

International Business: a European Perspective

1. Europe in the Global Economy



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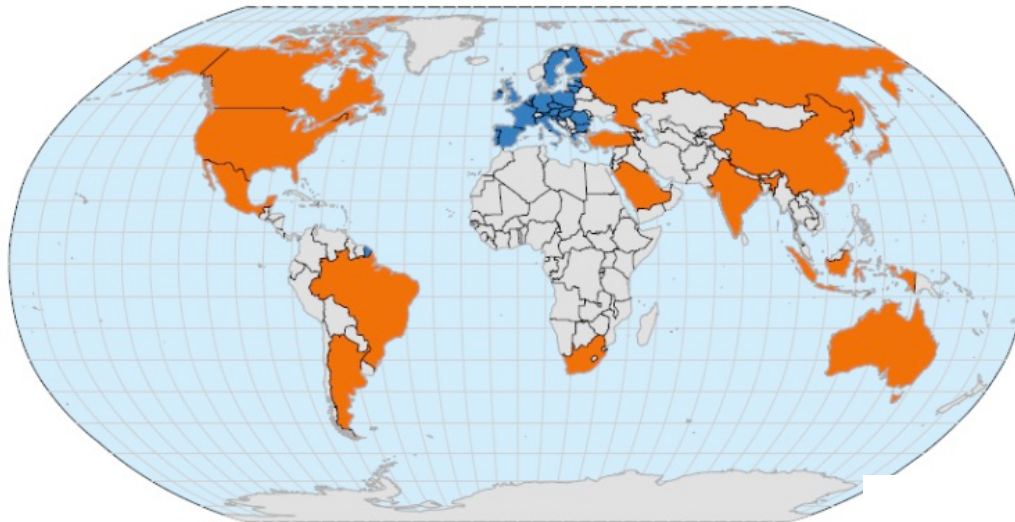


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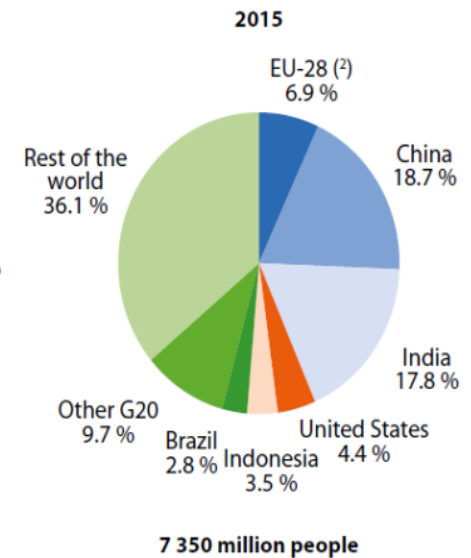
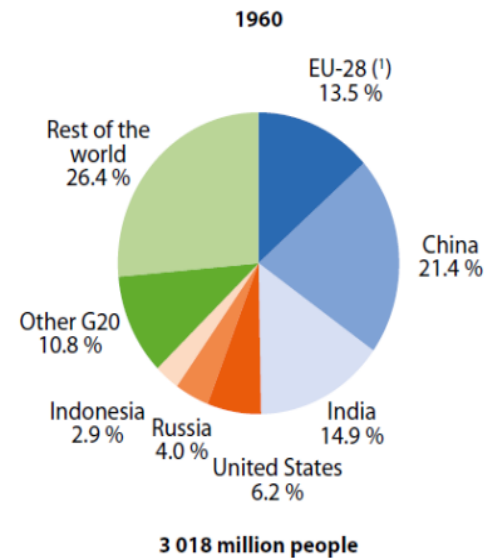
- European Union (EU-28) in the Global Economy
 - Population, GDP and growth.
- International Trade
 - Goods/merchandise
 - Services
- Foreign Direct Investment.

EU-28 in the World

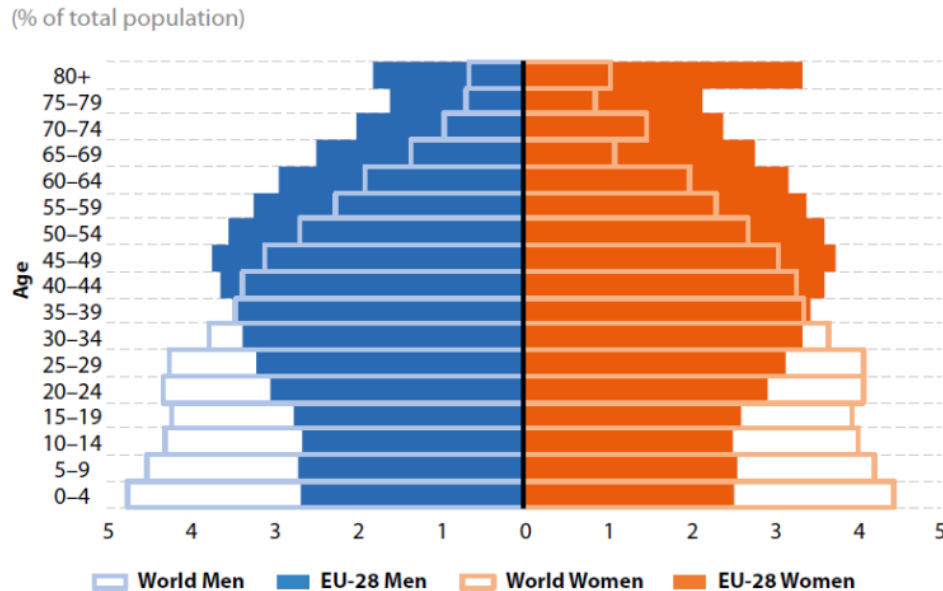


■ EU-28 ■ 15 non-EU G20 member countries

Administrative boundaries: © EuroGeographics © UN-FAO
Cartography: Eurostat — GISCO, 05/2016

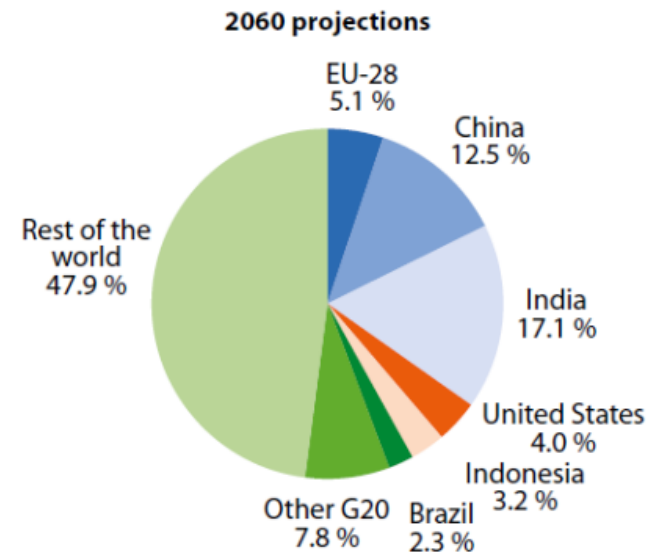


The EU-28 in the world (population 2060)



Note: EU-28: Provisional estimates.

Source: Eurostat (online data code: [demo_pjangroup](#)) and the World Bank (Health Nutrition and Population Statistics)



10 184 million people

Note: Projections for EU-28 on the basis of main convergence scenario, for non-EU G20 member projections on the basis of medium fertility variant, 2015–2100.

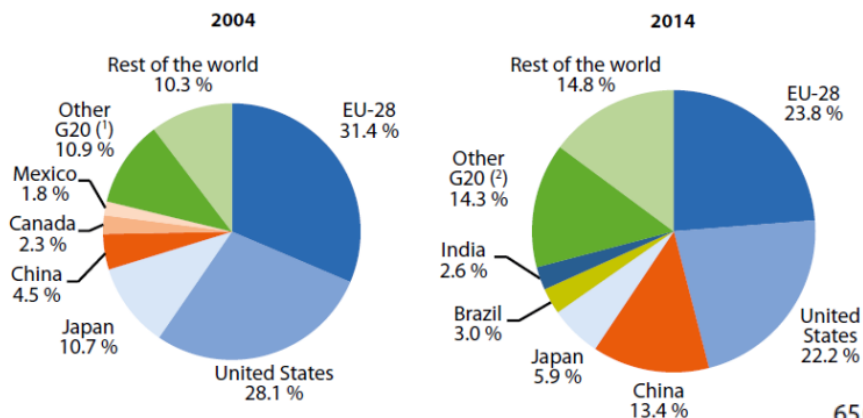
(†) 1960 population excluding French overseas departments and territories.

(‡) Provisional estimates. Break in the series.

Source: Eurostat (online data codes: [demo_gind](#) and [proj_13npms](#)), United Nations Population Division, Department of Economic and Social Affairs (World Population Prospects: the 2015 Revision)

1. Europe in the Global Economy

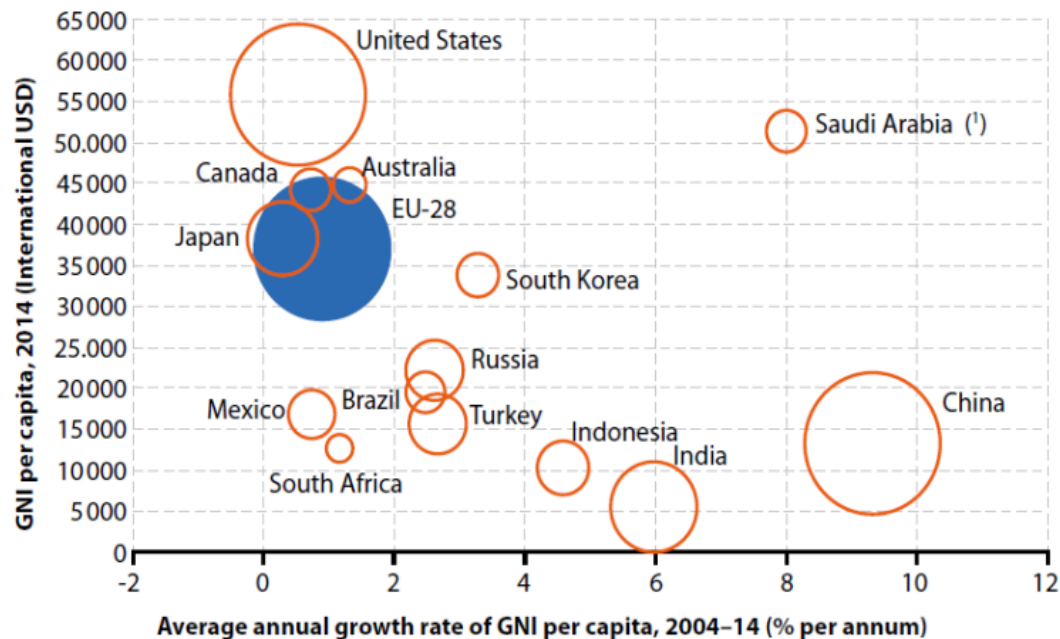
EU in the World Economy: GDP, GNI per capita and growth 2004-2014



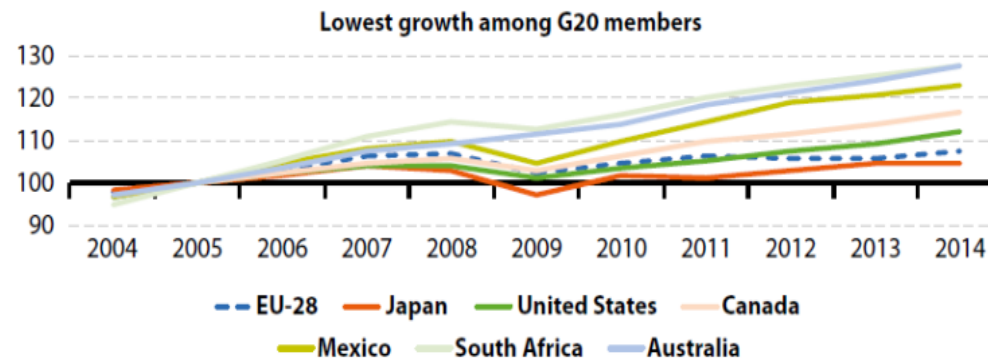
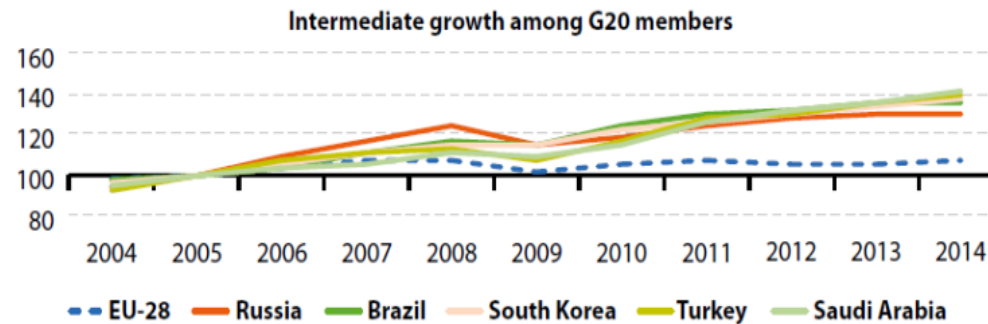
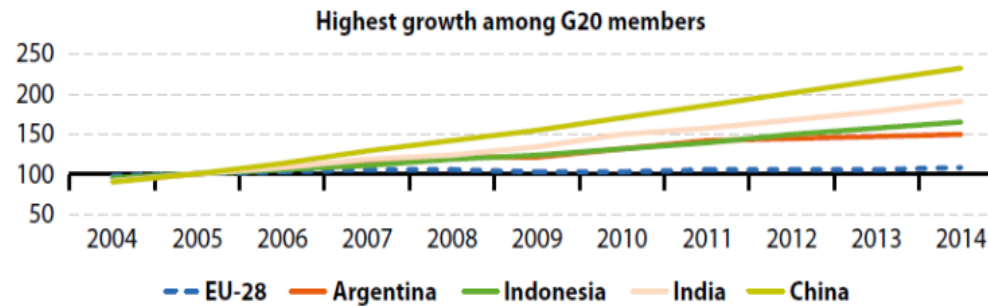
(¹) Argentina, Australia, Brazil, India, Indonesia, Russia, Saudi Arabia, South Africa, South Korea and Turkey.

(²) Argentina, Australia, Canada, Indonesia, Mexico, Russia, Saudi Arabia, South Africa, South Korea and Turkey.

Source: Eurostat (online data code: nama_10_gdp) and the United Nations Statistics Division (National Accounts Main Aggregates Database)



GDP growth in the World 2004-2014



International Trade: Exports and GDP in the World

1870-1913-1950-2005 and EU 1960-2005-2017

World exports and world GDP, 1870-2005

(In billions of constant 1990 dollars)

Item	1870	1913	Annual Growth: 1870-1913	1950	1998	2005	Annual Growth: 1950-2005
Exports	50.3	212.4	3.4%	296	5817	8043	6.2%
GDP	1,102	2,705	2.1%	5,336	33,726	41,456	3.8%
Trade/GDP	4.6%	7.9%		5.5%	17.2%	19.4%	

Note: The last two columns are not from Maddison. The figures in the last column are derived from the International Trade Statistics 2005 and were used to calculate world exports and world GDP for 2005 (in 1990 prices).

Source: Maddison (2001), Tables B-18 and F-3 and own calculations.

	Gross domestic product at 2010 prices			Exports of goods at 2010 prices		
	1960-91	1991-2005	2005-17	1960-91	1991-2005	2005-17
European Union	3,4	2,1	1,0			
Germany	3,3	1,3	1,5	6,4	5,9	3,9
Spain	4,5	3,0	0,9	9,3	8,2	3,7
France	3,8	2,0	1,0	7,3	5,7	1,9
Italy	3,9	1,4	-0,2	7,8	4,9	2,3
Netherlands	3,4	2,7	1,3	6,6	6,4	3,7
United Kingdom	2,6	2,8	1,3	4,5	4,8	2,1
United States	3,5	3,4	1,5	6,3	5,6	3,7
Japan	6,3	1,1	0,7	6,5	5,2	2,2

International Trade: Export of goods 1948-2015

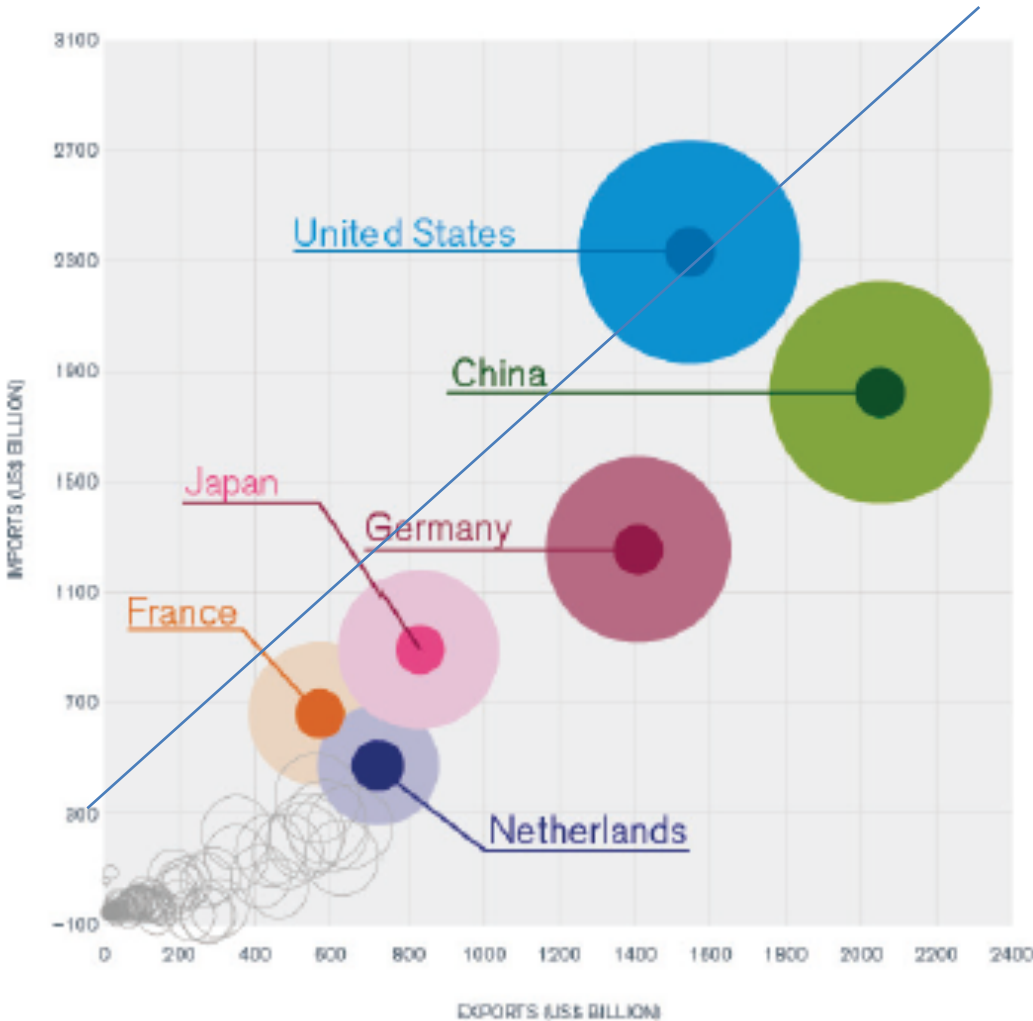
World merchandise exports by region and selected economy, 1948, 1953, 1963, 1973, 1983, 1993, 2003 and 2015								
(Billion dollars and percentage)								
	1948	1953	1963	1973	1983	1993	2003	2015
World	59	84	157	579	1838	3688	7380	15985
Share								
North America	28,1	24,8	19,9	17,3	16,8	17,9	15,8	14,4
United States	21,6	14,6	14,3	12,2	11,2	12,6	9,8	9,4
South and Central America	11,3	9,7	6,4	4,3	4,5	3,0	3,0	3,4
Europe	35,1	39,4	47,8	50,9	43,5	45,3	45,9	37,3
Germany	1,4	5,3	9,3	11,7	9,2	10,3	10,2	8,3
France	3,4	4,8	5,2	6,3	5,2	6,0	5,3	3,2
United Kingdom	11,3	9,0	7,8	5,1	5,0	4,9	4,1	2,9
Commonwealth of Independent States	2,2	3,5	4,6	3,7	5,0	1,7	2,6	3,1
Africa	7,3	6,5	5,7	4,8	4,5	2,5	2,4	2,4
Middle East	2,0	2,7	3,2	4,1	6,7	3,5	4,1	5,3
Asia	14,0	13,4	12,5	14,9	19,1	26,0	26,1	34,2
China	0,9	1,2	1,3	1,0	1,2	2,5	5,9	14,2
Japan	0,4	1,5	3,5	6,4	8,0	9,8	6,4	3,9
Six East Asian traders	3,4	3,0	2,5	3,6	5,8	9,6	9,6	9,9
Australia and New Zealand	3,7	3,2	2,4	2,1	1,4	1,4	1,2	1,4

Leading exporter and importer countries in goods 2015

(Billion dollars and percentage)

Rank	Exporters	Value	Share	Annual percentage	Rank	Importers	Value	Share	Annual percentage
1	China	2275	13,8	-3	1	United States	2308	13,8	-4
2	United States	1505	9,1	-7	2	China	1682	10,1	-14
3	Germany	1329	8,1	-11	3	Germany	1050	6,3	-13
4	Japan	625	3,8	-9	4	Japan	648	3,9	-20
5	Netherlands	567	3,4	-16	5	United Kingdom	626	3,7	-9
6	Korea, Republic of	527	3,2	-8	6	France	573	3,4	-15
7	Hong Kong, China	511	3,1	-3	7	Hong Kong, China	559	3,3	-7
	domestic exports	13	0,1	-16		retained imports	134	0,8	-11
	re-exports	498	3,0	-2					
8	France	506	3,1	-13	8	Netherlands	506	3,0	-14
9	United Kingdom	460	2,8	-9	9	Korea, Republic of	436	2,6	-17
10	Italy	459	2,8	-13	10	Canada a	436	2,6	-9
11	Canada	408	2,5	-14	11	Italy	409	2,4	-14
12	Belgium	398	2,4	-16	12	Mexico	405	2,4	-2
13	Mexico	381	2,3	-4	13	India	392	2,3	-15
14	Singapore	351	2,1	-14	14	Belgium	375	2,2	-17
	domestic exports	174	1,1	-20					
	re-exports	177	1,1	-9					
15	Russian Federation	340	2,1	-32	15	Spain	309	1,8	-14
16	Switzerland	290	1,8	-7	16	Singapore	297	1,8	-19
						retained imports	120	0,7	-30
17	Chinese Taipei	285	1,7	-11	17	Switzerland	252	1,5	-9
18	Spain	282	1,7	-13	18	Chinese Taipei	238	1,4	-16
19	India	267	1,6	-17	19	United Arab Emirates b	230	1,4	-8
20	United Arab Emirates b	265	1,6	-29	20	Australia	208	1,2	-12

Leading merchandise traders, 2012

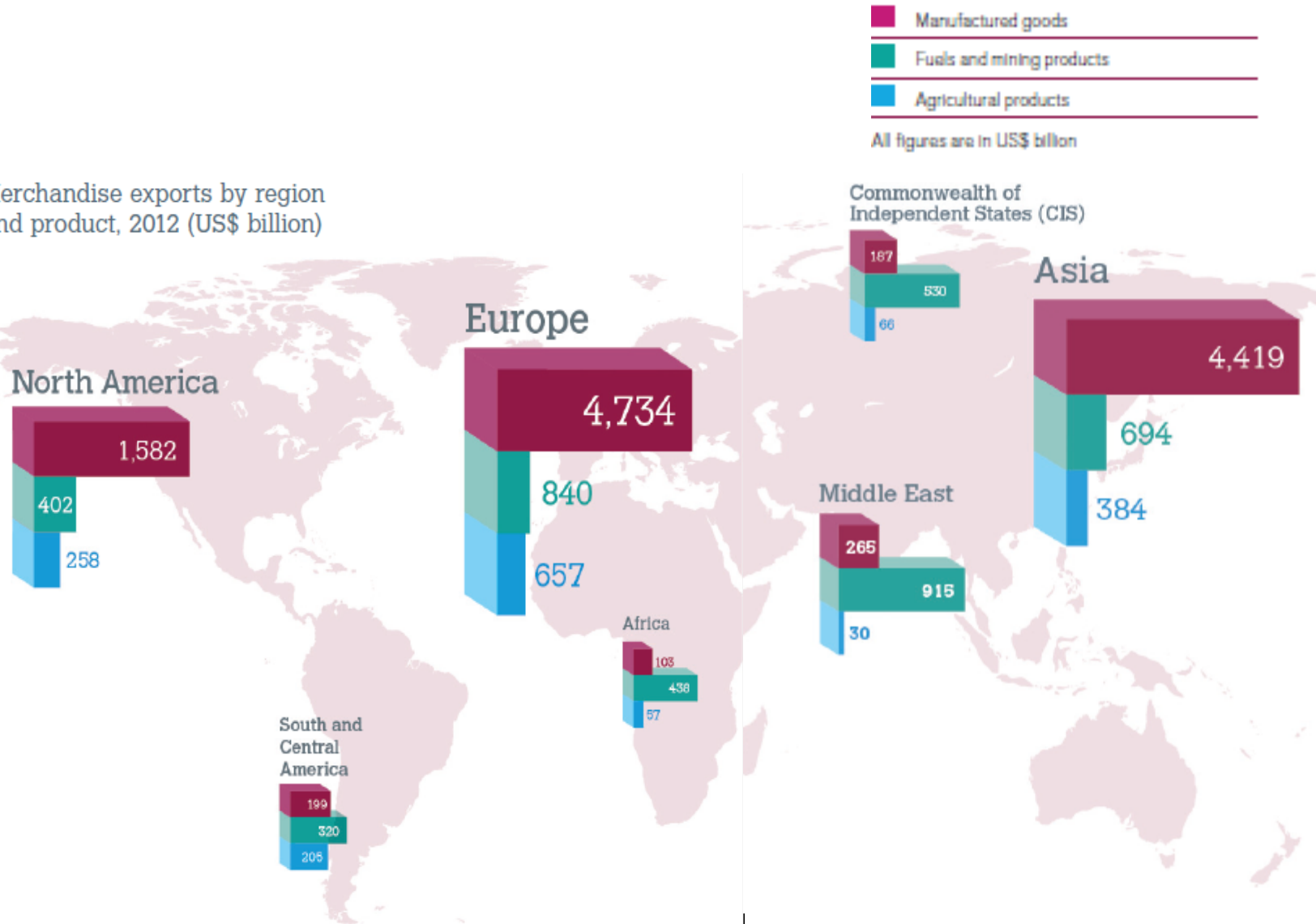


Leading exporter and importer economies in goods 2015 (excluding intra-EU28)

(Billion dollars and percentage)									
Rank	Exporters	Value	Share	Annual % change	Rank	Importers	Value	Share	Annual % change
1	China	2275	17,4	-3	1	United States	2308	17,3	-4
2	Extra-EU(28) exports	1985	15,2	-12	2	Extra-EU(28) imports	1914	14,4	-15
3	United States	1505	11,5	-7	3	China	1682	12,6	-14
4	Japan	625	4,8	-9	4	Japan	648	4,9	-20
5	Korea, Republic of	527	4,0	-8	5	Hong Kong, China	559	4,2	-7
6	Hong Kong, China	511	3,9	-3	6	Korea, Republic of	436	3,3	-17
7	Canada	408	3,1	-14	7	Canada a	436	3,3	-9
8	Mexico	381	2,9	-4	8	Mexico	405	3,0	-2
9	Singapore	351	2,7	-14	9	India	392	2,9	-15
10	Russian Federation	340	2,6	-32	10	Singapore	297	2,2	-19
11	Switzerland	290	2,2	-7	11	Switzerland	252	1,9	-9
12	Chinese Taipei	285	2,2	-11	12	Chinese Taipei	238	1,8	-16
13	India	267	2,0	-17	13	United Arab Emirates b	230	1,7	-8
14	United Arab Emirates b	265	2,0	-29	14	Australia	208	1,6	-12
15	Thailand	214	1,6	-6	15	Turkey	207	1,6	-14
16	Saudi Arabia, Kingdom o	202	1,5	-41	16	Thailand	203	1,5	-11
17	Malaysia	200	1,5	-15	17	Russian Federation a	194	1,5	-37
18	Brazil	191	1,5	-15	18	Brazil	179	1,3	-25
19	Australia	188	1,4	-22	19	Malaysia	176	1,3	-16
20	Viet Nam	162	1,2	8	20	Saudi Arabia, Kingdom o	172	1,3	-1
21	Indonesia	150	1,1	-15	21	Viet Nam	166	1,2	12
22	Turkey	144	1,1	-9	22	Indonesia	143	1,1	-20
23	Norway	105	0,8	-27	23	South Africa b	105	0,8	-14
24	South Africa	82	0,6	-10	24	Norway	76	0,6	-15
25	Qatar	77	0,6	-39	25	Philippines b	70	0,5	3

1. Europe in the Global Economy

Merchandise exports by region and product, 2012 (US\$ billion)



Leading exporter and importer economies in services 2015

(Billion dollars and percentage)

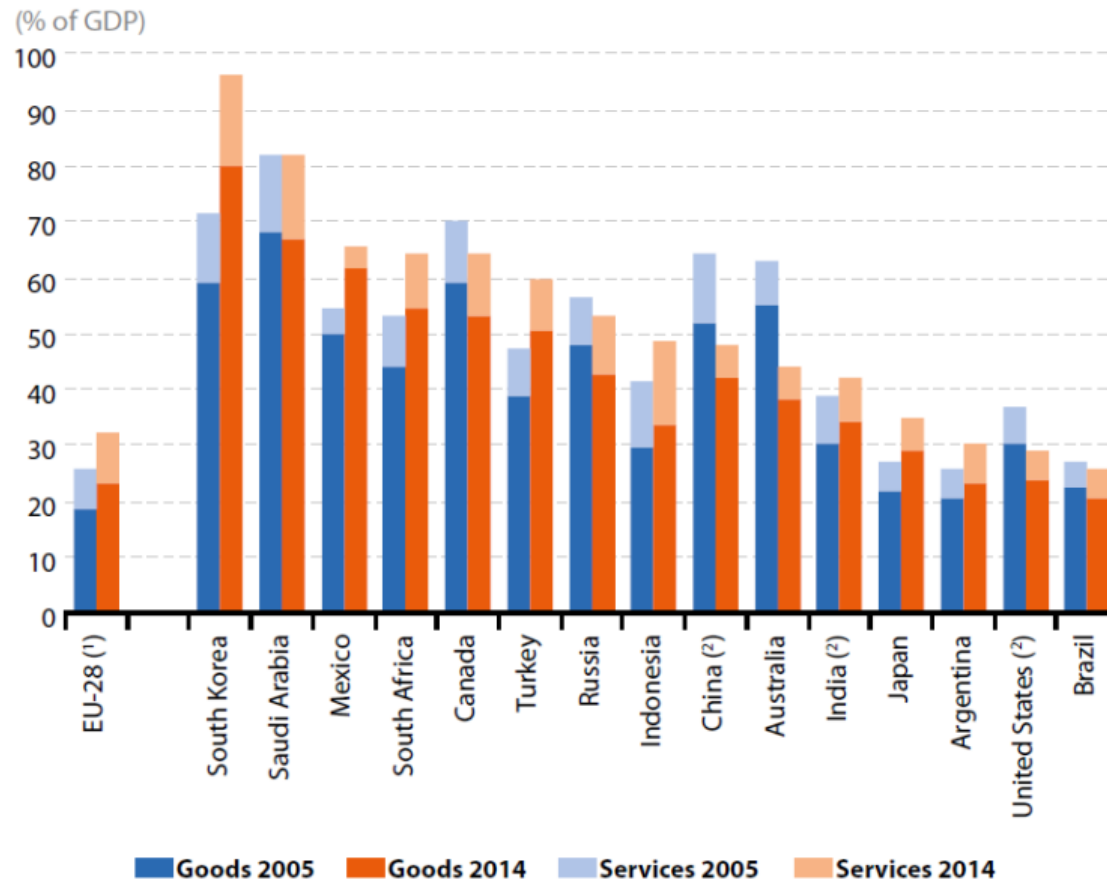
Rank	Exporters	Value	Share	Annual % change	Rank	Importers	Value	Share	Annual % change
1	United States	690	14,5	0	1	United States	469	10,2	3
2	United Kingdom	345	7,3	-5	2	China	466	10,1	3
3	China	285	6,0	2	3	Germany	289	6,3	-12
4	Germany	247	5,2	-9	4	France	228	4,9	-9
5	France	240	5,0	-13	5	United Kingdom	208	4,5	-1
6	Netherlands	178	3,7	-9	6	Japan	174	3,8	-9
7	Japan	158	3,3	0	7	Netherlands	157	3,4	-9
8	India	155	3,3	0	8	Ireland	152	3,3	4
9	Singapore	139	2,9	-7	9	Singapore	143	3,1	-8
10	Ireland	128	2,7	-5	10	India	122	2,7	-4
11	Spain	117	2,5	-11	11	Korea, Republic of	112	2,4	-2
12	Belgium	109	2,3	-10	12	Belgium	106	2,3	-10
13	Switzerland	108	2,3	-7	13	Italy	99	2,2	-13
14	Hong Kong, China	104	2,2	-2	14	Canada	95	2,1	-11
15	Italy	99	2,1	-14	15	Switzerland	92	2,0	-6
16	Korea, Republic of	97	2,0	-13	16	Russian Federation	87	1,9	-27
17	Luxembourg	95	2,0	-4	17	Hong Kong, China	74	1,6	0
18	Canada	76	1,6	-10	18	Luxembourg	72	1,6	-7
19	Sweden	71	1,5	-6	19	Brazil	69	1,5	-20
20	Denmark	61	1,3	-16	20	United Arab Emirates	66	1,4	3

Leading exporter and importer in service by countries 2015

(Billion dollars and percentage)

Rank	Exporters	Value	Share	Annual % change	Rank	Importers	Value	Share	Annual % change
1	Extra-EU (28) exports	915	24,9	-9	1	Extra-EU (28) imports	732	20,2	-7
2	United States	690	18,8	0	2	United States	469	12,9	3
3	China	285	7,8	2	3	China	466	12,9	3
4	Japan	158	4,3	0	4	Japan	174	4,8	-9
5	India	155	4,2	0	5	Singapore	143	3,9	-8
6	Singapore	139	3,8	-7	6	India	122	3,4	-4
7	Switzerland	108	2,9	-7	7	Korea, Republic of	112	3,1	-2
8	Hong Kong, China	104	2,8	-2	8	Canada	95	2,6	-11
9	Korea, Republic of	97	2,6	-13	9	Switzerland	92	2,5	-6
10	Canada	76	2,1	-10	10	Russian Federation	87	2,4	-27
11	Thailand	60	1,6	10	11	Hong Kong, China	74	2,0	0
12	Chinese Taipei	56	1,5	0	12	Brazil	69	1,9	-20
13	Russian Federation	51	1,4	-21	13	United Arab Emirates	66	1,8	3
14	Australia	48	1,3	-9	14	Saudi Arabia, Kingdom o	57	1,6	-10
15	Turkey	46	1,3	-10	15	Australia	54	1,5	-14
16	Norway	40	1,1	-18	16	Thailand	50	1,4	-5
17	Macao, China	40	1,1	-25	17	Chinese Taipei	47	1,3	4
18	Malaysia	35	0,9	-17	18	Norway	46	1,3	-18
19	Israel	34	0,9	-3	19	Malaysia	40	1,1	-12
20	Brazil	33	0,9	-16	20	Indonesia	30	0,8	-9

International Trade: Trade Intensity 2005-2014 (% of GDP)



Note: ranked on total of 'Goods 2014' and 'Services 2014'. Sum of imports and exports of goods and services of an economy, measured as debits and credits, relative to its gross domestic product (GDP). Higher values indicate higher integration within the international economy.

⁽¹⁾ Extra-EU flows only for EU-28 (trade between EU Member States not included), while flows with the rest of the world are measured for other countries.

⁽²⁾ 2013 data instead of 2014.

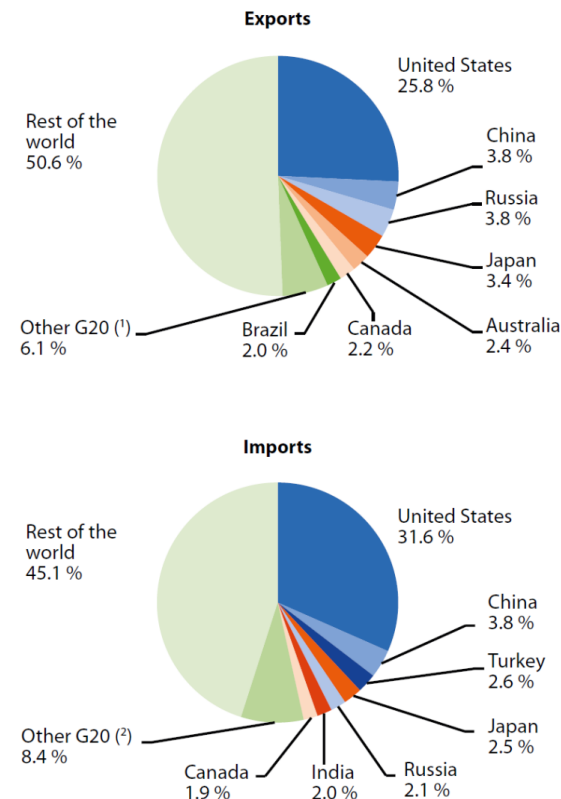
EU-28 Foreign Trade in goods by key partner 2004-2014 (Billion euros)

	2004			2014		
	Exports to partner	Imports from partner	Balance	Exports to partner	Imports from partner	Balance
World (extra-EU-28)	945.2	1.027.4	-82.2	1.703.0	1 691.9	11.1
Argentina	3.7	6.3	-2.6	8.2	7.7	0.5
Australia	19.9	8.8	11.1	29.6	9.2	20.4
Brazil	14.2	21.8	-7.6	36.9	31.2	5.7
Canada	22.1	16.5	5.7	31.6	27.4	4.2
China	48.4	129.2	-80.8	164.6	302.1	-137.5
India	17.2	16.4	0.7	35.6	37.1	-1.5
Indonesia	4.8	10.5	-5.7	9.5	14.4	-4.9
Japan	43.5	74.9	-31.5	53.3	56.6	-3.3
Mexico	14.7	6.9	7.8	28.4	18.0	10.4
Russia	46.1	84.9	-38.8	103.2	182.4	-79.2
Saudi Arabia	12.7	16.3	-3.6	35.1	28.7	6.4
South Africa	16.1	15.8	0.2	23.3	18.5	4.8
South Korea	17.9	30.8	-12.9	43.2	38.8	4.4
Turkey	40.2	32.9	7.3	74.7	54.4	20.3
United States	235.7	159.7	76.0	311.6	209.3	102.3

International Trade in services by partner 2004-2014 (Billion euros and % share)

	2010			2014		
	Exports to partner	Imports from partner	Balance	Exports to partner	Imports from partner	Balance
World (extra-EU-28)	569.5	461.6	107.8	764.9	602.0	162.9
Argentina	3.5	2.3	1.2	4.1	2.0	2.1
Australia	14.6	7.4	7.2	18.6	7.8	10.8
Brazil	14.5	6.0	8.5	15.0	7.5	7.5
Canada	14.8	10.0	4.8	16.5	11.4	5.1
China	19.5	17.2	2.3	29.1	22.9	6.2
India	10.8	11.7	-0.9	12.3	12.1	0.3
Indonesia	2.9	1.5	1.4	4.1	1.9	2.2
Japan	19.1	14.1	5.0	25.7	15.2	10.5
Mexico	6.1	3.3	2.8	7.9	3.9	4.1
Russia	21.9	12.0	10.0	29.0	12.5	16.5
South Africa	6.7	4.4	2.3	7.4	4.5	2.9
Turkey	8.3	14.3	-6.0	11.0	15.7	-4.7
United States	140.1	142.1	-2.0	197.0	190.4	6.6

Note: data not available for Saudi Arabia and South Korea.

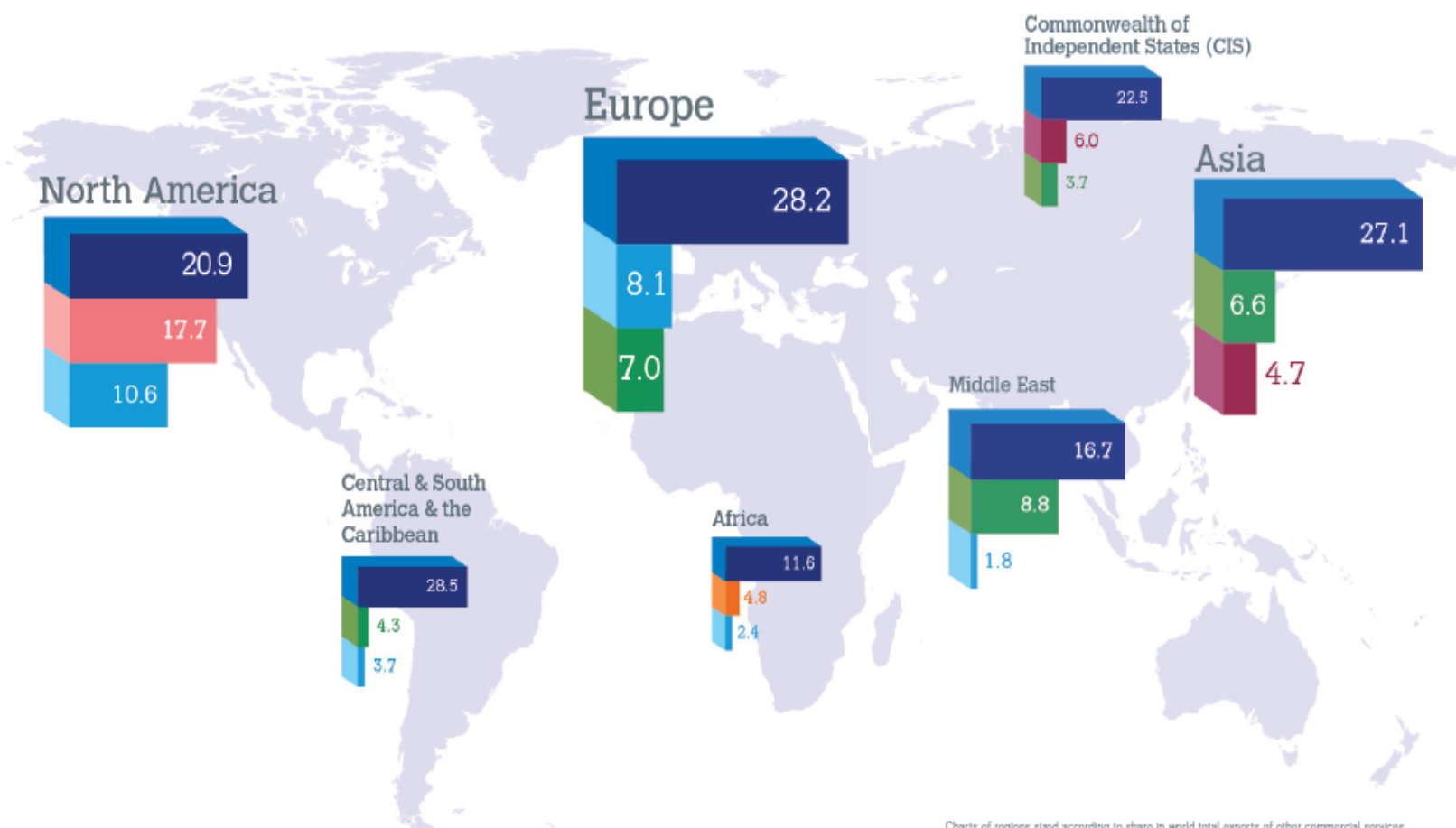


1. Europe in the Global Economy

International Trade in services 2015



All figures are in US\$ billion



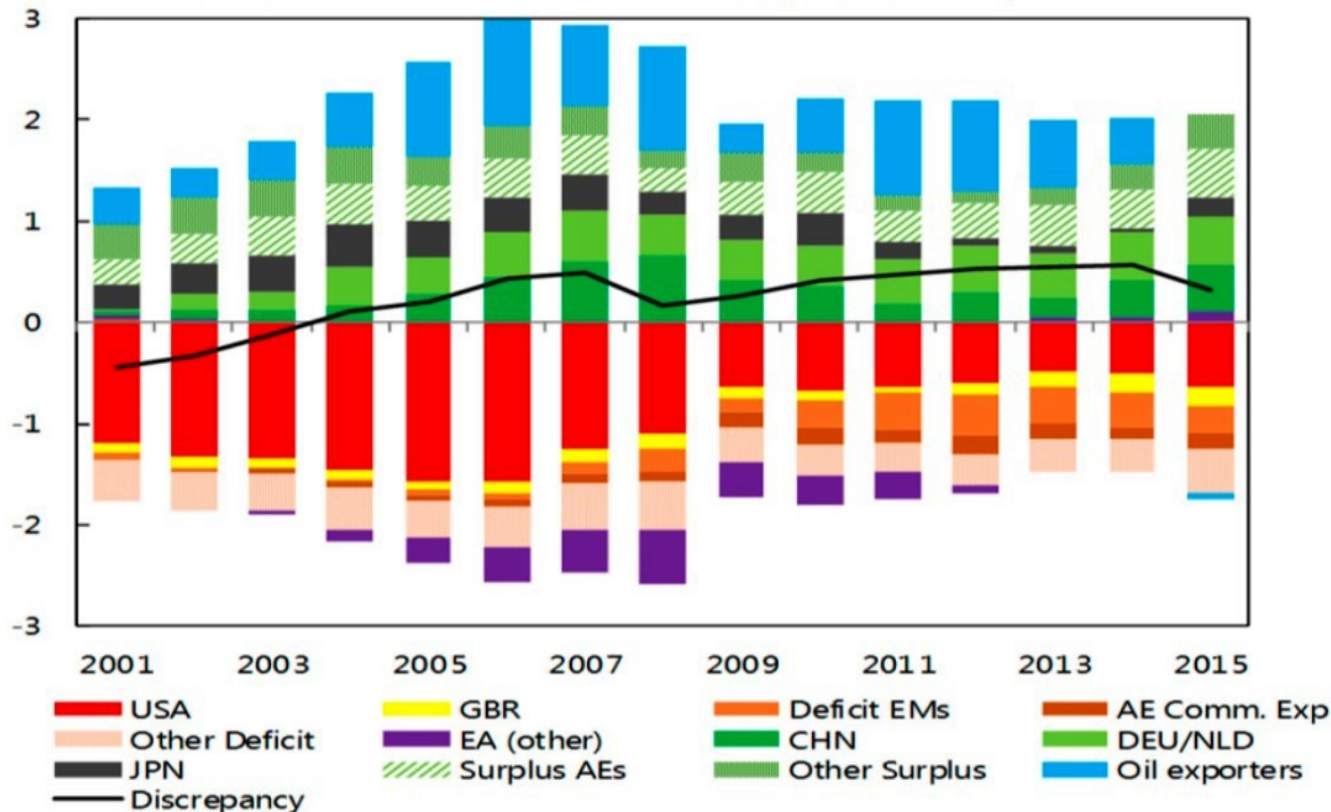
Charts of regions sized according to share in world total exports of other commercial services

18% Share of royalties and licence fees in North America's exports

6% Share of construction in exports of Commonwealth of Independent States

28% Share of "other business services" in Europe's exports

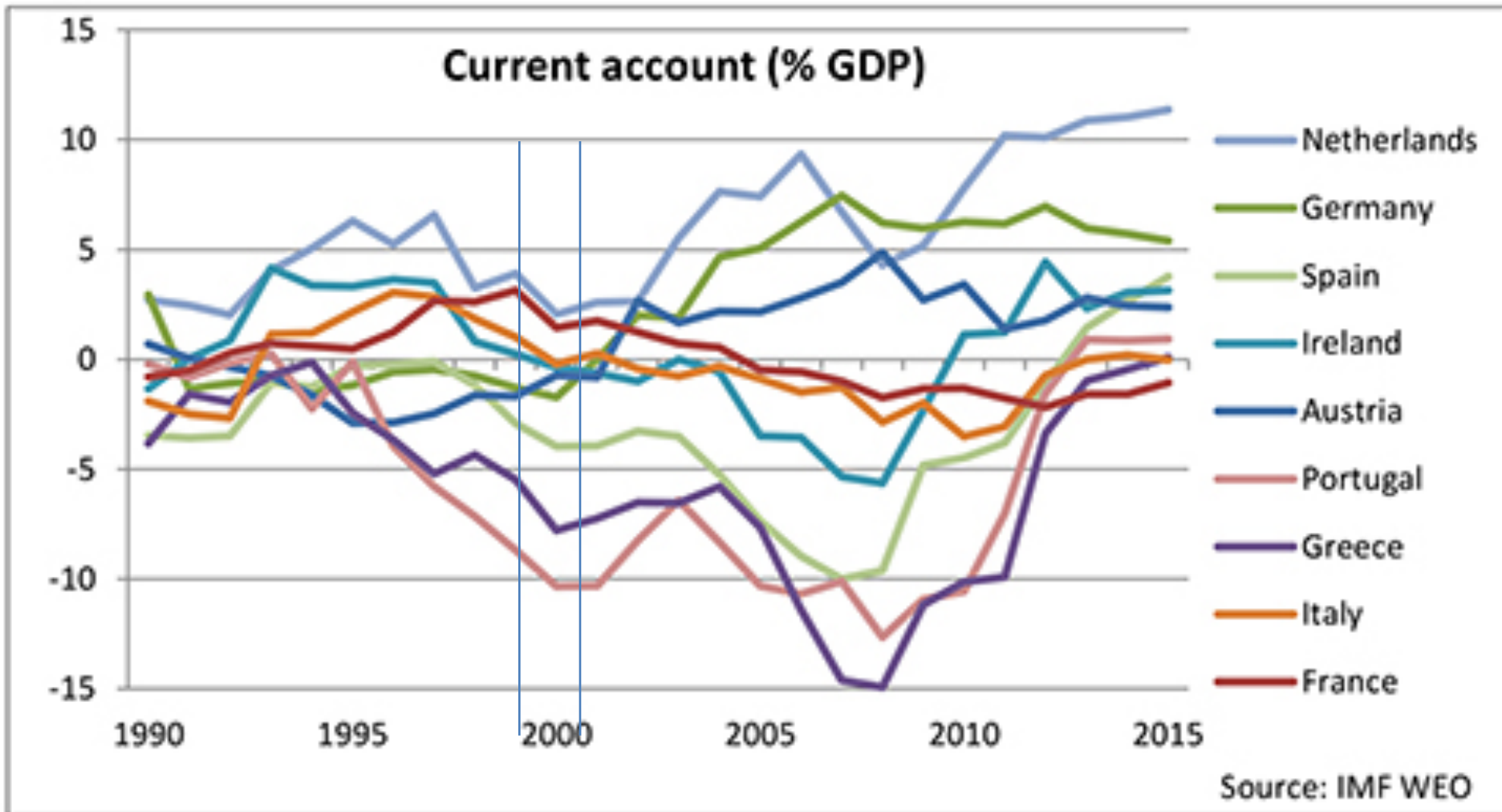
Chart 1 – Current Account Imbalances, 2001-15 (% of world GDP)



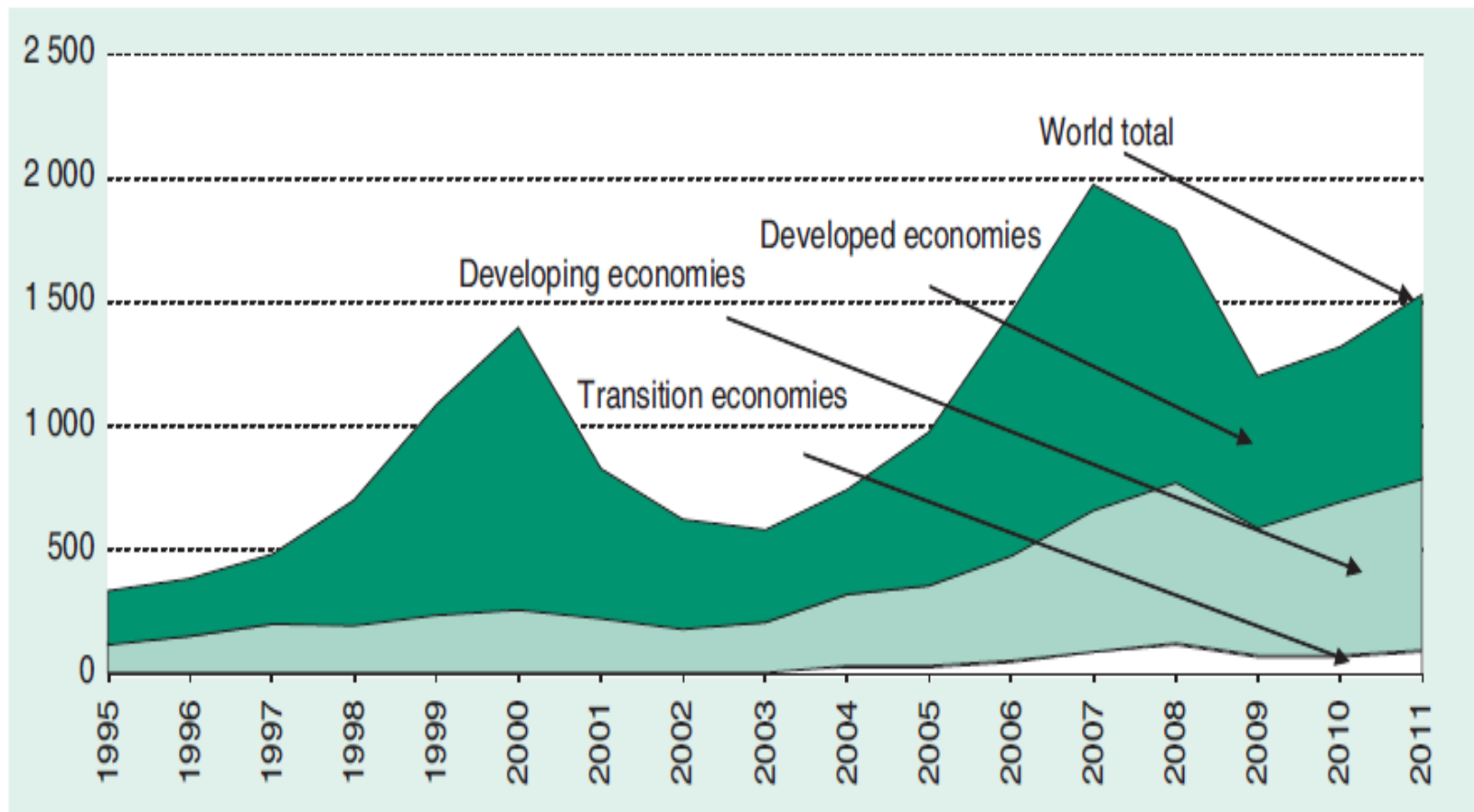
Note: Surplus AEs: Korea, Hong Kong SAR, Singapore, Sweden, Switzerland, Taiwan POC; AE Commodity Exporters: Australia, Canada, New Zealand; Deficit EMs: Brazil, India, Indonesia, Mexico, South Africa, Turkey; Oil exporters: WEO definition plus Norway

Source: IMF, 2016 External Sector Report, July 2016.

Current Account (surplus/deficit as % GDP) in the Euro-area 1990-2015

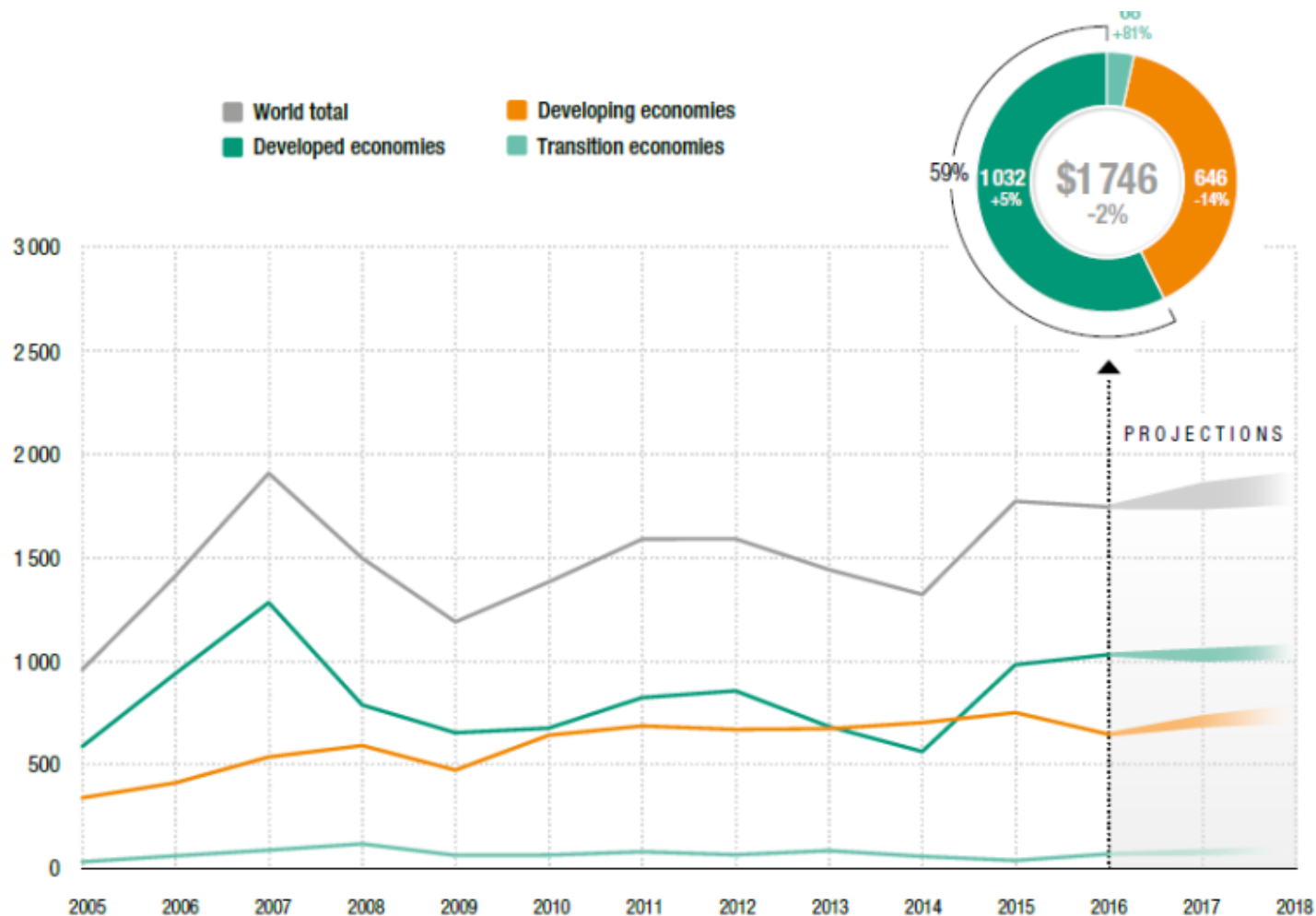


Foreign Direct Investment (FDI) flows 1995-2011 (Billion dollars)



Source: UNCTAD, based on annex table I.1 and the FDI/TNC database (www.unctad.org/fdistatistics).

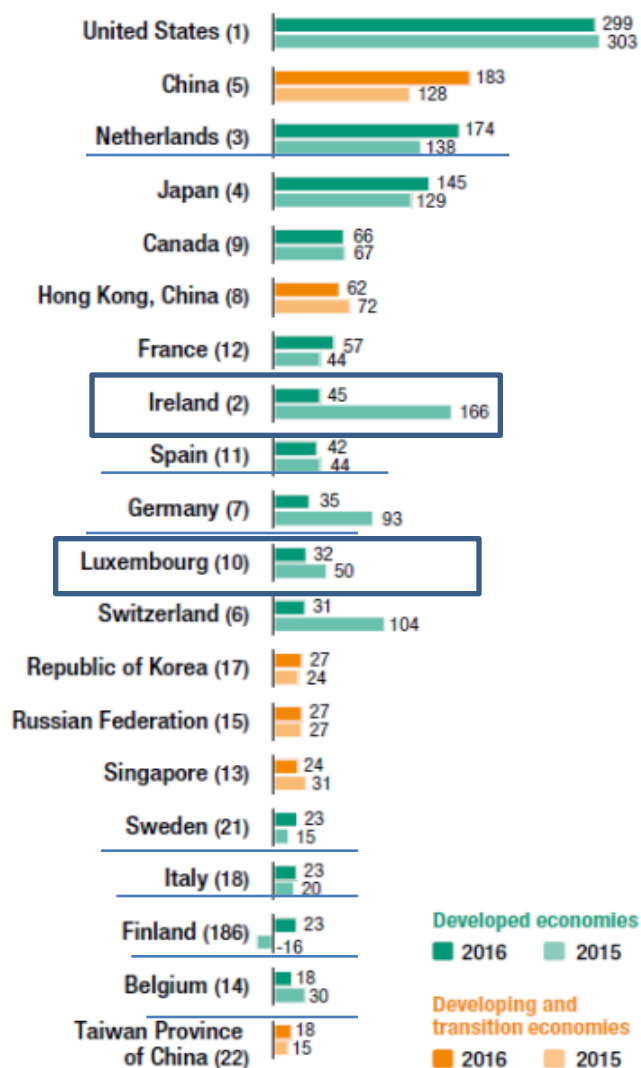
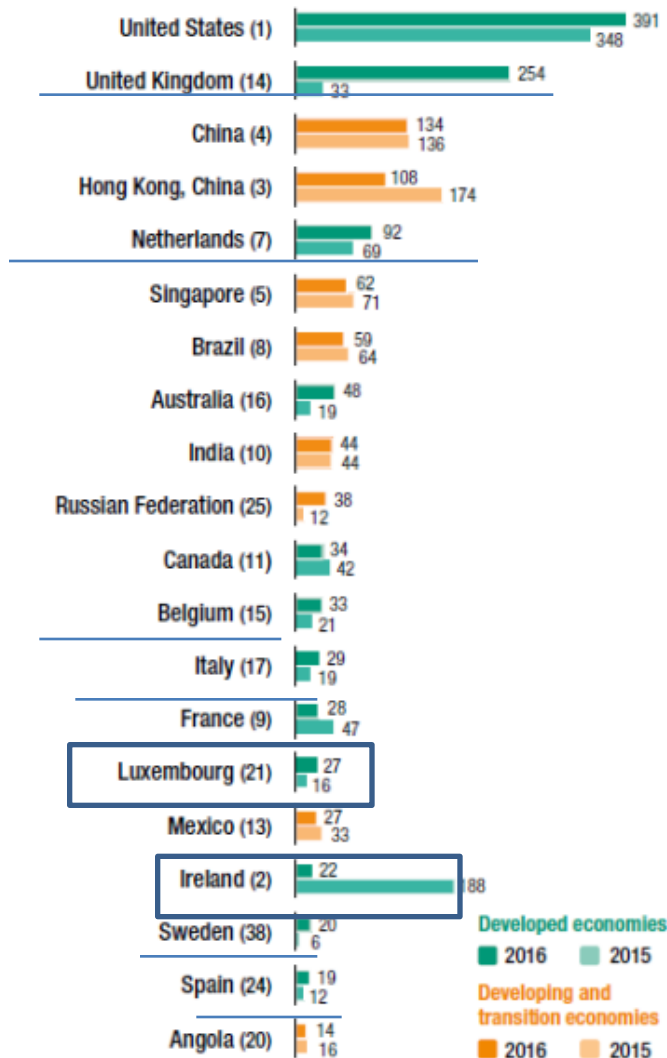
Foreign Direct Investment (FDI) flows, 2018 (Billion dollars)



FDI flows by region 2014-2016

Group of economies/region	FDI inflows			FDI outflows		
	2014	2015	2016	2014	2015	2016
World	1 324	1 774	1 746	1 253	1 594	1 452
Developed economies	563	984	1 032	708	1 173	1 044
Europe	272	566	533	221	666	515
North America	231	390	425	353	370	365
Developing economies	704	752	646	473	389	383
Africa	71	61	59	28	18	18
Asia	460	524	443	412	339	363
East Asia	257	318	260	289	237	291
South-East Asia	130	127	101	89	56	35
South Asia	41	51	54	12	8	6
West Asia	31	28	28	23	38	31
Latin America and the Caribbean	170	165	142	31	31	1
Oceania	2	2	2	1	1	1
Transition economies	57	38	68	73	32	25
Structurally weak, vulnerable and small economies*	68	64	58	26	14	10
LDCs	41	44	38	18	9	12
LLDCs	28	25	24	6	5	-2
SIDS	6	4	4	0.3	0.7	0.2
<i>Memorandum: percentage share in world FDI flows</i>						
Developed economies	42.6	55.5	59.1	56.5	73.6	71.9
Europe	20.6	31.9	30.5	17.7	41.8	35.4
North America	17.4	22.0	24.3	28.1	23.2	25.2
Developing economies	53.2	42.4	37.0	37.7	24.4	26.4

FDI inflows and outflows, 20 top host and home economies 2015-2016 (Billions dollars)



EU FDI inflows and outflows 2010-2016

Figure B. FDI inflows, 2010–2016
(Billions of dollars and per cent)

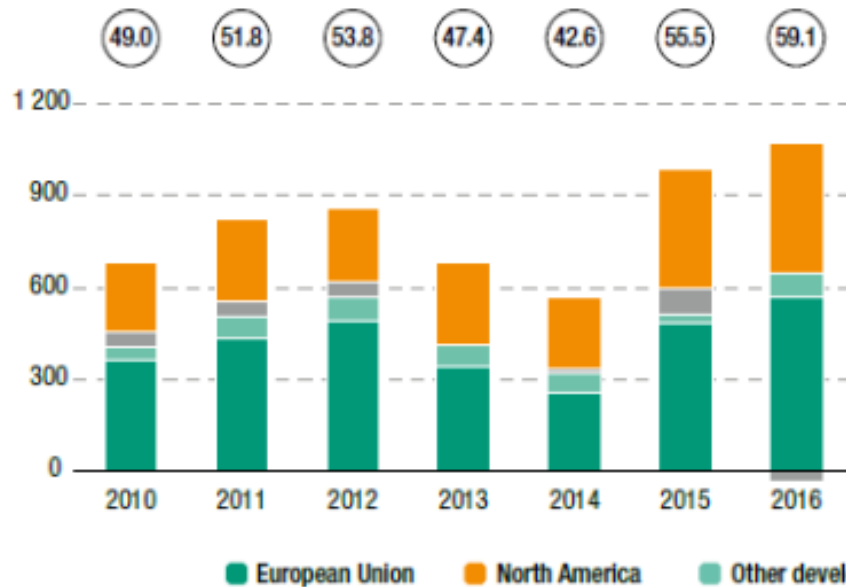
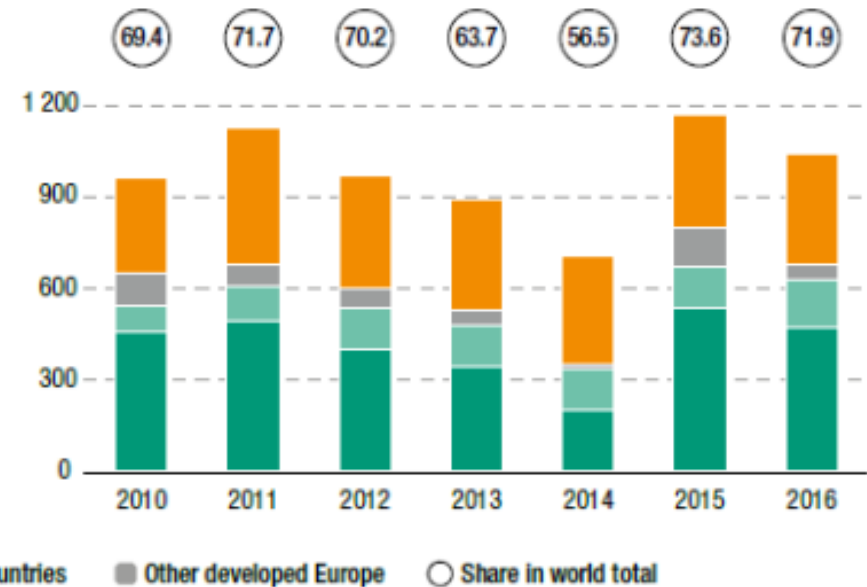
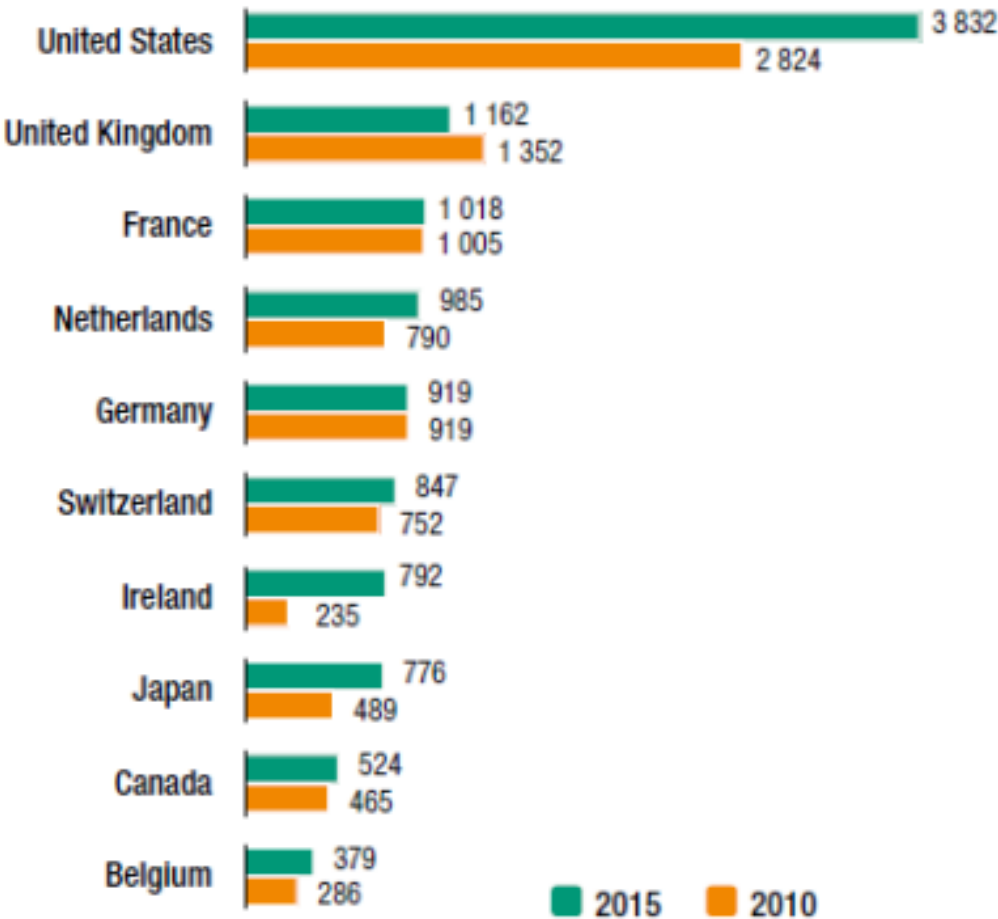


Figure C. FDI outflows, 2010–2016
(Billions of dollars and per cent)



FDI stock Top 10 investor countries 2010-2015

(Billions of Dollars)



Summary: Europe in the Global Economy

- Declining population share, [structure and ageing](#).
- Global economic trends (GDP), political governance (G20) and market perspectives of Europe in a “shifting wealth world economy”.
- International trade in goods and services trends and critical issues: European countries and the EU28 (US deficit, China surplus and Russia dependence)
- World Current Account Imbalances 2000-2015 (US, UK chronic deficit, China, German, Netherlands, Japan, Asian surplus)
- Euro-Area 1990-2015 Current Account surplus and deficit (% GDP). “PIIGS”!
- Foreign Direct Investment... Country Specific Advantages (CSA): US, EU-28: UK, Netherlands, France, Germany, Italy, Spain, Ireland, Luxembourg