

EU-US and the transatlantic relationship

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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



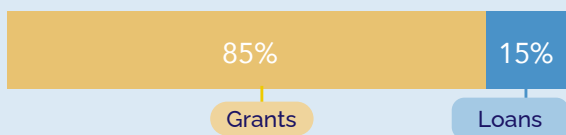
Trade policy falls under the competence of the EU
→ common to all its member states

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

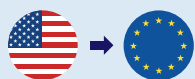
→ The European Union expanded to **28** before the United Kingdom decided to leave.

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

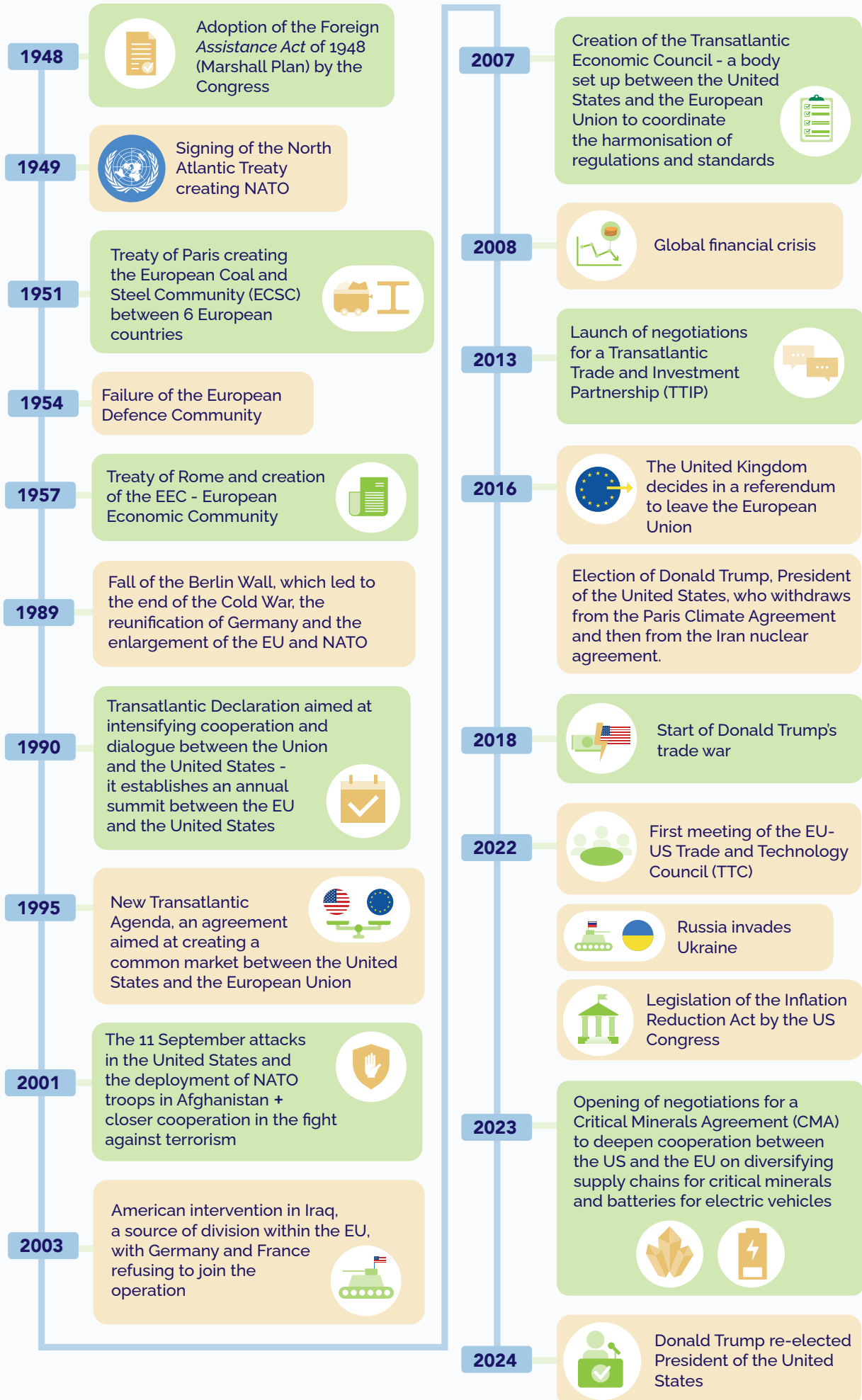
12 founding members

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.

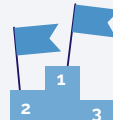
By incentivizing domestic production and energy independence, the IRA has also sparked trade tensions with the EU due to its protectionist measures.

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Key dimensions of the transatlantic relationship



Population:
800 million



The world's 2
largest economies



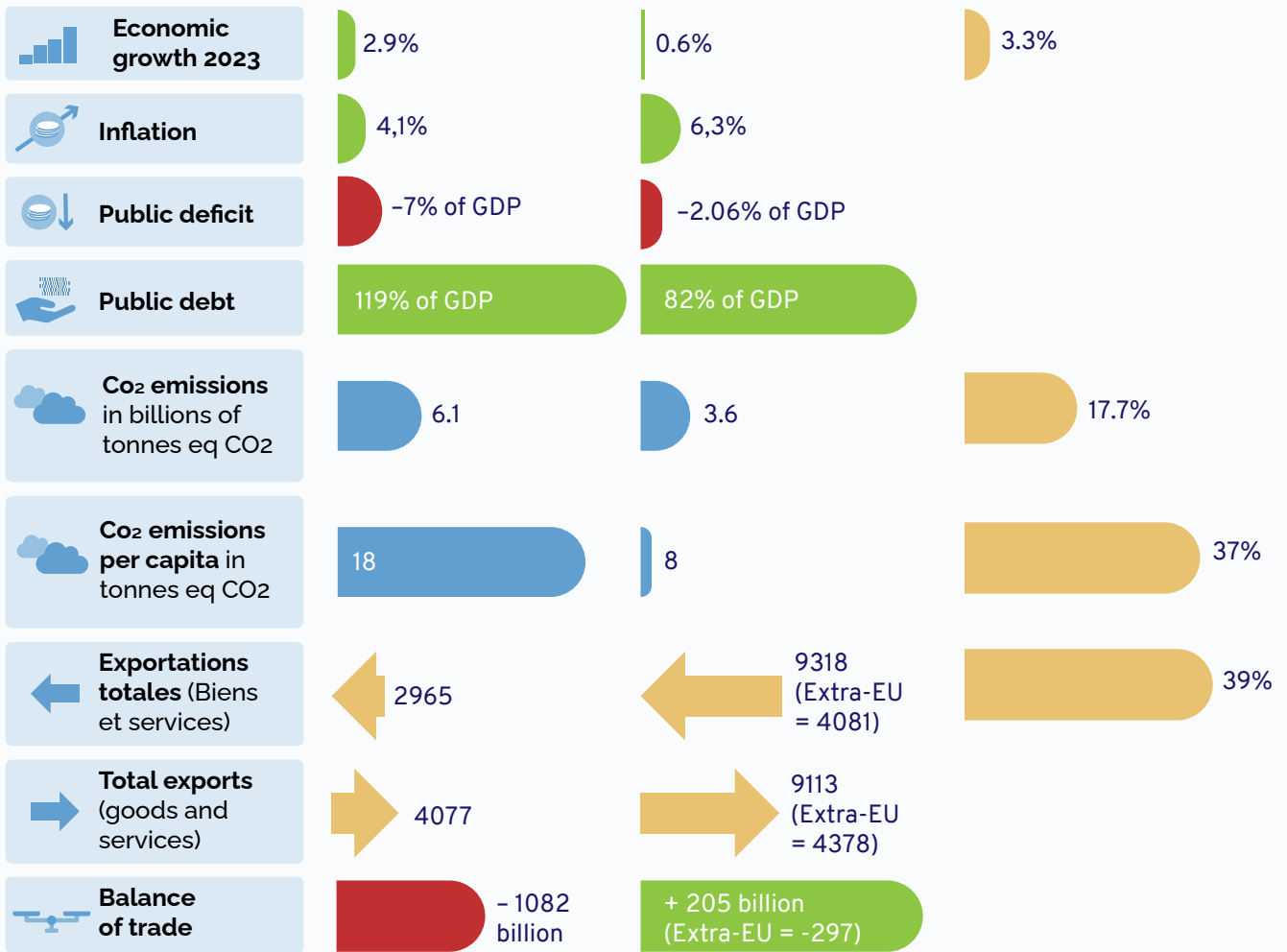
39% of global GDP



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
Population	335 million	450 million	10%
GDP	27,720 million	18,579 million	39%
GDP per capita purchasing power parity	74,528 million	54,681 million	
GDP per capita in current \$	82,715 million	41,287 million	

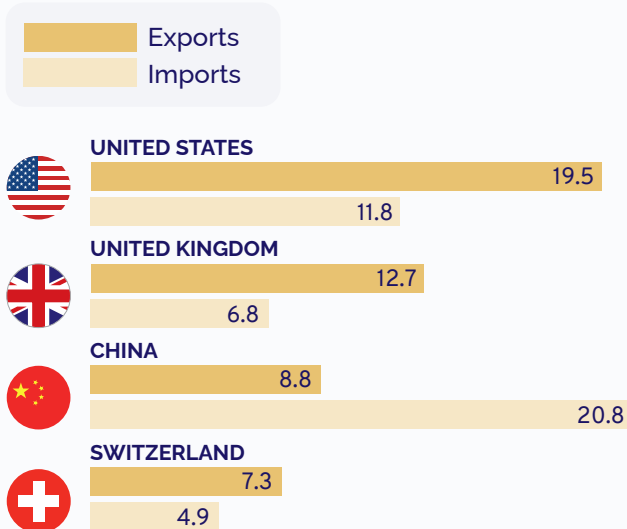


Sources: IMF - World Economic Outlook Databases, OMC - World trade statistics

Commercial relations

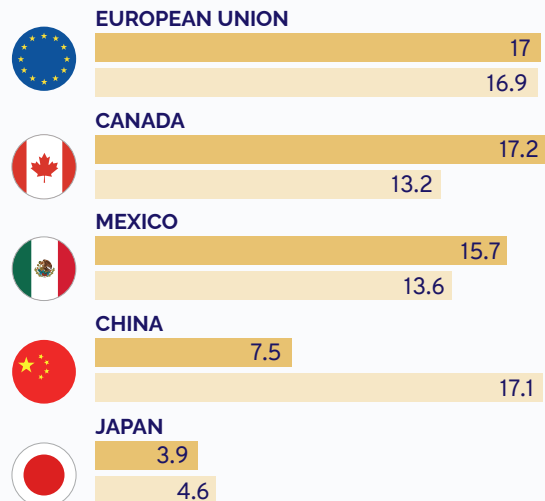
The EU's main trading partners in 2022, in %.

Source: WTO



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

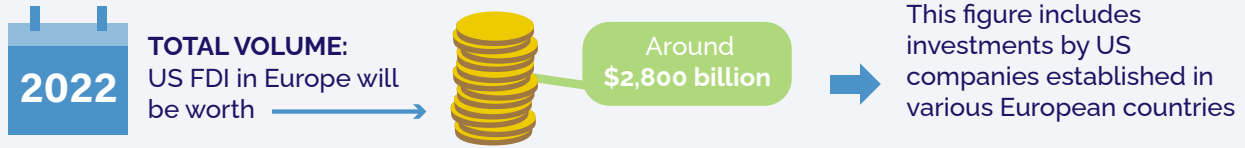
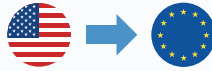
Source: WTO



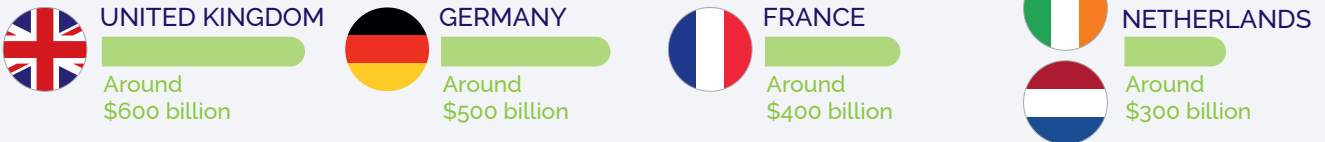
Foreign investment

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



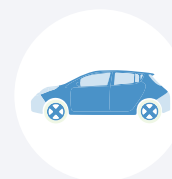
MAIN INVESTOR COUNTRIES



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.

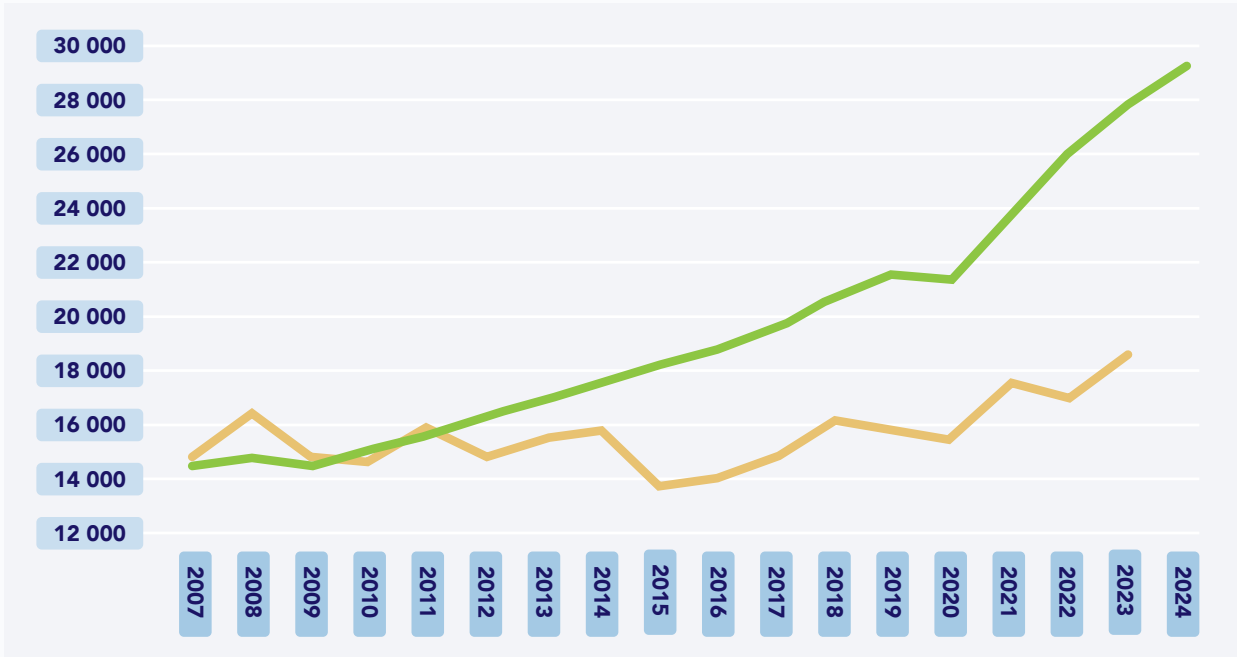


Energy and Environment:
Investment in renewable energies and green technologies.

Europe is falling behind

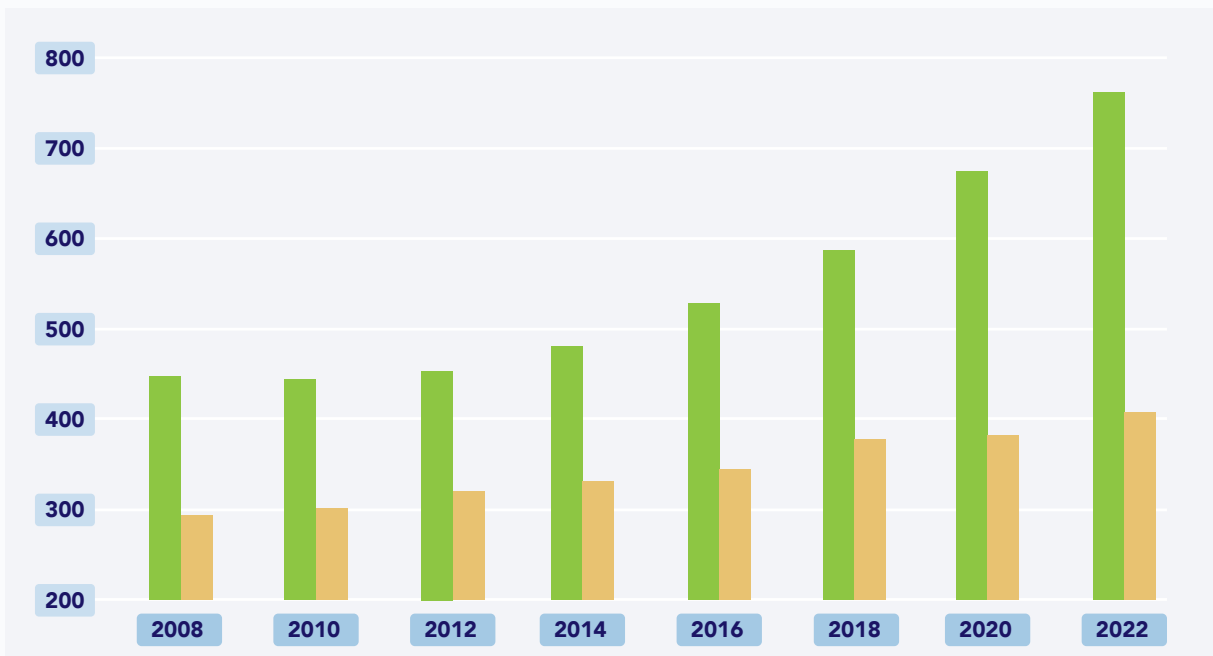
GDP growth in the 2 countries in billion current dollars

Source: IMF Global economic Outlook

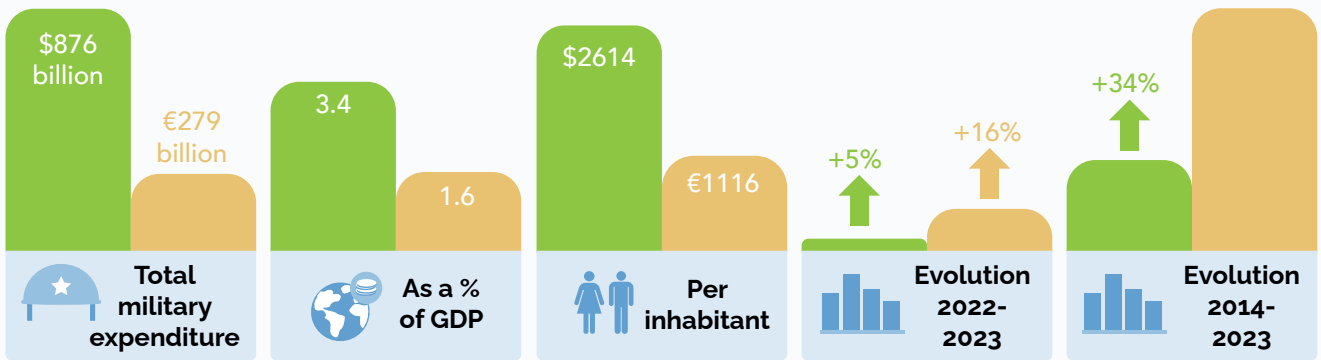


R&D investment in billions of dollars at constant GDP prices

Source: OECD



Defence and security, in 2023



Source: USA: DoD, EU: EDA