

Exporting to the world: EU regions and trade



Exporting to the world: EU regions and trade explores the **impact of international exports on regional employment and production of goods and services across the EU**. The report outlines worldwide trends in international trade and global value chains as well as briefly discusses the impact of COVID-19. It reviews how exports contribute to the growth of the EU economy, provides detailed analysis reflecting the diversity of EU regions and puts forward a number of recommendations for action at local, national and EU level.

International trade drives EU prosperity



36 million jobs
in the EU are supported
by exports outside
the EU.



1 in 7 jobs
in the EU depends
on exports to countries
outside the EU.



Exports were a key
engine of **economic
growth for all Member
States** over the last
20 years.



Global value chains
are the main vehicle
for EU exports.



*Production process in which different stages
are located across different countries.*

Source: European Commission, OECD.

The study examines the impact of national exports on regional employment and output

Methodology



Total value of goods and services produced in an industry of an economic entity such as a country, region, etc.

The research aims to assess **how exports support employment and economic activity** at local level in the EU. However, the lack of data on exports of goods and services from EU regions is a major challenge. In order to overcome this, the study uses the **input-output methodology**. It relies on a combination of national exports data and regional industry data to derive the impact at regional level. The analysis was undertaken for **209 regions**. In the case of smaller Member States (Estonia, Cyprus, Latvia, Luxembourg and Malta), the whole country was covered as one region.

Key findings

1

Exports add regional jobs and output



When national exports grow by **1%**, regional output and employment increase by **0.9%**.

Regional output and employment impact

	Total regional output impact of trade	Direct regional output impact of trade	Indirect regional output impact of trade	Total regional employment impact of trade	Direct regional employment impact of trade	Indirect regional employment impact of trade
Mean – all regions	0.9%	0.7%	0.2%	0.9%	0.7%	0.2%
Median – all regions	0.7%	0.5%	0.2%	0.8%	0.6%	0.2%
Maximum – all regions	4.8%	3.6%	1.2%	5.3%	4.0%	1.3%
Minimum – all regions	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%

Source: LE Europe calculations.

2

Every region benefits from exports

What drives strong export-led economic performance?

- A **strong manufacturing industry** invariably leads to stronger regional economic performance. It is, however, not the only cause.
- The share of employment in **high-tech and knowledge-intensive industries** and the **education level** of the labour force are important determinants of the strength of foreign demand in a region.
- Strong **regional innovation systems**, a capacity to bring innovations to market by economic actors and business flexibility to adopt new technologies are important contributors to a region's competitiveness.
- Good **transport and communications infrastructures** and economic stability are necessary conditions for a region to make the most of the opportunities offered by the global economy.

The study features case studies which explore the regional impact of exports in more granular detail



1. Área Metropolitana de Lisboa, Portugal
2. Comunidad de Madrid, Spain
3. Etelä-Suomi, Finland
4. Hungary
5. Kontinentalna Hrvatska, Croatia
6. Nord-Vest, Romania
7. Poland
8. Southern Ireland, Ireland
9. Stuttgart, Germany
10. Vzhodna Slovenija, Slovenia
11. West-Vlaanderen, Belgium
12. Bretagne, France

A series of company examples also complement the analysis

They showcase the relationship between multinational companies and local businesses across Europe, highlighting the indirect impact of exports.

