

Strategic use of European Preference Criteria

A framework for supporting EU prosperity and social
cohesion

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Table of contents

Executive Summary.....	4
Introduction	5
EUPC as a tool to support Europe’s prosperity and social cohesion	5
A framework for prioritising sectors for EUPC from a socio-economic lens	7
Illustrative application	13
Conclusion.....	15

Executive Summary

Europe's export-oriented economic model is facing growing pressure. Intensifying geoeconomic competition, the more assertive use of defensive trade measures by key partners, and rapid technological shifts are placing significant stress on important economic sectors in the EU. Industries such as the automotive sector, which have long relied on global value chains and open markets, are particularly affected, as they must simultaneously adapt to new technologies, evolving consumer preferences, and changes in international trade dynamics.

These challenges do not only threaten economic security and supply chain resilience but also put domestic value added, high-quality employment, and social cohesion at risk. Across the EU, nearly one million industrial jobs were lost between 2019 and 2023, with millions more at risk.^{i ii} These job losses at scale are not only a problem at individual level, but also for social cohesion more widely, as research shows that people who fear losing their jobs are more likely to support populist parties.^{iii iv}

Recent EU economic policy initiatives recognise that addressing these challenges requires a broad and coordinated set of industrial policy tools. Key measures include the Clean Industrial Deal, the European Competitiveness Fund, and targeted sectoral support programmes. This reflects a recognition that market forces alone are unlikely to ensure that value added and employment remain robust, particularly in sectors exposed to unfair foreign competition, market failures, and rapid technological change.

Against this background, European Preference Criteria (EUPCs) are currently debated as a central policy tool for securing domestic value-added and employment and are expected to feature prominently in the upcoming Industrial Accelerator Act. They allow policymakers to direct demand toward European-produced goods, helping safeguard key capabilities and jobs. However, poorly targeted EUPCs can raise costs, weaken competition, entrench incumbents, and generate political tensions. Their effectiveness depends on careful, selective, and forward-looking application.

This paper presents a structured seven-step framework for how such a strategic application can function. It recommends combining quantitative indicators and qualitative expertise to identify sectors and products that should be eligible for EUPC. This process filters out sectors,

- that are not of strategic relevance for the EU
- that are not structurally challenged
- that do not have the capabilities to produce products with high future economic potential
- where EUPC do not represent the best policy tool to address structural challenges
- where applying EUPC would lead to overall negative outcomes for the EU, for example by raising consumer prices, triggering retaliation in vulnerable sectors, or undermining fair competition.

Finally, the methodology recommends horizontal design principles for EUPC and integration with complementary measures such as workforce reskilling.

Introduction

Europe's export-reliant economic model is under pressure from rising geoeconomic competition and the more assertive use of defensive trade and industrial policy tools by major partners. This does not only pose risks for economic security and supply chain resilience but also to Europe's long-term prosperity and social cohesion. Domestic value-added is essential not only for fiscal capacity but also for providing high-quality employment that promotes both individual wellbeing and social cohesion.

EUPC can help address these challenges, offering the potential to strengthen domestic value creation and employment. At the same time, poorly targeted EUPC can generate unintended economic and political consequences, highlighting the need for careful and strategic application.

This paper presents a comprehensive framework for guiding the strategic use of EUPC. It outlines how priority sectors and products can be identified, trade-offs assessed, and policies designed to support long-term prosperity and social cohesion. Taken together, this analysis lays the foundation for a more strategic, evidence-based approach to using EUPC as part of a broader EU industrial policy aimed at sustaining long-term prosperity and social cohesion.

EUPC as a tool to support Europe's prosperity and social cohesion

Europe's trade-reliant economic model is undergoing a decisive stress test. Long dependent on open export markets, the EU now faces overlapping pressures: intensifying geoeconomic competition, the more assertive use of defensive trade and industrial policy tools by major partners, and growing risks to its long-term competitiveness in technologies of economic and strategic importance.

The initial policy response focused on national security. Declining trust in key trading partners has heightened scrutiny of imports of critical goods and technologies. Last year's almost-standstill of EU car production as result of export restrictions by China affecting semiconductors and critical raw materials illustrates this case.^{v vi}

Of similar importance is the impact these developments have on the EU's long-term prosperity and social cohesion. Domestic value added is essential for long-term prosperity as it underpins fiscal capacity and the creation of high-quality employment. The latter is essential not only for individual wellbeing but also for social cohesion more widely, as research shows that people who fear losing their jobs are more likely to support populist parties.^{vii viii}

The pressure on domestic value added and employment in globally exposed sectors is increasing.^{ix x} Between 2020 and 2022, German imports from China rose by over 60 percent while exports fell by 30 percent.^{xi} Across the EU, nearly one million industrial jobs were lost between 2019 and 2023, with millions more at risk.^{xii xiii} These dynamics are already influencing policy in the most severely affected sectors, as reflected in the EU's Automotive Action Plan and the recent adjustments to the 2035 combustion-engine phase-out.

From a macroeconomic perspective, job losses in specific sectors are an essential part of the design of market economies. Economies constantly evolve and resources shift to growing industries. For

example, while phasing out combustion engines threatens traditional car manufacturing jobs, new opportunities arise in electric vehicle production, battery manufacturing, and related supply chains.

However, relying on these adjustment processes alone is increasingly insufficient in the current economic environment, prompting recent EU economic policy developments to emphasise the need for a broad set of industrial policy tools. Initiatives such as the Clean Industrial Deal, the European Competitiveness Fund, and targeted sectoral support programmes recognise that ensuring overall value added and employment goes beyond market forces.

Among these policy tools, European Preference Criteria (EUPC) are increasingly discussed in the policy debate as an instrument to secure European value added and employment. Initially proposed by the European Commission in the context of the [Clean Industrial Deal](#)¹ and subsequently adopted by several Member States, notably Germany in its support for the automotive sector^{xiv}, EUPC have gained rapid political traction and are expected to be proposed within the Industrial Accelerator Act.

However, without strategic application and careful policy design EUPC risk economic and political damage. More specifically, poorly designed EUPC can 1) increase prices, both for end consumers and for producers via input prices, 2) reduce competitive pressure, entrench incumbents, weaken innovation incentives, and lock in inefficient industrial structures, and 3) strain relations with global partners and potentially provoking retaliatory measures.

Thus, the success of EUPC in securing long-term prosperity and social cohesion depends on a strategic, selective, and evidence-based application. Careful targeting ensures that support is forward-looking, focusing only on sectors with long-term potential that genuinely require intervention through EUPC. The next chapter presents a framework for how such an approach can be operationalised in practice.

¹ previously EUPC's have been included in the [Competitiveness Compass](#)

A framework for prioritising sectors for EUPC from a socio-economic lens

We developed a multi-step-methodology to guide decisions where to use EUPC to promote the EU's long-term prosperity and social cohesion, which are summarized in Figure 1.²

Figure 1: Seven steps to identify priority sectors and products for EUPC



The first two steps assess the relevance of economic sectors, whereas step three to five investigate the suitability of EUPC on a product level. The sixth step assesses acceptability of EUPC with regards to potential trade-offs. The last step ensures the right policy design.

In the different steps, different indicators are used, building on a comprehensive long list of quantitative indicators that previous studies suggest are relevant for assessing the relevance of sectors and products, technologies, and products for the EU's long-term prosperity & social cohesion (see Annex). From this long list, we selected the most meaningful and reliable indicators³, prioritising those that reflect the long-term competitiveness of economic sectors in the EU. This means that the focus is on technological capabilities rather than cost advantages, as cost-based competitiveness is more easily eroded and offers limited scope for durable value creation, whereas technological leadership

² The methodology focuses solely on the objective of long-term prosperity and social cohesion, ignoring other potential objectives like national and economic security.

³ A natural question is why commonly used productivity measures, such as labour productivity, are not included explicitly in the framework. While productivity is a key outcome of successful industrial development, it is less well suited as a sector-selection indicator in a framework that seeks to identify where EUPC can support employment and social cohesion. Productivity measures such as labour productivity risk systematically favouring capital-intensive sectors that generate relatively few jobs, even where their contribution to broad-based employment and regional cohesion is limited. By contrast, the indicators used in this framework, such as value added, employment, their growth dynamics, and product complexity, capture the underlying drivers of sustainable productivity growth more directly by focusing on scale, technological capabilities, and structural transformation, rather than static efficiency levels.

tends to be more durable, harder to replicate, and thus a more reliable foundation for prosperity & social cohesion.^{xv,xvi}

At the same time, each step requires complementing the quantitative indicators with qualitative expertise as the following step-by-step description of the proposed framework demonstrates.

Step 1: Assessing the strategic importance of economic sectors for prosperity & social cohesion

Step 1 assesses which economic sectors are relevant for the EU’s long-term prosperity and social cohesion. When doing so, it is useful to distinguish between current relevance and future relevance. Combining both current and future relevance allows policymakers to categorise sectors into four groups (see Table 1), each requiring different approaches.

Table 1: Strategic sectoral prioritisation matrix

	Low current relevance	High current relevance
Low future relevance	non-strategic sectors	transitional sectors to manage
High future relevance	frontier sectors to build	systemic anchor sectors to maintain

This framework helps target policy support to sectors that are most critical for sustaining and enhancing EU prosperity and cohesion. This can be done using the following indicators:

Current relevance

- **Employment:** Employment, measured in hours worked, captures the total labour input across all jobs in a sector, accounting for both the number of workers and the intensity of their work. This measure is useful for assessing the current relevance of a sector because sectors with high employment contribute directly to job creation, income generation, and social stability.
- **Gross value added:** Gross value added (GVA) measures the net economic output of a sector, capturing the value of goods and services produced minus intermediate inputs. This indicator is useful for assessing the current relevance of a sector because sectors with high GVA contribute substantially to the EU’s economic wealth, tax base, and overall prosperity.

Future relevance

- **Global employment growth:** Global employment growth captures how labour demand in a sector is evolving worldwide. This indicator is useful for assessing the future relevance of a sector for the EU because sectors that are expanding globally signal opportunities for EU firms to capture market share and create jobs, even if the sector is currently not growing in the EU.
- **Global gross value-added growth:** Global GVA growth measures how the net economic output of a sector is increasing worldwide. This indicator is useful for assessing future relevance because sectors that are growing rapidly on a global scale present an opportunity for the EU’s long-term prosperity, even if current domestic value-added growth is limited.

Because strategic sector selection requires both quantitative and qualitative expertise^{xvii} robustness checks that use additional indicators (for example from the long list) and expert judgement should be used to validate the results that the presented indicators generate. Expert assessments of

technological trends and regulatory developments can help gain a better understanding of sectors' long-term competitiveness. For example, it can identify sectors positioned to grow in the markets of tomorrow, such as those supporting the green transition or the digital transformation. Taking into account this full range of evidence from the quantitative analysis and qualitative expertise, economic sectors can then be categorised into the four groups presented in Table 1.

This step makes it possible to filter out sectors that should not be eligible for EUPC, such as the non-strategic sectors. Sectors from the three other quadrants can move on to the second step.

Step 2: Excluding sectors without structural challenges

Not all strategic sectors warrant EUPC, making a second, evidence-based filter necessary to identify where such measures are justified and effective. EUPC are appropriate only in *structurally challenged* sectors, which encompasses sectors experiencing structural decline (actual or prospective) and emerging sectors that are constrained in scaling.

The existence of structural challenges can be evaluated quantitatively using data for employment growth and value-added growth⁴, which provide a clear signal of whether a sector is losing economic weight or failing to expand domestically. However, quantitative indicators alone cannot fully assess the existence of structural challenges, making qualitative assessments, such as input from sectoral experts, an essential complement for accurately diagnosing structural challenges and their policy relevance.

Step 3: Product-level assessment of future potential

Once strategic sectors facing structural challenges have been identified, it is essential to apply a technology- or product-specific lens. Broad sectoral categories can mask fundamentally different future prospects: for example, the automotive sector produces both internal combustion engine vehicles and electric vehicles, yet these technologies differ markedly in their potential to generate employment, value added, and long-term competitiveness. For this reason, the assessment must identify which technologies and products within each sector are most likely to support future prosperity and jobs.

This can be assessed using the indicator of product complexity, which captures the extent to which producing a given product requires sophisticated, hard-to-replicate capabilities and dense networks of specialised inputs. High-complexity products are typically associated with higher productivity, higher wages, and greater scope for domestic value creation. At the same time, complexity metrics need to be complemented by qualitative expertise to account for technological change, regulatory dynamics, and sector-specific factors that are not fully captured in quantitative data. Qualitative input is also crucial to detect products likely to see strong future demand because they respond to long-term trends such as the green transition and digital transformation. For example, the EU's climate goals and the physical realities of climate change could further increase the need for green products and decarbonisation technologies.

⁴ Unlike Step 1, which uses global employment and value-added growth to gauge sectors' global potential, Step 2 relies on EU-level data to assess whether domestic sectors are structurally challenged.

Step 4: Prioritising products aligned with EU capabilities

Products with promising global potential are not necessarily those best suited to the EU's existing industrial capabilities. Step 4 therefore prioritises products that build on capabilities the EU already possesses, filtering out products where the EU has little chance of becoming a global leader. This can be assessed using the relatedness density indicator^{xviii}, which measures how closely a product is connected to the capabilities embedded in the EU's current production structure. High relatedness density indicates lower barriers to entry, faster capability building, and a stronger likelihood that global market growth can translate into durable competitiveness and job creation in the EU.

Step 5: Excluding products where EUPC are ineffective

Once products with high future potential that align with the EU's capabilities have been identified, it is essential to assess whether the structural challenges in the sector can be effectively addressed by EUPC. Some sectors may face obstacles, such as skill shortages, inadequate infrastructure, or limited access to inputs, that other policy tools can address more effectively than EUPC. Evaluating which barriers constrain the scaling of high-potential products requires qualitative expertise from sectoral specialists. Ultimately, EUPC should only be considered where structural challenges stem from factors that EUPC can meaningfully address, such as unfair foreign competition, insufficient demand, demand volatility, cost gaps due to scale, or limited production capacity.

Step 6: Excluding products with unacceptable trade-offs

This step considers the trade-offs and tensions of applying EUPC, excluding cases where their use would lead to overall negative outcomes for the EU, for example by raising consumer prices, triggering retaliation in vulnerable sectors, or undermining fair competition. Whereas tensions between policy objectives can be addressed through the right policy design (see step 7), trade-offs require a clear prioritisation of policy objectives. Key trade-offs may arise between the direct objectives of EUPC - such as securing jobs and the tax base - and:

- **Price stability:** By shifting production from imports to domestic suppliers, EUPC could increase input costs for producers, which may be passed on to final consumer prices. These risks can be monitored using qualitative expertise as well as data on the gap between domestic prices and import prices, the share of sectoral output prices in the overall producer costs of final goods⁵, the share of affected products in household consumption, and indicators of market concentration.^{xix}
- **International relations:** EUPC could create tensions with the EU's trade partners and international obligations. By favouring domestic production, EUPC may risk triggering retaliatory measures in sectors and products where the EU is exposed. These risks can be monitored using a combination of qualitative sectoral expertise and quantitative indicators, such as the share of foreign countries' exports that would be affected by EU EUPC and the product's contribution to the affected countries' GDP.
- **Competition and innovation:** EUPC may reduce competitive pressure on domestic firms, potentially weakening incentives for innovation, protecting incumbents, and slowing productivity

⁵ For example, switching to clean steel and aluminium would raise the cost of a car by only around 1%, and using low-carbon cement in buildings would add roughly 2%.

growth. Many of these problems can be addressed through the right instrument design (see step 7). These risks can be monitored using qualitative sectoral expertise and quantitative sector- and product-level indicators such as market concentration (Herfindahl-Hirschman-Index or top-firm shares), import penetration, firm entry and exit rates, R&D intensity, patent counts, and the share of firms introducing new products or processes.

Addressing these trade-offs requires a structured approach, involving clearly defining and prioritising policy goals, assessing existing policy instruments to identify overlaps and conflicts, designing new measures in an integrated way, evaluating potential impacts, and continuously monitoring implementation to ensure policies are coherent and mutually reinforcing. The approach is described in detail in Hafele et al. (2021)^{xx}.

Step 7: Ensuring effective EUPC design

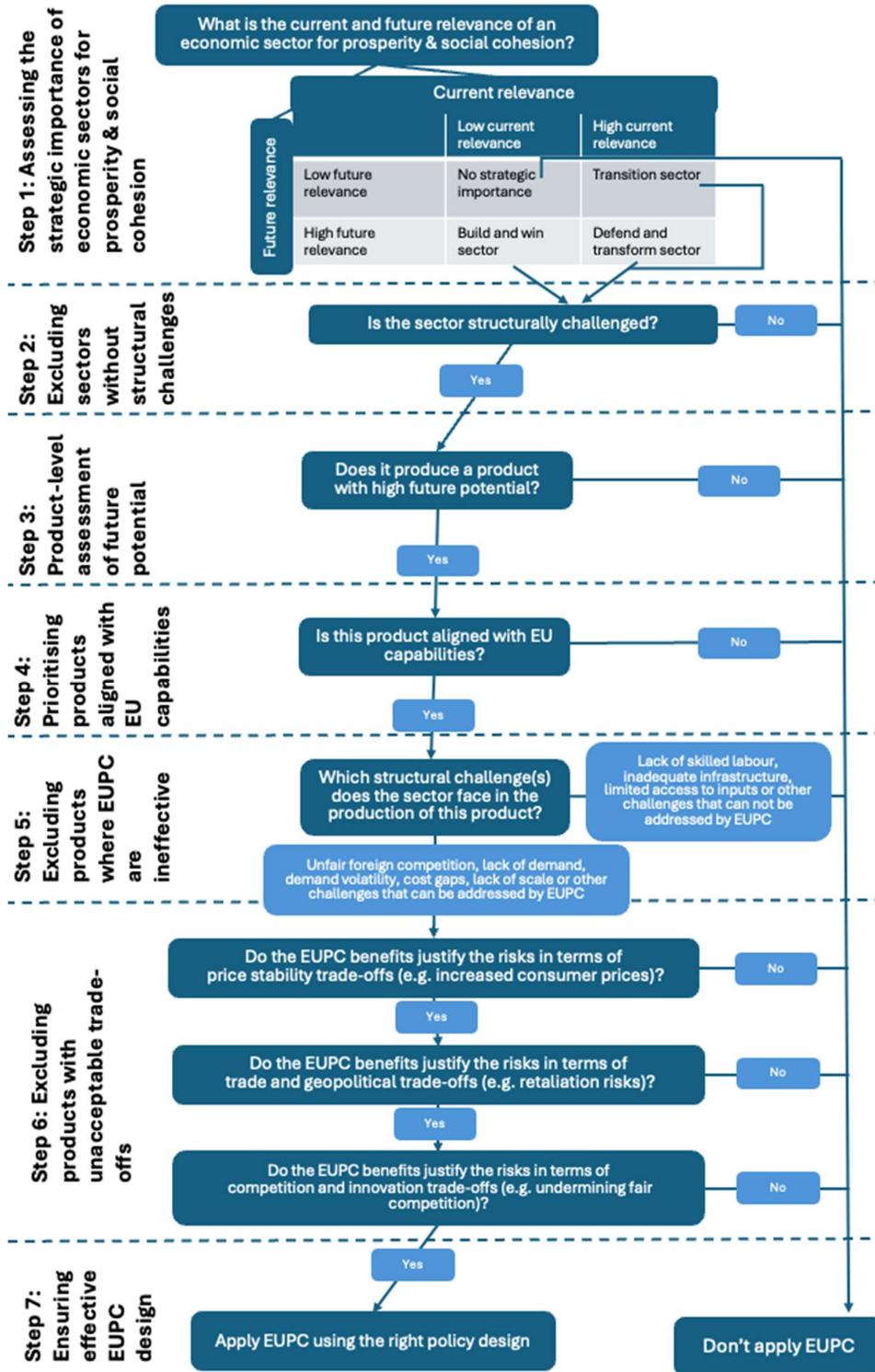
Where EUPC are justified, they should follow horizontal design principles to ensure effectiveness, proportionality, and credibility. Key characteristics include:

- **Conditional and performance-based:** Commitments to EU societal objectives, including decarbonisation, high environmental and social standards, and long-term value creation through investment, skills, and innovation.
- **Technology-dynamic:** Support technologies rather than incumbents, linked to benchmarks on cost, efficiency, emissions, and scalability, so support shifts to better-performing technologies.
- **Simple and unbureaucratic:** Use standardised definitions, existing data sources, and minimise administrative burdens.
- **Temporary and regularly reviewed:** Sunset clauses and review cycles assess continued need, cost impacts, and progress.
- **Preserve single-market integrity:** Ensure consistent EU-level definitions and implementation.
- **Predictable and complementary:** Provide investment certainty and complement other industrial policy instruments.

Moreover, synergies between sectors should be identified and leveraged. For example, workers from transitional sectors that will be scaled down could be absorbed by strategic sectors that are eligible for EUPC. Skill profiles of displaced workers should be assessed and their absorption into other strategic sectors with similar labour needs should be supported by policy.^{xxi} For example, as domestic production of heat pumps or electric vehicles expands, workers with similar skill sets from declining internal combustion engine production can be absorbed into these growing industries^{xxii,xxiii}).

Figure 2 summarises the presented steps.

Figure 2: Illustrative Overview of the 7-step methodology



Illustrative application

In the following, the presented framework is applied to a sector that is currently among the most relevant in terms of employment and value added: the automotive sector. A comprehensive application of the framework that results in a full list of specific products that should be eligible for EUPC can be found in Barth & Bertram (2026).

Step 1: Assessing the strategic importance of the automotive sector for prosperity & social cohesion

Compared to other economic sectors, the automotive sector ranks highly in terms of both current relevance (reflected in its substantial contributions to value added and employment^{xxiv}) and future relevance, as indicated by robust global growth rates in both dimensions^{xxv}. Qualitative insights reinforce this assessment, suggesting that automotive manufacturing is likely to remain a key source of high-value-added production and quality jobs for mass markets in the years ahead.

Step 2: Excluding sectors without structural challenges

Both employment and value added in the EU automotive sector have grown modestly in recent years, but with signs of a slowdown since 2023-2024^{xxvi}. Additionally, in the automotive sectors and adjacent sectors significant job reductions have been announced^{xxvii} and market shares have been lost, especially to China^{xxviii}. The EU's traditional strength in internal combustion engines is being disrupted by the shift to electric vehicles, where manufacturers from other regions currently lead in critical technologies such as batteries digital integration.

Step 3: Product-level assessment of future potential

Global market shifts strongly favour EVs over ICE vehicles. This reflects both green transition objectives and changing consumer preferences, which together point to greater future demand and value creation in EV production. As a result, only EV production is advanced to Step 4, while internal combustion engine (ICE) vehicle production is classified as non-eligible for EUPC.

Step 4: Prioritising products aligned with EU capabilities

Using the relatedness density indicator alongside qualitative expertise shows that, while the EU automotive sector currently lags behind some global competitors, it possesses strong engineering skills and a solid industrial base. Missing capabilities, such as large-scale battery production, could be developed through targeted policy measures. With the right supporting policy mix, EV production aligns well with EU capabilities and can advance to Step 5.

Step 5: Excluding products where EUPC are ineffective

Among various challenges such as limited charging infrastructure and restricted access to inputs exist, one of the sector's most pressing issue is exposure to foreign overcapacity, particularly from heavily subsidised producers abroad. This overcapacity limits the EU's ability to scale production and capture global market share. Carefully designed EUPC can help mitigate these pressures, support domestic scaling, and strengthen the EU's long-term prosperity and social cohesion, allowing EVs to move on to Step 6.

Step 6: Excluding products with unacceptable trade-offs

Even though domestic EV production is highly relevant for strengthening the EU's long-term prosperity and social cohesion, EUPC should only be used when the expected benefits outweigh the associated risks. The first approach is to mitigate tensions through complementary policies. For example, concerns about innovation impacts could be addressed by promoting R&D incentives, technology hubs, or collaboration programmes. Where real trade-offs remain, these need to be carefully weighed across three dimensions:

- **Price stability:** The gap between domestic and import EV prices is high, and with few domestic producers, EUPC could meaningfully raise consumer prices. This can have a significant impact on households, for which an EV purchase represents a major expense, making price increases more painful. Overall, price risks are relatively high.
- **International relations:** EUPC would affect exports of key trading partners, including China, where EV production contributes significantly to GDP. Retaliation risks are thus likely high.
- **Competition and innovation:** The European EV market is dominated by a limited number of major players that are challenged by global newcomers that generate a high import penetration in the market. R&D and product introduction remain active among EU firms. Thus, especially competition risks are high. However, when EUPC are designed to encourage the relocation of value chains to Europe, they can also help preserve healthy competition within the EU.

In conclusion, while the risks, particularly for prices and international relations, are significant, domestic EV production offers substantial potential for value added and employment, especially for workers transitioning from ICE vehicle production. Ultimately, deciding whether to implement EUPC is a political choice, but this case illustrates how careful policy design can tilt the balance so that the benefits may outweigh the risks.

Step 7: Ensuring effective EUPC design

If the political decision is made to use EUPC for EV production, both the EUPC and complementary policies must be designed carefully, strategically, and holistically. In practice, this could involve mandating fair wages for EV producers, reducing the environmental footprint of production through sustainable sourcing of critical raw materials, and harmonising EUPC schemes across the EU. Policies should be reviewed regularly to ensure they remain effective and efficient. Additional measures could include incentivising workforce reskilling to support the green transition, promoting local supplier development to strengthen domestic value chains, and fostering R&D collaboration between EU firms to accelerate innovation in low-emission technologies.

Conclusion

Europe's economic model must adapt to a rapidly changing global environment, where strategic competition and shifting trade dynamics put pressure on domestic industries and employment. Applied selectively and strategically, EUPC can complement broader industrial policy to support employment and safeguard Europe's social cohesion.

This paper has developed a structured methodology to identify the sectors and products where EUPC can meaningfully contribute to long-term prosperity and social cohesion. It recommends that EUPC be applied only to strategic sectors with structural challenges that EUPC can address. More specifically, it makes the case for a product-specific approach where only high-potential products that align with EU capabilities should be eligible for EUPC. Potential trade-offs, including price stability, international relations, and competition and innovation, must be carefully considered and mitigated through complementary policies.

Annex 1: Long list of criteria to identify sectors, technologies and product for EUPC use for promoting the EU's long-term prosperity & social cohesion

Indicator	Source
Complexity	
Economic complexity	Hausmann & Klinger 2007 ^{xxxix} ; Hidalgo 2009 ^{xxx} ; Hidalgo & Hausmann 2009 ^{xxxi} ; Karbevaska & Hildago 2023 ^{xxxii}
Technology complexity	DG RTD 2023 (Di Girolamo et al. ^{xxxiii})
Technology relatedness density	DG RTD 2023 (Di Girolamo et al. ^{xxxiii})
Contribution to reduce climate damages	
Emissions intensity	DG GROW 2025 (Garcia & Ho ^{xxxiv}); ZOE 2024 (Bertram et al. ^{xvii})
Avoided climate damages	I4CE 2025 (Humphreys et al. ^{xxxv})
Climate risk reduction benefits	I4CE 2025 (Humphreys et al. ^{xxxv})
Technology's contribution to EU's decarbonisation goals	I4CE 2025 (Humphreys et al. ^{xxxv})
Comparative advantage	
Revealed comparative advantage	DG GROW 2025 (Garcia & Ho ^{xxxiv}); I4CE 2025 (Humphreys et al. ^{xxxv}); DG GROW 2025 (Varvrova et al. ^{xxxvi})
Change in revealed comparative advantage over the previous 3 years	DG GROW 2025 (Varvrova et al. ^{xxxvi})
Price competitiveness (export comp., import comp., or both)	OECD 1992 (Durand et al. ^{xxxvii})
Price competitiveness of exports relative to imports	DG GROW 2025 (Garcia & Ho ^{xxxiv})
Aid intensity	I4CE 2025 (Humphreys et al. ^{xxxv})
Readiness	
Technology Progression Probability	JRC 2025 (Albora et al. ^{xxxix}); I4CE 2025 (Humphreys et al. ^{xxxv})
Technology readiness level	World Economic Forum 2024 (Bocca et al. ^{xxxviii})
Infrastructure readiness level	World Economic Forum 2024 (Bocca et al. ^{xxxviii})
Demand readiness scores	World Economic Forum 2024 (Bocca et al. ^{xxxviii})
Anticipated profitability	World Economic Forum 2024 (Bocca et al. ^{xxxviii})
Additional investments needed (gap between current and required annual investment in low-carbon technologies by sector.)	World Economic Forum 2024 (Bocca et al. ^{xxxviii})
Policy readiness scores (are policies in place to support growth of low-emission industry?)	World Economic Forum 2024 (Bocca et al. ^{xxxviii})
Research & Development	
R&D intensity	I4CE 2025 (Humphreys et al. ^{xxxv})
Global patent share: EU's share of global patenting output in a given technology	JRC 2025 (Albora et al. ^{xxxix}); I4CE 2025 (Humphreys et al. ^{xxxv})
Employment	
Current employment	DG GROW 2025 (Varvrova et al. ^{xxxvi}); ZOE 2024 (Bertram et al. ^{xvii})
Current wages	Landesmann et al. 2015 ^{xl}
Employment growth	ZOE 2024 (Bertram et al. ^{xvii})
Additional jobs in the EU	Carbone4 2024 (Aulanier et al. ^{xli})
Additional jobs in green activities in the EU	Carbone4 2024 (Aulanier et al. ^{xli})
Share of employment in high growth enterprises	DG GROW 2025 (Varvrova et al. ^{xxxvi})
Value-added	
Current value added	DG GROW 2025 (Varvrova et al. ^{xxxvi}); ZOE 2024 (Bertram et al. ^{xvii})

Value added growth	ZOE 2024 (Bertram et al. ^{xvii})
Growth potential	
Production growth	DG GROW 2025 (Varvrova et al. ^{xxxvi})
Investment rate	DG GROW 2025 (Varvrova et al. ^{xxxvi})
Technological intensity	DG GROW 2025 (Varvrova et al. ^{xxxvi})
Interlinkages between sectors	
Number of upstream linkages	DG GROW 2025 (Varvrova et al. ^{xxxvi})
Number of downstream linkages	DG GROW 2025 (Varvrova et al. ^{xxxvi})
Leontief multiplier	Timmer et al. 2013 ^{xlii} ; Bank of Greece 2020 (Backinezos et al. ^{xliii})
Ghosh multiplier	Dietzenbacher 2002 ^{xliv}
Number of supply chain linkages	ZOE 2024 (Bertram et al. ^{xvii})
Weighted sectoral complexity data	ZOE 2024 (Bertram et al. ^{xvii})
Vulnerability	
Diversity of import partners (Herfindahl-Hirschman Index)	DG GROW 2025 (Garcia & Ho ^{xxxiv}); DG GROW 2025 (Varvrova et al. ^{xxxvi}); DG GROW 2023a (Aronja et al. ^{xlv}); DG GROW 2023b (Aronja et al. ^{xlvi})
Reliance on imports from few trade partners (Trade ratio)	DG GROW 2025 (Garcia & Ho ^{xxxiv})
Ratio of non-EU imports to the EU's total imports value (Proxy of scarcity)	DG GROW 2023a (Aronja et al. 2023 ^{xlv}); DG GROW 2023b (Aronja et al. 2023 ^{xlvi})
Ratio of non-EU imports value to EU exports (Proxy of import dependency)	DG GROW 2023a (Aronja et al. 2023 ^{xlv}); DG GROW 2023b (Aronja et al. 2023 ^{xlvi}); DG GROW 2025 (Varvrova et al. ^{xxxvi})
Exposure to Chinese overcapacity	Tordoir et al. 2025 ^{xlvii}
Other	
Share of projects reaching final investment decision	I4CE 2025 (Humphreys et al. ^{xxxv})
Shares in global exports	Landesmann et al. 2015 ^{xl}
Replacement lead times for key components	I4CE 2025 (Humphreys et al. ^{xxxv})
Productivity (labor productivity, capital productivity)	O'Mahony & von Ark (2003) ^{xlviii} ; Landesmann et al. 2015 ^{xl}
Share of high-skill occupations	O'Mahony & von Ark (2003) ^{xlviii} ; Landesmann et al. 2015 ^{xl}
Trade in value added	Foster-McGregor and Stehrer (2013) ^{xlix} ; Landesmann et al. 2015 ^{xl}
Non-substitutable inputs delivered to sectors providing essential services or indispensable goods	ZOE 2024 (Bertram et al. ^{xvii}); I4CE 2025 (Humphreys et al. ^{xxxv})

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