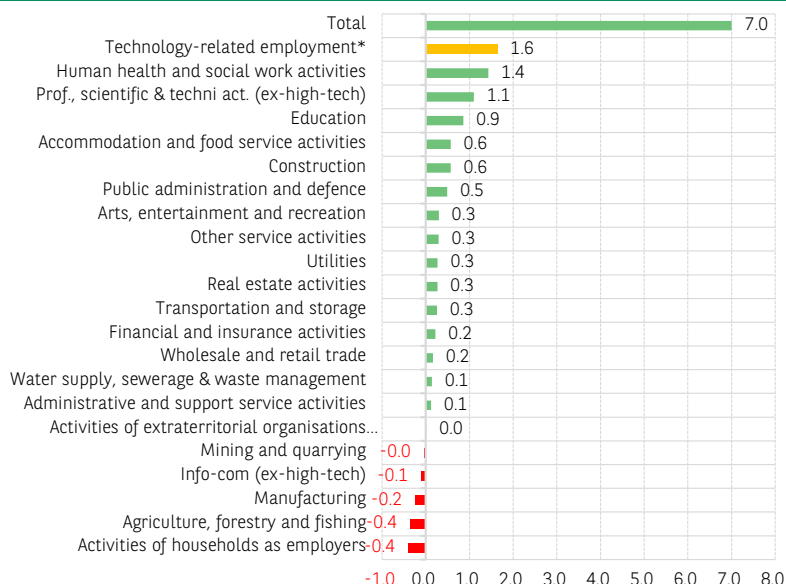


JOB CREATION IN THE TECHNOLOGY SECTOR IS A DRIVER OF THE EUROZONE'S LABOUR MARKET

Guillaume Derrien

EVOLUTION IN EMPLOYMENT IN THE EUROZONE FROM Q4 2019 (PRE-COVID)
TO Q2 2025, IN MILLIONS



* INCLUDES (I) PROGRAMMING, CONSULTING AND OTHER IT ACTIVITIES; (II) INFORMATION SERVICES; (III) SCIENTIFIC RESEARCH AND DEVELOPMENT ACTIVITIES. EMPLOYMENT DATA IS SMOOTHED OVER TWELVE MONTHS AND COVERS THE 15-64 AGE GROUP.

SOURCE: EUROSTAT, BNP PARIBAS CALCULATIONS.

The Eurozone labour market remains dynamic. The unemployment rate, at 6.3% in September, remains close to historic lows, while net job creation, although slowing in 2025, continued in Q3 (+0.1% q/q). According to Eurostat, the Eurozone has created almost seven million additional jobs since the end of 2019.

And almost a quarter of these jobs have emerged in the technology and digital sectors (*see note below the chart*). Admittedly, industrial employment is declining at the same time, particularly in the automotive and intermediate goods sectors, but to a much lesser extent.¹ The positive trend in employment in the technology sector is in line with the ongoing rise in investment in intellectual property products. Although these investments have not yet attained the levels seen in the United States, they are nevertheless trending upwards, reaching nearly 5% of GDP in Q2 2025², compared with 6.5% across the Atlantic.

Germany is perhaps the best example of this trend. Since Q4 2019, total employment has decreased by 220,000 (-0.5%), primarily due to declines in the manufacturing sector (-319,000) and construction (-210,000), while technology jobs have seen an increase of 580,000. Therefore, in spite of and in response to its structural challenges, the German economy is undergoing a transformation. This transformation is underscored by the new structure of the DAX, which is now largely influenced by the valuation of two technology companies³, which, although long established, have redefined their roles within the AI ecosystem.

This shift in the labour market towards activities related to the technology, digital and IT sectors is evident in a number of European countries, notably Spain (+230,000 jobs since Q4 2019) and France (+180,000). Relative to the size of the working population, the increases are more pronounced in some of the Baltic countries (Lithuania, Latvia), as well as in Ireland and Portugal.

Under these circumstances, there is no doubt that ongoing technological developments, particularly those related to AI (a sector in which Europe is, in some respects, on a par with the United States⁴), will redraw the economic balance within the Eurozone, but also, more generally, within the EU. While acknowledging the challenges Europe is currently facing, we must not underestimate the structural changes taking place, which are expected to drive higher productivity gains and foster growth in the medium to long term.

1 Between Q4 2019 and Q2 2025, the automotive sector experienced a decline of 210,500 jobs, the plastics and rubber sector saw a reduction of 182,000 jobs, and the coking and refined petroleum industry lost 13,300 jobs.

2 Over a twelve-month period, investment in intellectual property products in the Eurozone amounted to 4.7% of GDP.

3 SAP and Siemens.

4 See Isabelle Mateos y Lago, *Europe's economy is in much better shape than our self-bashing culture would have you believe*, BNP Paribas Ecweek, 18 November 2025.

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