

Industry key	Share of firms which...			
	Neither export nor import	Only export	Only import	Export and import
28 Fabricated Metal	65%	9%	10%	16%
29 Machinery	41%	11%	11%	37%
30 Office Machinery	62%	11%	9%	18%
31 Electrical Machinery	43%	10%	12%	35%
32 Radio and Communication	47%	9%	10%	34%
33 Medical Instruments	61%	6%	13%	20%
34 Motor Vehicles	48%	9%	12%	31%
35 Other transport Equipment	44%	X	X	30%
36 Miscellaneous	60%	7%	16%	17%
37 Recycling	64%	14%	7%	15%

Source: Own calculations based on Vogel et al. (2009). X means that the information was not disclosed.

After showing export and import activity based on firm level information, we now turn to aggregated trade statistics for Germany to look, firstly, at the main export destinations and, secondly, gauge the importance of import competition from low-wage countries for German manufacturing industries.

Table 5 shows that the destinations of German exports are heavily concentrated: the top ten export destinations account for roughly 60 percent of total exports in 2009. Another interesting fact is that these top destinations are mainly industrialized countries in Europe and the US. There is one important exception, however: China, which receives about 5 percent of German exports. While the growing importance of China for German exports has, to the best of our knowledge not been investigated in detail yet, it may be partly explained by the pattern of German comparative advantage and export specialization, which is mainly in capital-intensive and research-intensive machinery and equipment (Clemens and Schumacher, 2010); goods that are in high demand Chinese manufacturing industry. Furthermore, German export promotion policy may also have played a non-negligible role. The German government provides an export guarantee scheme which compensates for possible non-payment for the export good by the foreign customer. This guarantee scheme has been in high demand recently, in particular for exports to South Korea, the US and China.³

Table 5: Top 10 Export destinations, 2009

		million euros	percent of total exports
1	France	81941	10.1
2	Netherlands	54142	6.7

³ See "Bundesbürgschaften: Exporthilfen gefragt wie nie" at <http://www.manager-magazin.de/politik/artikel/0,2828,702619,00.html>, accessed on 23 August 2010.