

NEWS - ECIPE PRESS RELEASE - NEW POLICY BRIEF

Trade, Jobs and Technological Change: What to Expect in the Next Five Years?

By Lucian Cernat, Head of Global Regulatory Cooperation and Public Procurement Negotiations, DG TRADE

Brussels, 23 January 2025 - This <u>Policy Brief</u> explores the complex interactions between trade, technological progress —particularly robotics and AI — and employment. The findings suggest that, in the future, exports may support fewer jobs due to declining labour intensity and the rise of automation, which will further displace workers in key industries such as manufacturing and logistics.

For countries reliant on the trade-jobs nexus, this dual challenge signals a potential reduction in the number of jobs tied to exports. The rapid adoption of robotics and automation is reshaping sectors, increasing productivity but also creating disparities in employment opportunities, particularly for low-skilled workers.

The interplay between trade and technology is likely to produce a two-sides labour effect. On one hand, certain service sector jobs may become increasingly trade-dependent. On the other hand, manufacturing jobs could either be replaced by technological advancements or newly created due to emerging opportunities. The ultimate impact of these conflicting tendencies on Europe remains to be seen.

The author of the Brief emphasises that the interplay between trade and technology will have significant implications and policies are urgently needed to mitigate adverse labour effects. "Ensuring that trade remains a driver for prosperity in Europe requires an optimal policy mix that aligns with the current concerns and future priorities of EU citizens," says Lucian Cernat.

Publication details: <u>Trade, Jobs and Technological Change: What to Expect in the Next Five Years?</u>, ECIPE Policy Brief No. 01/2025

Media inquiries: info@ecipe.org or +32 2 289 13 50