

# New report provides further evidence of link between trade and jobs

Brussels, 27 November 2018

The European Commission today published a report entitled, "EU exports to the world: effects on employment and income".

The report covers the period from 2000 to 2017 – the latest figures available.

## **Key points**

- EU exports to the world are more important than ever, supporting 36 million jobs in the EU. 13.7 million of these workers are women.
- Export-related jobs are, on average, 12% better paid than other jobs in the rest of the economy. The export wage premium ranges from 10% to 18%, depending on the workers' skill level and occupational profile.
- European workers from all Member States benefit from EU exports. These job opportunities emerge not only because exporting firms are expanding sales outside the EU but also because firms supplying goods and services inputs to exporters also sustain millions of jobs upstream across the supply chains within the Single Market.
- These upstream jobs may be located in the same Member State or elsewhere in the EU. On average, almost one fifth of the jobs supported by extra-EU exports are facilitated by the EU Single Market.
- With the expansion of global value chains, EU exports support more and more jobs not only in the EU but also in our trading partners. Almost 20 million jobs beyond the EU are supported by EU exports, thanks to EU firms participating in global supply chains.

## **Main findings**

### **More and more jobs in the EU depend on exports to the rest of the world**

- Between 2000 and 2017, EU jobs supported by exports to the rest of the world increased by 66% to reach 36 million. This is 14.3 million additional jobs supported by exports compared to 2000.
- EU Exports of goods and services to the world support nearly 14 million jobs for women in the EU.
- The share of EU employment supported by sales of goods and services to the rest of the world over total employment increased from 10.1% in 2000 to 15.3% in 2017. This means that one in seven EU jobs are supported either directly or indirectly by extra-EU exports.

- The manufacturing sector still supports the majority of jobs linked to exports (54%) across the EU.
- The machinery and transport equipment industry support 10.4 million jobs, followed by non-metallic and basic metals industry with 2.9 million, and the chemicals sector with almost 2 million jobs.
- The direct contribution of services exports has increased from 38% to 42% compared to 2000. However, when accounting for the significant and increasing share of services inputs in manufacturing exports, the EU services sectors are behind the majority of employment supported by extra-EU exports: for the EU as a whole, 61% of the total EU jobs supported directly and indirectly by exports are located in the services sector.

### **Export-related jobs are better paid**

- On average the EU export-related jobs are better paid than the jobs in the rest of the economy, which reflects the higher productivity of exporting firms.
- The data for 2014 showed that this compensation premium benefits the export-supported jobs across the full spectrum of skills: 15% for low-skilled jobs, 10% for medium-skilled jobs and 18% for high-skilled jobs.

### **The number of jobs supported by exports has been increasing in all Member States**

- The Member States with the strongest increases in relative terms between 2000 and 2017 were Bulgaria (312%), Slovakia (213%), Portugal (172%), Lithuania (153%), Ireland (147%), Estonia (147%) and Latvia (138%).
- In absolute levels, in 2017 Germany exports to the rest of the world supported the largest number of jobs across the EU (8.4 million), followed by the United Kingdom (4.2 million jobs), France (3.4 million jobs) and Italy (3.2 million jobs).

### **Exports from one Member State help support jobs and increase competitiveness in other member states**

- On average, 82% of the employment supported by extra-EU exports was in the Member State that ultimately exported to the rest of the world, while the remaining 18% of the jobs were in other Member States from where inputs to produce the exports were purchased. In Czechia, Hungary, Malta and Slovakia more than 30% of the employment supported by EU exports was due to other Member States exports.
- As the EU's biggest exporter, German exports to the rest of the world supported around 6.8 million jobs in Germany but also 1.6 million jobs in other Member States: more than 270,000 jobs in Poland, nearly 160,000 in Italy, 155,000 in the Netherlands, more than 150,000 in Czechia and 140,000 France.
- French exports to the rest of the world were the second most important

driver of cross-country export-driven employment links, accounting for around 627,000 jobs in other EU Member States.

### **EU exports sustain an increasing number of jobs beyond European borders**

- Our exports to the rest of the world support almost 20 million jobs outside the EU (up by 9 million from 2000)
- For example, more than 1 million jobs in the United States are supported thanks to US goods and services that are incorporated into EU exports through global supply chains.
- EU exports to the world also support many jobs in developing countries.

### **For More Information**

[Interactive map](#) (28 country factsheets and 1 EU factsheet): how many jobs are supported by exports in your country?

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