

Measuring Facebook's economic impact in Europe - Executive Summary -

Facebook embodies a new generation of social media organisations who have significant global impact and create economic value through enabling ecosystems to develop. This enabling basis means that traditional narrow measures of economic impact are limited and it is critical to consider the broader impact of Facebook in allowing other parties to create value across the economy. To consider the nature and scale of these impacts Facebook commissioned Deloitte to estimate its economic impact across the 27 EU member States and Switzerland (EU27*).

This report provides a central estimate of €32 billion gross revenue enabled by the activities of Facebook. This revenue is then converted into economic impact, measured henceforth in this report in terms of gross value added (GVA), of €15.3 billion as well supporting 232,000 jobs. The enabling nature of Facebook means that effects on the actions of other businesses far outweigh the narrow economic impact of the company's own activity.

These estimates of economic impact reflect the additional economic value created by Facebook and exclude economic activity that has been displaced by the development of the company's ecosystem. There are additional impacts of Facebook that cannot be quantitatively captured at this stage, including increases in innovation, time savings and increased connectivity that may lead to further positive impacts.

Facebook creates economic impact through both narrow effects, caused by Facebook's day-to-day activities on the ground in Europe, and broad effects, accruing to third parties as a result of the Facebook eco-system. Economic impact (including narrow and broad effects) refers to the total contribution Facebook makes to the economic output of Europe measured in terms of Gross Value-Added (GVA) and jobs created. GVA itself represents the value added by an activity at each stage of production and is analogous to GDP contribution.

To read further, please visit the [executive summary page](#).

For the full report, [click here](#).

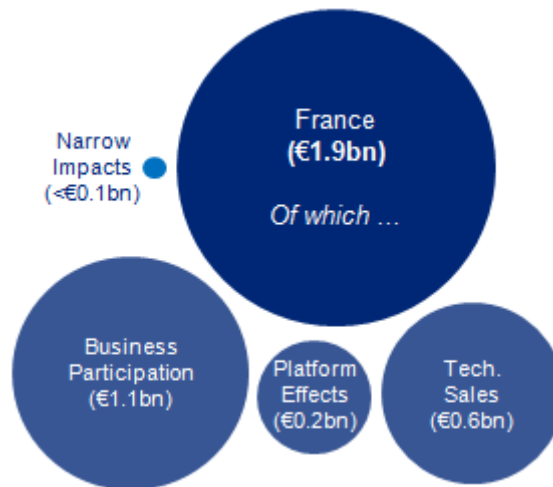
(see next page for France-specific information)

Facebook's economic impact in France

Facebook embodies a new generation of social media organizations who have significant global impact and create economic value through enabling ecosystems to develop. This enabling basis means that traditional narrow measures of economic impact are limited and it is critical to consider the broader impact of Facebook in allowing other parties to create value across the economy. To consider the nature and scale of these impacts Facebook commissioned Deloitte to estimate its economic impact across the 27 EU member States and Switzerland (EU27*).

The report provides a central estimate of €15.3 billion economic impact enabled by the activities of Facebook in the EU27* which supports 232,000 jobs. France is responsible for around 12 per cent of Facebook's total impact in the EU27* and approximately 9 per cent of jobs supported by Facebook in the EU27*.

Figure A – Total Economic Impact of Facebook in France, 2011 (€ billion)



Facebook's economic impact in France is estimated at €1.9 billion in 2011. It is estimated Facebook supports nearly 22,000 jobs in France. These estimates reflect the additional economic value created by Facebook and exclude economic activity that has been displaced by the development of the platform.

In France, Facebook's *narrow* impact (caused by its day-to-day activities) results in a contribution of over €4 million in 2011. The *narrow* effect is also associated with approximately 100 jobs.

- The *narrow* impact includes Facebook's economic contribution proportionate to the level of employment generated in 2011 (direct effects). It also includes the impact felt in associated supply-chain industries who supply to Facebook (indirect effects) and consumer spending by staff (induced effects).
- Given Facebook have very limited direct activities in France, the narrow impacts are very small relative to its *broad* impact.

The enabling nature of Facebook means that broad effects on the actions of other businesses far outweigh the narrow economic impact of the company's own activity. In particular, Facebook is found to have significant impacts upon:

- Business participation, enabling businesses to raise awareness of their products and therefore generating new sales through Facebook business pages, which lead to referrals to websites and brand value supported by *likes*, as well as through paid advertising. In France, the size of this effect is estimated as €1.1 billion and supports over 12,000 jobs.
- Platform effects, developing a focused specific App community and enabling more frequent and larger *social activities* among users. In France, the size of this effect is estimated as €0.2 billion and supports around 2,000 jobs.
- Technology sales, boosting the demand for technology through increased sales of devices and broadband connections. In France, the size of this effect is estimated as €0.6 billion and supports over 7,000 jobs.

France

Figure A(ii): Economic impacts of Facebook in France, 2011.

Impact	Jobs (000)	value added, 2011 (€m)
Direct	<0.1	4.5
Indirect & Induced	<0.1	0.3
Narrow Total	0.1	4.8
Paid Advertising	1.1	95.8
Customer communication	0.1	6.1
Brand Value	11.0	972.0
Business Participation Total	12.1	1,073.9
App Economy Effects	2.1	187.0
Social Plumbing Events Effects	0.3	26.3
Platform Effects Total	2.4	213.3
Technology Sales - Devices	0.7	66.5
Technology Sales - Broadband Consumption	6.6	581.0
Technology Sales Total	7.3	647.4
Grand Total	21.9	1,939.4

Source: Deloitte analysis. Totals may not sum due to rounding.