smallest groups contain those people who did not finish the 8 grades or who have a university or college diploma (higher education qualification). In Komló, the value of these two is lower than the national and regional value. The ratio of those people who did not finish 8 grades within registered job-seekers is decreasing, the proportion of people with higher education qualification is increasing – the absolute values are following this trend. The stable group of unemployed people with its 35% is those people who finished 8^{th} grade. In case of this, Komló has a below average value. The second biggest group contains those people who have qualifications. Their number and ratio follow a decreasing trend. However, they find jobs in Komló much harder. The unemployment rate of those people who has a high school diploma moves around 25% and increases.

As a summary, we can state that people who finished 8 grades have the highest ratio within job-seekers. The ratio of people with qualifications is improving, but the ratio of people with high school diploma and higher education qualifications are increasing.

3.2. Sectoral structure for creative industry

The creative and cultural industry, which was built on and is consuming from creativity and innovations became one of the mostly appreciating economic sectors in the 21st Century. The small and medium-sized companies, which are operating in this field, significantly contribute to the growth of GDP because they have high development potential and energy.

Based on the research which was made for GESAC1, the creative and cultural industry, with its 535.9 billion EUR (164 thousand billion HUF) turnover, is one of the most decisive actors in the European economy. It contributes to the gross domestic product (GDP) of the continent with 4.2 percentage.2

In Europe, most people work in the creative and cultural industry, right after construction and catering industry. This sector attracts local and young employees3 – turned out form the 2014's research of Ernst&Young. According to the survey, the creative and cultural sector heavily lean on the local workforce, and it attracts the young generation: 19% of the workers are below 30. All above these, the number of workers was able to grow by 0.7 percent even in the darkest years of the latest crisis. The research analyzed the creative and cultural industry by distinguishing eleven sub-sectors: book market, newspapers, and magazines, music, performing art, television, movie, radio, video games and other games, visual art, architecture, and advertisement.

The cultural and creative sector creates a so-called bridge between the art, culture, business, and technology. The growth rate of the sector was not stopped not even in the financial crises years. It is very common in these areas to introduce a flexible, online and mobile work; there appeared numerous new (atypical) form of employment such as the co-working and the freelance lifestyle which is based on cooperation. Thanks to these, the small and medium-sized companies assist in the employment of females and younger generations.4

[1] *GESAC*, the European Grouping of Societies of Authors and Composers, groups 33 of the largest authors' societies in the European Union

[2] Data from 2014

[3] Analysis of Ernst&Young consulting company in 2014, which results came from the Artisjus Magyar Szerzői Jogvédő Iroda Egyesület to MTI

[4] http://europapont.blog.hu/2016/11/04/kulturalis_es_kreativ_ipar

In Hungary, 4.4 percent of employed people work in the creative industry. Their activity accounts for 3.7 percent of the Hungarian GDP. 5

The following tables and diagrams represent the development of creative industry in Hungary:

Creative Industries Trade Performance, 2003 and 2012						
Hungary	2003			2012		
	Value (in Million US$)			Value (in Million US$)		
	Exports	Imports	Balance	Exports	Imports	Balance
All Creative Industries	2,161.35	2,684.49	523.13	3,485.12	3,055.86	429.26
All Creative Goods	474.77	999.00	524.23	1,142.91	1,280.75	137.83
All Creatives Services	1,686.59	1,685.49	1.10	2,342.20	1,775.11	567.09

Table 1: Commercial performance of the creative industry, in Hungary 2003-2012[6]

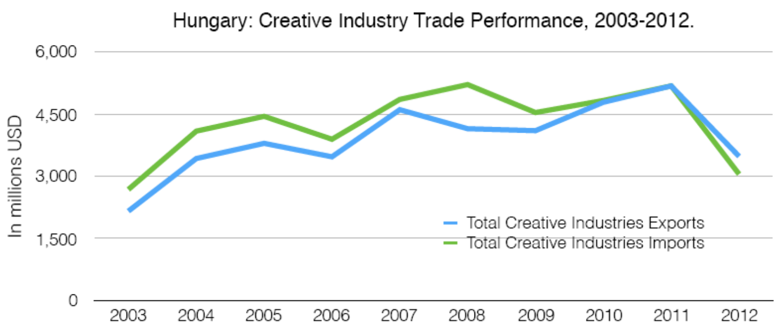


Diagram 1: Time-series commercial performance of the creative industry in Hungary, 2003-2012[7]

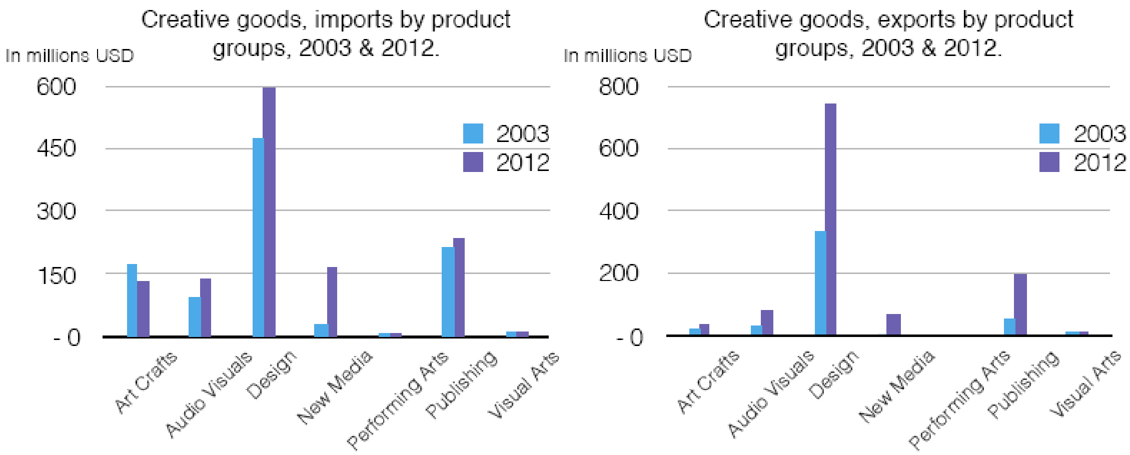


Diagram 2: Trade of creative industrial goods in Hungary, 2003-2012[8]

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[5] Analysis made by the Hétfa Research Institute in 2014, for the request of Design Terminál

[6] Source: Creative Economy Outlook and Country Profiles: Trends in international trade in creatvie industries, 2015, unctad.org

[7] Source: Creative Economy Outlook and Country Profiles: Trends in international trade in creatvie industries, 2015, unctad.org

[8] Source: Creative Economy Outlook and Country Profiles: Trends in international trade in creatvie industries, 2015, unctad.org

Definitions, the place of creative industry in the economic structure, the subgroups of creative industrial sector

There is no universal definition of the cultural and creative industrial sector. Knowing which activities of which sectors the part of it are is different in every country and this is the same in case of the related statistics. In ordinary language, it happens more than one times, to mix up the definition of creative industry with the definition of cultural industry. That is why we found it necessary to distinguish these differences in definitions.9

Cultural industry: the sector which creates or spreads that kind of products or services, which at the time of its creation embodies or conveys a cultural expression according to its specific nature based on the use or end use, whether it has a commercial value or not. Besides the traditional art sectors (performing arts, fine arts, cultural heritage – most of all the governmental sector) it contains the movie, and DVD and video, television and radio, video games, new media, music, books and the press.

Creative industry: the sector which uses culture as an input, while has a cultural dimension, however the output produced by it often functional. It contains the architecture and design, which integrates the creative parts into more extensive processes; and those subsectors such as design graphics, fashion design or advertising, marketing.

Rabb Szabolcs10 distinguished 11 different groups of the creative industry based on the structure of the creative industry. These are the followings: architecture; art and antique market; Television and radio, media market; artisan industry, design, photography and film art; performing art; fashion design; computer industry, virtual market; software services, web design; music and finally advertising industry. So he determined 11 subsectors within the creative industrial sector.

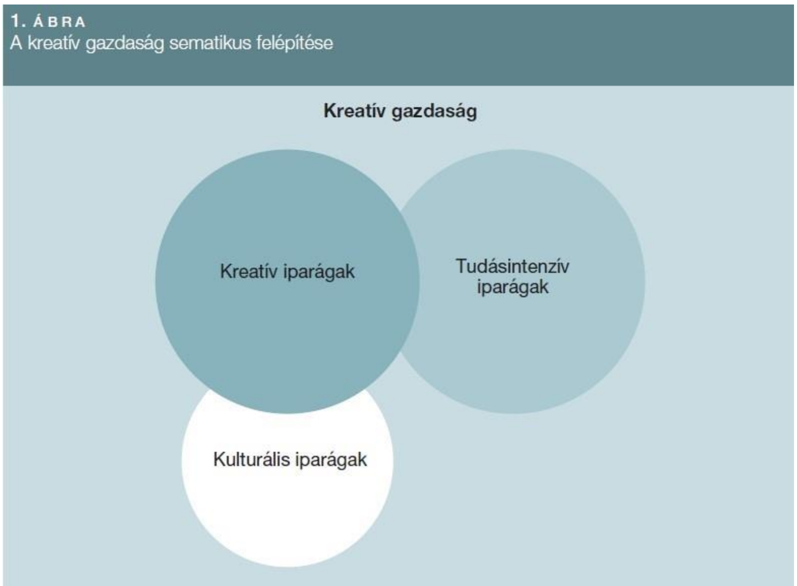
Those areas, which need cultural content to improve and develop, we call related industry. These are typically the market for medium data production (MP3, CD, DVD, computers) and also the tourism because most of it connected to the viewing of cultural contents and learning of new experiences.[11]

The creative industries together with the cultural industries and knowledge-intensive industries make up the creative economy.

[9] Green paper: Unlocking the potencial of cultural and creative industries, Brussel, 27.04.2010. COM(2010) 183 final

[10] Rabb, Szabolcs (2012): Creative cluster – development of creative industry (Kreatív klaszter – kreatív ipar fejlesztése) MTA-RKK, Cluster konference

[11] (Szolkai 2011:3).



Source: Ságvári – Lengyel 2008:19

Picture 1: The schematic structure of the creative economy – Title: Creative economy

Largest blue circle: Creative industries, **Light blue circle**: Knowledge-intensive industries, **White circle**: Cultural industries

Rabb, in his quoted research, collected the characteristics of the products of cultural industry. He stated that the products had produced by the cultural industry, was short-lived and we consumed them immediately. There is high-risk involved in their production, and the opportunity for failure is also high. The demand is based on the needs of local and regional recipients, while the supply needs to be successful in the global competition, as well. The markets related to the culture are relatively unstable, it is hard to calculate with the future fashion wave, and the seasonality is strong. The cultural industry has a significant social impact because it is the utmost communication equipment.

Relevant stakeholders and facilities/buildings (E.g., clusters, partners)

We consider as stakeholder those companies, free-lancers, institutions, which are part of the creative industry based on their products and services. Likewise, we consider as stakeholder those management organizations which organize coo-operations and those co-operations which clustered the participants of the creative industry into a cluster.

In 2010, in Europe, 2000 clusters operated. Clusters based on territorial coordination are the followings: space-clusters; coordinated by the management: power-clusters (purpose: form a full value-chain)

In Hungary, the South-Transdanubia Region is at the forefront in the systematic coordination of the participants of the sector of small and medium-sized companies.

The Pécs-based Creative Industrial Cluster which has South-Transdanubia regional coverage and scope determined 12 creative industrial subsectors in Pécs and its region in 2010. (See above: Groups determined by Rabb)

Currently: there are 36 cluster members in four different area:

- Art and design
- Events organization and cultural service
- Marketing and communication
- Business supporting activities

The necessity of clustering was brought to life because of the inside law of creative industry operations: the ability to knowledge transfer and coworking.

You can think of the KOHO co-working House operates in Pécs as a model because it supports the development of the creative industry with operating as a creative social space. In the KOHO, people work independently from each other in the same space and during their work they change experiences and get to know each other. The co-working exists in a social workplace which is a transition between a rented office space, a club or a café while it combines the advantages (significant for work) of those. It attracts mostly those freelancers and home office workers; whose home is stimulus-free and who desire an office with appropriate infrastructure where they can do their daily duty without high costs.

The creative incubator house in Vince street, in Pécs, has a similar function.

The creative industry can self-develop with building blocks on co-working. PBKIK, the Faculty of Engineering and Informational Technology, and the Faculty of Music and Visual Art at the University of Pécs can become an inspiring background for the development of creative industries.

Likewise, the cultural atmosphere of Pécs and its more extensive region is an essential characteristic for the creativity-sensitive younger generation because they require the diverse cultural environment.

The „Self-generating" program supports the new enterprises such as artisans, and with this, it contributes to the encouragement of creativity of young entrepreneurs.

Design Week of Pécs is an introductory and promotional platform for the subsectors of the creative industry.

Pécs with the cooperation of Creative Industrial Cluster and the PBKIK implement a diverse, inspiring, operational program, which can be a model for those cities and regions which want to develop their creative industry.

The need and claims of the creative industry

The utmost capital of Hungary is the local's brain. The Hungarian Arts Universities train world-class, creative actors, but these young adults are not able to make their knowledge valuable enough to sell in most of the time.

We could help the young adults to be more courageous to engage in some creative enterprise. It can be achieved with more early talent care, more business knowledge, encouragement for becoming an entrepreneur and with the mentoring of new, beginner and emerging entrepreneurs.

The widespread of best practices of creative industrial companies (Prezi, Ustream, LogMeIn, NNG) is an excellent example for the opportunities for worldwide success, what entrepreneurs from Hungary can achieve with one or two exciting ideas.

The creative, industrial actors need common platforms, knowledge transfer, experimenting, social spaces which support creative cooperation. (e.g., KOHO)

The initiation of decent conditions for the access to new platforms and equipment is a necessity for the development of the sector.

The small and medium-sized companies are developing in synergy with the Information Communication Technology (ICT), and because of that, they need close relations with ICT, the knowledge about the results and its implementations. The global digital change is inevitable.

The better alignment of the needed skill of cultural and creative industries is another condition for the development of the sector.

Because of the change in service and business models: there is a need for the evolvement of new business and economic models to the operations and marketing to have access to financing.

Integrational potential of a creative space in regional development

Currently, on the investment site, a human development center operates, with a collection of local history and natural sciences and with a library.

By considering the measurements of the building and the planned functions, it can be adapted to become into multifunctional creative space. What kind of functions will be in the facility?

Cultural Creative Industry Initiatives in Komló city:

- Decorative Workshop Komló – operates since 1978, started as a decorative art study group, today it is a relevant social community
- Appearance of the works and group members of the Enamel Workshop of Pécs within Komló
- Forceful light industrial presence (E.g., clothing industry)
- Bartos workshop which operates in the House of Communities
- Cinematic art presence within the city
- Young Creators of Komló exhibition, which opens on the mining day conventionally

Active civil communities operate in the city to take care of diverse themes (E.g., enterprise development, young generations, and so on) – the number of these organizations reaches 140.

In Komló, they evolved a City Value Repertory, which is the collection of the national values, which operates within the city.

The actors of cultural and creative industry often assist in emerging of the failing local economy. They help the appearance of new economic activities; they create new, sustainable workplaces and increase the attraction level of the European regions and cities.[12]

The small and medium-sized companies encourage the other sectors as a spillover effect. They make the tendency to co-operate stronger, assist in the change for the knowledge-based society. They make the necessity of the life-long learning a prior condition.

The cultural and creative industrial sector is attractive mostly to the young creators. Because of this, it can have an indirect effect on the demography of the given region. This is the typical sector, where the work can be done in the flexible time frame or from home which is an unavoidable viewpoint for the younger generation.

[12] Green paper

3.3. SWOT analysis

<table>
<tr><th colspan="2">Regional/ SWOT analysis of Komló</th></tr>
<tr><th>Strengths</th><th>Weaknesses</th></tr>
<tr><td>In Komló, the proportion of those companies which operate in industry is high (21-22%)

There is an existing, well-functioning creative industrial cluster in the region

There are relevant middle and high level of educational opportunities in the region which is related to the creative industry (cultural, music and art departments, architecture, so on. – e.g., Music and Visual Art Faculty, University of Pécs)

It is typical in the region to have a large-scale, vivid cultural community, which is open to the culture, with numerous and diverse artistic society

There are strong artisan industrial traditions within the region (Zsolnay, gloves- leather industrial culture, etc.)

There are a varied supply of cultural festivals and programs in the region

Design Week of Pécs is an introductory and promotional platform

Operating, regional self-developing program, employment programs

„KoHó" social, creative co-working workplace

Support of becoming an entrepreneur (e.g., brownfield tender in Komló – business/entrepreneurship center)

Widespread co-operating partnership exercise with the coordination of PBKIK - participation</td><td>In Komló, the proportion of people with higher level of education is substantially lower than the national average

In Komló, the number of companies per 1000 people is lower than the regional and the national level

Low proportion of people with university or college degree in Komló

In Komló, the proportion of people with higher level education or high school diploma is increasing within the unemployment subgroup.

High marketing and advertising needs of the creative industrial products

Weak economic background in the region, low paying capacity of the local habitats</td></tr>
<tr><th>Opportunities</th><th>Threats</th></tr>
<tr><td>The proportion of females is increasing in Komló

Komló is the fifth biggest city in the region

Typically, small-sized companies (1-9 people) however there is a tendency for growth in the subgroup of companies with 20-49 people

Forming an operating, incubation workshop, platform</td><td>Fragmented town structure

Decreasing population which fall is higher than the national average.

The age distribution shifts more than the national average

Negative natural growth and migration balance</td></tr>
</table>

Introduction to mentor programs Encouragement, support for becoming an entrepreneur In Komló, active civil organizations – high ratio comparing to the size of the city In Komló, active communities operate in the areas related to the creative industry; there are many bottom-up civil initiations. In Komló, strong industrial presence, which creates connection opportunities for creative groups The number of part-time individual companies is increasing in the region. There is a diversified enterprise structure in the area; every industry is present. In Komló, local value repertory operates	The intense competition of creative industrial products, short duration, high risk, high failure rate Stalled initiations at the first level in case of the absence of infrastructure, equipment, and financial resources.