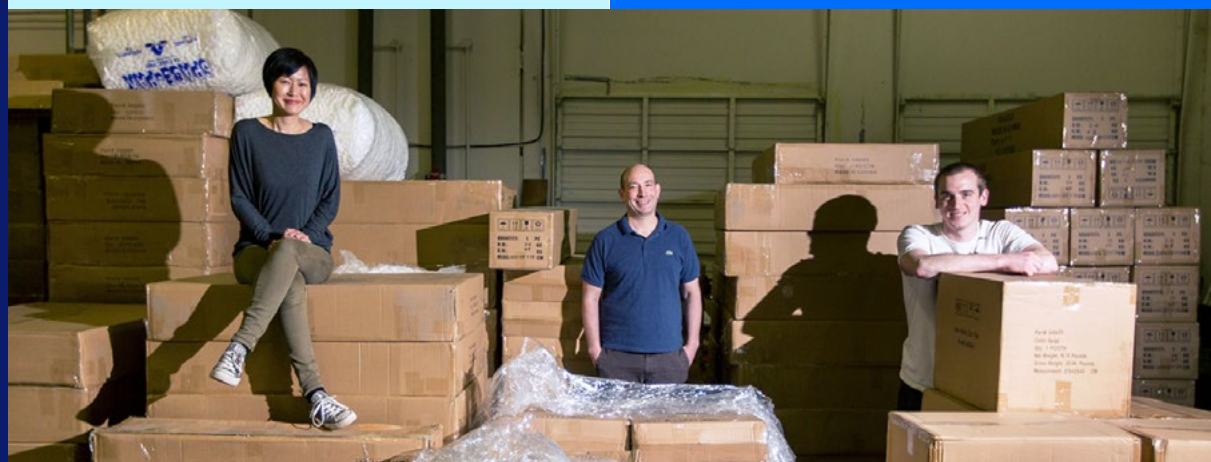




NOVEMBER 2020

European Union Small Online Business Trade Report

ebay



The COVID-19 pandemic has presented unexpected and unprecedented challenges for small enterprises and entrepreneurs across the European Union. We are committed to supporting our vibrant seller community during these difficult times and are unwavering in our mission to empower people and create economic opportunity for all. This report explores how European small businesses and entrepreneurs can seize such new opportunities to grow using the global online marketplace.

Cross-border trade has historically been the purview of large corporations. Nearly all traditional small businesses have been locked into their local market. Even today, most EU small enterprises rarely do business outside their home country. However, a new model of inclusive trade has emerged in the EU, with small businesses in every Member State creating storefronts on eBay and successfully competing in markets across Europe and around the globe. At the same time, these small businesses are maintaining their independence, facilities and employment in their local community.

Traditionally, commerce over distance has come with significant costs. This impeded the ability of most micro and small firms to participate directly in international markets, and even to serve customers throughout large national markets. We have seen this manifested in the EU context in limited participation by micro and small businesses in cross-border commerce within the Single Market, even when connected to the Internet. The difficulties of selling consistently into remote markets has also disadvantaged enterprises, especially small ones, that are based further from the fastest growing economic hubs, creating challenges for broad-based and balanced economic development.

On eBay, EU small businesses are not locked into their local market. Unlike in the traditional economy where small business cross-border trade is an aspiration, on eBay it is the norm. Nearly every eBay-enabled small business in the EU is an exporter reaching customers in markets around the world.

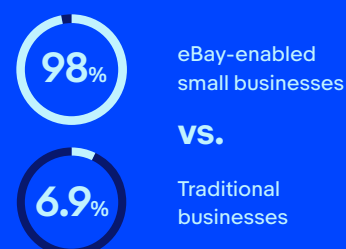
The top five cross-border destinations for these eBay-enabled small businesses are Germany, United Kingdom, France, United States and Italy.

The export success of eBay-enabled small businesses is a good news story of inclusive European trade, small business empowerment, and broad-based economic activity emerging from every part of the EU. It is powering new enterprise development and resulting in robust rates of younger firms on eBay, especially in Member States with the highest startup rates. Government leaders at the EU and Member State levels intent on promoting small business trade, inclusive growth and harnessing technology to serve people, while protecting the integrity of small European enterprises, can better meet these goals through policies that:

1. Enable small business participation in global commerce.
2. Adapt the new EU VAT framework to small business needs.
3. Ensure fast, affordable, reliable and traceable delivery within the EU.
4. Promote sustainable commerce.
5. Adopt a smart, balanced approach to illegal content online.

European Union

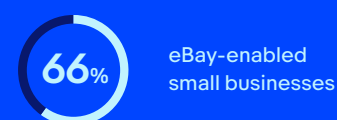
Share of enterprises exporting



Average number of foreign destination markets



Share of eBay-enabled small businesses exporting to 10+ markets



Share of eBay-enabled small businesses exporting to 4+ continents



Independent small businesses and entrepreneurs across the European Union are being impacted by the unique and complex challenges stemming from the COVID-19 pandemic. Sellers are at the heart of the eBay Marketplace and we will continue to support them and offer assistance to help navigate these difficult times. Twenty-five years ago, Pierre Omidyar founded eBay on the premise that people are basically good and we remain steadfast in our commitment to empowering people and creating economic opportunity for all.

eBay is harnessing technology and using it to empower independent small businesses and entrepreneurs. This report presents findings based on eBay Marketplace data related to the trade and inclusive global commerce opportunities available to small businesses in every country of the EU.

The analysis for this report is based on data covering transactions on the eBay Marketplace from 2014-2018. The data was limited to transactions by sellers with sales of approximately EUR 8470 (equivalent to USD 10 000)¹ or more annually on the eBay Marketplace who were registered as a business in their home jurisdiction. In this report these are called “eBay-enabled small businesses”. In order to provide relevant comparisons to business activity in the overall economy, comparable data from the Organization for Economic Cooperation and Development (OECD) and Eurostat is employed when available.

Inclusive growth - economic growth that is distributed fairly across society and creates opportunities for all - aims to expand opportunities for small and micro enterprises, depressed regions, women and minorities.² This report focusses on the global trade success of European-based micro and small enterprises on eBay and follows on recent inclusive trade and opportunity reports from eBay regarding small businesses globally³ and distressed communities in America.⁴



Novara Metalli

Laura Di Gianfrancesco
Novara, Italy

Laura Di Gianfrancesco's father started Novara Metalli, a parts and metal wholesaler, in 1996. Laura joined the family business after graduating in 2000, and in 2008, Laura took the initiative to try selling their products on eBay. What seemed like a small idea at the time paid off and became an online business. Today, almost all of the business has moved online. Laura chose eBay as a starting point for bringing their business online after using the platform as a buyer. She liked that eBay's reputation served as a guarantee for both sellers and buyers. The feedback system also means that a seller's reliability can be judged quite fairly based on other people's experiences.

Small business trade is important to European Union growth



California Motorcycles

Frank Burguera
Oliva, Valencia, Spain

In 2008, Frank Burguera decided to make his passion his profession. From a small town in Valencia, Oliva, Frank created California Motorcycles, a shop specializing in Harley-Davidson accessories and spare parts. His tireless work helped California Motorcycles survive and even grow during the Spanish financial crisis, while companies around him went under. Frank Burguera's recipe for success is to focus on quality and professionalism while following a passion. Today, California Motorcycles is one of the most recognized Harley-Davidson accessory and spare parts dealers on eBay and in the world.

There are more than 20 million small enterprises in the EU, and they represent an astonishing 99 percent of businesses.⁵ Among these firms, micro businesses with fewer than 10 employees account for an overwhelming 93 percent of small enterprises.⁶ Small firms operate mainly at the national level, with only relatively few small and medium-sized businesses engaging in cross-border activity, even within the EU. Most of these businesses forsake the economic opportunities that lie in a European market of about 500 million people, not to mention the potential customers found in the rest of the world. For the last six years, EU policymakers have looked to e-commerce as a key tool that will open up foreign markets to Europe's small and medium-sized businesses through the Digital Single Market Strategy. Thus, they have considered the share of Internet-enabled small enterprises that sell cross-border to be a key measurement of the success of digital policies. Regrettably, the statistics seem to suggest that small business trading, even powered by technology, is not happening quickly enough. Instead, only 17 percent of micro and small enterprises in the EU sell online and only 8 percent of those who are online successfully sell to consumers across borders.⁷

“Having an eBay store is like having a store in every small town in Europe, something that was unthinkable before our presence on eBay.”

Frank Burguera
California Motorcycles

eBay small businesses are succeeding at cross-border ecommerce

In the traditional economy, business size is clearly linked to export success. Global trade has been the purview of large, established domestic companies targeting an attractive export market, establishing overseas operations and eventually developing a multi-national supply chain with vendors and consumers located around the world. This model continues to be the dominant model for trade today. While large firms account for less than 5 percent of exporting enterprises in the EU, their share of total intra-EU exports is 47 percent and their share of exports to markets outside Europe is even greater, 58 percent in 2017.⁸

The Internet and digital platform services have reduced the cost of small business commerce over distance enough to enable exporting by independent small businesses at a rate never possible before.⁹ Even micro enterprises can connect with consumers and establish trust across national and cultural borders.¹⁰ Small firms are able to create a storefront online and compete in global markets through e-commerce platforms with vibrant customer bases. At the same time, access to consumer demand in remote markets allows them to support a local shop or small warehousing facility and create jobs in their community. The World Economic Forum (WEF) has noted that platform-based e-commerce has had a strong positive impact on many small businesses, both by opening up new export avenues and facilitating access to low-cost imported inputs.¹¹ The WEF further explains that technology-based commerce marketplaces have made selling and sourcing internationally much easier by reducing many non-tariff barriers to trade - most importantly, access to information.¹² World Bank Enterprise Survey data (2009-10) provides evidence that internationalized firms also achieve higher levels of productivity than those just serving their domestic markets.¹³

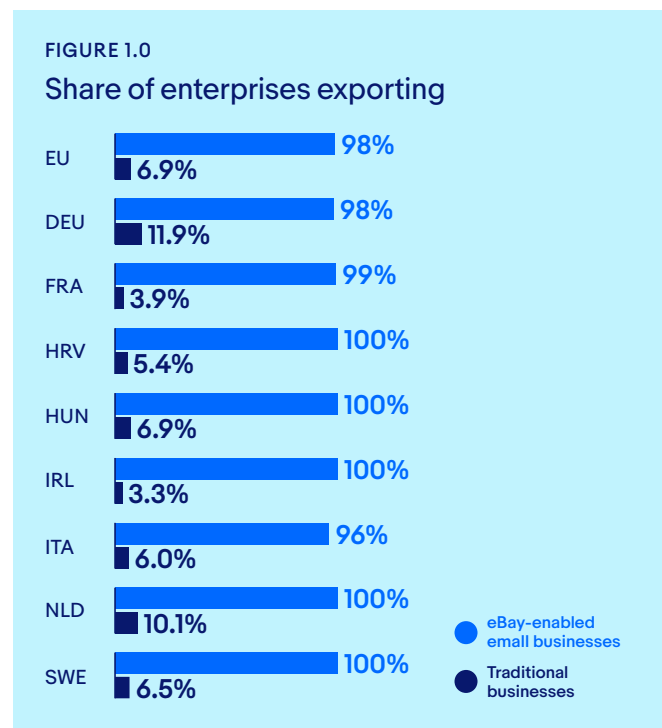
eBay is at the forefront of delivering global trade opportunities to small firms while empowering them to be independent enterprises. And, while technology cannot fully offset the challenges faced by small businesses attempting to compete in remote markets across the globe, digital platform services have reduced the cost of small business commerce over distance enough to enable exporting by independent firms at rates never possible before.¹⁴

In this spirit, eBay also partners with local city leaders in regions across the world to develop innovative small business programs that address specific retail challenges and scale solutions to benefit entrepreneurs across different communities. Programs such as eBay's Retail

Expansion harness the power of technology and eBay's global marketplace to support and grow small businesses internationally, while strengthening local economies and fostering vibrant community growth. Through this program, which is active in EU cities such as Dublin, Ireland; Plovdiv, Bulgaria; and Athens, Greece, local business owners receive training and coaching to sell their unique inventory to eBay's 183 million active buyers¹⁵ all over the world.

The next section of this report will present findings from eBay Marketplace data to illustrate the level of export activity by eBay-enabled small businesses in every country of the EU, contrasting the data with traditional business activity where available.

Share of enterprises exporting



The share of small businesses exporting on the eBay Marketplace¹⁶ is the first and possibly most striking data point that illustrates the impact and reach of global commerce platforms in comparison to the traditional model of trade. In the EU as a whole, 98 percent of eBay-enabled small businesses are exporters. At the Member State level, the share of eBay-enabled small businesses that export ranges from a low of 96 percent in one, to a complete 100 percent rate in 22 of the 27 EU Member States. These rates



dwarf the share of traditional businesses in the EU that reach customers in foreign markets. OECD data reveals that just 6.9 percent of all firms across the EU export¹⁷ and at the Member State level, this export activity ranges from a low of just 1.8 percent to a high of 21.1 percent.¹⁸

Average number of foreign destination markets

The average number of foreign markets²⁰ reached on an annual basis provides a key measurement of export activity and market diversity. It has been traditionally understood that businesses considering entering a new export market faced costs of entry for that market, with each new market incrementally adding to the total market access costs.²¹ Escalating country-by-country market entry costs related to developing business contacts by traditional means resulted in a trade environment in which only very large firms exported to more than a small number of countries.

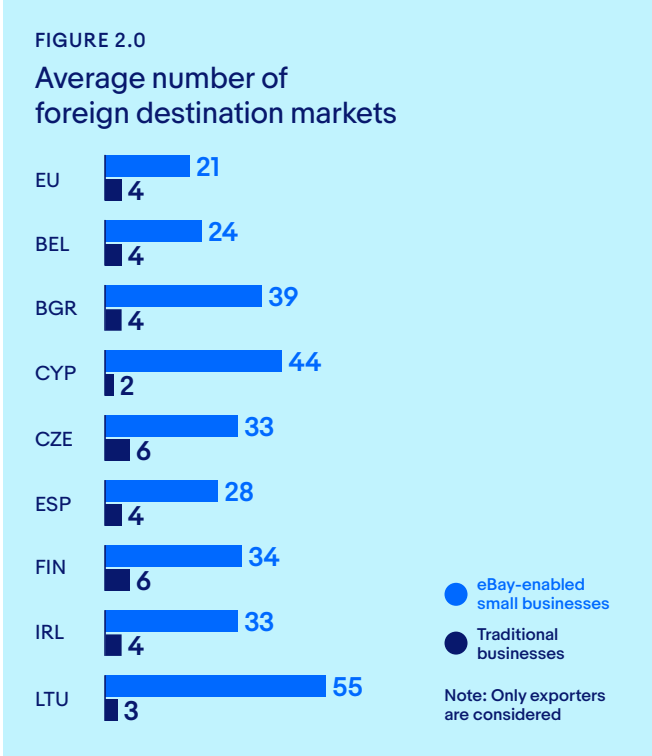
This is no longer the case with eBay-enabled small businesses in the EU. The eBay platform allows independent local entrepreneurs to overcome the costs of selling directly to consumers over great distances, allowing small firms to spread their exports across numerous country markets across Europe and globally. The eBay-enabled small business average for the EU as a whole is 21 different export markets²², and the range amongst small business seller communities in the Member States runs from 18 to 55. In contrast, traditional exporters across the EU export to an average of only 4 markets.²³ The Member State averages for traditional businesses range from just 2 to 8 export markets.²⁴

Share of eBay-enabled small businesses that reach ten or more different foreign markets

As another measurement of the scale of eBay-enabled small business exporting activity, we calculated the share that exported to ten or more markets in 2018.²⁶ As with the previous data point, our findings show that eBay-enabled

Top five cross-border export destination markets for eBay-enabled small businesses in the EU¹⁹

1. Germany
2. United Kingdom
3. France
4. United States
5. Italy



Top five growth markets for EU eBay-enabled small businesses' cross-border exports²⁵

1. United States
2. Germany
3. United Kingdom
4. France
5. Italy

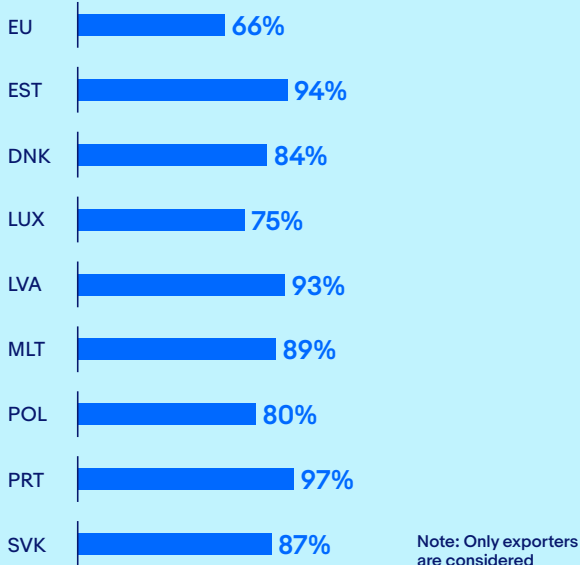
small businesses defy the traditional understanding that entry costs are a barrier to exporting to additional countries, with a full two-thirds of all eBay-enabled small businesses in the EU exporting to ten or more markets. The rates at the Member State level range from a low of 61 percent in one State to a high of 97 percent. Traditional commerce is shaped by a small percentage of large firms who export to many markets. eBay’s global platform expands the playing field of opportunity and empowers a multitude of independent small enterprises in communities across the EU to reach a large number of markets.

Top five product categories exported²⁷

1. Auto Parts
2. Home & Garden
3. Clothes, Shoes & Accessories
4. Business, Office & Industrial
5. Computing

FIGURE 3.0

Share of eBay-enabled small businesses that reach ten or more different foreign markets

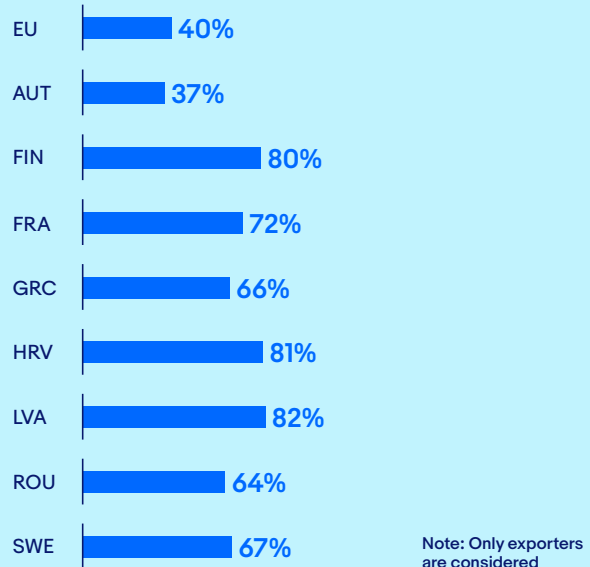


Share of eBay-enabled small businesses exporting to buyers on four or more continents

Though it is a non-traditional measurement of scale and scope of exporting activity, we have calculated the continental reach of eBay-enabled small businesses.²⁸ While an important goal of the Digital Single Market initiative is to harness technology to empower small enterprises from across the EU to take advantage of the full measure of the European market, exporting on a truly global geographic scale is a further measure of eBay-enabled small businesses operating in a manner traditionally reserved for corporate elites. For the purposes of this analysis, sales on eBay were designated to buyers on one of six continents: North America, South America, Europe, Asia, Africa, and Australia. When an eBay-enabled small business exports to a buyer in a country on a continent, they were credited with an export to that continent. For example, cross-border sales within the European continent are counted as an export to Europe. (e.g. A sale from a France-based eBay seller to a buyer in Norway is an export to Europe.) We classify an eBay-enabled small business with sales to four or more continents in a year to be a “Global Seller”. Forty percent of the eBay-enabled small businesses in the EU achieved the status of Global Seller.

FIGURE 4.0

Share of eBay-enabled small businesses exporting to buyers on four or more continents



Cross-border ecommerce trade and new enterprise formation



GPA Recycleur d' automobiles

Johan Renaud
Livron-sur-Drôme, France

When Johan took leadership of the car breakage company that his grandfather had created in the 1960s, he understood that to strengthen the business he would have to expand their customer base. On top of the brick-and-mortar store based near Valence, in the Rhône-Alpes region of France, he started to offer remote sales by telephone. Then he created a website, but traffic and sales remained small compared to necessary marketing investments. In 2014, GPA started selling on eBay and found great success right away. In 2018, thanks to this growth, GPA launched an 18 million euros investment project aimed at enlarging and industrializing its operations, including a covered storage space of which more than half will be dedicated to online sales. In the last year, Johan's company also started to conquer the world with about 10 percent of its sales on eBay reaching cross-border markets.

“The birth of new enterprises is a key indicator of business dynamism.”

OECD, 2015²⁹

The ability of new enterprises to enter the market is a key element of sustainable and balanced economic growth. An OECD study described new firms as “agents of change in the economy” and that they help support the adaptation of the economy and society to new challenges and drive economic development.³⁰ The study emphasizes how “even small innovations and small differences in growth amount to a lot when multiplied by the number of firms involved”.³¹ The online commerce platform model triggers such an effect by indiscriminately facilitating market entry and participation.

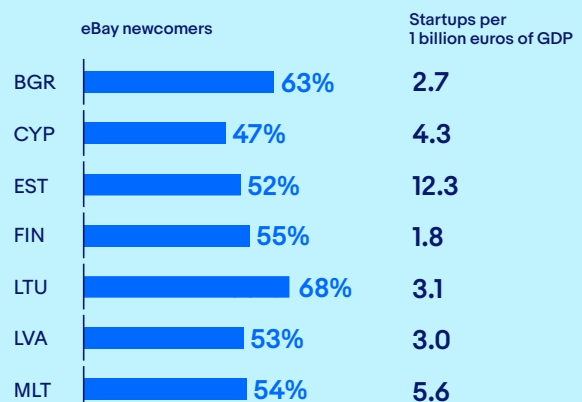
While strong growth in the number of enterprises may result from any combination of enterprise birth rates exceeding enterprise death rates, the EU small businesses engaged in ‘E-commerce and other distance selling’ is the industry with the highest average enterprise birth rate (18.6 percent) and the greatest difference between average birth and death rates in the studied period.³²

In an effort to gauge the contribution of strong growth in the number of new enterprises in each Member State's eBay small business community, we looked at the share of eBay-enabled small businesses that are “Newcomers”. In our definition, a Newcomer is a young firm of less than four years operating on eBay³³ that achieved approximately EUR 8470 (equivalent to USD 10 000)³⁴ in annual sales. Based on this definition, the overall share of Newcomer firms on the eBay platform in Europe in 2018 was 33 percent, with a high of 68 percent in Lithuania and rates exceeding 50 percent in eight of the 27 country markets.

Young firms are more likely to be innovative.³⁵ When young firms also use newer technological tools and business processes, they are often referred to as startups. The European Commission's Annual Report on European SMEs for 2018/2019 provides an analysis of the number of innovative start-ups per 1 billion euros of GDP in each EU Member State.³⁶ The analysis reveals that some smaller Member States have relatively large start-up populations and seven Member States exceed the rate of 1.7 startups per 1 billion euros of GDP found in the United States.³⁷ As we see in Figure 5.0, these seven EU Member States are also home to eBay-enabled small business Newcomer rates that are well above the EU-wide average and point to a healthy small business entrepreneurship environment.³⁸

FIGURE 5.0

Share of eBay-enabled small businesses that were newcomers and startup rates



Recommending policy action to promote inclusive trade and growth

As this report shows, despite low overall shares of EU-based traditional small businesses engaging in cross border trade, even when connected to Internet services, eBay-enabled small businesses in every country of Europe are robustly trading across borders while maintaining their independent nature, operating facilities, and employing people in their local communities. These elements will be further amplified as communities across the European Union deal with the impacts of the COVID-19 pandemic.

The policy recommendations below seek to insert into the policy discussions surrounding the agenda for the new European Commission – a community of leaders focused on technology serving and empowering free people, rather than people serving technology – suggestions that would improve the conditions for independent small businesses using technology to reach beyond their local market. Among these proposals are initiatives to lower market serving barriers and costs, enhance legal and institutional stability and trust, and extend access to key business enablers. Our findings suggest these factors could also help provide for a more geographically inclusive economic recovery in the wake of the pandemic.

Enabling small business participation in global commerce

Small and medium-sized enterprises (SMEs) anywhere in the world can find and serve customers across the globe without having a physical establishment in each country they serve. This new form of trade challenges authorities across different governance areas. In order to keep online trade open, the European Commission should:

1. Take the lead in developing international policy approaches for common challenges in cooperation with key trading blocks. For example, fostering international product safety standards and

enforcement mechanisms will support EU independent small businesses in their international expansion as well as enhance EU consumer purchasing power.

2. Stay away from creating regulatory walls around the European market which risks benefiting incumbent and larger businesses.

Adapting to the new EU VAT framework

New VAT rules adopted by EU Member States, set to come into force in 2021, significantly increase the VAT compliance burden for SMEs that trade across the EU Digital Single Market. To mitigate some of the harm, the European Commission should:

1. Put in place digital compliance support tools and promote them to SMEs through large-scale communication campaigns.
2. Create and maintain a legally binding, automated database covering VAT rates applicable in the Member States, based on product identifiers.
3. Preserve independence of European SMEs over VAT collection and reporting: transferring this responsibility to online marketplaces would increase SME dependence upon systemic, vertically integrated platforms.

Ensure fast, affordable, reliable and traceable delivery

The parcel delivery sector is innovating and evolving to serve online commerce, further motivated by the entry into force, in 2018, of the EU's "Regulation on cross-border parcel delivery services". The pandemic has also shown the key role played by the parcel delivery sector to enable the shipping of goods, including sometimes of essential nature, otherwise made inaccessible by lockdown measures. Nonetheless, system failures endure that harm small infrequent senders in general and those in peripheral areas in particular. In order to address that:

1. National regulatory authorities should continue to help in increasing transparency of services and prices, using the tools provided by the Regulation to not only assess price affordability, but also identify coverage gaps in cross-border delivery services.



RallyShop

Jakub Tomczyk
Toruń, Poland

As a teenager, Jakub dreamed of becoming a racecar driver. With hard work Jakub went on to compete in the Polish racing championship and in international events. After his driving career came to an end, Jakub knew that he would never give up on his passion. When Jakub was 23 he opened a store selling motorsport accessories. After a few years, he started working with the biggest accessories wholesaler in Europe, adding thousands of new products to his store. In 2010, Jakub set up an eBay account and a few months later, started shipping accessories globally. Today, Jakub owns one of the biggest and most modern racing showrooms in the world with nearly 20 employees. Although he doesn't plan on racing again, he helps make other people's dreams come true.

2. The Commission in turn should closely monitor the impact the Regulation has on cross-border prices and service levels and adopt further regulatory measures if needed.

Promote sustainable commerce

The Commission recently published a “New Circular Economy Action Plan” that commits to enabling greener ways to trade for EU citizens and businesses. In parallel, new obligations related to Extended Producer Responsibility risk impeding European SME access to online marketplaces by creating new barriers and red tape. We call on the European institutions to:

1. Ensure that the European EPR framework is adapted to the needs and specificities of Internet-enabled small businesses, through simplification measures such as one-stop shops and de minimis, as well as to tackle lack of awareness on EPR obligations through public-private cooperation.
2. Commit to action and to calling on marketplace and SME expertise on various key initiatives mentioned in the Plan, such as “right to repair”, electronic product passport, or the reward system for returning used electronics.

Adopt a smart, balanced approach to illegal content online

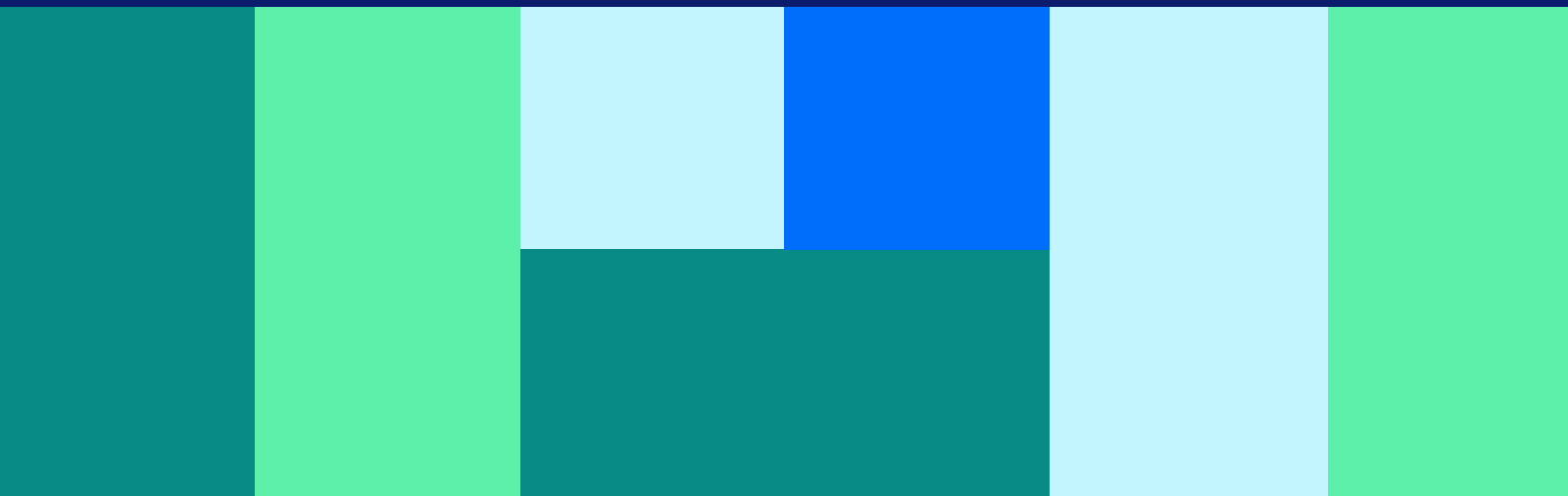
The European Commission recently issued its “Shaping Europe's digital future” strategy. It explicitly refers to “increasing and harmonizing the responsibilities of online platforms and information service providers and reinforce the oversight over platforms' content policies in the EU”.³⁹

In that context, we call on the Commission to:

1. Ensure that truly independent small businesses can participate in the online commerce market by maintaining a regulatory distinction between the responsibilities of marketplaces and retailers that use them. In any other scenario, marketplaces will require a tight directional and physical control over the business operations of small retailers using their services, effectively turning those SMEs into mere suppliers without operational independence.
2. Establish and enforce platform access and non-discrimination principles for the digital economy, in particular for those online platforms with substantial market power. Platform users' rights should furthermore be upheld by preserving due counter-notice and process rules in order to avoid the taking down of legitimate content and abusive, anti-competitive, notifications against small online businesses.
3. Target different types of illegal content through corresponding sectorial initiatives. The Commission should conduct research, aiming to identify and quantify potential problems, map solutions, and facilitate multi-stakeholder projects to roll out solutions. The Memorandum of Understanding on the online sale of counterfeit goods is a good example of a targeted approach.

European Union Small Online Business Trade Report Appendix

November 2020





Austria (AUT)

99.8%

Top 5 cross-border destination markets

1. Germany
2. United States
3. United Kingdom
4. Italy
5. France

20

70%

Top 5 growth markets for cross-border exports

37%

1. United States
2. Hong Kong
3. Thailand
4. United Kingdom
5. Japan

28%

Top 5 product categories exported

1. Home & Garden
2. Auto Parts
3. Photography
4. Sporting Goods
5. Clothes, Shoes & Accessories

Belgium (BEL)

100%

Top 5 cross-border destination markets

1. France
2. Germany
3. United States
4. United Kingdom
5. Italy

24

81%

Top 5 growth markets for cross-border exports

62%

1. United States
2. Czechia
3. Denmark
4. Slovak Republic
5. Croatia

31%

Top 5 product categories exported

1. Stamps
2. Computing
3. Auto Parts
4. Antiques
5. Collectables

Bulgaria (BGR)

100%

Top 5 cross-border destination markets

1. United States
2. United Kingdom
3. Germany
4. Italy
5. France

39

88%

Top 5 growth markets for cross-border exports

76%

1. United States
2. United Kingdom
3. Germany
4. Italy
5. Spain

63%

Top 5 product categories exported

1. Auto Parts
2. Home & Garden
3. Health & Beauty
4. Clothes, Shoes & Accessories
5. Home Furnishing

Croatia (HRV)

100%

Top 5 cross-border destination markets

1. Germany
2. United States
3. United Kingdom
4. Italy
5. France

44

90%

Top 5 growth markets for cross-border exports

81%

1. United States
2. Italy
3. United Kingdom
4. Germany
5. France

52%

Top 5 product categories exported

1. Auto Parts
2. Sporting Goods
3. Home & Garden
4. Coins
5. Computing

Cyprus (CYP)

100%

Top 5 cross-border destination markets

1. United States
2. Italy
3. United Kingdom
4. Germany
5. France

44

93%

Top 5 growth markets for cross-border exports

88%

1. United States
2. Italy
3. Germany
4. Spain
5. Ireland

47%

Top 5 product categories exported

1. Auto Parts
2. Mobile & Home Phones
3. Health & Beauty
4. Jewellery & Watches
5. Clothes, Shoes & Accessories

Czechia (CZE)

100%

Top 5 cross-border destination markets

1. Germany
2. United States
3. United Kingdom
4. China
5. Austria

33

82%

Top 5 growth markets for cross-border exports

63%

1. Germany
2. United States
3. Spain
4. Thailand
5. Denmark

50%

Top 5 product categories exported

1. Auto Parts
2. Photography
3. Business, Office & Industrial
4. Home & Garden
5. Sporting Goods

Denmark (DNK)

100%

Top 5 cross-border destination markets

1. Germany
2. United States
3. United Kingdom
4. Australia
5. France

23

84%

Top 5 growth markets for cross-border exports

58%

1. United States
2. Canada
3. Columbia
4. Thailand
5. Australia

46%

Top 5 product categories exported

1. Photography
2. Auto Parts
3. Computing
4. Jewellery & Watches
5. Clothes, Shoes & Accessories

Estonia (EST)

100%

Top 5 cross-border destination markets

1. Germany
2. United States
3. Italy
4. France
5. United Kingdom

42

94%

Top 5 growth markets for cross-border exports

78%

1. Germany
2. United States
3. France
4. Spain
5. Italy

52%

Top 5 product categories exported

1. Computing
2. Auto Parts
3. PC & Video Gaming
4. Business, Office & Industrial
5. Collectables

Finland (FIN)

100%

Top 5 cross-border destination markets

1. United States
2. United Kingdom
3. Germany
4. Australia
5. Canada

34

86%

Top 5 growth markets for cross-border exports

80%

1. United States
2. Australia
3. Germany
4. Canada
5. Norway

55%

Top 5 product categories exported

1. Business, Office & Industrial
2. Auto Parts
3. DVDs, Film & TV
4. Collectables
5. Clothes, Shoes & Accessories



France (FRA)

99%

Top 5 cross-border destination markets

1. Germany
2. United States
3. Italy
4. United Kingdom
5. Belgium

25

83%

Top 5 growth markets for cross-border exports

1. United States
2. Italy
3. Germany
4. China
5. Czechia

72%

31%

Top 5 product categories exported

1. Auto Parts
2. Antiques
3. Collectables
4. Toys & Games
5. Clothes, Shoes & Accessories

Germany (DEU)

98%

Top 5 cross-border destination markets

1. Austria
2. France
3. Italy
4. United Kingdom
5. United States

18

61%

Top 5 growth markets for cross-border exports

1. United States
2. United Kingdom
3. France
4. Hungary
5. Australia

30%

29%

Top 5 product categories exported

1. Auto Parts
2. Home & Garden
3. Business, Office & Industrial
4. Computing
5. Clothes, Shoes & Accessories

Greece (GRC)

100%

Top 5 cross-border destination markets

1. United States
2. United Kingdom
3. Germany
4. Australia
5. France

31

72%

Top 5 growth markets for cross-border exports

1. United States
2. United Kingdom
3. Germany
4. Chile
5. Denmark

66%

56%

Top 5 product categories exported

1. Home & Garden
2. Auto Parts
3. Health & Beauty
4. Home Furnishing
5. Toys & Games

Hungary (HUN)

100%

Top 5 cross-border destination markets

1. United States
2. Germany
3. United Kingdom
4. Austria
5. France

31

86%

Top 5 growth markets for cross-border exports

1. United States
2. South Korea
3. China
4. Japan
5. Hong Kong

68%

38%

Top 5 product categories exported

1. Home & Garden
2. Auto Parts
3. Sporting Goods
4. Clothes, Shoes & Accessories
5. Health & Beauty

Ireland (IRL)

100%

Top 5 cross-border destination markets

1. United Kingdom
2. United States
3. Germany
4. Spain
5. Australia

33

87%

Top 5 growth markets for cross-border exports

1. Spain
2. United States
3. Australia
4. France
5. China

74%

44%

Top 5 product categories exported

1. Auto Parts
2. Mobile & Home Phones
3. Home & Garden
4. Health & Beauty
5. Computing

Italy (ITA)

96%

Top 5 cross-border destination markets

1. Germany
2. France
3. United States
4. United Kingdom
5. Spain

19

61%

Top 5 growth markets for cross-border exports

1. Germany
2. France
3. United States
4. United Kingdom
5. Spain

42%

39%

Top 5 product categories exported

1. Auto Parts
2. Clothes, Shoes & Accessories
3. Home & Garden
4. Sporting Goods
5. Home Appliances

Latvia (LVA)

100%

Top 5 cross-border destination markets

1. Germany
2. United States
3. United Kingdom
4. France
5. Norway

48

93%

Top 5 growth markets for cross-border exports

1. United States
2. Germany
3. United Kingdom
4. France
5. Italy

82%

53%

Top 5 product categories exported

1. Auto Parts
2. Computing
3. Stamps
4. Health & Beauty
5. Mobile & Home Phones

Lithuania (LTU)

100%

Top 5 cross-border destination markets

1. United States
2. United Kingdom
3. Germany
4. France
5. Russia

55

94%

Top 5 growth markets for cross-border exports

1. United States
2. United Kingdom
3. Germany
4. France
5. Russia

87%

68%

Top 5 product categories exported

1. Auto Parts
2. Clothes, Shoes & Accessories
3. Health & Beauty
4. Collectables
5. Business, Office & Industrial

Luxembourg (LUX)

100%

Top 5 cross-border destination markets

1. Germany
2. France
3. United Kingdom
4. Belgium
5. Spain

25

75%

Top 5 growth markets for cross-border exports

1. Spain
2. United States
3. Portugal
4. Greece
5. Chile

47%

31%

Top 5 product categories exported

1. Auto Parts
2. Home Appliances
3. Home & Garden
4. Jewellery & Watches
5. Business, Office & Industrial



Malta (MLT)

100%

Top 5 cross-border destination markets

1. Italy
2. United Kingdom
3. United States
4. Germany
5. Spain

36

89%

Top 5 growth markets for cross-border exports

78%

1. Italy
2. Hong Kong
3. Saudi Arabia
4. China
5. Peru

54%

Top 5 product categories exported

1. Mobile & Home Phones
2. Jewellery & Watches
3. Toys & Games
4. Clothes, Shoes & Accessories
5. Collectables

Netherlands (NLD)

100%

Top 5 cross-border destination markets

1. Germany
2. United Kingdom
3. United States
4. Italy
5. France

30

83%

Top 5 growth markets for cross-border exports

66%

1. United Kingdom
2. United States
3. Spain
4. Germany
5. Ireland

29%

Top 5 product categories exported

1. Home & Garden
2. Auto Parts
3. Home Furnishing
4. Business, Office & Industrial
5. Consumer Electronics - Video

Poland (POL)

100%

Top 5 cross-border destination markets

1. Germany
2. United Kingdom
3. United States
4. France
5. Italy

30

80%

Top 5 growth markets for cross-border exports

54%

1. Germany
2. Italy
3. United Kingdom
4. France
5. United States

54%

Top 5 product categories exported

1. Auto Parts
2. Home & Garden
3. Home Furnishing
4. Clothes, Shoes & Accessories
5. Business, Office & Industrial

Portugal (PRT)

100%

Top 5 cross-border destination markets

1. United States
2. United Kingdom
3. Germany
4. France
5. Italy

41

97%

Top 5 growth markets for cross-border exports

90%

1. United States
2. Germany
3. Israel
4. Thailand
5. Hungary

41%

Top 5 product categories exported

1. Coins
2. Auto Parts
3. Collectables
4. Clothes, Shoes & Accessories
5. Health & Beauty

Romania (ROU)

100%

Top 5 cross-border destination markets

1. Germany
2. United Kingdom
3. Italy
4. United States
5. France

29

80%

Top 5 growth markets for cross-border exports

64%

1. Germany
2. France United
3. States
4. United Kingdom
5. Spain

58%

Top 5 product categories exported

1. Auto Parts
2. Health & Beauty
3. Jewellery & Watches
4. Home & Garden
5. Clothes, Shoes & Accessories

Slovak Republic (SVK)

100%

Top 5 cross-border destination markets

1. Germany
2. United Kingdom
3. Italy
4. France
5. United States

33

87%

Top 5 growth markets for cross-border exports

70%

1. Italy
2. Germany
3. France
4. United States
5. Australia

58%

Top 5 product categories exported

1. Auto Parts
2. Home & Garden
3. Business, Office & Industrial
4. Health & Beauty
5. Jewellery & Watches

Slovenia (SVN)

100%

Top 5 cross-border destination markets

1. Italy
2. United States
3. Germany
4. United Kingdom
5. Russia

30

81%

Top 5 growth markets for cross-border exports

66%

1. United States
2. United Kingdom
3. Russia
4. Israel
5. China

44%

Top 5 product categories exported

1. Auto Parts
2. Coins
3. Sporting Goods
4. Computing
5. Health & Beauty

Spain (ESP)

99%

Top 5 cross-border destination markets

1. Germany
2. Italy
3. France
4. United States
5. United Kingdom

28

76%

Top 5 growth markets for cross-border exports

56%

1. Germany
2. Italy
3. France
4. United States
5. United Kingdom

47%

Top 5 product categories exported

1. Auto Parts
2. Home & Garden
3. Mobile & Home Phones
4. Health & Beauty
5. Sporting Goods

Sweden (SWE)

100%

Top 5 cross-border destination markets

1. United States
2. Germany
3. United Kingdom
4. Canada
5. Russia

32

83%

Top 5 growth markets for cross-border exports

67%

1. United States
2. Canada
3. Thailand
4. South Korea
5. Taiwan

41%

Top 5 product categories exported

1. Clothes, Shoes & Accessories
2. Auto Parts
3. Jewellery & Watches
4. Stamps
5. Pottery & Glass

Exporting data for traditional businesses by country

Country	Share exporting	Average # of foreign destination markets*
Austria (AUT)	13.2%	3
Belgium (BEL)	13.0%	4
Bulgaria (BGR)	7.1%	4
Croatia (HRV)	5.4%	6
Cyprus (CYP)	6.4%	2
Czechia (CZE)	1.8%	6
Denmark (DNK)	11.8%	8
Estonia (EST)	21.1%	3
Finland (FIN)	6.5%	6
France (FRA)	3.9%	6
Germany (DEU)	11.9%	4
Greece (GRC)	2.6%	4
Hungary (HUN)	6.9%	2
Ireland (IRL)	3.3%	4
Italy (ITA)	6.0%	5
Latvia (LVA)	11.2%	3
Lithuania (LTU)	8.1%	3
Luxembourg (LUX)	7.9%	5
Malta (MLT)	3.0%	8
Netherlands (NLD)	10.1%	3
Poland (POL)	7.4%	4
Portugal (PRT)	5.8%	3
Romania (ROU)	4.6%	3
Slovak Republic (SVK)	6.5%	6
Slovenia (SVN)	16.5%	3
Spain (ESP)	6.3%	4
Sweden (SWE)	6.5%	4

*Only exporters are considered

- ¹ 2018 exchange rate.
- ² Organization for Economic Cooperation and Development (2019) “Inclusive Growth.” Available at: <https://www.oecd.org/inclusive-growth/>
- ³ eBay (2017) “Small Online Business Growth Report.” Available at: <https://www.ebaymainstreet.com/facts-and-figures/state-small-online-businesses-worldwide-results-ebays-5-year-study>
- ⁴ eBay (2019) “United States Small Online Business Trade and Inclusive Growth Report.” Available at: <https://www.ebaymainstreet.com/facts-and-figures/unitedstates>
- ⁵ European Commission (2019) “Annual Report on European SMEs 2018/2019.” Available at: <https://ec.europa.eu/docsroom/documents/38365/attachments/2/translations/en/renditions/native>
- ⁶ Ibid.
- ⁷ European Commission (2019) “Digital Economy and Society Index Report 2019 – Integration of Digital Technology.” Available at: <https://ec.europa.eu/digital-single-market/en/integration-digital-technology>
- ⁸ Eurostat Statistics Explained (2019) “International Trade in Goods by Enterprise Size.” Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php/International_trade_in_goods_by_enterprise_size#Overview
- ⁹ Olarreaga, Marcelo (11/07/2012) “eBay Reduces Trade Costs Where it is Needed Most.” The World Bank - Let’s Talk Development Blog. Available at: <http://blogs.worldbank.org/developmenttalk/ebay-reduces-trade-costs-where-it-is-most-needed>
- ¹⁰ Meltzer, Joshua (2014) “Supporting the Internet as a Platform for International Trade.” The Brookings Institute. Available at: http://www.brookings.edu/~media/Research/Files/Papers/2014/02/internet-international-trade-meltzer/02-international-trade-version-2_REVISED.pdf?la=en
- ¹¹ World Economic Forum (2015) “What Companies Want from the World Trading System.” Available at: http://www3.weforum.org/docs/WEF_GAC_Trade_II_2015.pdf
- ¹² Ibid.
- ¹³ OECD/ECLAC (2012) “Latin American Economic Outlook 2013: SME Policies for Structural Change.” OECD Publishing. Available at: http://repositorio.cepal.org/bitstream/handle/11362/14641/S2012085_es.pdf
- ¹⁴ Olarreaga, Marcelo (11/07/2012) “eBay Reduces Trade Costs Where it is Needed Most.” The World Bank - Let’s Talk Development Blog. Available at: <http://blogs.worldbank.org/developmenttalk/ebay-reduces-trade-costs-where-it-is-most-needed>
- ¹⁵ Data is from Q4 2019 and includes StubHub figures.
- ¹⁶ The eBay data reflects the share of 2018 eBay-enabled small businesses (those with USD 10 000 or more in sales on eBay) in each location, who exported in that year.
- ¹⁷ Source for total number of enterprises that export – OECD Trade by enterprise characteristics (TEC) data: IV. Trade by the number of partner countries and economic sector.
 General – https://stats.oecd.org/Index.aspx?DataSetCode=TEC4_REV4,
 Specific – we select (i) “Total economy” under the category of ISIC sector (revision 4) and (ii) “Total” under the category of Partner zone, which includes both Intra-EU and Extra-EU; We add all the EU country level figures to get EU-wide level figures.
 Source for total number of enterprises – OECD SDBS Structural Business Statistics (ISIC Rev. 4): Total number of enterprises, by sector.
 General – https://stats.oecd.org/Index.aspx?DataSetCode=SSIS_BSC_ISIC4,
 Specific – we select (i) “05_82_LESS_K: Business economy, except financial and insurance activities” under the category of ISIC sector (revision 4) and (ii) “SSIS: Structural Statistics of Industry and Services” under the category of Source; We add all EU country level figures to get the EU-wide level figures.
 Share = (total number of enterprises that export) / (total number of enterprises).
- ¹⁸ Source for total number of enterprises that export – OECD Trade by enterprise characteristics (TEC) data: IV. Trade by the number of partner countries and economic sector.
 General – https://stats.oecd.org/Index.aspx?DataSetCode=TEC4_REV4,
 Specific – we select (i) “Total economy” under the category of ISIC sector (revision 4) and (ii) “Total” under the category of Partner zone, which includes both Intra-EU and Extra-EU.
 Source for total number of enterprises – OECD SDBS Structural Business Statistics (ISIC Rev. 4): Total number of enterprises, by sector.
 General – https://stats.oecd.org/Index.aspx?DataSetCode=SSIS_BSC_ISIC4,
 Specific – we select (i) “05_82_LESS_K: Business economy, except financial and insurance activities” under the category of ISIC sector (revision 4) and (ii) “SSIS: Structural Statistics of Industry and Services” under the category of Source.
 Share = (total number of enterprises that export) / (total number of enterprises).
- ¹⁹ The eBay data reflects the top 5 cross-border destination markets (based on sales) for 2018 eBay-enabled small businesses (those with USD 10 000 or more in sales on eBay) in the EU who exported in that year. The top five extra-EU cross border destination markets are: United Kingdom, United States, Switzerland, Australia and Russia.
- ²⁰ Include countries and territories.

- ²¹ For example, see Roberts, Mark J. and James R. Tybout. Directions in Development: What Makes Exports Boom? (Washington, D.C.: The World Bank, 1997a); Bernard, Andrew and Joachim Wagner. Export entry and exit by German firms. Review of World Economics (Weltwirtschaftliches Archiv), 137 (2001), 105-123.
- ²² The eBay data reflects the average number of different foreign markets reached by 2018 eBay-enabled small businesses (those with USD 10 000 or more in sales on eBay) in each location, who exported in that year.
- ²³ Source for (i) Number of enterprises that trade with 1 country; (ii) Number of enterprises that trade with 2 countries; (iii) Number of enterprises that trade with 3 to 5 countries; (iv) Number of enterprises that trade with 6 to 9 countries; (v) Number of enterprises that trade with 10 to 14 countries; (vi) Number of enterprises that trade with 15 to 19 countries; (vii) Number of enterprises that trade with 20 or more countries (2017): Eurostat: Trade by number of partner countries and NACE Rev. 2 activity.
- General - https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ext_tec04&lang=en,
- Specific - we select (i) "Total - all NACE activities" under the category of Classification of economic activities - NACE Rev. 2 and (ii) "All countries of the world" under the category of Geopolitical entity (partner); We add all the EU country level figures to get the EU-wide level figures.
- Average number = ((number of enterprises that trade with 1 country)*1 + (number of enterprises that trade with 2 countries)*2 + (number of enterprises that trade with 3 to 5 countries)*4 + (number of enterprises that trade with 6 to 9 countries)*7.5 + (number of enterprises that trade with 10 to 14 countries)*12 + (number of enterprises that trade with 15 to 19 countries)*17 + (number of enterprises that trade with 20 or more countries)*25) / ((number of enterprises that trade with 1 country) + (number of enterprises that trade with 2 countries) + (number of enterprises that trade with 3 to 5 countries) + (number of enterprises that trade with 6 to 9 countries) + (number of enterprises that trade with 10 to 14 countries) + (number of enterprises that trade with 15 to 19 countries) + (number of enterprises that trade with 20 or more countries)).
- ²⁴ Source for (i) Number of enterprises that trade with 1 country; (ii) Number of enterprises that trade with 2 countries; (iii) Number of enterprises that trade with 3 to 5 countries; (iv) Number of enterprises that trade with 6 to 9 countries; (v) Number of enterprises that trade with 10 to 14 countries; (vi) Number of enterprises that trade with 15 to 19 countries; (vii) Number of enterprises that trade with 20 or more countries (2017): Eurostat: Trade by number of partner countries and NACE Rev. 2 activity.
- General - https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ext_tec04&lang=en,
- Specific - we select (i) "Total - all NACE activities" under the category of Classification of economic activities - NACE Rev. 2 and (ii) "All countries of the world" under the category of Geopolitical entity (partner).
- Average number = ((number of enterprises that trade with 1 country)*1 + (number of enterprises that trade with 2 countries)*2 + (number of enterprises that trade with 3 to 5 countries)*4 + (number of enterprises that trade with 6 to 9 countries)*7.5 + (number of enterprises that trade with 10 to 14 countries)*12 + (number of enterprises that trade with 15 to 19 countries)*17 + (number of enterprises that trade with 20 or more countries)*25) / ((number of enterprises that trade with 1 country) + (number of enterprises that trade with 2 countries) + (number of enterprises that trade with 3 to 5 countries) + (number of enterprises that trade with 6 to 9 countries) + (number of enterprises that trade with 10 to 14 countries) + (number of enterprises that trade with 15 to 19 countries) + (number of enterprises that trade with 20 or more countries)).
- ²⁵ The eBay data reflects the top 5 export country growth market destinations (based on the absolute growth in sales over the time period 2014-2018) for eBay-enabled small businesses (those with USD 10 000 or more in sales on eBay) in the EU who exported in those years.
- ²⁶ The eBay data reflects the share of exporting 2018 eBay-enabled small businesses (those with USD 10 000 or more in sales on eBay) in each location, who exported to 10 or more different foreign markets in that year.
- ²⁷ The eBay data reflects the top 5 product categories exported (based on sales) for 2018 eBay-enabled small businesses (those with USD 10 000 or more in sales on eBay) in the EU who exported in that year.
- ²⁸ The eBay data reflects the share of exporting 2018 eBay-enabled small businesses (those with USD 10 000 or more in sales on eBay) in each location, who exported to four or more continents in that year.
- ²⁹ OECD (2015) "Entrepreneurship at a glance." OECD Publishing, Paris. Available at: https://www.oecd-ilibrary.org/industry-and-services/entrepreneurship-at-a-glance-2015_entrepreneur_aag-2015-en
- ³⁰ OECD (2010) "SMEs, Entrepreneurship and Innovation." Available at: http://rosted.nu/attachments/File/2010/SMEs_Entrepreneurship_and_Innovation_2010.pdf
- ³¹ Ibid.
- ³² European Commission (2019) "Annual Report on European SMEs 2018/2019." Available at: <https://ec.europa.eu/docsroom/documents/38365/attachments/2/translations/en/renditions/native>
- ³³ The eBay data reflects the share of 2018 eBay-enabled small businesses (those with USD 10 000 or more in sales annually on the eBay Marketplace) in each location, that had zero sales in 2014.
- ³⁴ 2018 exchange rate.
- ³⁵ European Commission (2019) "Annual Report on European SMEs 2018/2019." Available at: <https://ec.europa.eu/docsroom/documents/38365/attachments/2/translations/en/renditions/native>
- ³⁶ Ibid.
- ³⁷ Ibid. Please note the analysis did not provide an EU-wide figure, but did provide a US figure which was used in this report because it had a relatively comparable GDP.
- ³⁸ Ibid.
- ³⁹ European Commission (2020) "Shaping Europe's Digital Future." Available at: https://ec.europa.eu/info/sites/info/files/communication-shaping-europes-digital-future-feb2020_en_4.pdf

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