

International sourcing, business functions and global value chains

Statistics Explained

Data extracted on 19 December 2025
Planned article update: December 2028

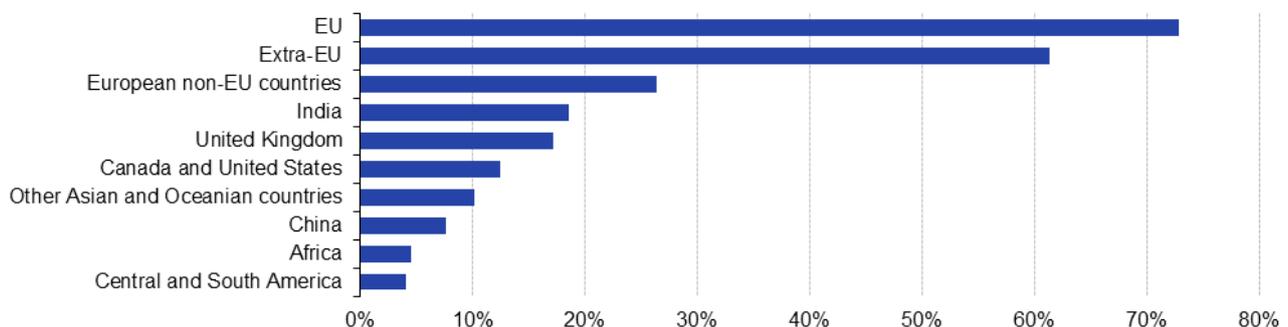
Highlights

EU enterprises most commonly source within the European Union (73%), underlining the importance of the European single market.

Management and administrative functions are those most frequently sourced abroad (47%), surpassing ICT services (29%).

Between 2021 and 2023, international sourcing resulted in a net loss of 99 170 jobs across EU enterprises, with a stronger impact on not high-skilled jobs.

Percentage of enterprises sourcing by destination (2021-23) (percentage of all enterprises sourcing abroad)



Note: Multiple answers allowed.

Source: Eurostat (gvc_sobfga)

eurostat 

Percentage of enterprises sourcing by destination (2021-23) (percentage of all enterprises sourcing abroad) Source: Eurostat (gvc_sobfga)

To stay competitive, enterprises increasingly organise their production in global value chains (GVCs), breaking up their value chains into smaller parts that are supplied by providers located around the world. These GVCs comprise the full range of activities required to bring a product or service from conception through the different phases of production, delivery to final consumers, and disposal after use. GVC statistics can help measure organisational and spatial patterns in domestic, regional and global value chains, and monitor their effect on employment, wages, value-addition, innovation, skills, firm survival and turnover. The GVC data are in high demand from statisticians, researchers and policymakers. From an EU policy perspective, such analysis provides crucial data on the movement of EU jobs to countries outside the EU ([extra-EU](#)), dependency on foreign parts of the chain, and the EU's integration in GVCs. Statistics on GVCs are necessary to support policies on trade, job sustainability and economic development.

This article presents the results of the GVC survey for the reference period 2021-23, encompassing 23 European

countries (22 [EU countries](#) + the [EFTA](#) country Norway)¹. The currently published results cover enterprises with 50 or more people employed in the business economy (NACE sections B-N). The section on "Data sources" presents more details about the survey.

The figures presented in this article are the **first official results of the GVC survey** carried out under the [European Business Statistics Regulation 2019/2152](#). This marks the shift from previous experimental data collections to a fully regulated and harmonised statistical framework across the EU and the [European Economic Area](#) (EEA) countries.

General overview

The results show that for the period 2021-2023:

- Most international sourcing takes place from one [EU country](#) to another (73% of all sourcing enterprises), underlining the importance of the European [single market](#).
- The highest shares of international sourcing are observed in small, open economies with relatively high labour costs.
- International sourcing is still mainly driven by manufacturing enterprises (37% of all sourcing enterprises). Generally, enterprises with business services activities (60% of sourcing enterprises) now engage in international sourcing more than industrial and construction enterprises (40%).
- The current and previous surveys show that there has been a shift from sourcing ICT services (29% of sourcing enterprises) to sourcing management and administrative functions abroad (47%).
- Cost-cutting is still the primary motivation for international sourcing, with 34% of sourcing enterprises reporting reduction of labour costs and 28% reduction of other costs as the primary motivators of sourcing abroad. The leading international sourcing barriers are legal and administrative obstacles (33%).
- The direct employment consequences of international sourcing are limited (approximately 100 000 jobs lost), but their cumulative and indirect effects should not be underestimated.
- Considering GVC arrangements, enterprises purchase more high-value goods and services² than they supply.
- When comparing the number of enterprises purchasing and supplying services across business functions, more enterprises purchase these services from outside the EU than supply them to partners outside the EU, except for engineering and related technical services.
- Rising energy-related raw material costs (affects 62% of enterprises), COVID-19 constraints (56%) and higher prices for intermediate goods (55%) are reported as the most significant factors affecting enterprises' GVCs.

International sourcing and destinations of sourcing

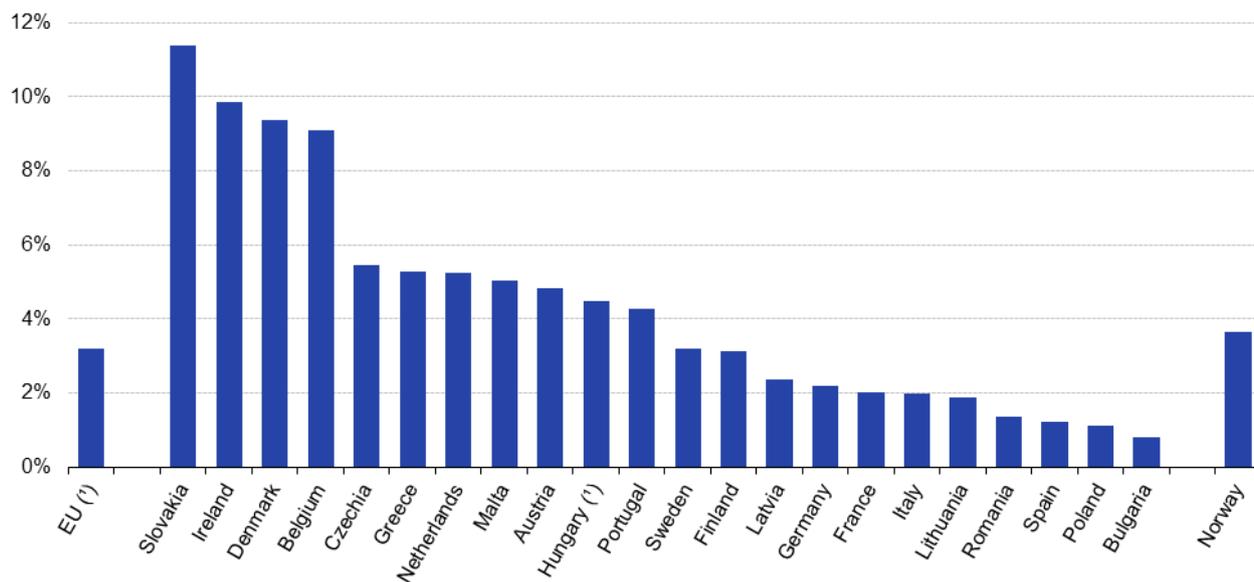
International sourcing prominent in small, open, high labour cost economies

The highest share of sourcing internationally is found in small, open economies with high labour costs (see Figure 1). For the reference period 2021-23, enterprises sourced abroad the most in Slovakia (11.38%), Ireland (9.86%) and Denmark (9.39%). On the other hand, enterprises in Bulgaria (0.80%) and Poland (1.11%) engaged in international sourcing the least, most likely because enterprises in these countries are probably sourcing providers as opposed to sourcing users. The total share of sourcing enterprises in the period 2021-2023 was 3.21%, which is an increase from the 2.69% recorded in the period 2018-2020, and the same as the level recorded in 2014-2017 (3.21%). This result should be viewed with some caution, as the countries participating in 2014-2017 and 2018-20 are not exactly the same as in 2021-2023; the previous result includes data for 15 and 16 countries, while the survey for the reference period 2021-2023 includes 22 EU countries and Norway.

¹Croatia, Cyprus, Estonia, Luxembourg and Slovenia are exempt from providing GVC statistics to Eurostat

²High-value goods and services are types of goods and services traded in the amount of more than € 100 000 in one year.

Enterprises sourcing internationally, by country (2021-23) (percentage of all enterprises)



(*) Estimated data.

Source: Eurostat (gvc_sobfec)

eurostat 

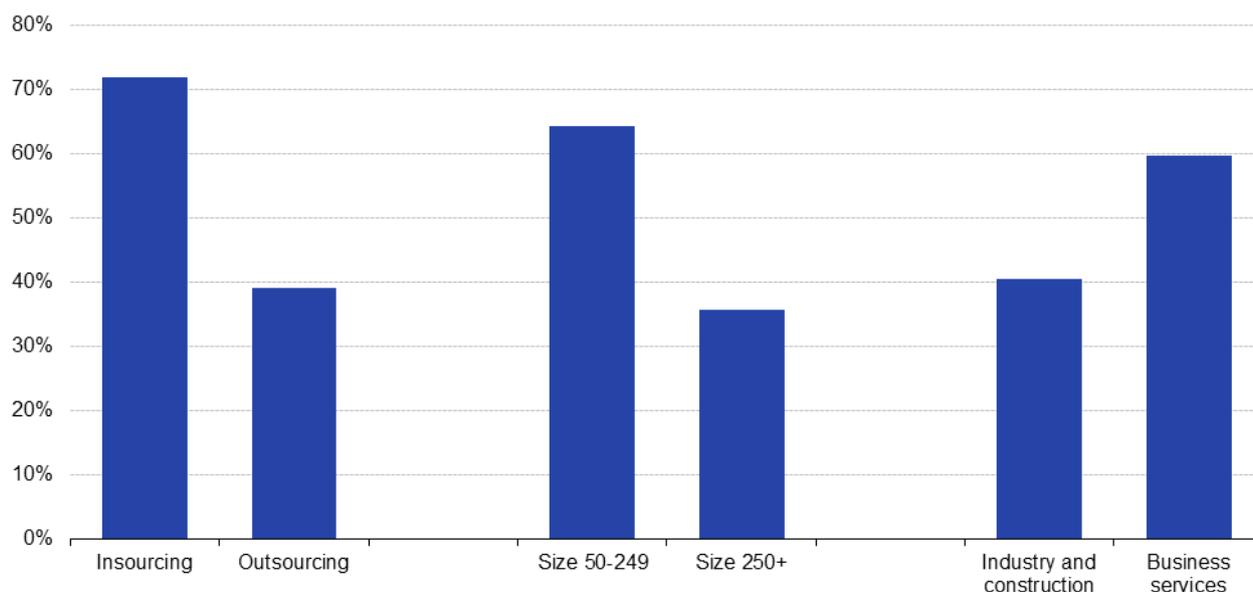
Figure 1: Enterprises sourcing internationally, by country (2021-23) (percentage of all enterprises) Source: Eurostat (gvc_sobfec)

Enterprises sourcing abroad within their enterprise groups are predominant

Multinational enterprises are the drivers of globalisation, as is also the case with international sourcing. The survey distinguishes between international sourcing to a foreign affiliate within the same multinational enterprise group (insourcing) and sourcing to external providers (outsourcing).

Evidence for the vital role of multinationals in EU countries' international sourcing activities is supported by the fact that, of the enterprises that carried out sourcing abroad, 72% of enterprises carried out insourcing. In comparison, 39% of enterprises outsourced their business functions abroad (see Figure 2). Medium-sized enterprises (50–249 persons employed) represented 64% of all enterprises sourcing abroad, compared with 36% for large enterprises. Activity-wise, 60% of sourcing enterprises operated in business services and 40% in industry and construction.

Enterprises insourcing and outsourcing abroad (2021-23) (percentage of all enterprises sourcing abroad)



Source: Eurostat (gvc_sobfbp and gvc_sobfec)

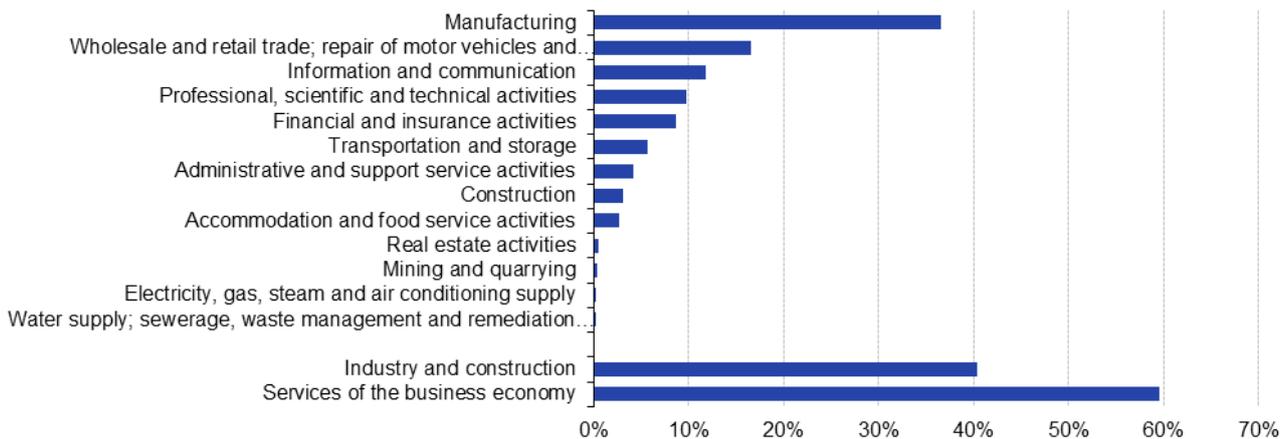
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Figure 2: Characteristics of enterprises sourcing abroad (2021-23) (percentage of all enterprises sourcing abroad) Source: Eurostat (gvc_sobfbp) and (gvc_sobfec)

Manufacturing, trade and ICT enterprises most likely to source abroad

Looking at broader categories, when comparing industry and construction ([NACE B-F](#)) with business services ([NACE G-N](#)), more enterprises from the business services sector sourced abroad (60%) than enterprises in the industry and construction sectors (40%) (Figure 3). Enterprises that engaged in international sourcing most commonly operated in the manufacturing sector (37%), wholesale and retail trade; repair of motor vehicles and motorcycles (17%) and information and communication sectors (12%). Less than 1% of enterprises operating in the water supply; sewerage, waste management and remediation activities, electricity, gas, steam and air conditioning supply, mining and quarrying, and real estate activities engaged in international sourcing.

Enterprises sourcing abroad by NACE code (2021-23) (percentage of all enterprises sourcing abroad)



Source: Eurostat (gvc_sobfec)

eurostat

Figure 3: Enterprises sourcing abroad by NACE code (2021-23) (percentage of all enterprises sourcing abroad) Source: Eurostat (gvc_sobfec)

Moving business functions abroad

Majority of employment is within the core function

Business functions offer statisticians and survey respondents a limited yet relatively comprehensive set of generic, easy-to-understand categories that describe the various functions carried out by enterprises, including and in addition to their main economic activity. Business function statistics are needed because, in addition to producing the goods or services from which they earn their turnover, enterprises rely on a range of support functions that enable their core revenue-producing activities. From a conceptual point of view, a business function is defined as **a grouping of common tasks that enterprises must carry out regularly, either internally or externally, to bring goods or services to the market, such as administration and management, R&D and marketing and sales**. Business functions used in international sourcing surveys can help indicate the pervasion of jobs sourced to the domestic country as well as changes in the intensity of international sourcing patterns³.

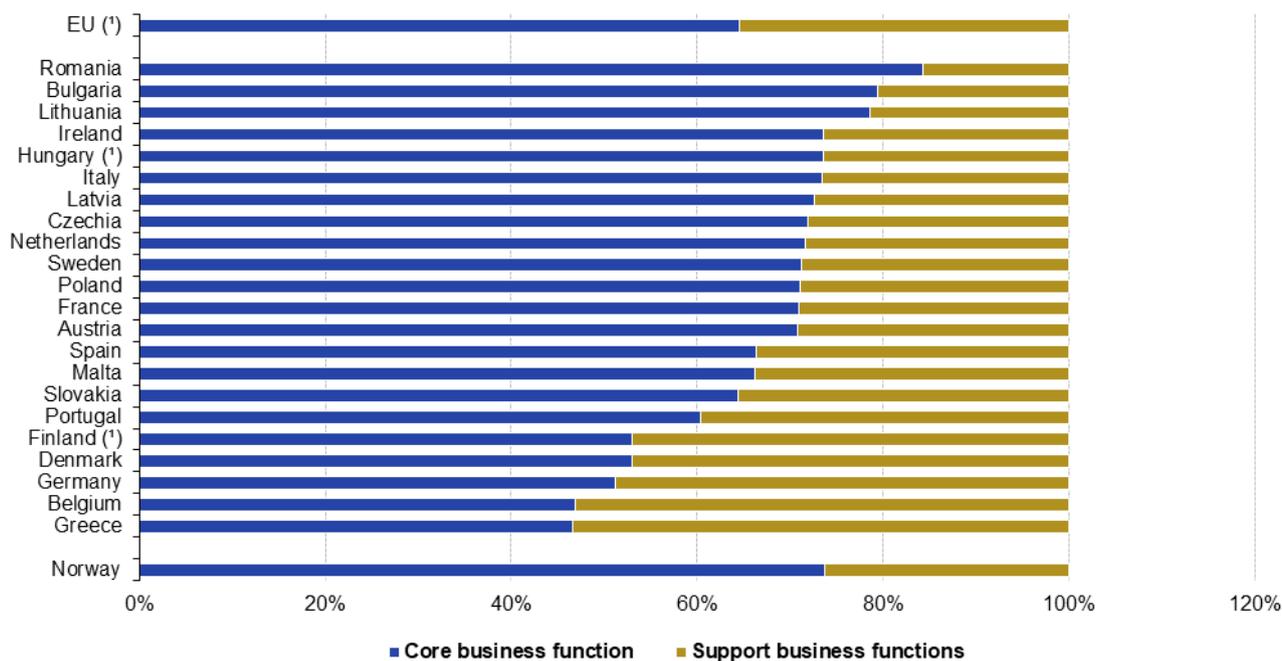
Enterprises have 65% of persons employed in the core function, with the highest percentages of persons employed in the core function in Romania (84%), Bulgaria (79%) and Lithuania (79%). Greece (47%), Belgium (47%) and Germany (51%) had the fewest people employed in the core function compared with those employed in support functions (Figure 4).

³The section on the definition of business functions is taken from the Classification of Business functions Manual

Enterprises employment – core vs support business functions

(2021-23)

(percentage of all persons employed)



(*) Estimated data.

Source: Eurostat (gvc_embf)

eurostat

Figure 4: Persons employed in enterprises – core vs support business functions (2021-2023) (percentage of all enterprises) Source: Eurostat (gvc_embf)

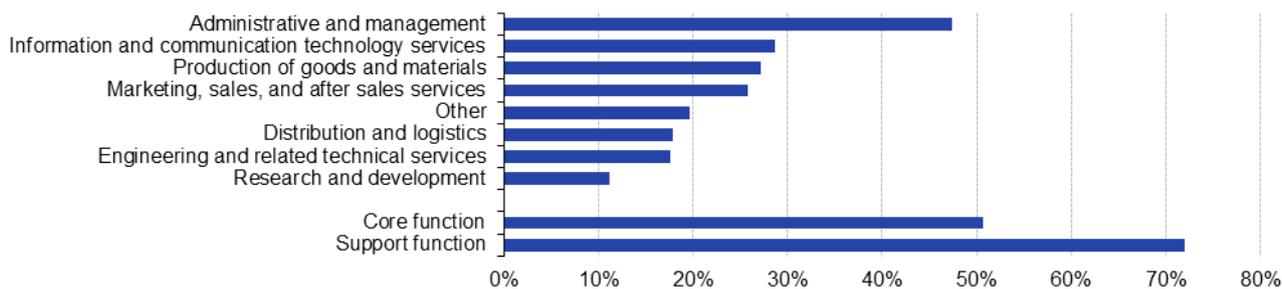
Management and administration business functions the most frequently sourced abroad

International sourcing was originally a model used by manufacturing enterprises to move their production abroad. However, as services have become increasingly digital and standardised, this model has expanded; many service activities can now be described in clear procedures, delivered electronically, and monitored at a distance. In general, businesses more frequently source support functions than core functions. About 72% of enterprises reported they had sourced support functions, compared to 51% that sourced core functions.

The most commonly sourced business functions abroad were management and administration (47%), information and communication technology services (29%) and production of goods and materials (27%), while the least sourced business functions were those of research and development (11%) and engineering and related technical services (18%) (Figure 5).

Enterprises sourcing core and support function abroad (2021-23)

(percentage of all enterprises sourcing abroad)



Note: Multiple answers allowed.

Source: Eurostat (gvc_sobfbp)

eurostat

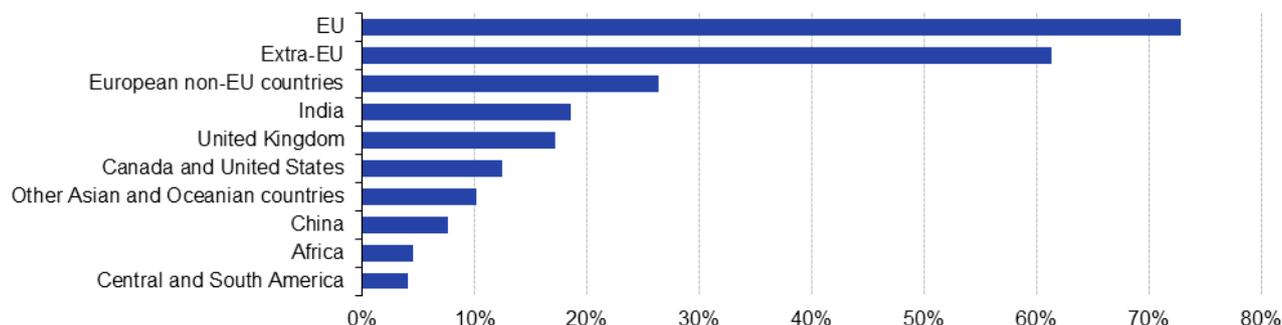
Figure 5: Enterprises sourcing core and support function abroad (2021-23) (percentage of all enterprises sourcing abroad) Source: Eurostat (gvc_sobfbp)

Business functions mainly sourced within the EU

For most countries, EU countries were the primary destination for international sourcing of business functions. The most common sourcing destinations were other EU countries (73%), followed by other non-EU European countries⁴(26%), India (19%) and the United Kingdom (17%). This indicates that proximity is still an essential factor when sourcing internationally (see Figure 6), with the largest emerging economies playing an important role.

Percentage of enterprises sourcing by destination (2021-23)

(percentage of all enterprises sourcing abroad)



Note: Multiple answers allowed.

Source: Eurostat (gvc_sobfga)

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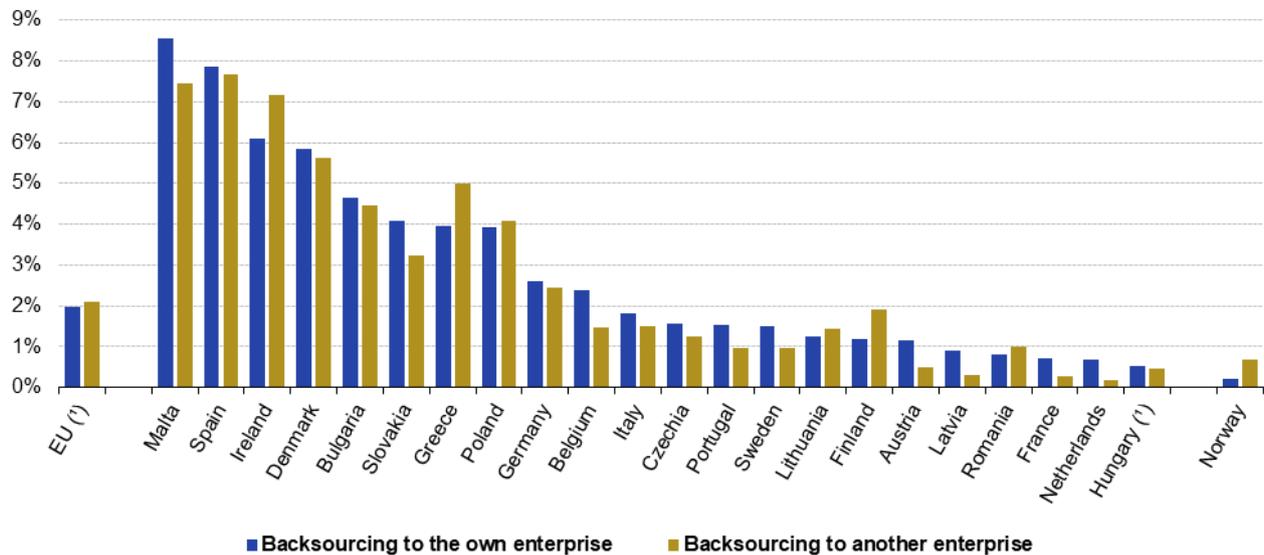
Figure 6: Percentage of enterprises sourcing by destination (2021-23) (percentage of all enterprises sourcing abroad) Source: Eurostat (gvc_sobfga)

Enterprises were also asked how important they consider back-sourcing, that is, bringing previously sourced functions back from abroad either to their own enterprise or to another enterprise in the same country. The results show notable differences across countries. Malta (8.6%) had the highest share of enterprises that viewed back-sourcing to their own enterprise as important, followed by Spain (7.9%) and Ireland (6.1%). In several other countries, including Denmark, Greece and Bulgaria, around 3.9% to 6.1% of enterprises reported back-sourcing to their own enterprise as important. In most remaining EU countries, the reported shares were below 3.9%. At EU level, 2.0% of enterprises considered back-sourcing to their own enterprise important, and 2.1% considered back-sourcing to another domestic enterprise important (7%).

⁴Other European countries include all European countries except for the EU Member States. This category includes the United Kingdom.

Enterprises indicating the importance of backsourcing from abroad by country (2021-23)

(percentage of all enterprises)



(*) Estimated data.

Source: Eurostat (gvc_effgvc)

eurostat

Figure 7: Enterprises indicating the importance of backsourcing from abroad by country (2021-2023).png (percentage of all enterprises) Source: Eurostat (gvc_effgvc)

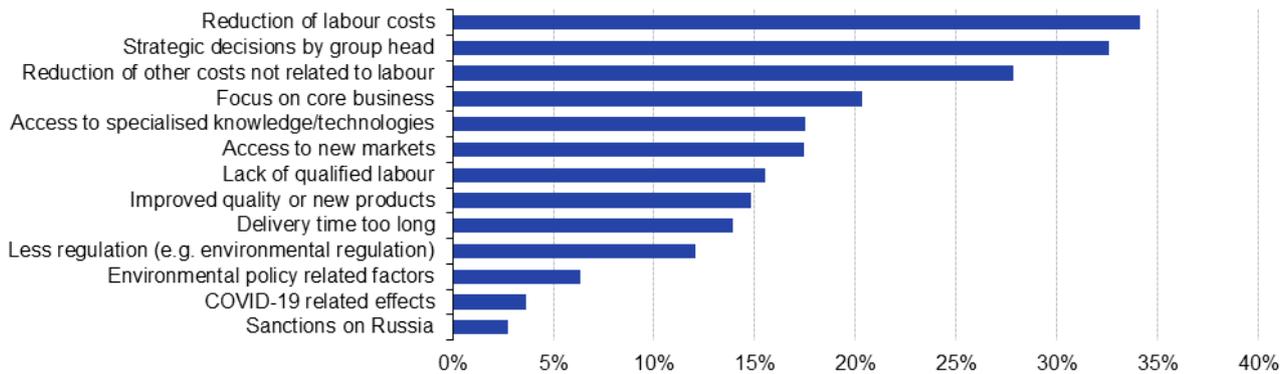
Motivations and barriers for international sourcing

Cost-cutting drives international sourcing

As in the previous surveys, in most countries, the main reason businesses moved functions abroad between 2021 and 2023 was to cut labour (34%). Other significant reasons were the strategic decision taken by the group head (33%) and the reduction of other costs not related to labour (28%) (see Figure 8). On the other hand, sanctions on Russia (3%) and COVID-19-related effects (4%) were not reported as important motivators of international sourcing.

Motivational factors important for enterprises sourcing abroad (2021-23)

(percentage of all enterprises sourcing or considering sourcing abroad)



Note: Multiple answers allowed.

Source: Eurostat (gvc_mso)

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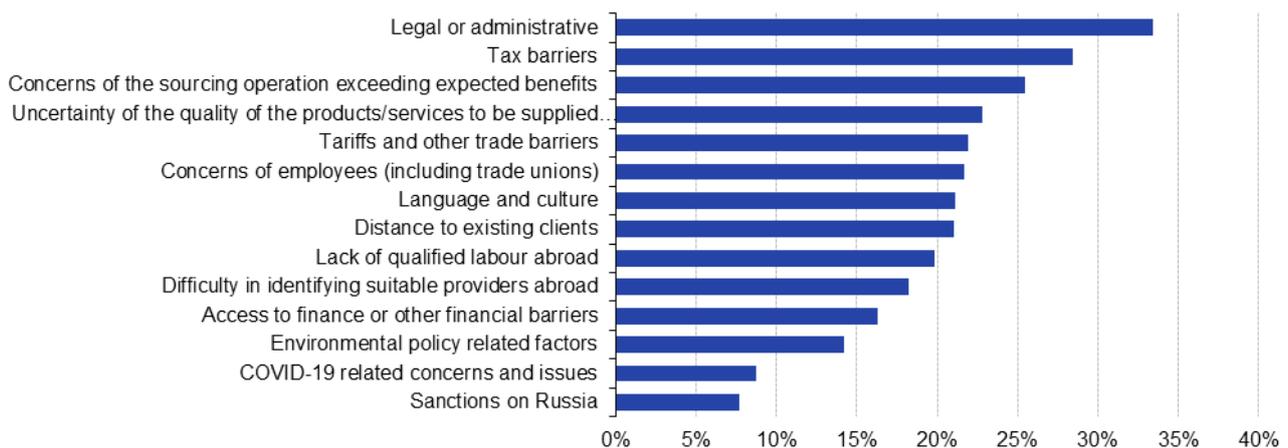
Figure 8: Motivational factors important for enterprises sourcing abroad (2021-23) (percentage of all enterprises sourcing or considering sourcing abroad) Source: Eurostat (gvc_mso)

When looking at reasons that are stopping enterprises from engaging in international sourcing, the sourcing barriers most often considered as important were legal or administrative (33%), tax barriers (28%) and concerns that the sourcing operation might exceed expected benefits (25%) (Figure 9). Surprisingly, COVID-19 related concerns and issues had low importance (9%), together with sanctions on Russia (8%). The reason for the low relative importance of COVID-19 related barriers could be found in the fact that the reference period does not cover the most impacted year (2020).

On the other hand, sanctions on Russia as a barrier only started from spring 2022 (about half of the observed period).

Importance of international sourcing barriers (2021-23)

(percentage of all enterprises sourcing abroad or considering sourcing abroad)



Note: Multiple answers allowed.

Source: Eurostat (gvc_sobar)

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Figure 9: Importance of international sourcing barriers (2021-23) (percentage of all enterprises sourcing or considering sourcing abroad) Source: Eurostat (gvc_sobar)

International sourcing and employment development

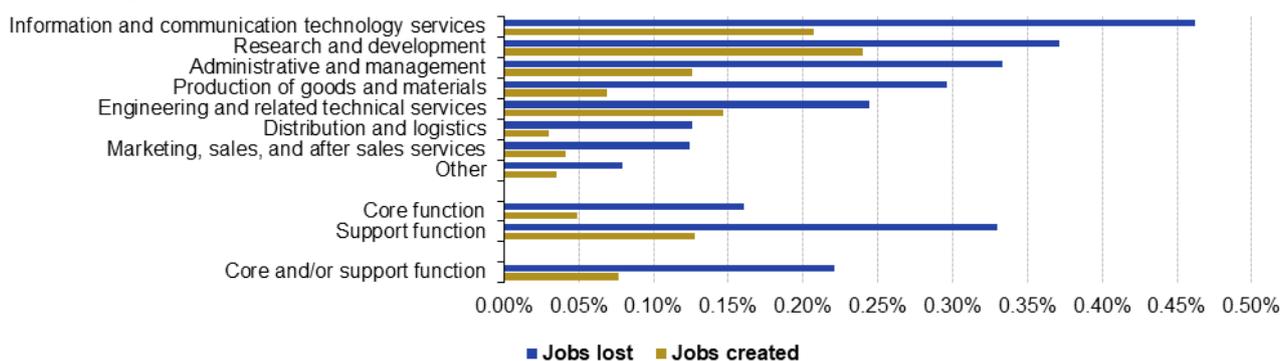
International sourcing activities resulted in net job losses

By definition, international sourcing implies that jobs are moving out of the domestic economy, which can cause concerns for policymakers. This survey measures job losses in isolated terms, meaning it does not directly capture the overall effects of job losses (e.g. when sourcing enables an enterprise to survive). The survey tries to produce statistical evidence regarding the impact of international sourcing on employment.

The survey provided information on the number of jobs lost from 2021 to 2023 due to relocating business functions abroad. The countries reported job losses and job creation due to international sourcing per business function and NACE aggregate. Figure 10 shows job losses as a proportion of total employment reported in the survey by business functions. A few outliers can be noticed, such as 53 577 jobs lost in the business function of production of goods and materials (0.30% of total jobs in the business function) and 33 818 jobs lost in the business function of administrative and management (0.33% of total jobs in the business function), as well as low job creation in the distribution and logistics function with only 2 358 new jobs created as a result of international sourcing activities (0.03% of total jobs in the business function). Looking at the total jobs lost or created as a share of total employment of all enterprises, 0.22% of jobs were lost and 0.08% of jobs were created due to international sourcing activities.

Jobs lost and created due to international sourcing, by business function (2021-23)

(percentage of number of persons employed in all enterprises by business function)



Data is estimated.

Source: Eurostat (gvc_sojobbf)

eurostat

Figure 10: Jobs lost and created due to international sourcing, by business function (2021-23) (percentage of number of persons employed in all enterprises by business function) Source: Eurostat (gvc_sojobbf)

To understand the overall impact of international sourcing on employment, the number of jobs created needs to be compared with the number of jobs lost. Figure 11 presents this net effect across business functions and skill levels. At the level of the total business economy, enterprises reported 152 023 jobs lost and 52 853 jobs created, resulting in a net loss of 99 170 jobs due to international sourcing in 2021-2023. Industry and construction recorded a net loss of 51 334 jobs, while business services recorded a similar net loss of 49 925 jobs. Looking at job skill status, the net job loss was larger for not high skilled jobs (67 520) than for high skilled jobs (31 652), indicating that international sourcing had a stronger impact on lower skilled occupations.

Net jobs lost due to international sourcing, by industry aggregate and job skill status (2021-23)

(number of jobs)

Business function / NACE	Jobs lost	Jobs created	Net jobs lost
Business economy	152 023	52 853	99 170
Industry and construction	80 041	28 707	51 334
Business services	74 558	24 633	49 925
High skilled jobs	53 111	21 459	31 652
Not high skilled jobs	98 912	31 392	67 520

Note: Net jobs lost are calculated as jobs lost minus jobs created.

Source: Eurostat (gvc_sojobjsk, gvc_sojobbf and gvc_sojobch)



Figure 11: Net jobs lost due to international sourcing, by industry aggregate and job skill status (2021-23).png (number of jobs) Source: Eurostat (gvc_sojobjsk), (gvc_sojobbf) and (gvc_sojobch)

It should be noted that the flow of jobs abroad is continuous, and the cumulative and indirect effects of this should not be underestimated (reported by previous surveys).

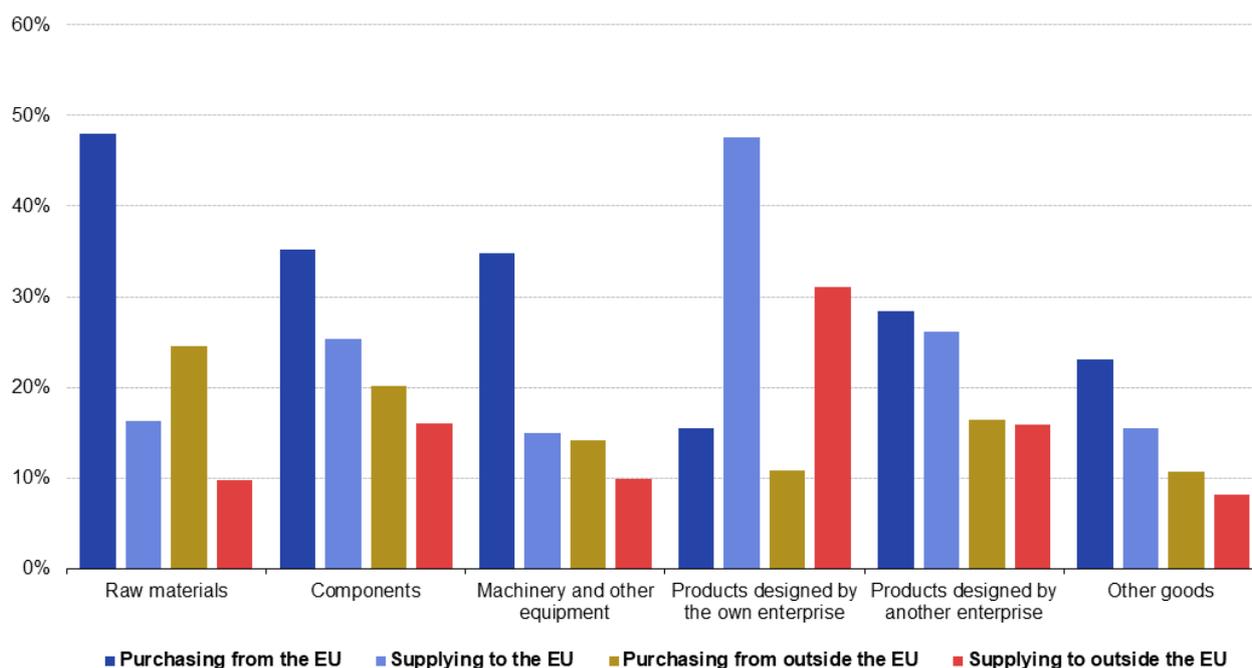
Global value chains arrangements

European enterprises purchase more high-value goods and services than they supply

GVCs comprise the full range of cross-border activities required to bring a product or service from conception through the different phases of production and delivery to final consumers. When focusing on trade in goods within the EU, enterprises reported higher shares of purchasing than supplying for most product categories. For example, 48% of enterprises purchased raw materials from the EU, compared with 16% that supplied them to the EU. A similar pattern appears for components, with 35% purchasing from the EU and 25% supplying to the EU. For machinery and other equipment, 35% of enterprises purchased from the EU, while 15% supplied them.

An exception to this pattern concerns products designed by the own enterprise. In this category, 48% of enterprises supplied these products to the EU, compared with 15% that purchased them. For products designed by another enterprise, as well as for other goods, purchasing from the EU also remained more common than supplying (Figure 12).

Purchasing vs supplying goods in the EU (2021-23) (percentage of all enterprises purchasing or supplying goods)



Note: Multiple answers allowed.
Enterprises report only trade instances of more than €100 000 per type of good.
Source: Eurostat (gvc_pg and gvc_sg)

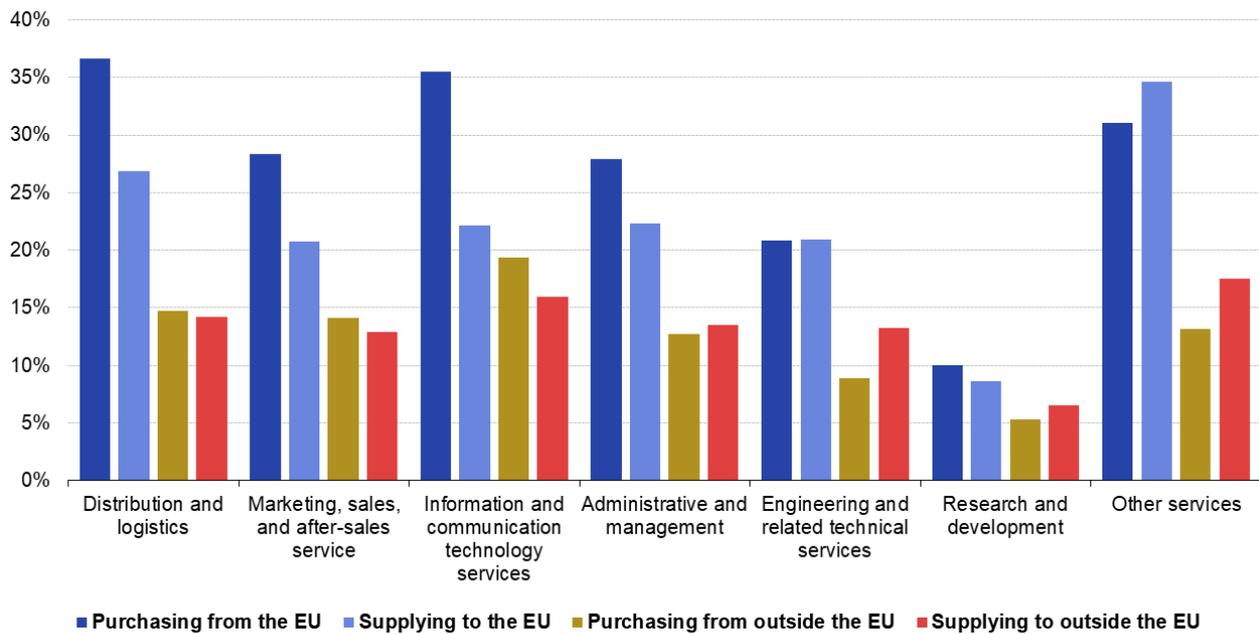
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Figure 12: Purchasing vs supplying services in the EU (2021-2023) (percentage of all enterprises purchasing or supplying goods) Source: Eurostat (gvc_pg) and (gvc_sg)

When looking at services, enterprises also reported higher shares of purchasing than supplying within the EU for most business functions. For distribution and logistics, 37% of enterprises purchased services from the EU, compared with 27% that supplied them. Similar differences appeared for information and communication technology services (36% purchasing compared with 22% supplying) and for marketing, sales, and after-sales services (28% compared with 21%).

Two exceptions stand out. For engineering and related technical services, the shares of purchasing and supplying are almost identical (both 21%). For other services, supplying was more common than purchasing, with 35% of enterprises supplying services to the EU compared with 31% purchasing (Figure 13).

Purchasing vs supplying services in the EU (2021-23)
 (percentage of all enterprises purchasing or supplying services abroad)



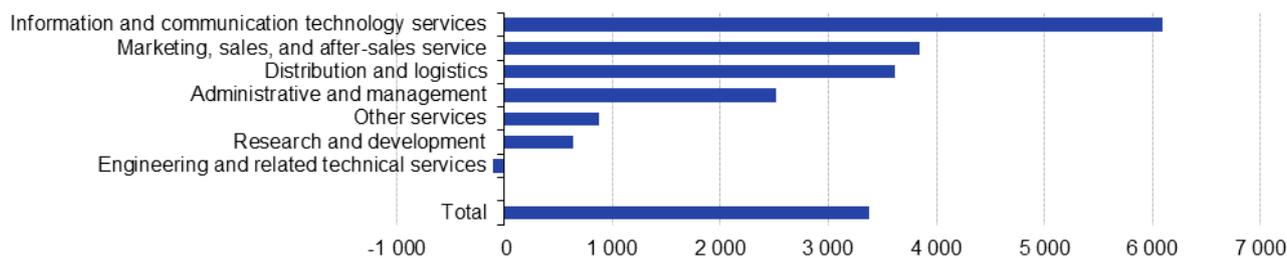
Note: Multiple answers allowed.
 Enterprises report only trade instances of more than €100 000 per type of service.
 Source: Eurostat (gvc_ps and gvc_ss)



Figure 13: Purchasing vs supplying services in the EU (2021-2023) (percentage of all enterprises purchasing or supplying services abroad) Source: Eurostat (gvc_ps) and (gvc_ss)

When comparing the number of enterprises purchasing services from outside the EU with those supplying services to markets outside the EU, enterprises reported a net purchase of services for most business functions. The largest net purchase was observed for information and communication technology services, with 6 093 more enterprises purchasing than supplying. This was followed by marketing, sales, and after-sales services (3 850), and distribution and logistics (3 611). The only business function with more enterprises supplying than purchasing services from outside the EU was engineering and related technical services (106 more enterprises supplying than purchasing). Overall, there were 3 373 more enterprises purchasing services outside the EU than supplying them (Figure 14).

Net number of enterprises purchasing vs supplying services outside of the EU (2021-23) (number of enterprises)



Note: Multiple answers allowed.
Enterprises report only trade instances of more than €100 000 per type of service.
Source: Eurostat (gvc_ps and gvc_ss)

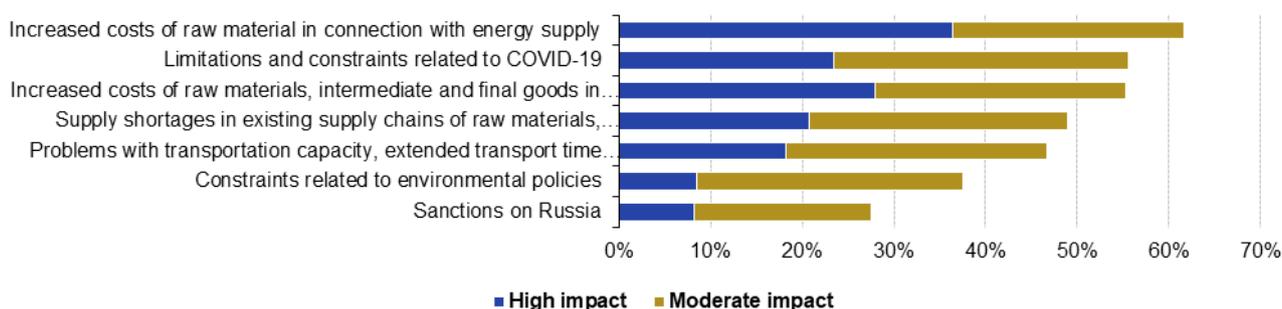
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Figure 14: Net number of enterprises purchasing vs supplying services outside of the EU (2021-23) (difference between the number of enterprises purchasing and supplying services outside of the EU) Source: Eurostat (gvc_ps) and (gvc_ss)

Constraints and transformation drivers affecting global value chains in the EU

GVCs in the EU have faced a range of constraints, including rising input costs, transport disruptions, supply shortages and regulatory measures. Energy-related input costs were the most widespread constraint, affecting 62% of enterprises (Figure 15)⁵. COVID-19-related limitations (56%) and higher non-energy input costs (55%) affected more than half of enterprises. Supply shortages were reported by 49% of enterprises, and transport bottlenecks by 47%. Environmental policy-related drivers affected 38% of enterprises, while comparatively few enterprises reported sanctions on Russia as impactful (28%).

Constraints affecting global value chains in the EU (2021-23) (percentage of all enterprises)



(¹) Sanctions on Russia from the EU started on 24 February 2022
Source: Eurostat (gvc_effgvc)

eurostat

Figure 15: Constraints affecting global value chains in the EU, 2021-2023 Source: Eurostat (gvc_effgvc)

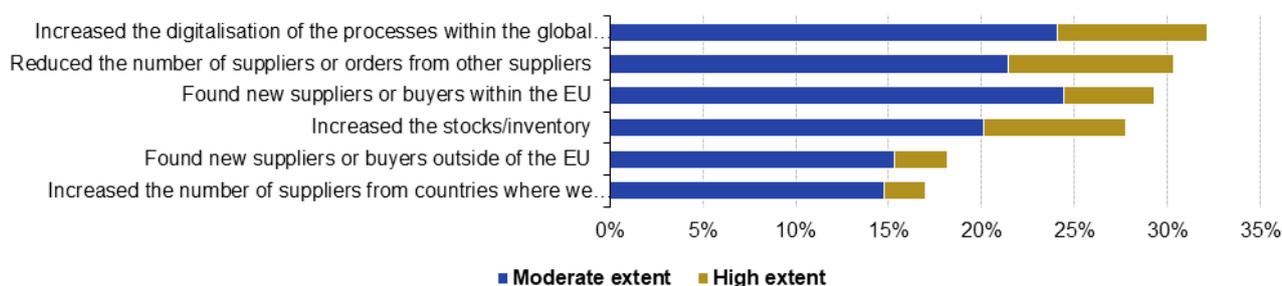
⁵For Figures 7, 15 and 16, the percentages shown represent the share of enterprises reporting a moderate or high impact for each individual constraint. In this case, enterprises were required to select only 1 level of impact per constraint – either 'Not applicable', 'No impact', 'Moderate impact' or 'High impact'. The figures display the sum of the shares for moderate and high impact. These shares do not add up to 100%, as they exclude responses indicating 'Not applicable' or 'No impact'. If all 4 response categories were shown, their combined total would reach 100% for each constraint.

In response to constraints encountered, enterprises adopted several reorganisation strategies between 2021 and 2023, most commonly digitalising GVC processes, strengthening partnerships within the EU, prioritising reliable suppliers and building buffer inventories. Some enterprises also explored farshoring and broader supplier diversification. Digitalisation was the most frequently reported strategy, with 32% of enterprises increasing digitalisation of GVC processes, followed by prioritising reliable suppliers (30%) and nearshoring within the EU (29%) (Figure 16). Increasing inventories was reported by 28% of enterprises, while farshoring and expanding supplier networks were less common (18% and 17%).

Most strategies were applied to a moderate extent. For example, digitalisation increased moderately for 24% of enterprises and to a high extent for 8%. Nearshoring was moderate for 24% and high for 5%. Farshoring (15% moderate, 3% high) and expanding supplier networks (15% moderate, 2% high) remained the least used. Overall, the data show that enterprises reorganised their GVCs mainly through incremental rather than large-scale adjustments.

Reorganisation of global value chains in response to business constraints (2021-23)

(percentage of all enterprises)



Source: Eurostat (gvc_effgvc)

eurostat

Figure 16: Reorganisation of global value chains in response to business constraints, 2021-2023 Source: Eurostat (gvc_effgvc)

The way forward

The survey shows interesting results and changes in modern Europe regarding globalisation, and the main takeaway is that most sourcing still stays within Europe. In general, the sourcing direction shows that enterprises in countries with smaller, open economies with high labour costs source the most to enterprises in other countries. There are indications that the sourcing wave of ICT services from the beginning of the 2000s is declining, with management and administrative services surpassing them in total sourcing in Europe. Sourcing patterns are interesting for policymakers in Europe, and there are often debates about sourcing as an agent of globalisation and its positive or negative effects on an economy. Keeping in mind the scarcity of statistical data on sourcing, this survey should provide new insight into the effects and motivations of sourcing.

The survey also captures some elements of the GVC arrangements of European enterprises. These results show that enterprises purchasing high-value goods and services from abroad are more numerous than those supplying high-value goods and services. Additionally, the survey aimed to capture the effects of global constraints on GVCs of enterprises. The first results show that European enterprises were highly affected by different constraints during 2021-2023.

The following survey should capture the changes that have happened as well as provide information on new, emerging concepts. It might offer a more detailed and accurate view of the type of jobs lost and facilitate breaking down almost any enterprise characteristic or strategy, such as employment and wages, technology adoption, training and skill requirements and others. The next survey will be the second regular data collection governed by the statistical regulation on European business statistics (EBS), [Regulation \(EU\) 2019/2152](#), for the reference period 2024-2026. The specific set of questions may differ between data collection rounds; this will allow

incorporating questions on new trends and factors affecting GVCs. The GVC survey sheds some new light on the complex issue of GVC, which also includes international sourcing and strives to pave a way forward for new statistical developments.

Feedback

To help Eurostat improve these experimental statistics, users and researchers are kindly invited to give us their [feedback by email](#)

Source data for tables and graphs

- [International sourcing, business functions and GVCs: figures and tables](#)

Data sources

One of the first efforts to measure the GVC phenomenon in Europe came with the [international sourcing](#) (IS) survey in 2007. Since 2007, Eurostat has supported and actively contributed to developing and establishing the IS and GVC surveys which were carried out in 2012, 2018, 2021 and the latest one in 2024. These efforts culminated with the international sourcing survey (now renamed GVC survey) being included as official statistics in [Regulation \(EU\) 2019/2152](#) on European Business Statistics ('the EBS Regulation'). Under the EBS Regulation and as described in the [Regulation \(EU\) 2022/918](#) (GVC Implementing act) that was adopted on 13 June 2022, the survey's scope has increased to encompass the GVC arrangements and impact on the EU Member States. The survey will take place every 3 years; targeted topics may change between consecutive surveys to better capture globalisation trends and policy requirements.

The data presented in this article refers to the population of enterprises with 50 or more persons employed in the period 2021-2023 in the reporting 22 EU Member States (except Croatia, Cyprus, Estonia, Luxembourg and Slovenia) and the EFTA country Norway. The GVC statistics cover [NACE Rev.2](#) (Statistical classification of economic activities in the European Community) sections B to N, which, broadly speaking, covers the business economy. The data was collected in 2024 and shows cumulative data for the period 2021-23

Definitions

Global Value Chains (GVC): GVC comprise the full range of cross-border activities required to bring a product or service from conception through the different production and delivery phases to final consumers.

GVC trade: Refers to an international trade that takes place in a GVC. Most commonly, this includes trade in intermediate goods and services.

COVID-19 events: These events resulted directly from the COVID-19 outbreak, hampering or enabling an enterprise's business activity. Examples are government lockdowns, shutting down sales points, and positive events such as increased sales of protection masks.

Sourcing activities

Sourcing: The total or partial movement of business functions (core or support business functions) currently performed in-house of a resident enterprise to either non-affiliated (external suppliers) or affiliated enterprises located either domestically or abroad.

International sourcing: The total or partial movement of business functions (core or support business functions) currently performed in-house or domestically sourced by the resident enterprise to either non-affiliated (external suppliers) or affiliated enterprises located abroad.

Sourcing does not include: Expansion domestically or abroad; for example, a set-up of a new production line domestically or abroad without a movement of business functions domestically or abroad (core or support business functions) nor reduction of activity and jobs in the concerned enterprise.

Insourcing and outsourcing: The survey distinguishes between international sourcing to a foreign affiliate or daughter company within the same multinational enterprise group — so-called insourcing — and sourcing to external providers, called outsourcing.

Business functions

Core business function: Production of final goods or services intended for the market or third parties carried out by the enterprise and yielding income. Core business function equals, in most cases, the primary activity of the enterprise. It may also include other (secondary) activities if the enterprise considers them part of its core functions.

Support business function: Support business functions (ancillary activities) are carried out to permit or facilitate the production of goods or services intended for the market/for third parties by the enterprise. The support business functions' outputs are not intended directly for the market/for third parties.

The business functions are divided into:

1. Production of goods and materials for the market (Manufacturing, processing, assembly, refining, printing and binding, casting of metals, building of ships, mining, extraction of gas and oil, stone quarrying, power generation (except trade of electricity), development of building projects, civil engineering, specialised construction tasks, including demolition.
2. Transport, logistics and storage
 - Transportation and logistics (road, water, rail and air transport activities, passenger and cargo transport, postal services)
 - Warehousing and storage (warehousing, storage, packaging)
3. Marketing, sales, and after-sales service
 - Marketing and after-sales services (advertising and media representation, market research and public opinion polling, call centers)
 - Sales (retail and wholesale, trade of gas and electricity, sales agents and real-estate trading)
4. Information and communication technology services
 - Information and communication technology services (software publishing and computer consultancy activities, programming and broadcasting tasks, telecommunications tasks, data processing and hosting, web portals and related information service tasks, installation of mainframe computers, maintenance and repair of computers and communications systems)
 - Software programming (computer programming, consultancy and related tasks)
5. Management and administration
 - Management (financial services e.g. banking, insurance, financial leasing, fund management; activities of head offices, HRM activities)
 - Administration (financial markets administration, legal tasks, bookkeeping, accounting and auditing, office administration and business support services, public administration services)
6. Engineering and related technical services (e.g.: support tasks for raw material extraction, sound recording and video production, architectural and engineering tasks and technical analysis)
7. Research and development (e.g.: research and experimental development in the area of natural sciences and engineering, social sciences and humanities)
8. Other business functions
 - Facility management (accommodation e.g. hotels and camps, food and beverage services e.g. cafes and restaurants, landscape services, libraries, museums, sports centres)
 - Maintenance and repair services (maintenance and repair of non-ICT electronic equipment, transportation vehicles, personal and household goods)

- Other services (water, waste collection and sewerage, remediation services, professional services e.g. photography and translation, travel agency activities, rental and operational leasing activities, security, education, human health activities and residential care, social services, creative and arts activities, gambling and betting, sports activities excluding facility management)

Enterprise: The statistical unit of this survey is the enterprise. The enterprise is the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit but can also be part of an enterprise group. The head of an enterprise group can either be located in the same country as the enterprises or in another country.

Jobs lost: The enterprises are asked to estimate the total number (gross) of domestic jobs lost in the responding enterprises as a result of international sourcing. Domestic job losses in the responding enterprises that have taken place due to reasons other than international sourcing (e.g. domestic lay-offs, poor business cycle, etc.) are not included here. Even if jobs (business functions) have been moved abroad, the persons previously performing these functions may still be employed in the company carrying out other tasks (may also be new tasks related to jobs created because of international sourcing). In these cases, the jobs should still be counted as jobs lost. Therefore, generally speaking, the "jobs lost" concept has nothing to do with the observed change in the number of employees and self-employed persons of the enterprise. An enterprise may, e.g. record "jobs lost" due to international sourcing and still record an increase in its "number of employees and self-employed persons".

Jobs created: The enterprises are asked to estimate the total number (gross) of domestic jobs created in the responding enterprises as a result of international sourcing. Domestic jobs created in the responding enterprises due to reasons other than international sourcing (e.g. expansion abroad) are not included here. A common reason for job creation is the increased availability of funds due to international sourcing. These funds, in turn, can lead to job creation in another business function (e.g. outsourcing some IT personnel led to some cost savings, which enabled the enterprise to hire more sales staff). The respondents estimate this variable in a direct link with international sourcing, as job creation is difficult to back up with hard data.

Footnotes

Explore further

Other articles

- [Global value chain disruptions and enterprise responses in the EU](#)
- [Linking statistics on international sourcing with other business statistics](#)
- [Economic globalisation indicators](#)

Database

- [Global value chains and international sourcing statistics \(gvc\)](#)

Thematic section

- [Economic globalisation: globalisation in business statistics](#)

Publications

- [European business statistics compilers' manual for global value chains – 2023 edition](#)

Methodology

[GVC ESMS metadata file](#) .

External links

- [Manual on the Classification of Business Functions](#)
- [GVC Implementing Regulation 2022/918](#)
- [Multinational enterprises in domestic value chains](#) - Cadestin, C., et al. (2019), OECD Science, Technology and Industry Policy Papers, No. 63, OECD Publishing, Paris
- [Global Value Chains \(OECD\)](#)
- [Global Value Chains \(UNSD\)](#)