

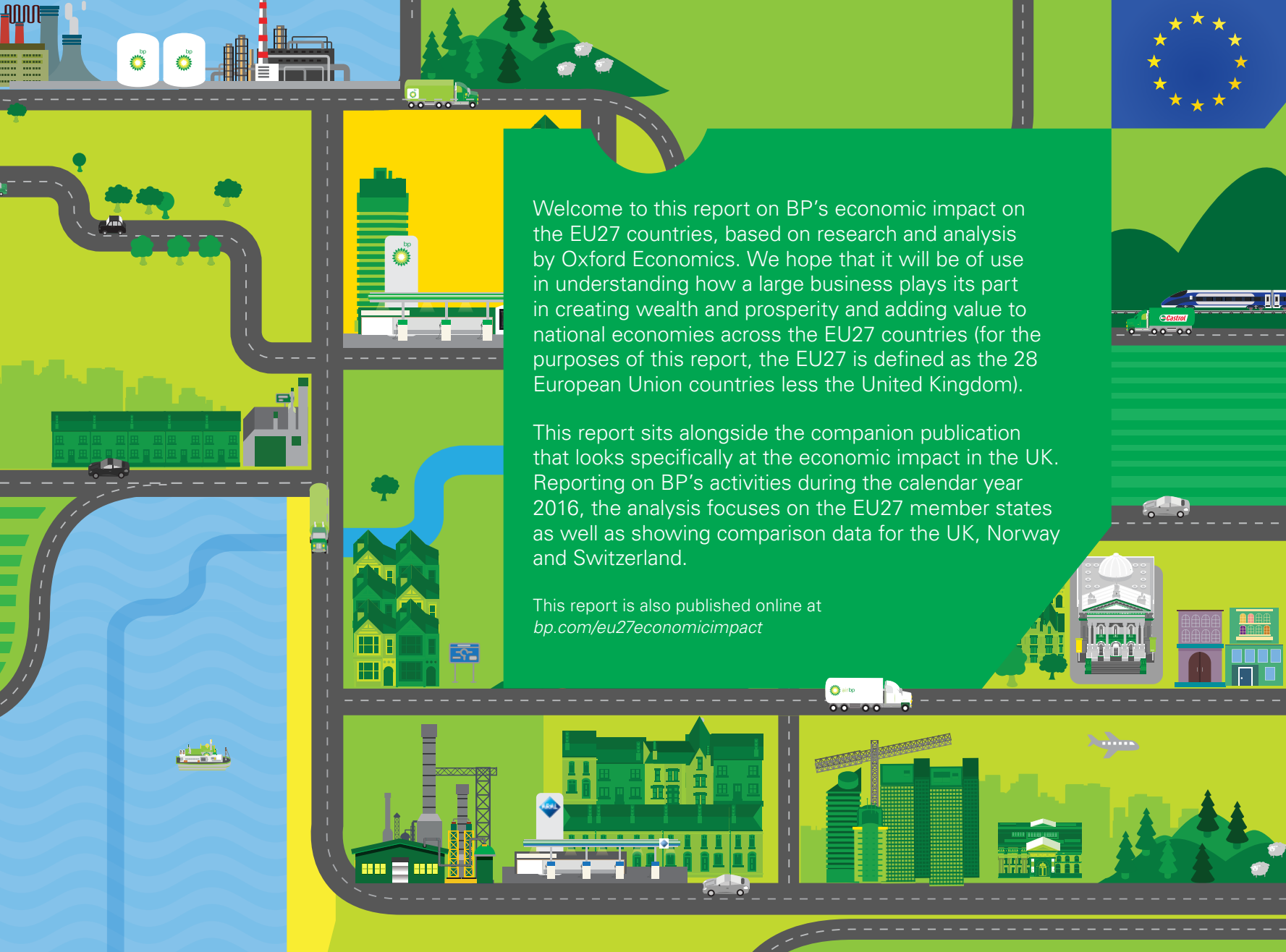


# BP's economic impact on the



# countries

A report by Oxford Economics  
November 2017



Welcome to this report on BP's economic impact on the EU27 countries, based on research and analysis by Oxford Economics. We hope that it will be of use in understanding how a large business plays its part in creating wealth and prosperity and adding value to national economies across the EU27 countries (for the purposes of this report, the EU27 is defined as the 28 European Union countries less the United Kingdom).

This report sits alongside the companion publication that looks specifically at the economic impact in the UK. Reporting on BP's activities during the calendar year 2016, the analysis focuses on the EU27 member states as well as showing comparison data for the UK, Norway and Switzerland.

This report is also published online at [bp.com/eu27economicimpact](http://bp.com/eu27economicimpact)

BP has been an integral part of Europe's energy landscape for many decades, part of a global energy business with enormous reach across the world's energy system. Our people wake every day to serve our customers as we bring to market our products and services.

The energy we provide has always powered economic growth and lifted people out of poverty. Today, we face the dual challenge of meeting society's need for affordable and reliable energy, while at the same time reducing carbon emissions. As scientists and engineers, we recognise the urgency of the climate challenge – and will be part of the solution. Every part of our business has a tremendous amount to bring to this.

We commissioned Oxford Economics – an independent consultancy group specializing in economic impact analysis – to provide insight into all of our activities across Europe and to assess their economic impact. Their findings paint an important picture of our role in the economic health of the continent. Specifically, they measure the impact through the level of jobs created and sustained, and the contribution to nations' gross domestic product.

We know that the energy mix is shifting towards lower carbon sources, driven by technological advances and growing environmental concerns. In BP, we will help drive this transition – and our business will be transformed by it.

We are proud of what this report has found. It shows that BP's economic contribution across Europe is substantial and widespread. Whilst in the future the way we deliver heat, light and mobility will change dramatically, our commitment to our customers and the countries in which we operate will endure.

Peter Mather  
Group Regional President, Europe, BP

## Executive summary

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### BP made a substantial impact on the EU27 economies in 2016

- BP supported an estimated **€10.7 billion gross value added** contribution to the EU27 countries' gross domestic product (GDP) and **176,000 jobs** in 2016.
- Of this total, BP directly generated a **€3.1 billion gross value added** contribution to the EU27 economies' GDP and employed **14,900 people**.
- BP spent **€7.9 billion** with about **19,000** EU27 suppliers, buying goods and services from suppliers in every EU27 country.
- BP's supply chain spending supported an estimated **€7.6 billion gross value added** contribution to EU27 countries' GDP and **161,000 jobs**. **11 jobs** are supported for every BP employee across the EU27.

€10.7bn

contribution made  
to EU27 countries'  
GDP

176,000

jobs supported by  
BP's activity

14,900

people directly  
employed by BP  
including retail

This contribution  
is equivalent to

6%

of Greek GDP

This is equivalent to

9%

of all employment  
in Paris

For every BP employee,

11 jobs

are supported  
elsewhere in  
the EU27

€7.9bn

spent on capital and non-capital goods and services in the EU27

77%

of supply chain contribution to GDP came from operational spend

€5.3bn

of intra-EU27 spend via BP operations

19,000

EU27 suppliers provided goods and services to BP

Every €1 of GDP created by BP supports

€2.4

of GDP elsewhere in EU27

€2.6bn

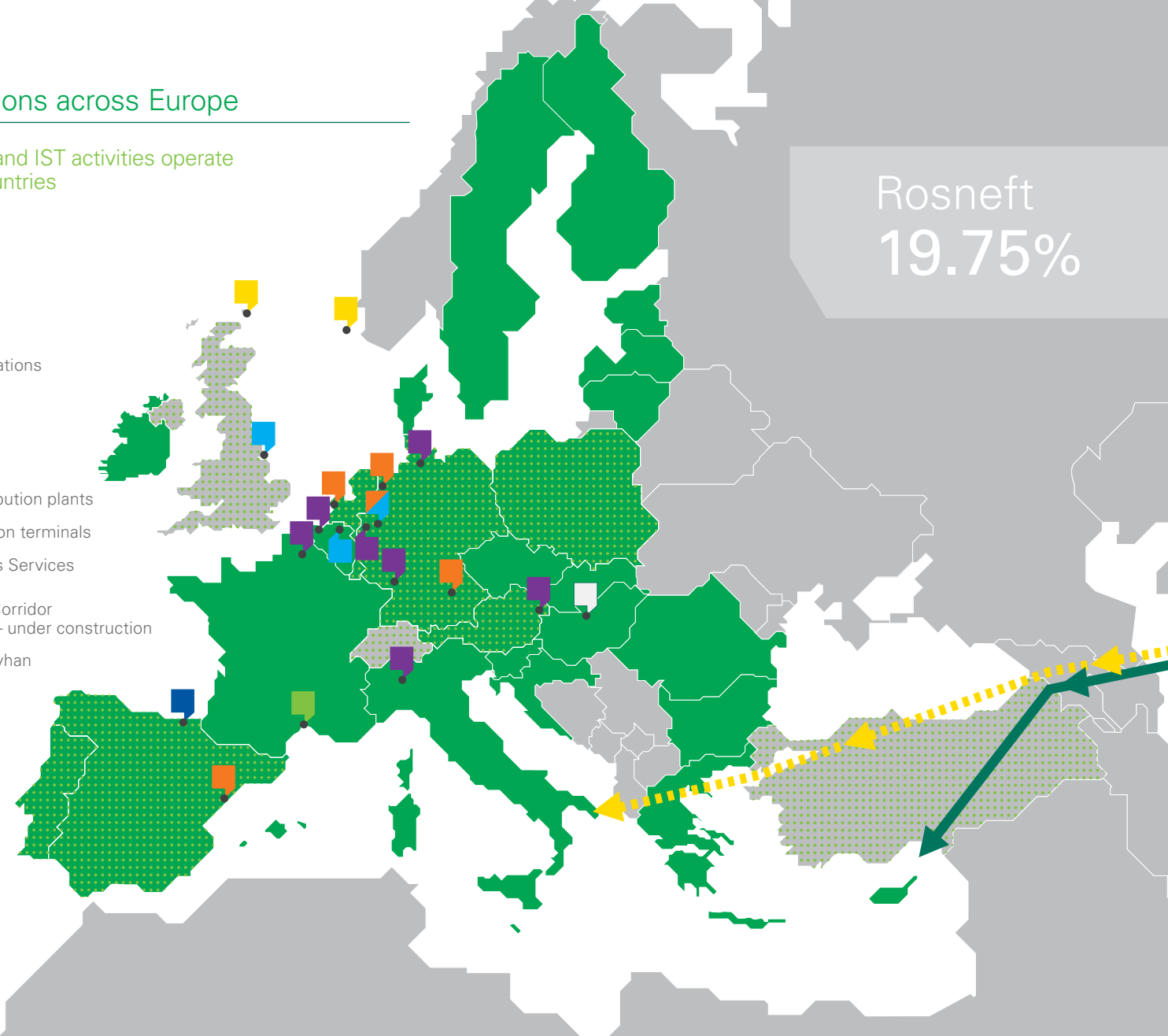
of non-EU27 spend with EU27 suppliers

## BP's operations across Europe

Castrol, Air BP, and IST activities operate across most countries

Rosneft  
19.75%

- EU27 countries
- Retail markets
- Upstream operations
- Petrochemicals
- Refining
- Power plants
- Lubricant distribution plants
- Major distribution terminals
- Global Business Services
- Southern Gas Corridor (SGC) pipeline – under construction
- Baku-Tbilisi-Ceyhan (BTC) pipeline



**Retail markets:**

UK; Germany; Netherlands; Luxembourg; Switzerland;  
Austria; Poland; Turkey; Portugal and Spain

**Petrochemical plants:**

Hull (UK); Geel (Belgium); Gelsenkirchen (Germany)

**Refineries:**

Gelsenkirchen, Lingen, Bayernoil (Germany);  
Rotterdam (Netherlands); Castellon (Spain)

**Power plant:**

Bilbao (Spain)

**Lubricant distribution plants:**

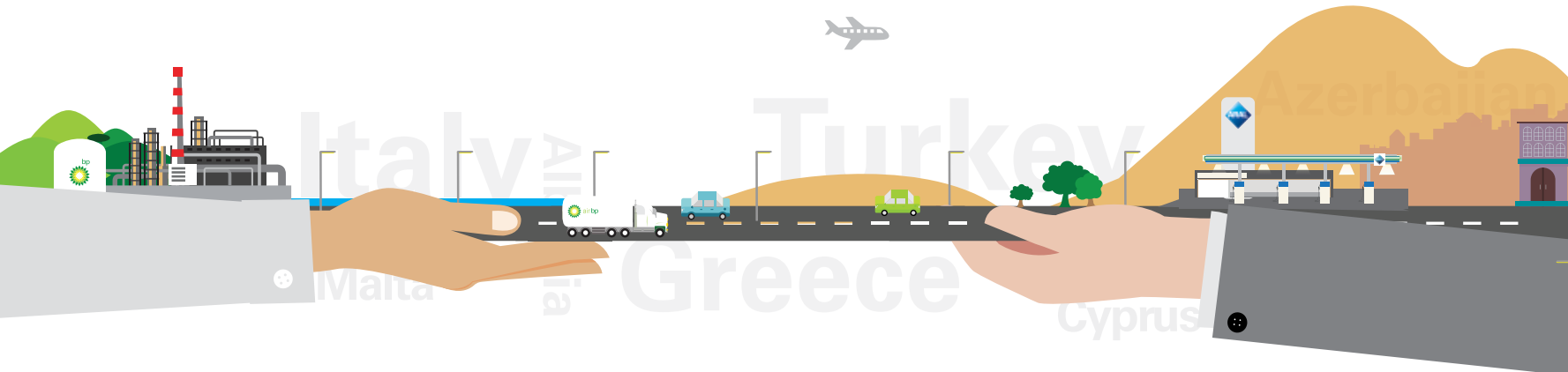
Ghent (Belgium); Neuhoof, Mönchengladbach, Landau (Germany);  
Péronne (France); Neudorf (Austria); Cornaredo (Italy)

**Major distribution terminal:**

Frontignan (France)

**Global Business Services:**

Budapest and Szeged (Hungary)



## Channels through which BP contributes to the EU27 economy

### Direct Impact



BP employs staff and generates GDP at its operational sites in the EU27.

### Indirect Impact



#### OPERATIONAL SPEND

BP spends money with suppliers across the EU27 who employ staff and generate GDP.

### Indirect Impact



#### CAPITAL SPEND

BP also undertakes capital investment, spending money with additional EU27 suppliers, which generates more jobs and GDP.

### Total Impact

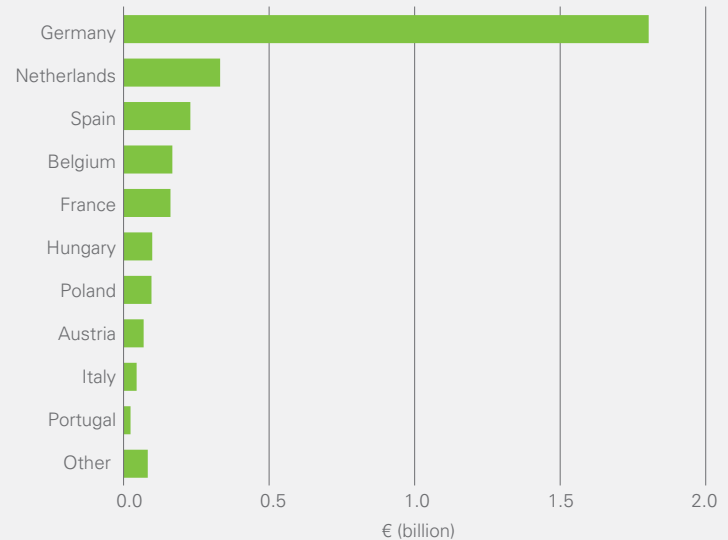
Together all these effects comprise the total economic impact of BP on the EU27 economies.

## BP's impact on economies across the EU27

### BP itself made a substantial contribution to EU27 GDP in 2016

In 2016, BP directly generated a €3.1 billion gross value added contribution to EU27 countries' GDP.

That is equivalent to 5.7% of the entire gross value added created in Luxembourg in 2016, or 2.8% of that created in Hungary.



Source: Oxford Economics



# BP employed people in more than two thirds of the EU27 countries in 2016

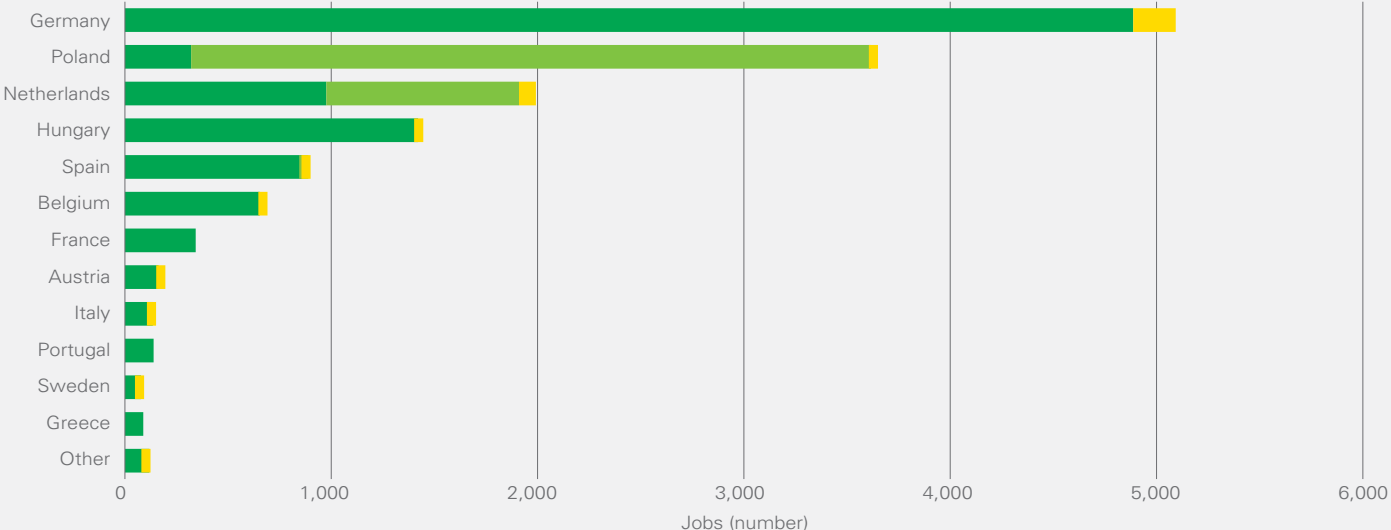
BP directly employed 14,900 people in 2016, including BP's core workforce, retail workforce, and contractors.

That included 5,093 people in Germany (34% of the total), 3,650 in Poland (24%), and 1,992 in the Netherlands (13%).

The employment figures do not include all contractors, particularly in the retail business in Germany. These jobs are included in the supply chain impact.

## BP's direct employment by country, 2016

- Core employees
- Retail employees
- Contractors



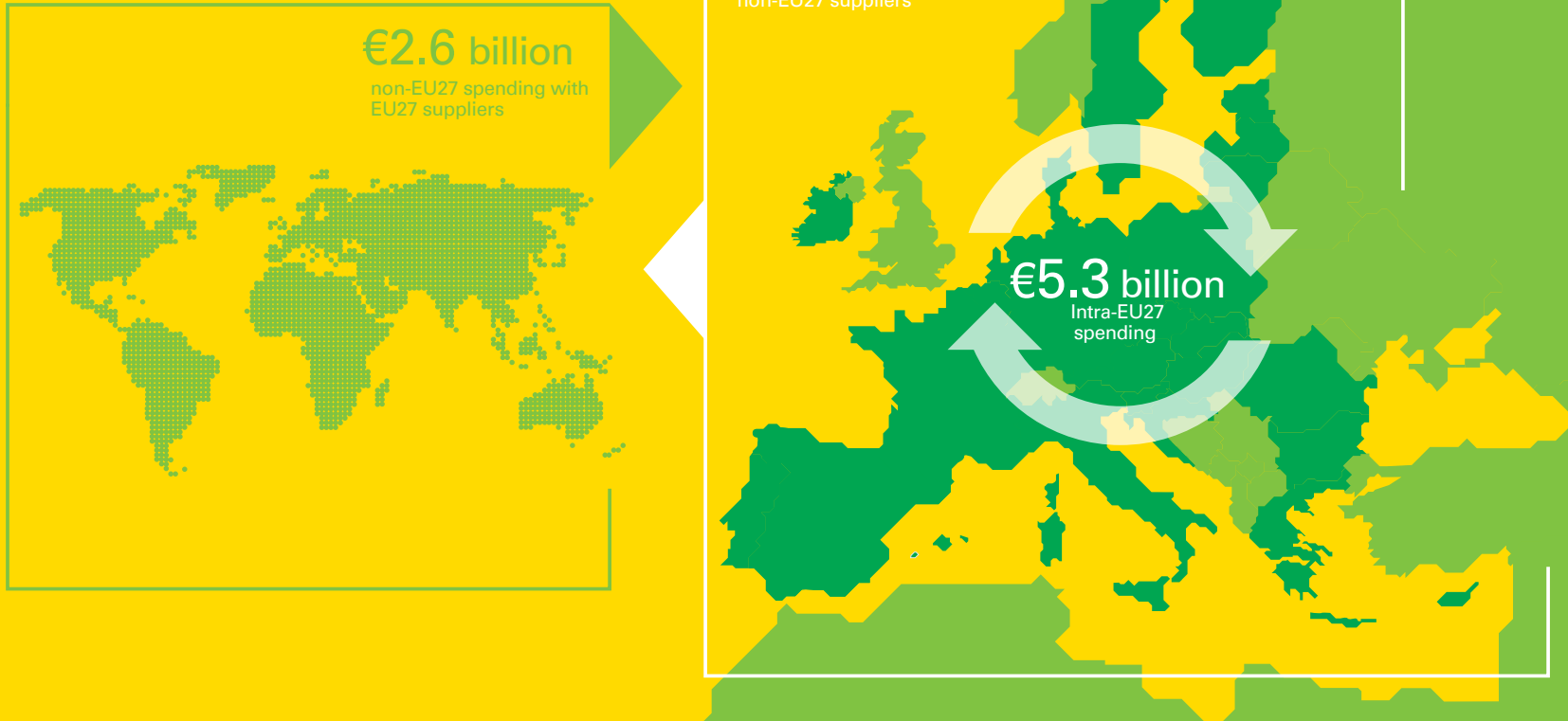
Source: BP

## BP's impact on economies across the EU27

### BP's EU27 and worldwide spending in 2016

BP spent €7.9 billion on capital and non-capital goods and services from about 19,000 EU27 suppliers in 2016.

Oxford Economics' bespoke global input-output model captured the within-country and cross-country impacts of this expenditure as it stimulated economic activity at EU27 suppliers.

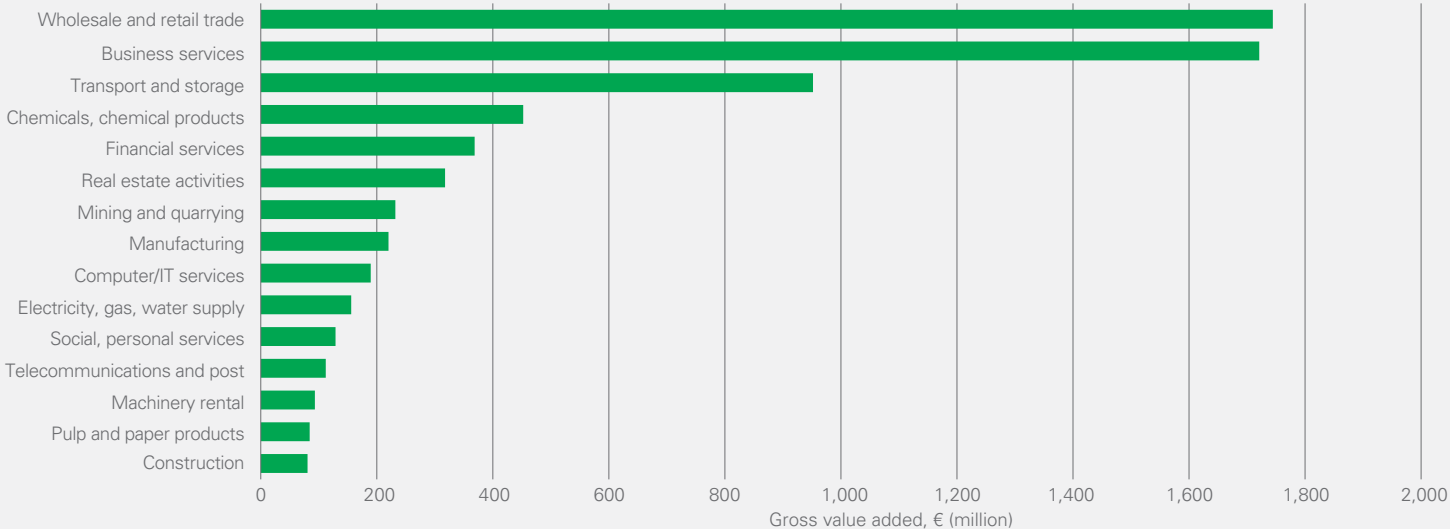


## Three sectors made up 60% of BP's supply chain impact

BP's supply chain spending had the greatest impact in the business services and the wholesale and retail trade sectors, supporting €1.7 billion of gross value added in each industry

sector in 2016 (each accounting for 23% of the total). BP supported a further €950 million in the transport and storage sector (13%).

## The fifteen industry sectors in the EU27 benefitting most from BP procurement in 2016

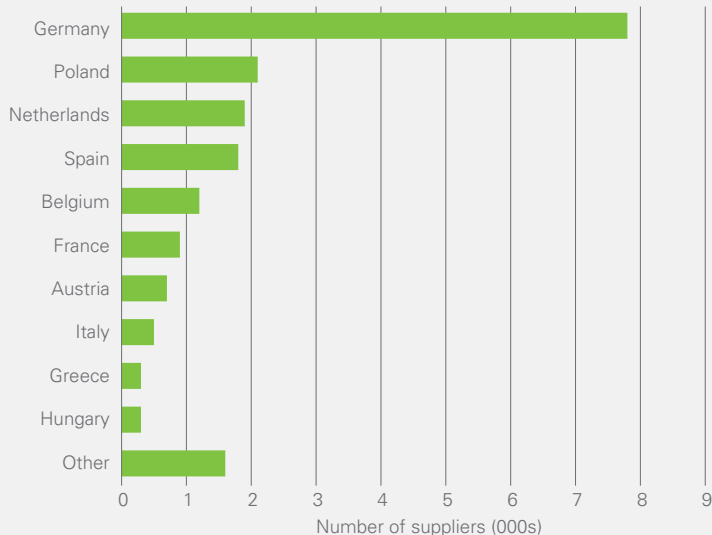


Source: Oxford Economics

## BP's impact on economies across the EU27

### BP bought goods and services from suppliers in every EU27 country

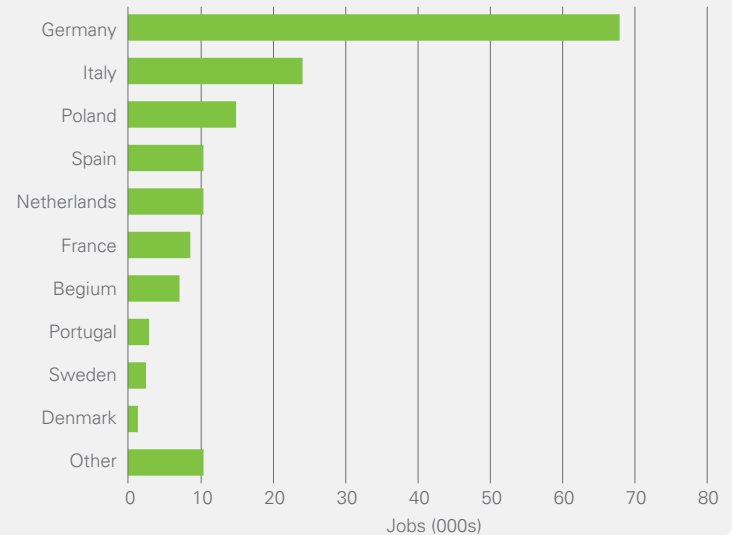
Of the total of 19,000 suppliers, some 7,800 suppliers were in Germany (41% of the total), 2,100 were in Poland (11%), and 1,900 were in the Netherlands (10%).



Source: BP, Oxford Economics

### BP's spending with EU27 suppliers stimulated employment

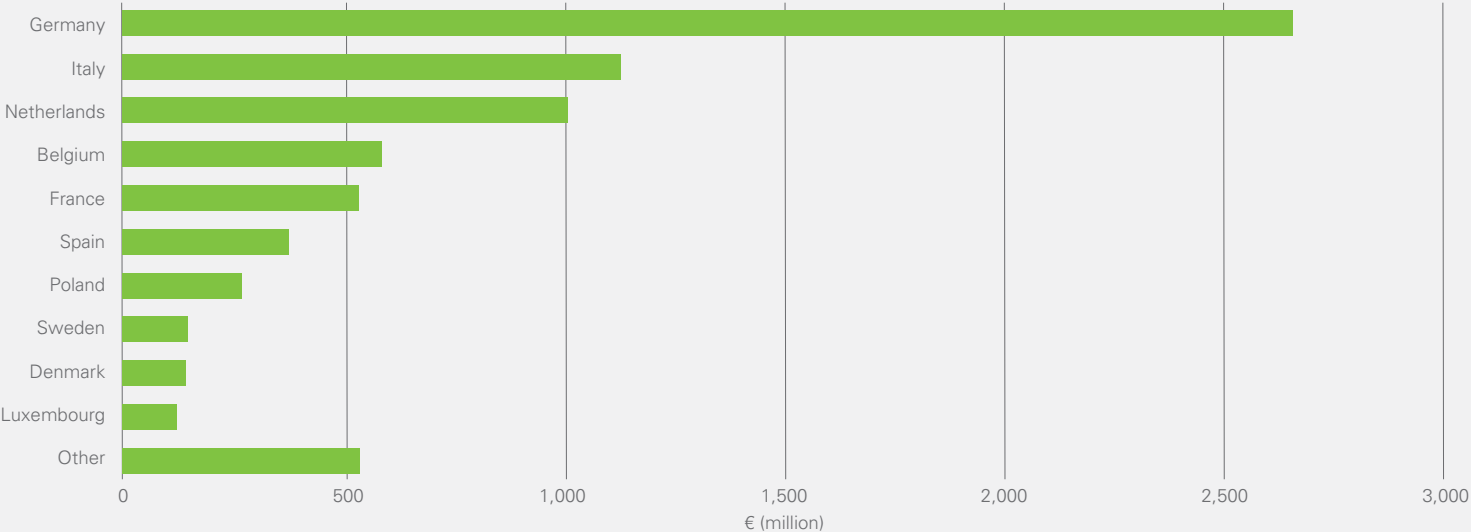
BP's procurement supported an estimated 68,000 jobs in Germany (or 42% of the supply chain total), 24,000 in Italy (15%) and 15,000 in Poland (9%).



Source: Oxford Economics

# BP's purchases from suppliers stimulated economic activity in EU27 countries

BP supported an estimated €7.6 billion gross value added contribution to EU27 countries' GDP in 2016, of which 35% was in Germany, 15% in Italy, 13% in the Netherlands and 8% in Belgium.



Source: Oxford Economics

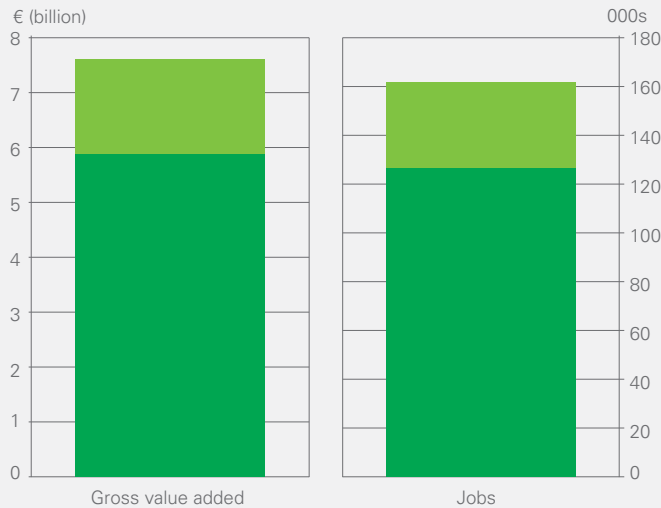
## BP's impact on economies across the EU27

### Operational spending accounted for the majority of the supply chain impact

Of the total supply chain impact, BP's operational expenditure with suppliers supported 77% of the total gross value added contribution to GDP and 78% of the employment contribution.

BP's capital expenditure supported the other 23% of the gross value added contribution and 22% of the employment contribution.

- Capital expenditure
- Operational expenditure



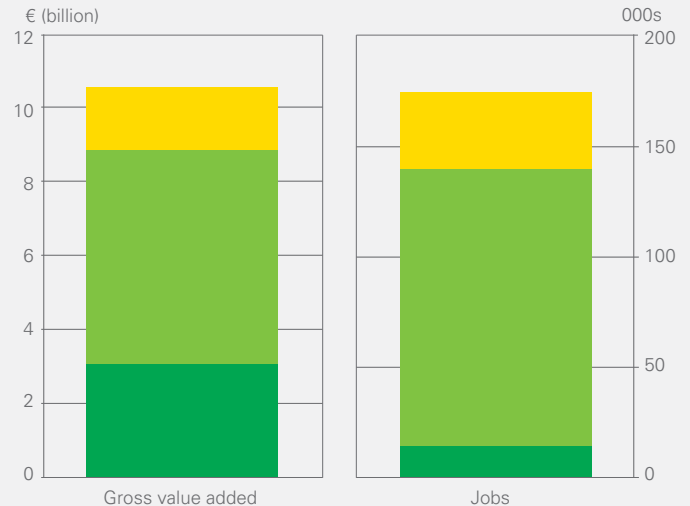
Source: Oxford Economics

### BP's total impact on the EU27 economies in 2016 was substantial

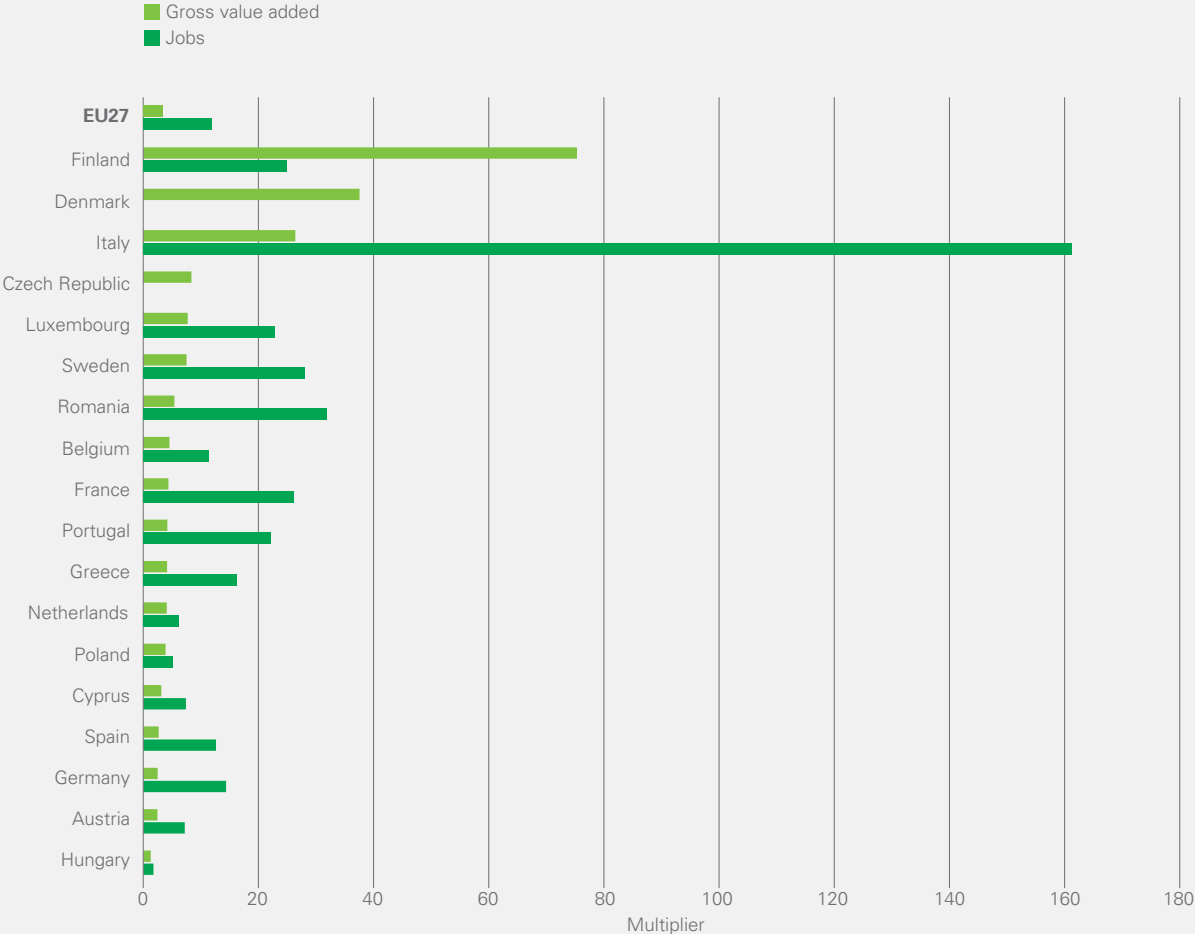
BP's €10.7 billion in direct and indirect gross value added contributions is equivalent to 4.9% of Paris' GDP in 2016.

The 176,000 jobs BP supported directly and indirectly are equivalent to 17% of all employment in Amsterdam.

- Indirect: capital expenditure
- Indirect: operational expenditure
- Direct



Source: Oxford Economics



**GVA multiplier:**  
On average, every €1 of gross value added created by BP itself supported another €2.40 gross value added contribution elsewhere in the EU27 economies.

**Jobs multiplier:**  
For every person BP employed, 11 jobs were supported elsewhere in the EU27.

\*Note: BP's employment multiplier was only calculated for countries where BP's headcount was greater than 20 people.

Source: Oxford Economics

## BP's total GVA impact by country

Gross value added (€ million)

EU27 rank	Country	Direct	Supply chain: operational expenditure	Supply chain: capital expenditure	Total	Share of in-country GDP (%)	Share of EU27 total (%)
1	Germany	1,804	2,453	216	4,473	0.14	41.9
2	Netherlands	332	730	284	1,347	0.19	12.6
3	Italy	45	346	790	1,180	0.07	11.1
4	Belgium	168	547	44	758	0.18	7.1
5	France	161	441	99	701	0.03	6.6
6	Spain	229	305	75	610	0.05	5.7
7	Poland	96	232	41	369	0.09	3.5
8	Sweden	23	110	39	172	0.04	1.6
9	Austria	69	80	20	168	0.05	1.6
10	Denmark	4	124	21	149	0.40	1.4
11	Luxembourg	19	114	10	143	0.26	1.3
12	Hungary	98	23	5	127	0.11	1.2
13	Ireland	0	83	20	103	0.04	1.0
14	Portugal	24	64	11	100	0.05	0.9
15	Greece	24	65	9	98	0.06	0.9
16	Finland	1	30	10	41	0.02	0.4
17	Czech Republic	4	26	7	37	0.02	0.3
18	Romania	4	14	4	21	0.01	0.2
19	Cyprus	5	7	3	15	0.09	0.1
20	Slovakia	0	9	3	11	0.01	0.1
21	Malta	0	8	3	11	0.11	0.1



EU27 rank	Country	Direct	Supply chain: operational expenditure	Supply chain: capital expenditure	Total	Share of in-country GDP (%)	Share of EU27 total (%)
22	Lithuania	0	9	1	11	0.03	0.1
23	Slovenia	0	5	2	7	0.02	0.1
24	Bulgaria	0	5	1	7	0.01	0.1
25	Latvia	0	4	1	5	0.02	0.1
26	Estonia	0	3	1	4	0.02	0.0
27	Croatia	0	3	1	4	0.01	0.0
	<b>EU27</b>	<b>3,109</b>	<b>5,841</b>	<b>1,720</b>	<b>10,671</b>	<b>0.09</b>	<b>100.0</b>
	United Kingdom*	5,174	4,670	2,760	12,604	0.54	
	Norway	372	1,202	440	2,013	0.60	
	Switzerland	44	266	55	365	0.06	
	<b>Other Europe</b>	<b>5,589</b>	<b>6,138</b>	<b>3,255</b>	<b>14,982</b>		

Source: BP, Oxford Economics

Totals in this report may not always be equal to the sum of component parts due to rounding.

\*For consistency, the supply chain gross value added estimates for the UK are consistent with those published in BP, "BP's impact on the UK economy in 2016," 2017, which uses a UK-specific model rather than a global model. If the global model were used for the UK, the total GDP estimate would be 2.1% higher.

## BP's total jobs impact by country

Jobs (number)

EU27 rank	Country	Direct	Supply chain: operational expenditure	Supply chain: capital expenditure	Total	Share of EU27 total (%)
1	Germany	5,093	63,117	4,816	73,025	41.6
2	Italy	151	6,804	17,333	24,288	13.8
3	Poland	3,650	12,547	2,399	18,596	10.6
4	Netherlands	1,992	7,565	2,866	12,423	7.1
5	Spain	900	8,285	2,147	11,331	6.5
6	France	343	7,056	1,573	8,972	5.1
7	Belgium	691	6,530	600	7,822	4.5
8	Portugal	139	2,461	471	3,072	1.7
9	Sweden	93	1,855	648	2,595	1.5
10	Hungary	1,446	893	198	2,537	1.4
11	Greece	89	1,179	175	1,443	0.8
12	Austria	196	974	236	1,406	0.8
13	Denmark	14	1,182	200	1,396	0.8
14	Czech Republic	3	822	214	1,039	0.6
15	Ireland	1	775	184	960	0.5
16	Romania	27	653	178	858	0.5
17	Luxembourg	26	526	41	593	0.3
18	Lithuania	0	501	84	585	0.3
19	Finland	21	372	129	522	0.3
20	Bulgaria	0	333	98	431	0.2
21	Malta	0	349	56	406	0.2

EU27 rank	Country	Direct	Supply chain: operational expenditure	Supply chain: capital expenditure	Total	Share of EU27 total (%)
22	Slovakia	0	275	79	354	0.2
23	Latvia	0	258	68	326	0.2
24	Cyprus	32	131	73	236	0.1
25	Croatia	0	126	32	158	0.1
26	Slovenia	0	117	36	153	0.1
27	Estonia	0	102	27	129	0.1
	<b>EU27</b>	<b>14,907</b>	<b>125,787</b>	<b>34,963</b>	<b>175,657</b>	<b>100.0</b>
	United Kingdom*	16,685	66,569	37,551	120,805	
	Norway	79	8,313	3,831	12,223	
	Switzerland	78	9,529	1,454	11,060	
	<b>Other Europe</b>	<b>16,842</b>	<b>84,411</b>	<b>42,836</b>	<b>144,088</b>	

Source: BP, Oxford Economics

Totals in this report may not always be equal to the sum of component parts due to rounding.

\*For consistency, the supply chain employment estimates for the UK are consistent with those published in BP, "BP's impact on the UK economy in 2016," 2017, which uses a UK-specific model rather than a global model. If the global model were used for the UK, the total employment estimate would be 3.4% higher.

## BP's impact across the EU27

### Austria

€170m GVA **1**  
1,400 jobs supported

### Belgium

€760m GVA **2**  
7,800 jobs supported

### Bulgaria

€7m GVA **3**  
430 jobs supported

### Croatia

€4m GVA **4**  
160 jobs supported

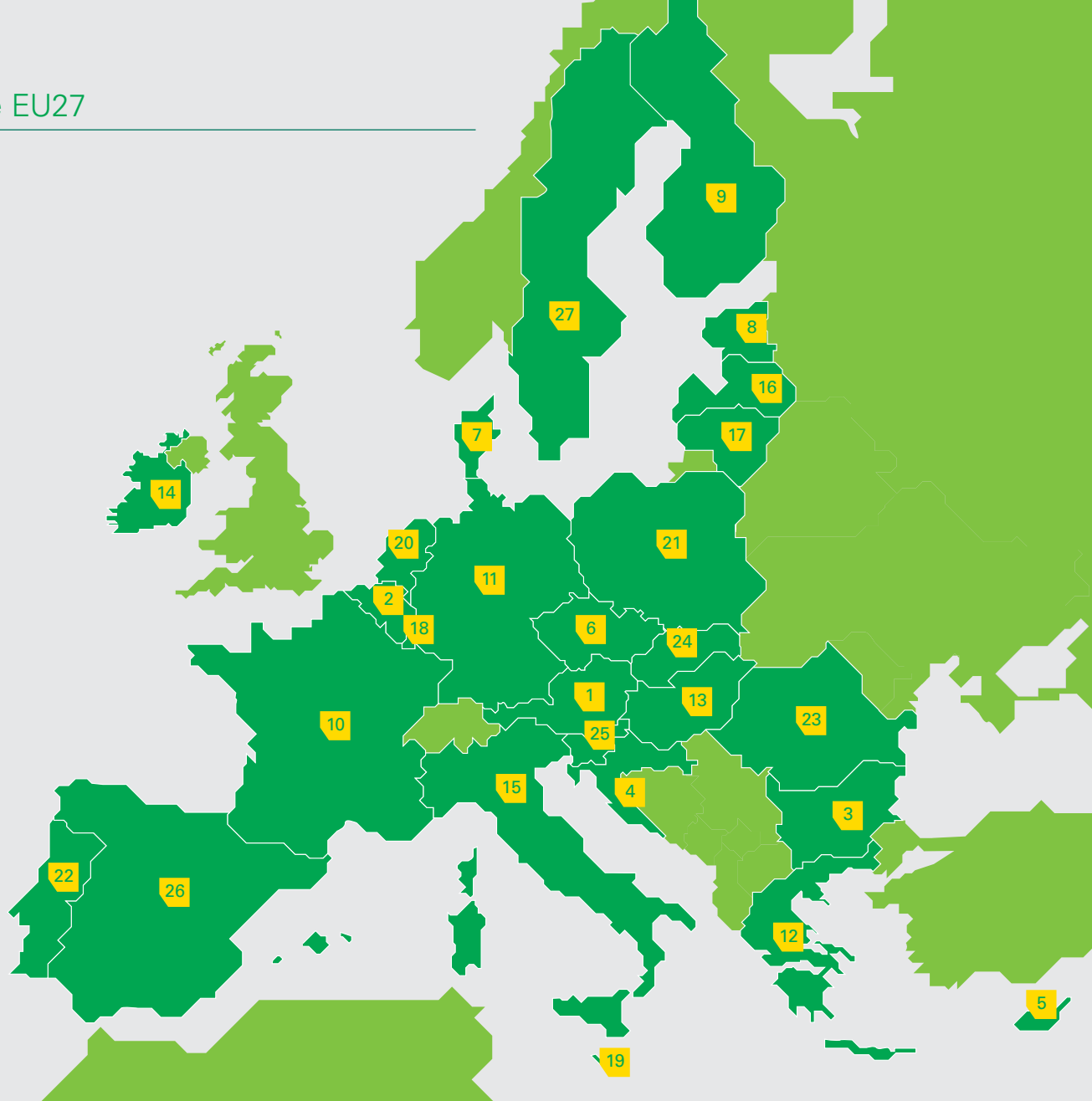
### Cyprus

€15m GVA **5**  
240 jobs supported

### Czech Republic

€37m GVA **6**  
1,000 jobs supported

Countries listed in alphabetical order



**Denmark**

€150m GVA 7  
1,400 jobs supported

**Hungary**

€130m GVA 13  
2,500 jobs supported

**Malta**

€11m GVA 19  
400 jobs supported

**Slovenia**

€7m GVA 25  
150 jobs supported

**Estonia**

€4m GVA 8  
130 jobs supported

**Ireland**

€100m GVA 14  
1,000 jobs supported

**Netherlands**

€1,300m GVA 20  
12,400 jobs supported

**Spain**

€600m GVA 26  
11,300 jobs supported

**Finland**

€40m GVA 9  
520 jobs supported

**Italy**

€1,200m GVA 15  
24,300 jobs supported

**Poland**

€370m GVA 21  
18,600 jobs supported

**Sweden**

€170m GVA 27  
2,600 jobs supported

**France**

€700m GVA 10  
9,000 jobs supported

**Latvia**

€5m GVA 16  
330 jobs supported

**Portugal**

€100m GVA 22  
3,100 jobs supported

**Germany**

€4,500m GVA 11  
73,000 jobs supported

**Lithuania**

€11m GVA 17  
600 jobs supported

**Romania**

€21m GVA 23  
860 jobs supported

**Greece**

€100m GVA 12  
1,400 jobs supported

**Luxembourg**

€140m GVA 18  
600 jobs supported

**Slovakia**

€11m GVA 24  
350 jobs supported

Source: BP, Oxford Economics

Totals in this report may not always be equal to the sum of component parts due to rounding.

## Glossary

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**BP**, unless otherwise stated, includes BP p.l.c. itself and its subsidiaries.

**Capital spending** is spending on goods that are not fully used up in the year of purchase.

**Currency values**, unless otherwise stated, are in 2016 prices and exchange rates.

**Direct impacts** are jobs and gross value added generated by BP's own operations.

**EU27** is the 28 European Union countries less the United Kingdom.

**Employment** is the number of people who are employed or self-employed. In this study, it is measured on a headcount basis for comparison with national statistics in each country.

**Gross value added (GVA)** is the difference between the turnover of a firm or industry and the bought-in costs needed to create that turnover. Equivalently, gross value added is the combined value of compensation of employees, company profits, and taxes on production. Summed up for all firms in an economy, gross value added is equal to GDP (with minor adjustments for taxes and subsidies).

**Gross domestic product (GDP)** is the sum of gross value added across every firm and industry in the economy, after minor adjustments for taxes and subsidies. GDP is the most commonly used metric to judge the rate at which economies are growing, and is used when references are made to economies entering or exiting a recession.

**Indirect impacts**, or supply chain impacts, are jobs and gross value added supported by BP's capital and non-capital spending on goods and services.

**Non-capital spending** is spending on goods and services that are used up in the year of purchase.

## Methodology

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For a description of the methodology used in performing this analysis, please refer to the information at [bp.com/eu27economicimpact](http://bp.com/eu27economicimpact)



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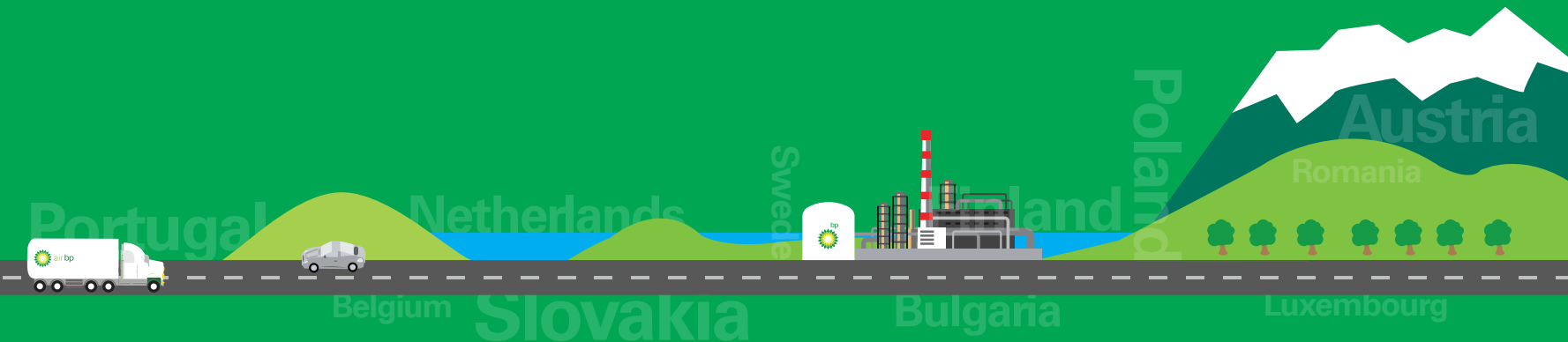


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