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Section

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## EU jobs associated with trade with the UK

You asked for an update of figures previously produced by the Library showing the number of EU jobs associated with exports to the EU. These were included in an earlier version of the Library's note, In brief: UK-EU economic relations.

Estimates of the number of jobs associated with trade with particular partners are highly controversial both in the method used to calculate them and in terms of how they should be interpreted.

It is important to be aware that there are methodological issues with the estimates in the table below. They should therefore be used with caution. The estimate of 3.5 million jobs in the UK associated with exports to the EU quoted in answers to Parliamentary Questions is based on the amount of UK *value added* in UK exports. This methodology has been described by the BBC as "a bit suspect."<sup>1</sup> The methodology used in the table below is less good than that used to produce the 3.5 million figure. The trade figures used are compiled on a gross basis rather than a value added basis. This means they do not take account of any imported goods used to produce the exports. The implication of this is that the estimates in the table are likely to overestimate the number of jobs associated with exports to the EU. This may well be why the estimate for UK jobs associated with trade with the EU in the table (3.9 million) is higher than the 3.5 million referred to in PQ answers.

Second, at best these figures can be described as EU jobs associated with exports to the UK. This is not the same as the number of jobs which would be lost if the UK left the EU as some level of trade would continue to take place between the EU and the UK in the event of Brexit.

Subject to the caveats above, these very rough estimates show that there were around 5.5 million jobs in the EU associated with exports to the UK in 2014. This is 3.1% of employment in the 27 other members of the EU. Using the same methodology for the UK gives a figure of 3.9 million UK jobs associated with exports to the EU. This is a much higher percentage of UK employment (12.6%).

There is considerable variation in the importance of the UK as an export market between the other EU member states. Exports to the UK were equivalent to 11% of GDP in Ireland but only 1.2% in Croatia. Besides Ireland, exports to the UK were over 5% of GDP in five other countries: Belgium, Cyprus, Luxembourg, Malta and the Netherlands. Exports to the UK were below 2% of GDP in eight countries (Austria, Bulgaria, Croatia, Estonia, Finland, Italy, Romania and Slovenia).

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<sup>1</sup> [Reality check: More than 3 million jobs linked to EU membership?](#) BBC website 23 February 2016

## EU jobs associated with exports to the UK, 2014

	Exports to UK £ million	GDP £ million	Exports to UK as % of GDP	Employment Thousands	Employment pro rata with exports to UK as share of GDP Thousands
Austria	4,151	265,326	1.6%	4,113	64
Belgium	24,144	322,813	7.5%	4,544	340
Bulgaria	659	34,446	1.9%	2,981	57
Croatia	400	34,663	1.2%	1,566	18
Cyprus	1,068	14,015	7.6%	363	28
Czech Republic	5,203	124,679	4.2%	4,974	208
Denmark	5,811	209,960	2.8%	2,714	75
Estonia	239	16,085	1.5%	625	9
Finland	2,956	165,392	1.8%	2,447	44
France	37,048	1,718,193	2.2%	25,802	556
Germany	70,579	2,349,247	3.0%	39,871	1,198
Greece	2,859	143,066	2.0%	3,536	71
Hungary	2,955	83,989	3.5%	4,101	144
Ireland	17,099	152,321	11.2%	1,914	215
Italy	21,633	1,298,754	1.7%	22,279	371
Latvia	791	19,000	4.2%	885	37
Lithuania	1,122	29,365	3.8%	1,319	50
Luxembourg	1,982	39,399	5.0%	246	12
Malta	550	6,514	8.4%	182	15
Netherlands	36,065	534,018	6.8%	8,236	556
Poland	9,425	331,033	2.8%	15,862	452
Portugal	4,209	139,752	3.0%	4,500	136
Romania	1,812	121,046	1.5%	8,614	129
Slovakia	2,169	60,882	3.6%	2,363	84
Slovenia	390	30,057	1.3%	917	12
Spain	26,087	838,901	3.1%	17,344	539
Sweden	9,220	346,984	2.7%	4,772	127
<b>Total EU</b>	<b>290,626</b>	<b>9,429,897</b>	<b>3.1%</b>	<b>187,068</b>	<b>5,547</b>
<b>UK (a)</b>	<b>228,893</b>	<b>1,816,370</b>	<b>12.6%</b>	<b>30,642</b>	<b>3,861</b>

Sources: ONS Pink Book 2015, Table 9.3 (exports), Eurostat (GDP and employment)

Note: (a) UK figure shows jobs associated with exports to the EU using same methodology

Compared to the figures for 2011, the number of EU jobs associated with exports to the UK has increased from 5.0 million to 5.5 million. This is because EU exports to the UK have increased by 10% in cash terms over this period. By contrast, the number of UK jobs associated with exports to the EU has fallen from 4.5 million to 3.9 million as UK exports to the EU have fallen by 5% in cash terms between 2011 and 2014.