

# EU-US and the transatlantic relationship

1

## What is the TTR?

### DESCRIBES AND ENVELOP ALL TIES



### THAT UNITE



### IT IS BASED ON CLOSE COOPERATION IN A NUMBER OF AREAS



### AFTER THE SECOND WORLD WAR

relations were structured around

- the Marshall Plan
- the North Atlantic Treaty Organization (NATO).



Following the signing of the Treaty of Rome, these relations evolved further particularly in



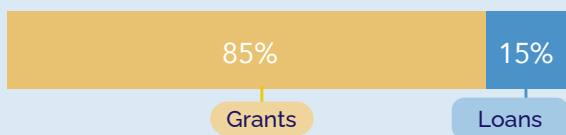
Trade policy falls under the competence of the EU  
→ common to all its member states

1957 The European Economic Community initially had **six member states**

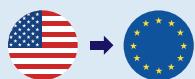
→ The European Union expanded to **28** before the United Kingdom decided to leave.

## THE MARSHALL PLAN

or European Recovery Program



➔ + **13 billion dollars**  
(10% of European GDP)



Granted by the United States to the European states  
→ to help them rebuild after the Second World War

## NATO



A military alliance bringing together North American countries and European nations (originally ten)



under a collective defense pact. Established against the backdrop of the Cold War and the division of the world into two blocs

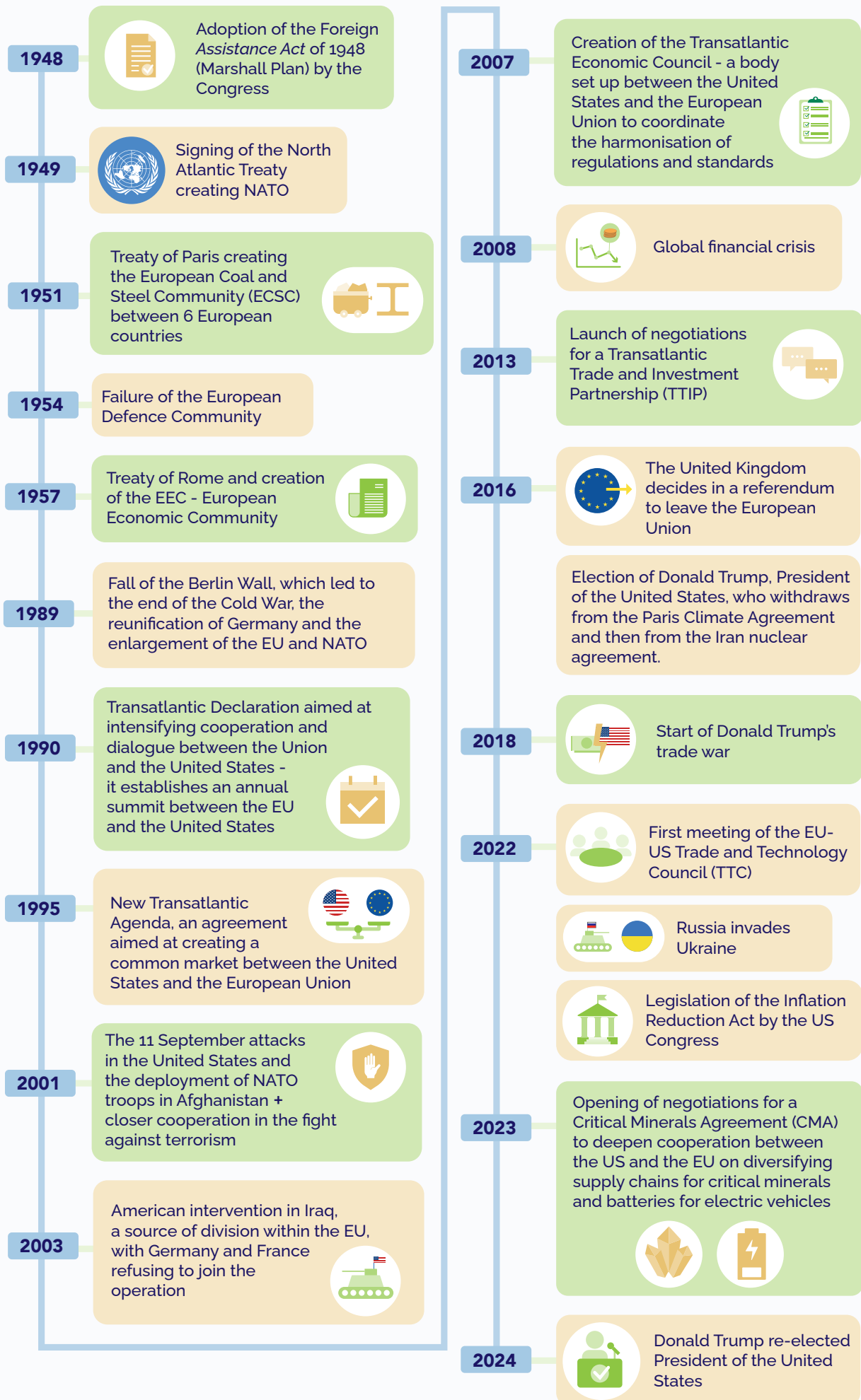
12 founding members

Today 32 members

Finland, April 4, 2023

Sweden, March 7, 2024

## Chronology of this relationship



### EU-US Trade and Technology Council

- transatlantic forum established in 2021
- to enhance cooperation between the European Union and the United States in
  - trade
  - technology
  - regulatory standards

Its objective is to coordinate policies on strategic issues such as supply chains, artificial intelligence, cybersecurity, and the regulation of emerging technologies.



### Inflation Reduction Act (IRA)



A U.S. law to combat inflation, reduce the public deficit, and accelerate the energy transition.



Budget : **\$369 billion**



→ it promotes investment in renewable energy, electric vehicles, and industrial reshoring through subsidies and tax credits.

By incentivizing domestic production and energy independence, the IRA has also sparked trade tensions with the EU due to its protectionist measures.

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## Key dimensions of the transatlantic relationship



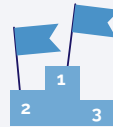
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Population:  
800 million



The world's 2 largest economies



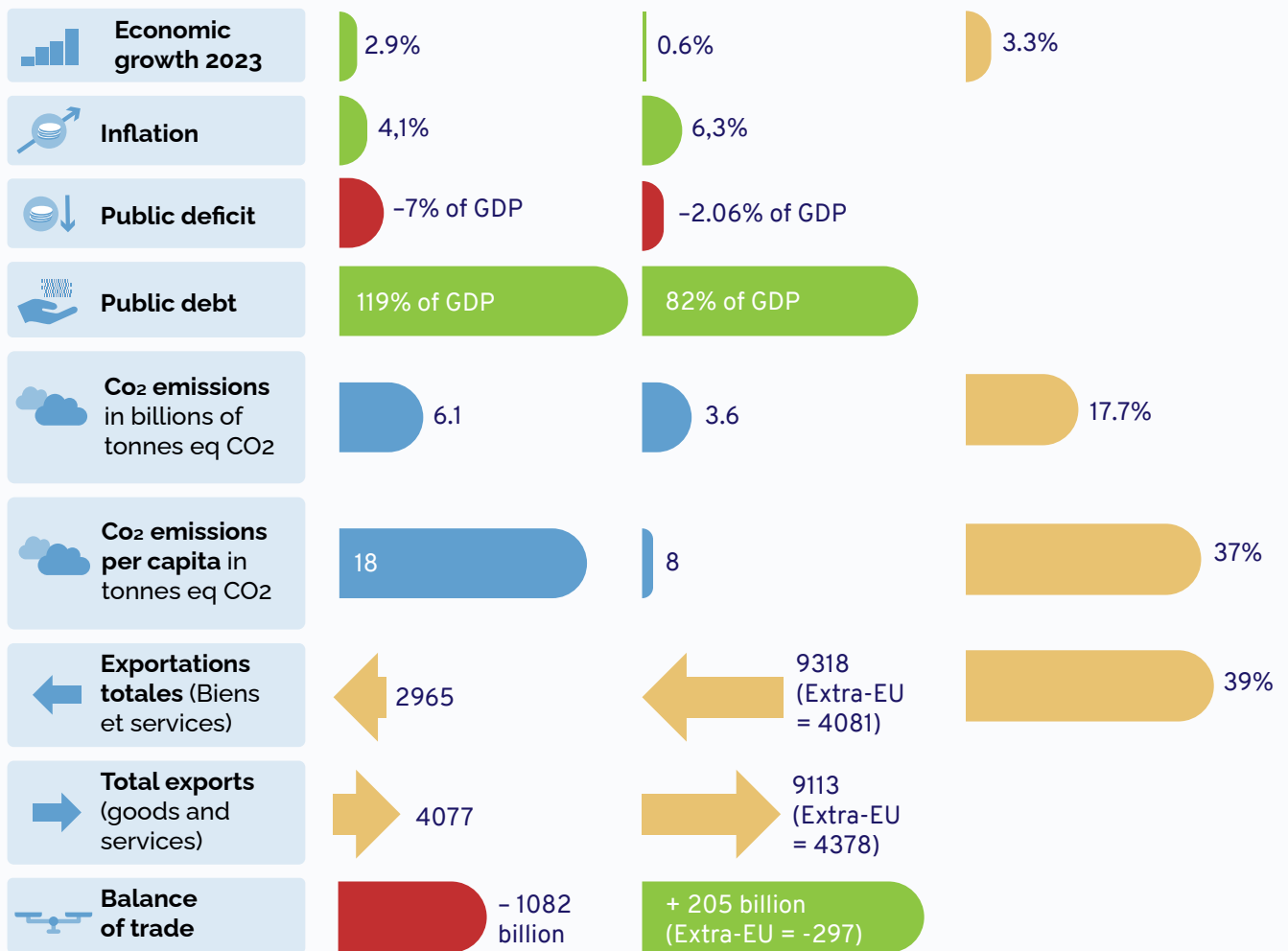
39% of global GDP



40% of global trade

## Comparison of the 2 economies

Figures in dollars or % for 2023	UNITED STATES	EUROPEAN UNION	Share of world total or world average
<b>Population</b>	335 million	450 million	10%
<b>GDP</b>	22,671 billion	18,579 billion	39%
<b>GDP per capita purchasing power parity</b>	74,528 billion	54,681 billion	
<b>GDP per capita in constant \$</b>	82,715 billion	43,194 billion	

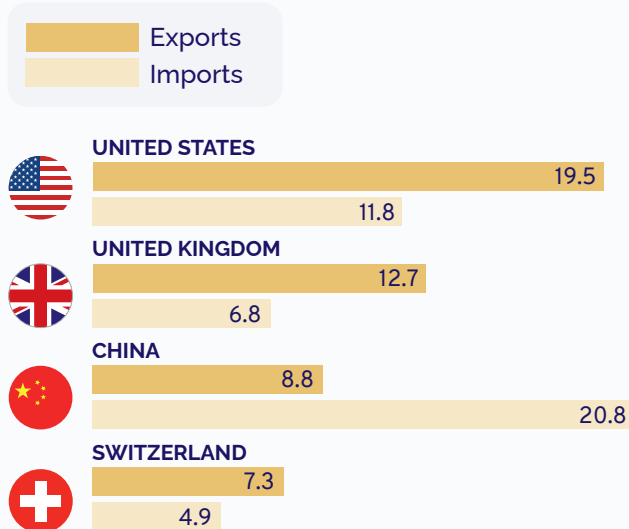


Sources: IMF - World Economic Outlook Databases, OMC - World trade statistics

## Commercial relations

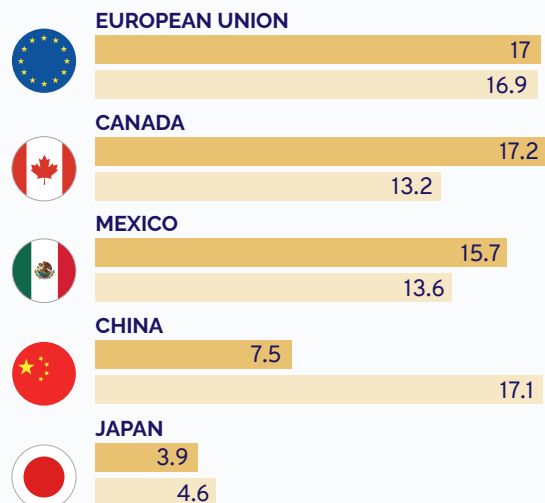
### The EU's main trading partners in 2022, in %.

Source: WTO



### The United States' main trading partners in 2022, in %.

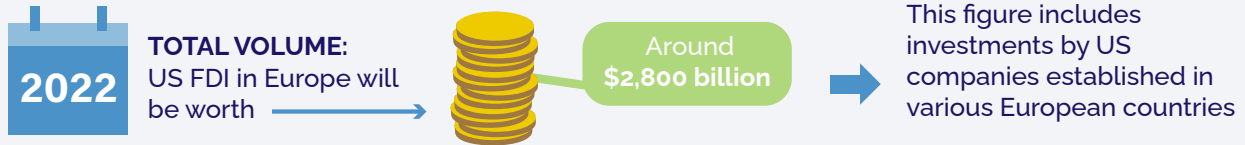
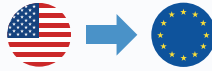
Source: WTO



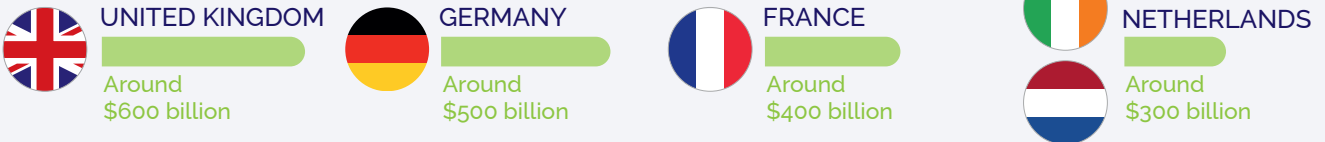
# Foreign investment

Source: UNCTAD - World Investment Report

## From the United States to Europe



### MAIN TARGET COUNTRIES



### KEY SECTORS



**Technology and Telecommunications:**  
Google, Apple and Microsoft  
→ strong presence in Europe.



**Finance:**  
US financial institutions such as JPMorgan Chase and Goldman Sachs are investing heavily in European markets.



**Manufacturing:**  
Investments in the automotive, aeronautical and pharmaceutical industries

## From Europe to the United States



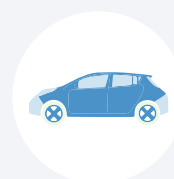
### MAIN INVESTOR COUNTRIES



### KEY SECTORS



**Technology et Innovation:**  
Companies such as Siemens, SAP and Philips invest in start-ups and research centres in the United States.



**Automotive:**  
Manufacturers such as Volkswagen and BMW have production plants and R&D centres in the United States.

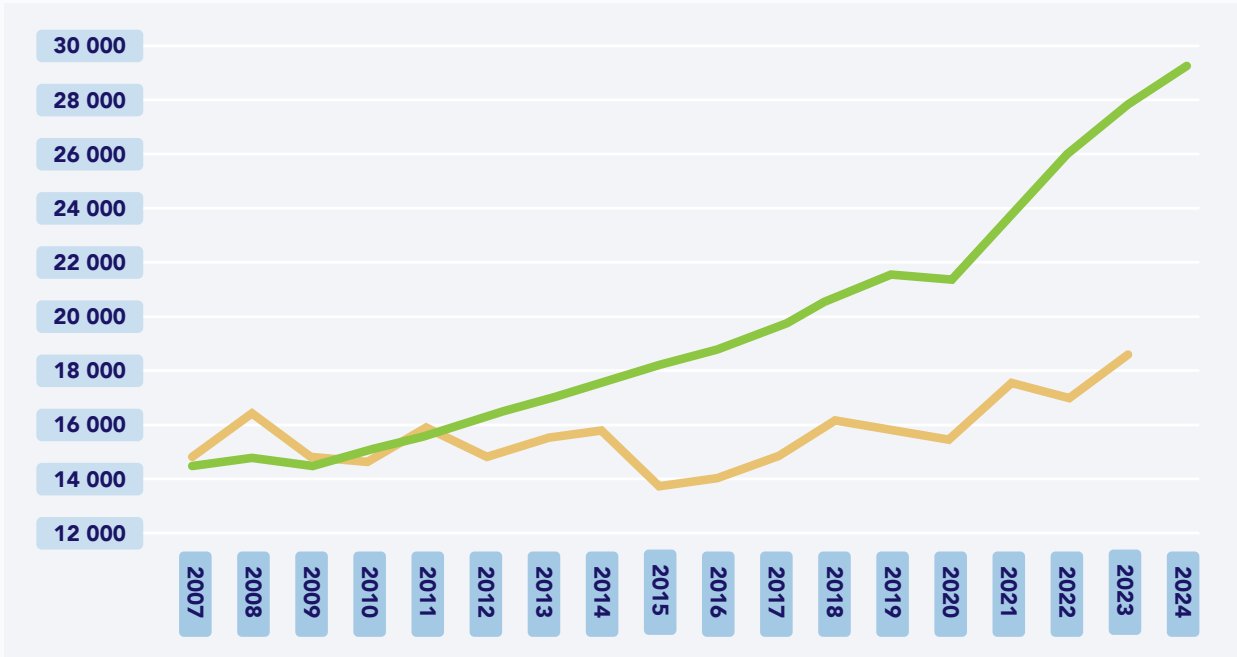
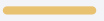
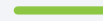


**Energy and Environment:**  
Investment in renewable energies and green technologies.

# Europe is falling behind

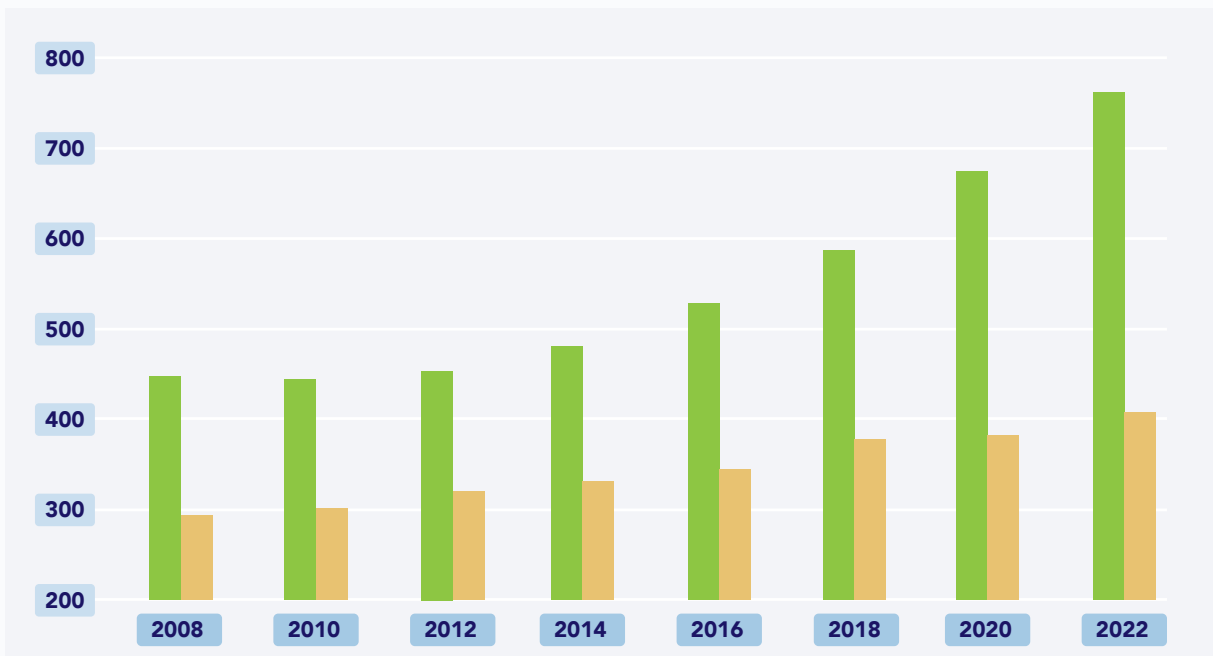
## GDP growth in the 2 countries in billion current dollars

Source: IMF Global economic Outlook

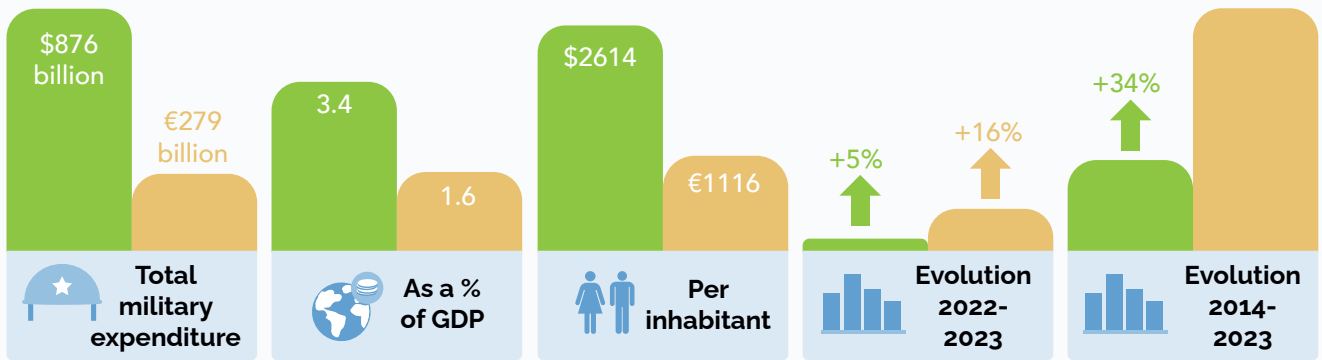


## R&D investment in billions of dollars at constant GDP prices

Source: OECD



## Defence and security, in 2023



Source: USA: DoD, EU: EDA