

Quarterly Review of Employment and Social Developments in Europe (ESDE) – July 2025

Employment exposure to exports to the US



The Employment and Social Developments Quarterly Review provides an in-depth analysis of recent labour market and social developments. It is prepared in the Directorate “Employment and Social Governance, Analysis” of the Directorate-General for Employment, Social Affairs and Inclusion by the Analysis and Statistics Unit. The main contributors for part I are Rafael Martins Resende and Marieke Delanghe. The main contributors for part II are Eva Schoenwald and Lorise Moreau.

A wide range of information sources were used to produce this report, including Eurostat statistics (from <https://ec.europa.eu/eurostat/> unless otherwise stated), reports and survey data from the Commission’s Directorate-General for Economic and Financial Affairs as well as EU-LFS scientific use files.

Charts and tables in part I are based on the latest available data as of 02/07/2025 and include among others Eurostat data on national accounts (employment and GDP) and the Labour Force Survey for the first quarter of 2025, and monthly unemployment for May 2025.

Additional data and charts are available at:

https://ec.europa.eu/employment_social/employment_analysis/quarterly/quarterly_updated_charts.xlsx

More reports are available on the employment and social analysis portal:

<http://ec.europa.eu/social/main.jsp?catId=113&langId=en>

Please send comments and questions to: EMPL-STATISTICAL-TEAM@ec.europa.eu

LEGAL NOTICE

Manuscript completed in July 2025

Neither the European Commission nor any person acting on behalf of the European Commission is responsible for the use that might be made of the following information. More information on the European Union is available on the Internet (<http://www.europa.eu>).

Luxembourg: Publications Office of the European Union, 2025

PDF ISBN 978-92-68-29248-8 ISSN 1977-8317 doi: 10.2767/7895850 KE-01-25-191-EN-N

© European Union, 2025

Reuse is authorised provided the source is acknowledged. The reuse policy of European Commission documents is regulated by Decision 2011/833/EU (OJ L 330, 14.12.2011, p. 39). For any use or reproduction of photos or other material that is not under the EU copyright, permission must be sought directly from the copyright holders.

Table of Contents

Introduction.....	5
Main economic and social developments	5
1. Macroeconomic outlook	5
2. Employment.....	6
3. Unemployment.....	7
4. Additional developments in the labour force and labour demand	8
5. Income and financial situation of households.....	9
Thematic focus: Employment exposure to US exports: a regional analysis.....	10
1. Introduction.....	10
2. Capturing export dependent employment.....	10
3. Employment exposure by sector	12
4. Employment exposure by region.....	14
5. Conclusion.....	16
Appendix.....	17
References.....	18

List of Charts

Main economic and social developments

Chart 1: Real GDP growth – EU, euro area and US.....	6
Chart 2: Employment rate by population group – EU	7
Chart 3: Unemployment rate, youth unemployment rate and unemployment expectations – EU.....	8
Chart 4: Job vacancy rate – EU, euro area and Member States.....	9
Chart 5: Real GDP growth, real GDHI growth and its main components.....	9
Chart 6: Reported financial distress by income quartile – EU, 2012-2024.....	10

Thematic focus:

Chart 7: Employment supported by exports to the US and other export dependent employment.....	11
Chart 8: Share of jobs dependent on exports to the US of goods and services, 2022.....	12
Chart 9: Sector-specific employment supported by exports to the US.....	13
Chart 10: Job exposure to EU goods exports to the US by manufacturing sector, EU, 2022.....	14
Chart 11: Regional employment exposure to goods exports to the US located in the manufacturing sector, weighted by total regional employment, 2024.....	15
Chart 12: Regional employment exposure to goods exports to the US located in the machinery and equipment (left) and pharmaceutical (right) sectors, weighted by total regional employment.....	15

Introduction

In the first quarter of 2025, the EU's real GDP grew by 0.6% quarter-on-quarter and 1.6% year-on-year, and inflation slowed down to 2.4% in April from 2.8% in January. For the rest of the year, GDP growth is projected to stabilise at 1.1%, while inflation is expected to decline to 2.1%.

In the labour market, employment remains higher than at the start of 2024, but its growth slowed to 0.4% year-on-year in Q1 2025. Despite this, the employment rate reached a new historical high of 76.1%. The unemployment remained close to its record low, at 5.9%, with youth unemployment recovering from a slight increase at the beginning of the year. At the same time, labour market participation increased but labour shortages persisted, with high but gradually decreasing job vacancy rates.

Gross Disposable Household Income (GDHI) accelerated significantly by the end of last year, led by employee compensation. Although high for low-income households, financial distress and the reliance on savings and debt have stabilised, following downward trends since Q2 2023.

The thematic part of this review focuses on the exposure of EU employment to trade with the US in the context of increased trade uncertainty. Over 5 million people work in jobs dependent on exports to the US, accounting for more than 2% of total EU employment. This review assesses the sectoral and regional exposure of EU labour markets to exports to the US. Manufacturing jobs account for a large share of US export dependent jobs. There are large differences in the degree of trade exposure of different sectors but also regional labour markets, highlighting the need to consider regional aspects of current trade patterns.

Main economic and social developments

1. Macroeconomic outlook

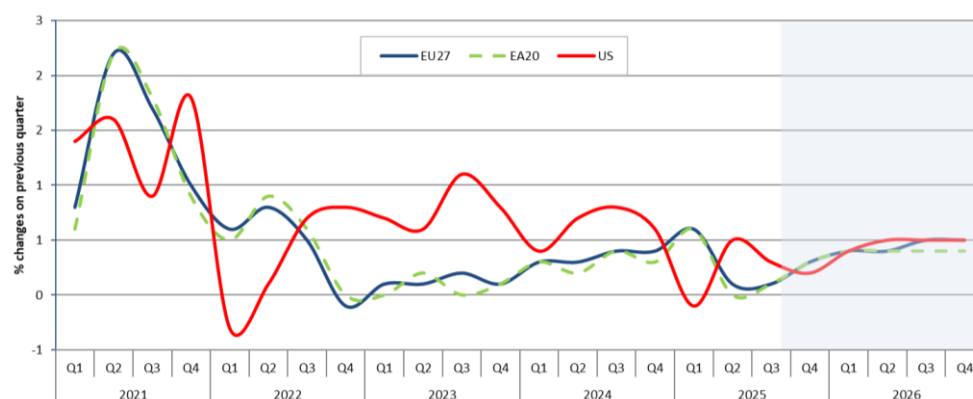
In the first quarter of 2025, real GDP continued to grow at a moderate pace. Economic expansion was 0.6% quarter-on-quarter, and 1.6% year-on-year. This moderate growth was accompanied by a lower-than-expected EU investment due to high financing costs and high uncertainty, according to the European Commission's Spring Economic Forecast¹. On a quarterly basis, the EU economic growth was lower than China's (1.2%)² but higher than the one in the US and Japan, where growth rates were -0.1% and 0.0%, respectively. On a yearly basis, EU GDP growth was also below that of China (5.4%), as well as the US and Japanese growth rates (at 2.1% and 1.7%, respectively). Simultaneously, June 2025 saw a decrease in the EU Economic Sentiment Indicator (-1.0 pp to 94.0), driven by reduced confidence in the industry sector (-1.1), and more moderately by retail trade (-0.5). While confidence in construction continued to rise (+0.7), confidence in services (+0.2) and among consumers (-0.3) remained relatively stable.

Growth projections in 2025 indicate a relatively stable trend despite trade uncertainties. The European Commission's Spring Economic Forecast estimates EU GDP growth at 1.1%, which is lower than the 1.5% expected in the Autumn Forecast 2024. This downward revision reflects primarily uncertainty from changes in US trade policy, and geopolitical risks. For 2026, economic growth is anticipated to increase to 1.5%, driven by sustained consumer spending and a recovery in investment.

¹ ECFIN Spring Economic Forecast 2025

² GDP growth rates for China have been extracted from the National Bureau of Statistics of China, https://www.stats.gov.cn/english/PressRelease/202410/t20241025_1957137.html

Chart 1: Real GDP growth – EU, euro area and US



Source: Eurostat, National Accounts, seasonally and calendar adjusted data [namq_10_gdp, naidq_10_gdp]. European Commission Spring forecast.

Notes: Forecast from 2025 Q2 onwards in the shaded area.

Inflation is projected to decline more rapidly than previously anticipated, driven by disinflationary forces. The latter stem from lower energy commodity prices and competitive pressures on non-energy industrial goods, influenced by changes in global trade. At the same time, the strengthening of the euro and other EU currencies is also playing a significant role in driving disinflationary pressures. These forces are partially offset by rising food and services prices. Consequently, the euro area headline inflation, which averaged 2.4% in 2024, is expected to meet the ECB's target of 2.0% by mid-2025 and further decrease to 1.7% in 2026. For the EU, inflation has progressively declined from 2.8% in January to 2.4% in April 2025³, and is projected to reach 2.1% in 2025 and 1.9% in 2026, continuing its downward trajectory from 6.4% in 2023 and 2.6% in 2024.⁴

2. Employment

Employment continues to grow on a year-on-year basis in the first quarter of 2025. The number of employed individuals in the EU rose to 218.1 million, up from the 217.3 million registered in the first quarter of 2024. This represents a 0.4% increase year-on-year, slowing down from the 0.8% and 0.6% increases in Q3 and Q4 of 2024. Workers grew in services, wholesale and construction but declined in agriculture and industry.

The employment rate for people aged 20 to 64 increased even further, reaching 76.1%, up by 0.1 pp from the previous quarter and by 0.5 pp from Q1 2024. This brings the EU close to its 78.0% target by 2030, with five countries already meeting or surpassing their national targets.⁵ Older workers (55–64) experienced a rise in employment rates, increasing by 0.4% quarter-on-quarter and 1.4% year-on-year, reaching 66.1%. Meanwhile, the employment rate for women (20–64) increased by 0.2 pp to 71.2%, compared to a 0.1 pp rise in the employment rate for men. This difference slightly narrowed the gender employment gap to 9.8 pp, as the men's employment rate edged up to 81.0%. Finally, after a minor recovery between Q3 and Q4 of 2024 (0.1 pp), the employment rate for low-educated workers aged 25 to 54 declined by 0.6 pp, in the first quarter, bringing the rate to 63.6%. At the same time, part-time and temporary workers remained constant at 17.1% and 9.9% of total workers, respectively.⁶

Total hours worked and average hours worked per person decreased but productivity keeps rising. Contrary to the trend of the second half of 2024, hours worked (in total and in average) decreased in Q1 2025, possibly reflecting the reaction to trade uncertainty with firms adjusting working hours. Yet, productivity⁷ continued the positive trend registered in the last two quarters of 2024, reflecting the economic rebound, and grew at 1.1%. This surpassed the 0.5% and 0.9% increases in Q3 and Q4 2024, as well as increases of 0.5%

³ Eurostat, HICP - monthly data (annual rate of change) (prc_hicp_manr)

⁴ Eurostat, HICP - inflation rate (prc_hicp_auid)

⁵ Employment levels are derived from national accounts (namq_10_pe), not seasonally adjusted. Employment rates are based on the Labour Force Survey (lfsi_emp_q), seasonally adjusted. The trend of rates differs from the headcount employment due to the seasonal adjustment. The Netherlands, Czechia, Ireland, Cyprus, and Slovakia reached their national targets in Q1 2025, three countries less than in the previous quarter, as Denmark, Estonia, and Poland fell below their target.

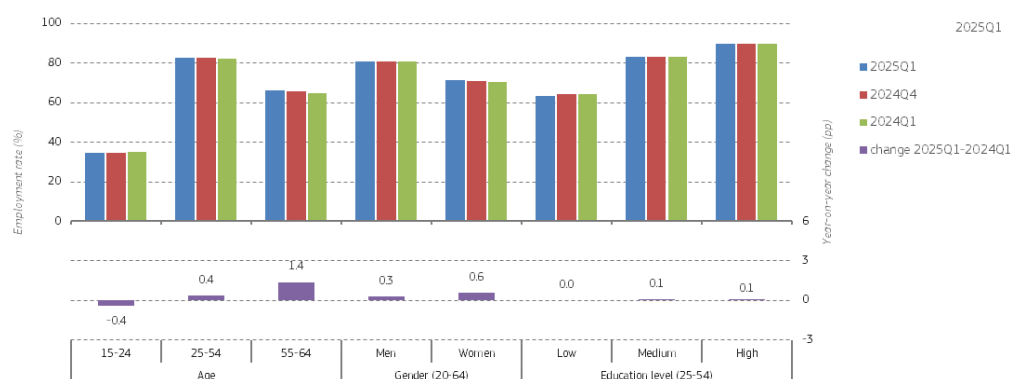
⁶ Eurostat, Part-time employment and temporary contracts - quarterly data (lfsi_pt_q). Age class from 20 to 64 years old.

⁷ Measured as GDP in constant prices per employed person.

and 0.9% in the US and Japan in Q1 2025. Changes in labour productivity varied across Member States in 2024, with significant rebounds particularly in non-euro area countries. According to the Spring Economic Forecast, for the rest of the year, productivity gains and a moderation in growth of real compensation per employees are expected to ease the increase in real unit labour costs to 0.6% in 2025, against the 1.7% and 0.8% increases in 2024 and Q1 2025, respectively.

As employment growth projections stabilise amid a deceleration, employers' expectations remained broadly unchanged. As of May 2025, the forecasted employment growth for 2025 and 2026 was 0.5% for both years, corresponding for 2025 to a 0.3 pp decrease from 2024. Such a slowdown is consistent with recent trends towards a stabilising employment growth. Meanwhile, after 3 months of decline, managers' employment expectations, measured by the Employment Expectations Indicator, remained at 97.5 in June 2025 (still below the long-term average and pre-pandemic levels), with decreases in industry and retail employment plans being balanced by increases in the construction and services sectors.

Chart 2: Employment rate by population group – EU



Source: Eurostat, LFS [lfsi_educ_q]. Data seasonally adjusted.

Notes: Age groups are indicated between parentheses for gender and educational level groups. Education levels represent ISCED levels of educational attainment: low stands for ISCED 0-2, medium for ISCED 3-4 and high for ISCED 5-8.

3. Unemployment

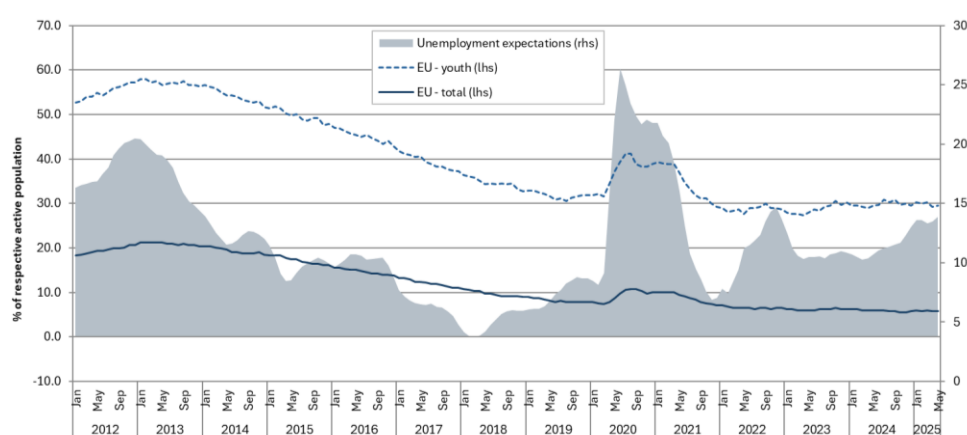
In May 2025, the EU unemployment rate remained at 5.9% as in the previous month, a rate that is only slightly higher (by 0.1 pp) than the record low registered in October and November of 2024 (Chart 3).⁸ Although the unemployment rate projections for 2025 and 2026 are 5.9% and 5.7%, respectively, the unemployment expectations⁹ bounced back in April 2025 after dipping in March, returning to their increasing trend and hitting a new record high of 27.0 in May, (+8.5 pp y-on-y). The gender unemployment gap remained stable at 0.4 pp (6.1% for women and 5.7% for men), the long-term unemployment slightly increased (0.1 pp) to 1.9% compared Q4 2024, and the very long-term unemployment remained at 1.0% for the third consecutive quarter. Finally, youth unemployment i.e. of people aged less than 25 fell below 15.0% in April (14.7%) and May (14.8%) after being above this rate in early 2025.

The percentage of NEETs remained broadly unchanged, although there were notable disparities between countries and significant annual fluctuations in certain member-states. In Q1 2025, 11.2% of young people (15-29) were not in employment, education, or training, marking a slight 0.1 pp increase both q-o-q and y-o-y, despite an overall decreasing trend since before the COVID-19 pandemic. In terms of rates by country, there were marked differences across Member States in Q1 2025. The Netherlands had the lowest rate (5.4%), whereas Romania had the highest (20.2%) followed by Italy (14.8%). Additionally, Luxembourg, Cyprus, and Lithuania saw significant improvements in the NEET rate of at least 2 pp over the year, contrasting with Austria and Latvia that experienced deteriorations by a least the same margin. Quarterly trends may hide differences between NEETs participating and non-participating in the labour force. In 2024, the 11.1% of NEETs were composed of 4.2% who were unemployed and 6.9% who were outside the labour force.

⁸ The EU unemployment record low of 5.7% that had been registered in February 2025 was revised to 5.9%.

⁹ Unemployment expectations correspond to consumers' expectations for unemployment in the country over next 12 months. The right scale of Chart 3 is the balance between the share of respondents who expect higher unemployment and those who expect a lower one.

Chart 3: Unemployment rate, youth unemployment rate and unemployment expectations – EU



Source: Eurostat, series on unemployment [une_rt_m]; Business and Consumer Surveys [ei_bscs_m]. Seasonally adjusted data.

4. Additional developments in the labour force and labour demand

The EU labour market participation increased for both men and women in Q1 2025, reaching 75.6% (+0.3 y-o-y and q-o-q), with a slight decrease of people available but not seeking for a job (from 2.7% to 2.6%).

The labour market remains tight, with reducing but high job vacancy rates. The labour market slack indicator¹⁰ in Q1 2025 was 11.7% of the extended labour force, increasing by 0.1 pp q-o-q and 0.2 pp y-o-y. At the same time, the job vacancy rate – used as a proxy for labour shortages – while still high, kept its downward trend reaching 2.2%, declining by 0.1 pp q-o-q and 0.4 pp y-o-y (Chart 4). The rate is particularly high in administrative and support services (3.7%), followed by accommodation and food services (3.3%) and professional, scientific, and technical activities (3.1%). On the contrary, mining and quarrying (0.6%), and water supply sectors (1.4%) are performing relatively better. At the same time, fewer managers in services (22.3%) and industry (17.4%) cite labour as a production constraint¹¹, a decrease of 1.9 pp q-o-q and 4.4 pp y-o-y in services, and 0.2 pp q-o-q and 3.7 pp y-o-y in industry.

Labor hoarding saw a slight decline for the second consecutive month, edging down by 0.2 pp to 10.2%, while remaining above its long-term average of 9.7%.¹² At times of expected output declines, fewer companies opted to retain their employees, somehow reducing labour hoarding, particularly in the services sector.¹³ However, labour hoarding experienced a bounce back in industry and retail sectors. With decreasing vacancy rates, a reduction in labour hoarding suggests either a slowdown in the easing of the market or a potential tightening.

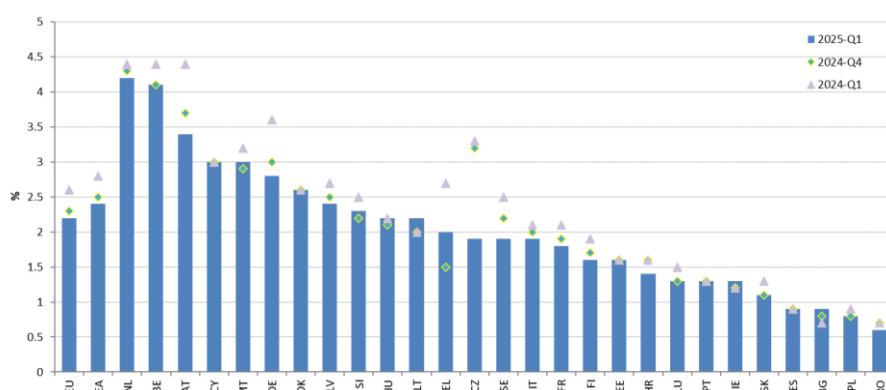
¹⁰ This indicator measures the whole potential demand for employment. As it includes people outside the labour force ('people who are available to work but are not looking for work' and 'people who are looking for work but are not available for work'), it is computed as share of the extended labour force, which incorporates them and the labour force itself (unemployed and employed). More methodological details can be found at: https://ec.europa.eu/eurostat/databrowser/view/lfsi_sla_q/default/table?lang=en.

¹¹ Indicator published as part of the EU Business and Consumer Surveys.

¹² The *Labour Market and Wage Developments in Europe (2024)* explores the factors behind the coexistence of high labour shortages and significant labour hoarding.

¹³ Indicator published as part of the EU Business and Consumer Surveys. It reflects the share of firms which expect their output to decrease, but their employment to increase or remain unchanged.

Chart 4: Job vacancy rate – EU, euro area and Member States



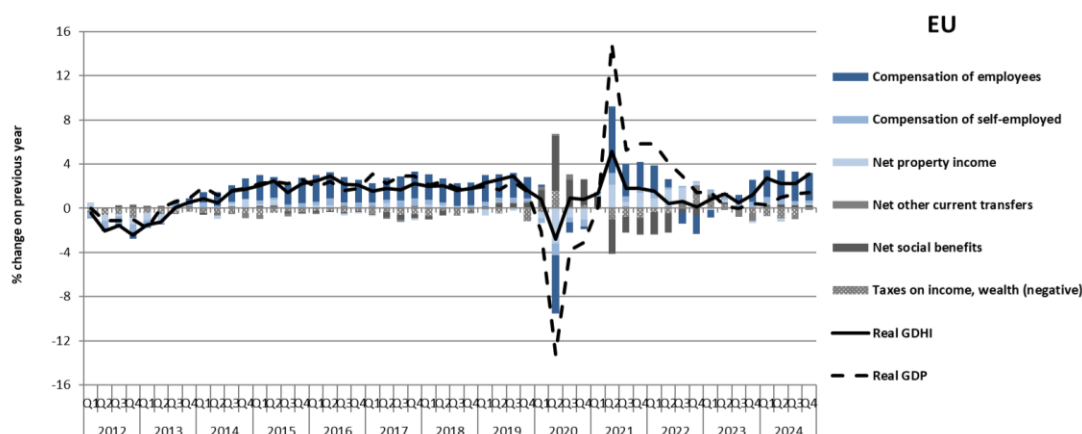
Source: Eurostat, Job Vacancy Statistics [jvs_q_nace2]. Seasonally adjusted data

Notes: Job vacancy rate = vacancies / (vacancies + occupied posts); NACE rev2 B-S Industry, construction, and services (except activities of households as employers and extra-territorial organisations and bodies) for all Member States except DK (NACE rev 2 B-N Business economy); Firm size > 10 for FR.

5. Income and financial situation of households

Gross Disposable Household Income (GDHI) grew at a faster pace at the end of last year, led by compensation of employees and income developments in non-euro area countries. Real GDHI rose by 3.1% year-on-year, compared to the 2.3% y-o-y increase in Q3 and outpaced real GDP growth (1.4% in Q4 y-o-y). Similarly to previous quarters, GDHI growth was mainly driven by real compensation of employees and, to a lesser extent, by real compensation of self-employed. Such growth was largely supported by a robust labour market and recovery in real wages in a context of robust nominal wage growth and lower inflation. This allowed the recovery of about half of the loss in purchasing power resulted from high inflation¹⁴.

Chart 5: Real GDP growth, real GDHI growth and its main components



Source: Eurostat, National Accounts, unadjusted data [namq_10_gdp, nasq_10_nf_tr] (DG EMPL calculations)

Note: The nominal GDHI is converted into real GDHI by deflating with the deflator (price index) of household final consumption expenditure. Compensation of self-employed = Operating surplus and mixed income, gross (na_item = B2A3G).

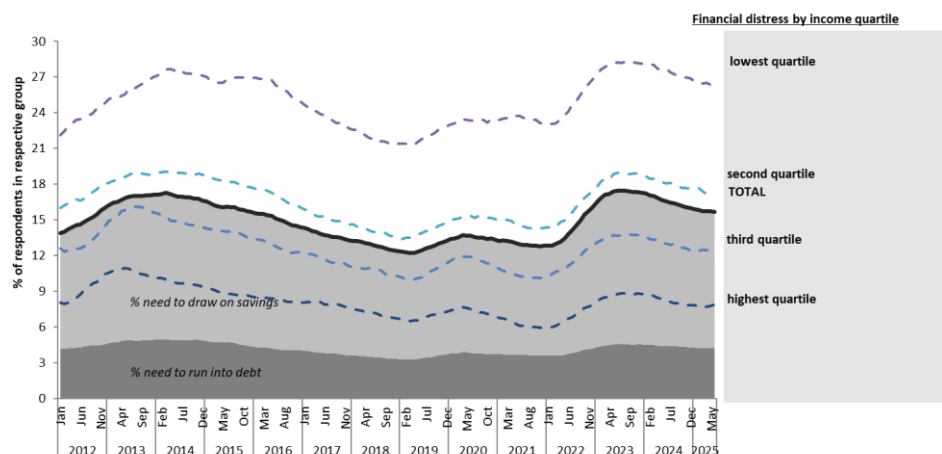
Financial distress¹⁵, reliance on savings, and resorting to debt have remained unchanged. By March 2025, the proportion of households experiencing financial distress settled at 15.7%, down from a peak of 17.5% in August 2023. Although the level of financial distress decreases for the lowest income quartile by 0.2 pp from the previous month and by 1.4 pp since June 2024 it remains high at 26.3% (Chart 6). Between June

¹⁴ European Commission Autumn Economic Forecast 2024 ; European Commission (2024), Labour market and wage developments in Europe, Publications Office of the European Union, <https://data.europa.eu/doi/10.2767/888580>

¹⁵ Defined as the perceived need to draw on savings or to run into debt to cover current expenditures, moving average over 12 months. For details on Business and Consumer Surveys, including consumer survey's question on the current financial situation of households, see https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/business-and-consumer-surveys_en

2024 and June 2025¹⁶, the financial distress reported by the lowest income quartile increased in nine countries and decreased in seven¹⁷. Finally, the proportion of individuals drawing on their savings has stabilised at 11.5% from March 2025, and the percentage of individuals incurring debt has remained stable at 4.2% since January 2025 (Chart 6).

Chart 6: Reported financial distress by income quartile – EU, 2012-2024



Source: European Commission, Business and Consumer Surveys. 12-months moving average (DG EMPL calculations).

Note: Lines show the long-term averages for financial distress for the population as a whole and for households in the four income quartiles. The overall share of adults reporting having to draw on savings and having to run into debt are shown respectively by the light grey and dark grey areas, which together represent total financial distress.

Thematic focus: Employment exposure to US exports: a regional analysis

1. Introduction

In recent months, the international trade landscape has become increasingly volatile, marked by geopolitical tensions, protectionist policies, and shifting economic alliances. For the EU, one of its most significant trade relationships—that with the United States—has experienced growing uncertainty. At the same time, over the last years, the global macroeconomic environment has become more complex. Slowing global growth and, receding inflationary pressures have compounded the challenges faced by EU exporters. Exchange rate volatility, supply chain disruptions, and shifting consumer demand patterns further complicate the outlook. Within this context, it is important to understand trade risks and potential implications for the EU's resilience, also with respect to its labour market.

Against this background, this analysis examines the degree to which EU employment is currently dependent on trade with the US. This is done by looking at specific export sectors, also considering regional dynamics and patterns. Examining employment that is supported by EU exports to the US allows identifying employment dynamics and sectoral trade exposure to better understand how trade uncertainty and changes in trade flows may influence the EU labour market. A job supported by US exports would not necessarily be affected by a change in trade policies, as under such scenario, some exports might be diverted to other countries or to the EU Internal Market, with no impact on employment.

2. Capturing export dependent employment

Potential trade disruptions can have an impact on employment. As European economies are highly integrated into the global economy, any significant shift in trade policies is likely to have effects on exports

¹⁶ The reported changes are based on the difference between two moving averages calculated for the periods April-June 2024 and April-June 2025.

¹⁷ By order of magnitude, it increased in Poland, Finland, Belgium, the Netherlands, Slovenia, Slovakia, Portugal, Malta, and Austria, but decreased in Italy, Luxembourg, Bulgaria, Sweden, Hungary, Lithuania, and Greece.

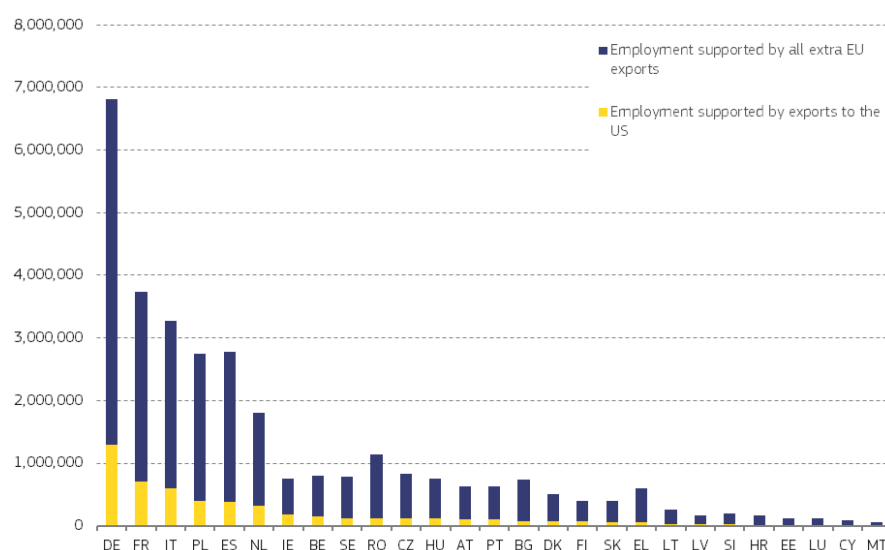
and imports, ultimately influencing business investment decisions and impacting employment levels.¹⁸ When trade flows are impeded, firms often face increased input costs and reduced market access, leading to scaled back production or delayed investment.¹⁹ This undermines business confidence and reduces incentives to hire, particularly in export-intensive sectors. Sectoral spillovers can exacerbate these effects, as weakened demand also impacts supply chains, amplifying unemployment risks even in domestically focused industries.

In 2022, around 31 million people in the EU work in jobs that depend on exports to the rest of the world, and over 5 million people work in jobs dependent on exports of goods and services to the US. The European Commission's Macroeconomic Globalisation Indicators²⁰ use an input-output framework to compute the domestic employment in exports. Using the employment intensity, they can provide an indication of the number of jobs per sector and country that are dependent on exports outside the EU.²¹ In 2022,²² exports to non-EU countries contributed 17.7% to gross value added and supported an estimated 14.6% of all employed persons in the EU.²³ Considering exports to the US specifically, these supported approximately 5.18 million jobs (2.4% of total EU employment), or currently 16.6% of all export-oriented employment (Chart 7).

A deterioration in the EU US trade relationship could lead to trade diversion of EU exports, limiting the impacts on the labour market. In such a scenario, some of these jobs could still be supported by exports, but to other countries. In addition, some of these exports could also be redirected to the EU Internal Market. Yet, assessing the extent to which a trade reduction with the US would result in trade diversion and more generally would impact EU employment requires a model-based analysis and is beyond the scope of this study.²⁴ The analysis below focuses solely on the exposure of EU employment to trade, independent of potential effects of trade flows and related implications on employment.

Chart 7: Employment supported by exports to the US and other export dependent employment

Domestic employment supported by exports to non-EU countries, in number of persons, by Member State, 2022.



Source: Figaro tables and DG EMPL own calculations.

Note: 2022 data as the latest year available.

The number of jobs dependent on exports of goods and services to the US varies by Member State.

As illustrated in Chart 7, the highest number of such jobs are located in Germany (1.3 million), followed by

¹⁸ The European Commission (2025) European Economic Spring Forecast explores the macroeconomic effect of US tariff hikes further in its special topic section.

¹⁹ European Central Bank (2025).

²⁰ For more information, see Eurostat (2024): Macroeconomic globalisation indicators based on FIGARO.

²¹ Note that this does not cover indirect dependencies, i.e. exports going to a third country which then uses these goods and services as intermediate inputs to exports to the US for final consumption.

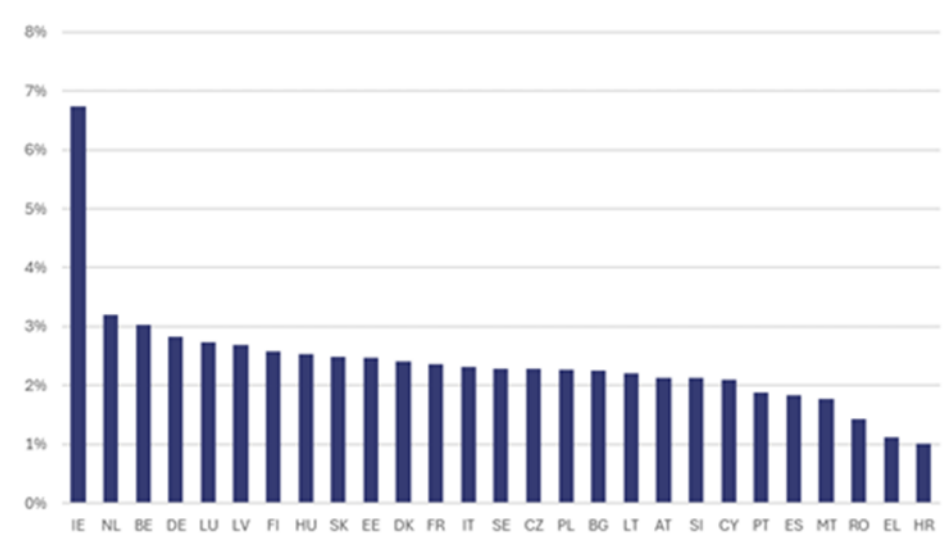
²² Latest year with available data.

²³ Source: FIGARO data - Eurostat [naio_10_fgde] and [naio_10_fgdee].

²⁴ The macroeconomic effects including employment of different scenarios of US tariff hikes are explored further in European Commission (2025).

France (708,000), Italy (592,000) and Poland (398,000). Relative to total employment, the Member States with the largest share of jobs dependent on exports of goods and services to the US are Ireland²⁵ (6.7%), the Netherlands (3.2%), Belgium (3.0%) and Germany (2.8%) (Chart 8). These figures incorporate intra-EU linkages across the value chain, i.e. manufacturing of intermediates in one Member State that are then used to produce final goods and services in another Member States to be exported outside the EU.

Chart 8: Share of jobs dependent on exports to the US of goods and services, 2022



Source: DG EMPL calculations based on national accounts data and FIGARO tables

Note: Includes most recent FIGARO data (2022).

3. *Employment exposure by sector*

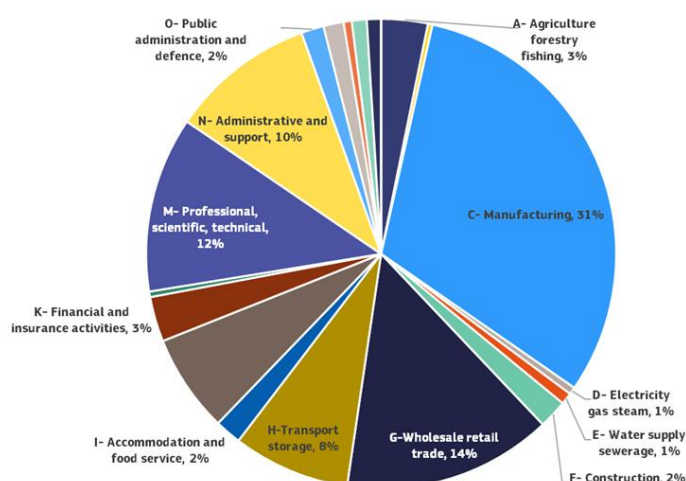
Almost a third of the jobs dependent on exports to the US are located in manufacturing. In 2022, 1.61 million jobs – 31% of all US export dependent jobs – were in the manufacturing sector. Wholesale and retail trade make up 14% of all US export dependent employment, followed by services in the professional, scientific and technical activities sector (12%) and administrative and support services activities (10%). (Chart 9). Given the large share of manufacturing jobs and recent tariff announcements focusing exclusively on good exports, this analysis covers manufacturing jobs dependent on exports of goods to the US.²⁶

²⁵ Ireland is a headquarter location for many multinational companies, which may affect the figures, if a substantial share of employment, accounted as domestic, is not physically located in this country.

²⁶ A broad grouping into goods is used here, including NACE sectors A to G. The vast majority of manufacturing jobs dependent on US exports (1.54 million jobs), are supported by exports of goods and wholesale and retail trade, as opposed to exports of services.

Chart 9: Sector-specific employment supported by exports to the US

Domestic employment sectoral supported by all US exports, as a percentage of all US export dependent jobs, 2022



Source: Figaro tables and DG EMPL own calculations.

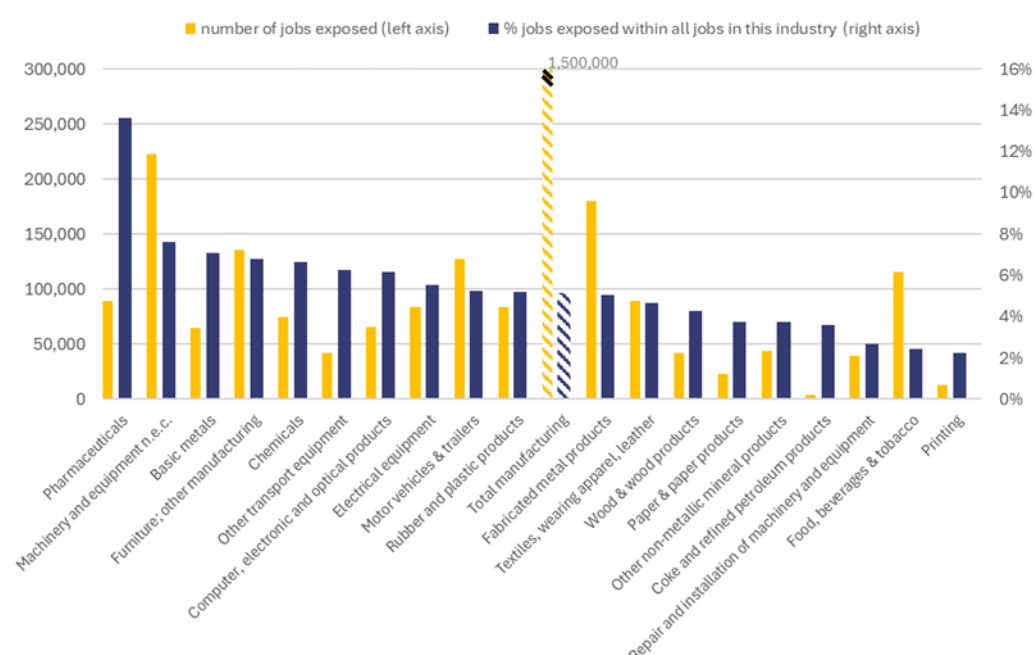
Note: Figures show industries in which the jobs are located, which are not necessarily within the sector which exports to the US.

A substantial share of employment in the manufacturing sector is dependent on exports to the US, a pattern particularly evident in countries such as Ireland. To understand the importance of exports for domestic employment within a specific industry, the number of jobs supported by exports to the US can be put in relation to the total employment in this industry. In 2022, 5.1% of all manufacturing jobs were dependent on US exports of goods, corresponding to 1.54 million. There are large variations in the degree to which Member States' manufacturing sectors are reliant on US exports, ranging from 0.6% in Cyprus to a maximum of 22.5% in Ireland.²⁷

Considering all manufacturing sectors, the largest exposure to US goods exports is in machinery and equipment (in absolute terms) and in the pharmaceutical sector (relative to total jobs in the same sector). Manufacturing of machinery and equipment employs more than 220,000 people through jobs supported by goods exports to the US, followed by fabricated metal products (around 180,000), furniture and other manufacturing (135,000) and manufacturing of motor vehicles and trailers (127,000). Considering the share of jobs dependent on US goods exports within a specific sector relative to total sector employment, the pharmaceutical sector is the most exposed with almost 14% of all jobs in the industry supported by US goods exports. This is followed by high employment exposure in manufacturing and equipment (7.6%) and basic metals manufacturing (7.1%), which includes aluminium and steel production – goods already subject to tariffs. (Chart 10).

²⁷ Ireland is a headquarter location for many multinational companies, which may affect the figures, if a substantial share of employment, accounted as domestic, is not physically located in this country.

Chart 10: Job exposure to EU goods exports to the US by manufacturing sector, EU, 2022



Source: DG EMPL calculations based on national accounts data and FIGARO tables

Note: Only includes jobs supported by exports of goods and wholesale and retail trade, i.e. NACE sectors A-G.

4. Employment exposure by region

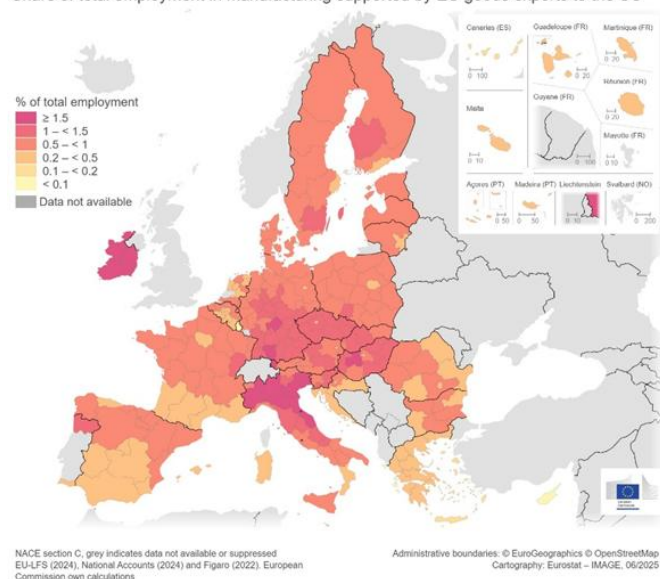
Some regional labour markets are more exposed than others. To assess the degree of US trade exposure of regional labour markets, the analysis below uses Labour Force Survey data at the NUTS 2 regional level to capture those EU regions with a higher share of jobs directly dependent on exports of goods to the US. This is estimated in two steps. First, the share of jobs in a sector over total regional jobs is calculated for each region. Then, to capture how many of these jobs are dependent on exports to the US, the national share of jobs within the same sector that are dependent on exports to the US is used, based on data from Eurostat FIGARO input-output tables.²⁸ This yields an approximation of the sector-specific jobs dependent on exports to the US, where the percentage of jobs in an industry is assumed to be the same at national and regional levels, due to the lack of more granular regional data. The map below shows the share of manufacturing jobs dependent on US exports over total jobs in each region. Variations across regions are large, with exposures ranging between 0.04% to 3.1% depending on the region. Regions in Ireland and Northern Italy are particularly exposed, accounting for 7 of the 10 most exposed regions. In Italy, the regions most exposed are those where manufacturing jobs make up over 20% of total employment in the region. For Ireland, manufacturing jobs make up a smaller part of total employment, but the high share of jobs within the sector which are dependent on US exports leads to high overall exposure. Individual regions in Hungary and Germany, who also have a strong manufacturing presence, are also particularly exposed. (Chart 11).

²⁸ See Eurostat (2024) and more available information [here](#).

Chart 11: Regional employment exposure to goods exports to the US located in the manufacturing sector, weighted by total regional employment, 2024

Manufacturing

Share of total employment in manufacturing supported by EU goods exports to the US



Source: DG EMPL calculations based on LFS and FIGARO tables

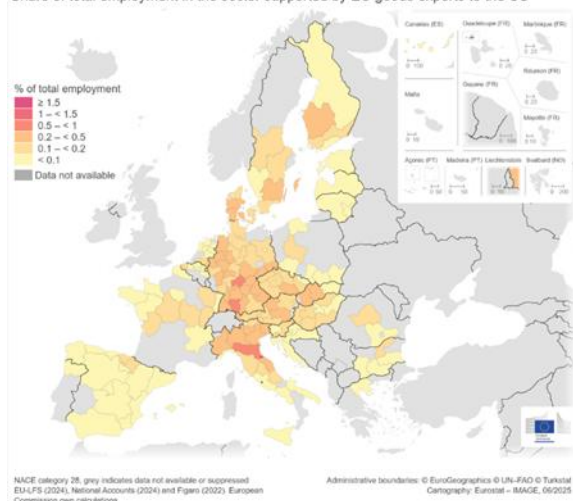
Note: Only includes jobs supported by exports of goods and wholesale and retail trade, i.e. NACE sectors A-G. FIGARO data is from 2022, while LFS uses 2024

Looking at various sectors within manufacturing, patterns at the regional level differ. For manufacturing of machinery and equipment, regions with high exposure are concentrated in Germany, Northern Italy and Slovakia (Chart 12), which tend to be regions with high employment in the sector in countries with high trade intensity in the specific sector. In the pharmaceutical sector, regions particularly exposed are concentrated primarily in Ireland and Denmark (Chart 12). Furniture manufacturing is more exposed in regions of Lithuania, Poland and Italy (Chart A1), while jobs in manufacturing of motor vehicles and trailers account for a relatively larger share of employment in regions in Germany, Slovakia and Hungary (Chart A2).

Chart 12: Regional employment exposure to goods exports to the US located in the machinery and equipment (left) and pharmaceutical (right) sectors, weighted by total regional employment

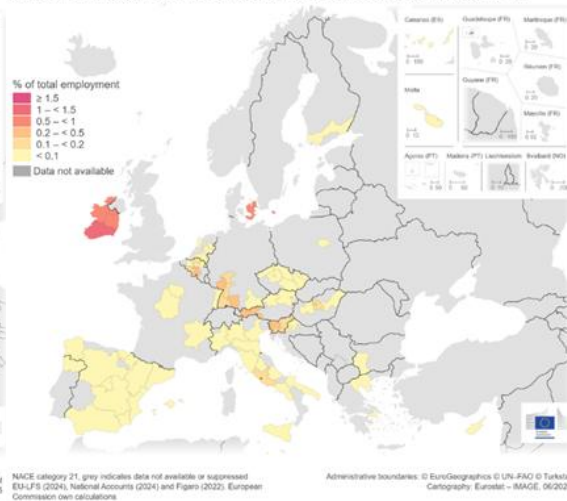
Manufacturing of machinery and equipment

Share of total employment in the sector supported by EU goods exports to the US



Manufacturing of basic pharmaceutical products and preparations

Share of total employment in the sector supported by EU goods exports to the US



Source: DG EMPL calculations based on LFS and FIGARO tables

Note: Only includes jobs supported by exports of goods and wholesale and retail trade, i.e. NACE sectors A-G. FIGARO data is from 2022, while LFS uses 2024.

5. Conclusion

A significant share of EU employment is dependent on exports to the rest of the world. In 2022, 14% of all jobs in the EU are estimated to be supported by exports to non-EU countries. Exports to the US support approximately 5.18 million jobs, or 2.4% of total EU employment. A potential deterioration of EU US trade relations would not necessarily affect these exports, as trade diversion to the internal market or to other countries could unfold.

Manufacturing jobs account for the largest share of jobs supported by exports to the US, almost a third of US export-dependent jobs. Relative to total jobs in the sector, 5.1% of all manufacturing jobs are dependent on goods exports to the US. Within manufacturing, sectors with particularly high exposure to US trade are the pharmaceutical sector and manufacturing of machinery and equipment, suggesting higher vulnerabilities in the context of trade uncertainty.

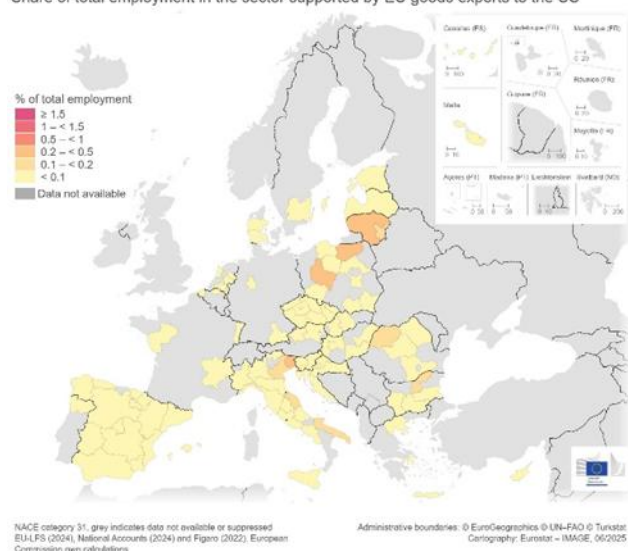
Large differences in the exposure of regional labour markets to US trade exist, underscoring the importance of regional analysis. Considering manufacturing jobs, regions in Ireland, Northern Italy, Germany and Slovakia display high exposure to trade and potential trade fluctuations with the US. The share of manufacturing jobs dependent on goods exports to the US relative to total regional employment ranges between 0.04% and 3.06% of total regional employment, highlighting the need to analyse and enhance resilience of EU labour markets in the face of current trade patterns.

Appendix

Chart A1: Regional employment exposure to goods exports to the US located in manufacturing of furniture, weighted by total regional employment

Manufacturing of furniture

Share of total employment in the sector supported by EU goods exports to the US



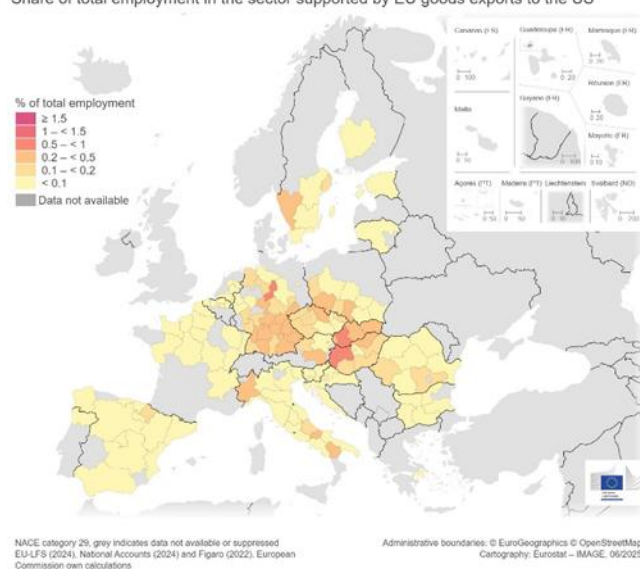
Source: DG EMPL calculations based on LFS and FIGARO tables

Note: Only includes jobs supported by exports of goods and wholesale and retail trade, i.e. NACE sectors A-G. FIGARO data is from 2022, while LFS uses 2024.

Chart A2: Regional employment exposure to goods exports to the US located in manufacturing of motor vehicles and trailers, weighted by total regional employment

Manufacturing of motor vehicles and trailers

Share of total employment in the sector supported by EU goods exports to the US



Source: DG EMPL calculations based on LFS and FIGARO tables

Note: Only includes jobs supported by exports of goods and wholesale and retail trade, i.e. NACE sectors A-G. FIGARO data is from 2022, while LFS uses 2024.

References

European Central Bank (2025): Financial Stability Review – Risks to euro area financial stability from trade tensions, May 2025. Available at : <https://www.ecb.europa.eu/press/financial-stability-publications/fsr/html/ecb.fsr202505~0cde5244f6.en.html#toc3>

European Commission (2025): European Economic Forecast – Spring 2025. Institutional Paper 318, May 2025. Available at: [European Economic Forecast. Spring 2025](#).

Eurostat (2024): Macroeconomic globalisation indicators based on FIGARO – Insights into the measurement of value added and employment in the EU, 2024 edition. Luxembourg: Publications Office of the European Union, 2024. Available at: [121d6f41-b669-22b2-cf9c-c1efc8731e9c](#)

GETTING IN TOUCH WITH THE EU

In person

All over the European Union there are hundreds of Europe Direct information centres. You can find the address of the centre nearest you at: https://europa.eu/european-union/contact_en

On the phone or by email

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696 or
- by email via: https://europa.eu/european-union/contact_en

FINDING INFORMATION ABOUT THE EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: https://europa.eu/european-union/index_en

EU publications

You can download or order free and priced EU publications at: <https://publications.europa.eu/en/publications>. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see https://europa.eu/european-union/contact_en).

EU law and related documents

For access to legal information from the EU, including all EU law since 1952 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

Open data from the EU

The EU Open Data Portal (<http://data.europa.eu/euodp/en>) provides access to datasets from the EU. Data can be downloaded and reused for free, for both commercial and non-commercial purposes.

