



BP's impact on the
economy in

Germany

A report by Oxford Economics
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€4.5bn

Gross value added
contribution supported
by BP in Germany

BP supported

73,000
jobs

One in every
600 in Germany

BP's activity supported

0.14%

of German GDP

€2.9bn

spent with German
businesses

7,800

German suppliers of
goods and services

BP produces enough
heating oil to supply

320,000
households

Aral serves

1.6 million
customers per day

50 airfields
supplied
with aviation fuelling
services

€12.6bn

in German energy
tax remitted to the
government

€226
million

in investments in
Germany

Executive summary

This section of the report highlights BP's impact on Germany's economy in the 2016 calendar year. The company's impact arises from the operations of BP itself and its subsidiaries.¹ The impact is measured in terms of BP's direct contribution to GDP and jobs, as well as those supported by buying goods and services from local businesses.

For the purposes of this report, the EU27 is defined as the 28 European Union countries less the United Kingdom.

¹Unless otherwise stated, all references to BP include BP itself and the company's subsidiaries.

²Totals in this report may not always be equal to the sum of component parts due to rounding.

³This is the number of unique supplier names in BP's procurement database, with an adjustment for duplicates based on a visual examination of a sample of 200 suppliers (e.g., 'ABC Inc' and 'ABC Incorporated' would be considered one firm).

2016 economic impact highlights

- BP's total impact in Germany is bigger than anywhere else in the EU27, ranking first for direct and indirect jobs and gross value added supported. Some **42% of gross value added** and employment that BP supported in the EU27 in 2016 was in Germany.
- Counting direct and supply chain impacts, BP supported an estimated **€4.5 billion gross value added** contribution to German GDP and **73,000 jobs** in 2016.²
- An estimated **0.14% of German GDP** in 2016 was in some way reliant on BP's activities – whether directly or through BP's purchases from suppliers. That is **€1 in every €700** of GDP created in Germany during the year.
- BP's direct activities and its spending with German suppliers are estimated to have supported **one in every 600 jobs in Germany** in 2016, **0.17%** of all employment in the country.
- Of the total, BP's direct operations – including refineries, lubrication manufacturing plants, offices, and retail outlets – created a **€1.8 billion gross value added** contribution to the German economy and **employed over 5,000 people**. That is **40% of all gross value added** and **7% of all employment** the company supported in Germany in 2016.
- BP spent **€2.9 billion** with around **7,800 German suppliers**³:
 - **€2.8 billion** on non-capital goods and services, which, combined with BP's worldwide spending, supported an estimated **€2.5 billion gross value added** contribution to German GDP and **63,100 jobs**.
 - **€140 million** on capital goods, which, combined with BP's worldwide spending, supported an estimated **€220 million gross value added** contribution to German GDP and **4,800 jobs**.

BP's direct impact

In Germany, BP operates under the brands BP, Aral, and Castrol. It runs refineries, manufactures fuels and lubricants and operates retail outlets to supply industrial customers, wholesalers, resellers, and consumers. Aral serves around 1.6 million customers each day. Through all of these activities, BP directly created a €1.8 billion gross value added contribution to German GDP in 2016 and employed over 5,000 people.

BP's support for local suppliers

BP supported businesses in every region in Germany in 2016. The company spent €2.9 billion on capital and non-capital goods and services from about 7,800 German suppliers that year (Fig. 1). This spending supported a wide range of businesses in the country.

53% of BP's spending was with suppliers in Cologne (Köln), 6% was with businesses in each of Hamburg, Münster and Düsseldorf. BP spent another 5% with suppliers in Bremen, and 4% in Darmstadt.⁴

This spending, as well as BP's worldwide spending, is estimated to have supported a €2.7 billion gross value added contribution to the country's economy and 68,000 jobs.⁵

The biggest impact was felt in the wholesale and retail trade sector, where BP supported a €970 million gross value added contribution (36% of the total supply chain impact, Fig. 2), as well as business services at €400 million (15% of the total), and transport and storage at €300 million (or 11% of the total).

⁴The map and percentages refer to the expenditure in BP's procurement data that is associated with postcodes.

⁵This jobs estimate includes people who may work on-site at BP but who are ultimately employed by one of the companies BP buys services from.

⁶We have used BP's procurement database to map the company's spending across the country. The map includes over 80% of BP's total spending in the country; the procurement database does not include postcode or location data for all spending, and that spending cannot be mapped.



BP's spending with suppliers in Germany by Government region, 2016⁶

Fig. 1

BP Spending (€ Million)



Source: BP

Summary

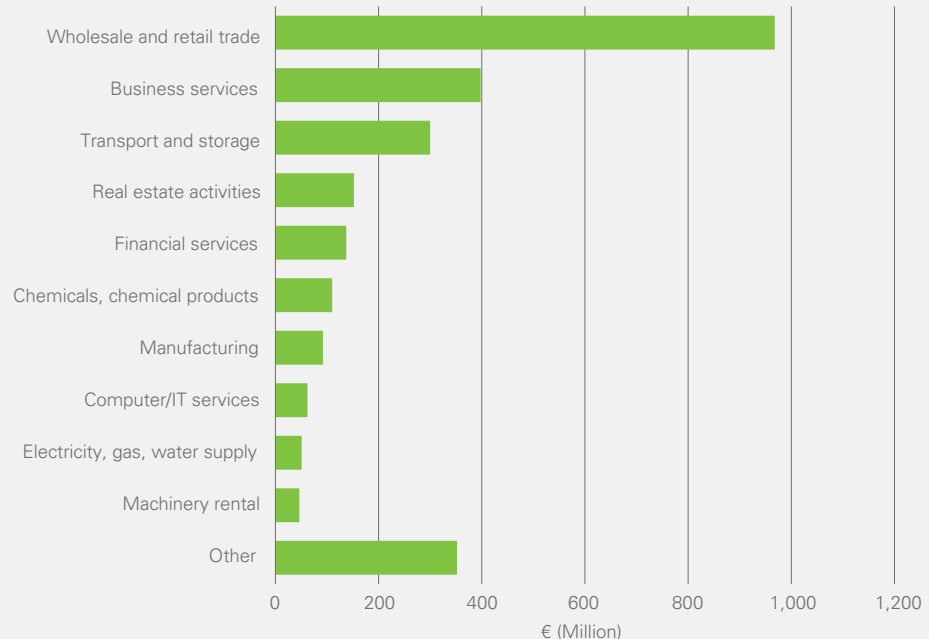
Including BP's direct impact and supply chain impact, the company supported an estimated €4.5 billion gross value added contribution to German GDP and 73,000 jobs (Fig. 3).

Some 42% of gross value added and employment that BP supported in the EU27 in 2016 was in Germany. That makes Germany the location in the EU27 where BP made the largest gross value added and employment impact.

The total contribution to GDP supported by BP in Germany in 2016 was equivalent to one fifth of the GDP of Dortmund, one quarter of the GDP of Duisburg, or slightly more than a third of the GDP of Bochum. The total employment BP supported was equivalent to about one fifth of all employment in Bremen or Essen.

Gross value added by industry stimulated by BP's supply chain spending, 2016

Fig. 2



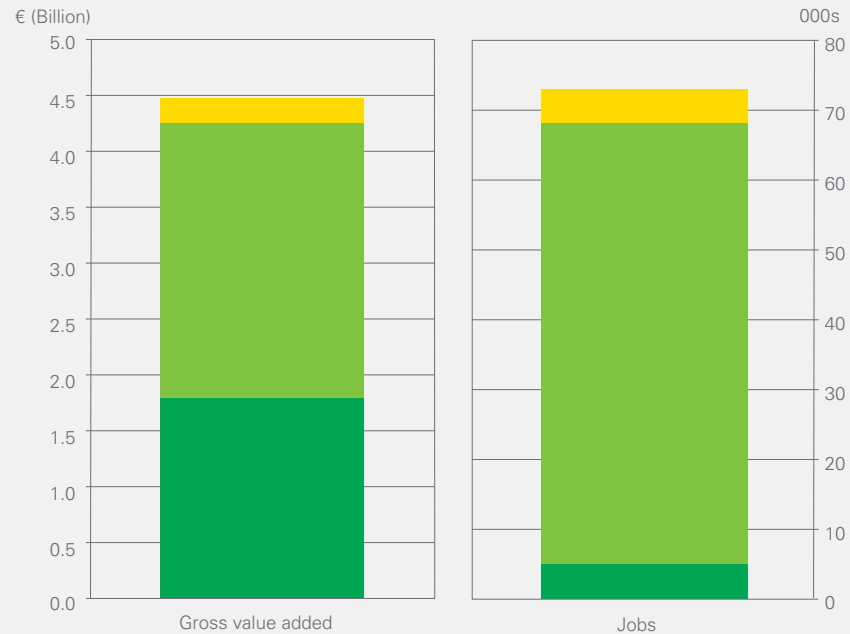
Source: Oxford Economics

BP's activities have substantial multiplier effects in Germany. For every €100,000 gross value added contribution to GDP that BP generated in Germany at its own operational sites, the company supported another €148,000 gross value added elsewhere in Germany through its supply chain spending. And for every person BP itself employed, the company supported another 13 jobs elsewhere in Germany by spending money with local businesses.

BP's total impact in Germany, 2016

Fig. 3

■ Supply chain capital expenditure
■ Supply chain operational expenditure
■ Direct



Source: Oxford Economics

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