



# **Bruegel and CEPR Release Report with New Facts about the Internationalisation of European Firms**

## **The Happy Few: The Internationalisation of European Firms**

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**Bruegel and CEPR today presented the first report from the research network 'European Firms and International Markets' (EFIM). This is the first systematic, cross-country, firm-level research of the features of European firms that compete in international markets. The report shows that only a handful of firms account for the bulk of aggregate exports and foreign direct investment (FDI).**

The findings in this report are important for European policy makers' understanding of what it takes to improve the competitiveness of European firms.

Firstly, international competition triggers a selection process where more productive firms replace less productive firms, which benefits countries' productivity, GDP and wages.

Secondly, what matters most for a country's trade performance is how many firms engage in export, not the average amount exported per firm. Today governments put a lot of effort into promoting already big exporters to new markets. The findings in this report show that trade missions do not necessarily improve trade; policies to increase the number of firms competing internationally by lowering barriers to export and fostering performance in terms of employment and productivity, are more important.

Finally, small trade costs therefore matter since they reduce the number of exporters. Policies like the single market, that lower trade costs and favour access to export, are thereby beneficial for productivity and wages.

The full report can be downloaded by clicking on [this link](#).

For a summary of the report can be downloaded in [English](#), [French](#), [German](#) or [Italian](#).

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