



## EU-US economy: factsheet

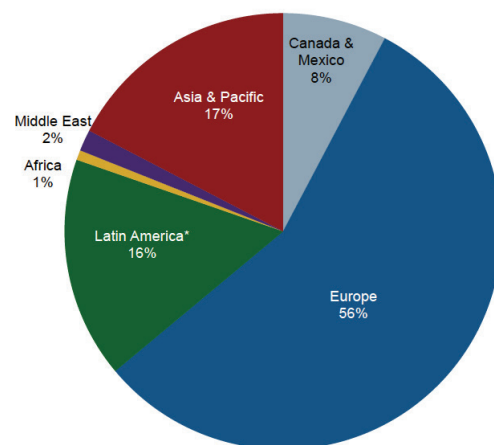
### EU-US key figures

	Europe 	United States 
Direct jobs	<b>4.8 million jobs</b> (2017) supported by US companies	<b>4.6 million jobs</b> (2017) supported by European companies
Direct and indirect jobs	<b>16 million jobs</b> on both sides of the Atlantic	
Investment	The US accounts for <b>60% of FDI in Europe</b>	Europe accounts for <b>72% of FDI into the US</b>
Growth	Together the EU and US account for <b>one third of global GDP</b> (in terms of purchasing power).	
Sales	<b>€5 trillion</b> in commercial sales	

### Why Europe matters to US companies

- **Our companies are committed to Europe;** many of us have been invested in Europe for decades.
- Europe continues to **attract more than half of US foreign direct investment.**
- Europe is an **attractive place to do business:** large market, access to skills and talent, 500 million consumers and is the springboard to an attractive periphery.
- There are **ways to strengthen Europe's** position in the global economy, which we outline in our Agenda for Action 2019-2024.

**Affiliate earnings of U.S. multinationals, 2017**  
% of total



Source: Bureau of Economic Analysis.  
Data as of October 2018.  
Presentation from [redacted] (Center for Transatlantic Relations).

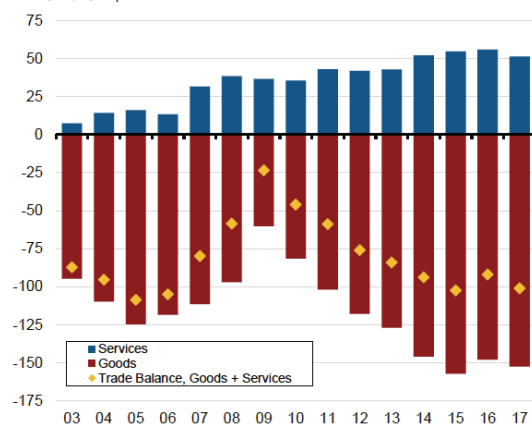
## Does the US have a trade deficit with the EU? \_\_\_\_\_

- The US has a deficit with the EU when it comes to trade in goods, but a surplus in services.
- However, **trade deficits can arise due to factors other than trade**, such as **differing domestic growth, consumption and saving rates among countries**.
- **EU-US ties are more than trade in goods**. One also has to look at:
  - trade in services (digitally-deliverable services in particular);
  - 'primary income' realised by US affiliates operating in Europe;
  - investment.

**While the US does run a large deficit in goods with the EU (-€98 billion in 2017), the US surplus in services trade (+€46 billion) and primary income (+€98 billion) with the EU more than offsets the goods imbalance. (Transatlantic Economy 2019)**

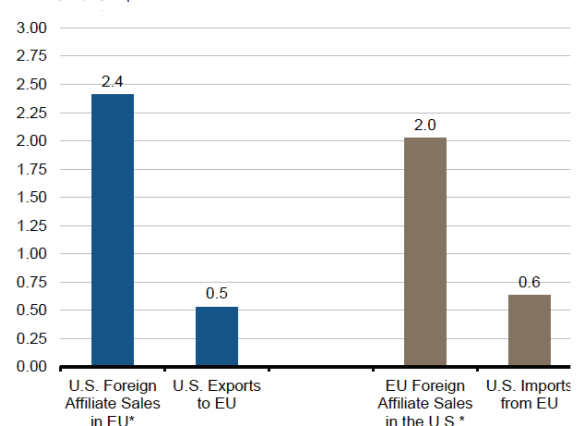
**U.S. Trade Balance with the EU**

Billions of \$



**U.S.-EU Trade vs. Foreign Affiliate Sales, 2017**

Trillions of \$



\*Estimates for majority-owned affiliate sales for 2017. Trade figures are for both goods and services.

Source: Bureau of Economic Analysis.

Data as of October 2018.

Presentations (Center for Transatlantic Relations).

## Why tariffs are the wrong approach \_\_\_\_\_

- We are **concerned by the volatility of the current environment**.
- **Tariffs are a tax on consumers and businesses**, who will be forced to pay more for commonly used products and material.
- Retaliatory tariffs imposed by the US on European exports will make European-made goods more expensive, resulting in lost sales and ultimately lost jobs in the EU.
- **Tariffs are the wrong approach** to address unfair trade practices.