

3	USA	53834	6.7
4	UK	53156	6.6
5	Italy	51050	6.3
6	Austria	48235	6.0
7	Belgium	42155	5.2
8	China	36459	4.5
9	Switzerland	35323	4.4
10	Poland	31626	3.9
...			
31	Canada	5216	0.6
	Total	808155	100

Source: Own calculations based on Statistisches Bundesamt (2010) [Table 5 here]

Turning to imports, Figure 1 illustrates the relationship between hourly wages in 21 German manufacturing industries and competition from low-wage countries in 1999 and 2006. Competition is here defined as the ratio of low-wage country imports to Germany over total German imports. Thus, it includes import of final goods as well as inputs incorporated in this industry classification. The size of the dots represents the relative employment of the respective industries, and the numbers related to each dot correspond to the International Standard Industry Classification (ISIC), Revision 3.

The information in this figure indicates that German manufacturing industries vary substantially in their exposure to competition from low-wage countries. Most noticeable, competition from low-wage countries is concentrated in low-wage industries such as "Wearing Apparel", "Leather" and "Textiles". Meanwhile, large German industries with high wages, such as "Motor Vehicles", "Machinery" and "Equipment" face much less competition from low-wage countries.

Another interesting fact is that such industries like "Televisions and Communication" (32) and "Computers" (30) exhibit intensified competition from low wage countries between 1999 and 2006. Such increased competition is likely to affect indirectly other downstream industries, which might benefit from the arrival on the market of imported goods that they use as inputs but and available at a lower cost.