

Delegation of the European Union
to the United States

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The European Union and the United States

Partners of Choice in a Complex World



“The global challenges and opportunities we face are so complex, so difficult, that only a renewed trans-Atlantic partnership can face up to them. We have a long history that makes it natural for us...to be partners. We share values, and that is the basis of our common cultural identity. That is strong and no one can take that away from us. That’s in our DNA.”
Federica Mogherini, EU High Representative for Foreign Affairs and Security Policy.

A strong EU-U.S. partnership is crucial to building a more democratic, secure, and prosperous world. Together, the European Union and the United States represent just under 12 percent of the world’s population, but account for almost half of global GDP, and provide more than three-quarters of official development assistance worldwide.

The transatlantic partnership has prospered for more than six decades, constructed on a solid foundation of common values, including a

commitment to the rule of law, the democratic process, free enterprise, respect for human rights, and alleviating poverty. These shared values, combined with the deeply interdependent and interconnected transatlantic economy and the trust and confidence built up over more than half a century of collaboration, make the EU and the U.S. natural partners for tackling global challenges.

The economic and commercial aspects of the relationship between the United States and the European Union are among the most defining features of the global economy, and the partnership is the single most important driver of global economic growth, trade, and prosperity.

But the relationship is not defined solely by trade and economic ties. The transatlantic partners also work together to promote peace, democracy, stability, and sustainable development around the world. Every day, the EU and the U.S. work side-by-side to help stabilize fragile states, end nuclear proliferation, fight terrorism and international crime, combat the threat of climate change, pursue energy independence, and eradicate deadly diseases.

EU-U.S. collaboration across sectors and policies is commonplace. Security officials on both sides of the Atlantic cooperate to keep citizens safe from terrorism, cyberattacks, and organized crime. Air travel is safer, cheaper, and more convenient than

ever before, thanks to EU-U.S. aviation accords that have liberalized the transatlantic aviation market by removing restrictions on routes, prices, and numbers of flights; and strengthened the cooperative framework in regulatory areas, including safety, security, and the environment. Bilateral agreements and dialogues cover numerous sectors.

Delegation of the European Union to the United States

The EU is represented in the United States by the Washington, DC, Delegation of the European Union, which works in close coordination with the diplomatic missions of the 28 EU Member States.

The EU Delegation presents and explains EU policy to the U.S. Administration and to Congress, and analyzes and reports on the political, social, and economic situation in the U.S. to its headquarters in Brussels. Through its engagement with political actors, the media, academia, business circles, and civil society, the EU Delegation raises awareness of EU issues and concerns, and promotes the importance of the EU-U.S. relationship among the broader American public. The Delegation is headed by Ambassador David O’Sullivan.

Sizing Things Up

2015	EU 28	U.S.	EU + U.S.
Population (millions)	510	321	831
Percentage of Global Population	6.9%	4.4%	11.3%
GDP (\$ trillions)	\$16.2	\$17.9	\$34.1
Percentage of Global GDP	21.8%	24.4%	46.2%

Source: World Bank (2016)

Size Matters

The Scale of the EU-U.S. Economic Relationship

The scale and interconnected nature of the transatlantic economic relationship is unrivaled in the world, with the EU and U.S. accounting for nearly 30 percent of global merchandise trade, close to 40 percent of world trade in services, and almost half of global GDP.

Investment is the real driver of the transatlantic relationship, contributing to growth and jobs on both sides of the Atlantic. Approximately 15 million jobs are linked to the transatlantic economy. Foreign direct investment figures illustrate the depth of the relationship.

Despite economic turbulence in recent years, the United States has consistently directed roughly half of its total foreign direct investment (FDI) each year toward the EU, and the EU's FDI in the

U.S. has continually accounted for almost two-thirds of America's total incoming investment. EU FDI in the U.S. in 2013 was more than three times the total FDI in the U.S. from Asia and the Pacific, and U.S. FDI in the EU in the same year was almost four times the FDI in the EU from all of Asia and the Pacific.

Globally, either the EU or the U.S. is the largest trade and investment partner for almost all other countries in the world.

Inevitably, the EU and the U.S. encounter some trade disputes, which are handled through the dispute settlement mechanism of the World Trade Organization (WTO). While they tend to make the headlines, disputes impact only 2 percent of EU-U.S. trade.

The Free Flow of Goods across the Atlantic

From the perspective of trade volume (imports plus exports), the EU and the United States remain one another's leading trade partners. In 2015, bilateral trade in goods alone was worth about \$700 billion. However, the enormous potential of the transatlantic commercial relationship is far from being fully exploited. A successful Transatlantic Trade and Investment Partnership agreement will go a long way toward optimizing this potential.

The Transatlantic Trade and Investment Partnership

In July 2013, the EU and the U.S. launched negotiations for a complex and comprehensive Transatlantic Trade and Investment Partnership, known as TTIP, that promises to create further opportunities by making it possible for European and American businesses and workers to succeed in today's very competitive global economy.

Designed to further liberalize all sectors of the transatlantic economy—including manufactured goods, agricultural products, services, and investment—TTIP is intended to eliminate border tariffs and as many investment restrictions as possible and foster more compatible regulatory requirements.

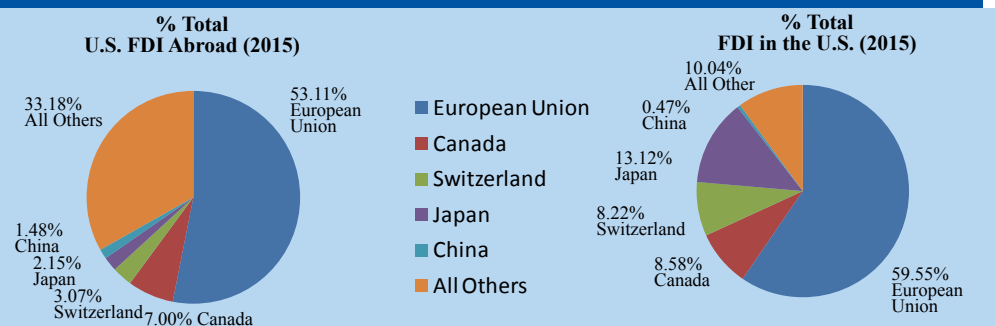
Most conventional barriers to trade in goods, such as tariffs and tariff-rate quotas, are likely to be eliminated. Although tariffs are already fairly low, ranging from 3.5 to 5 percent, the massive transatlantic trade flows mean that even the smallest reduction will have considerable impact.

Costly non-tariff barriers, including regulatory issues and red tape, are even more important, and TTIP talks aim to increase the compatibility and interoperability of EU and U.S. regulations, while also preventing future regulatory barriers. The global economy stands to benefit from TTIP as the EU and the U.S. develop rules and principles on issues of common concern.

A successful TTIP agreement will create a groundbreaking transatlantic economic alliance that could boost the economies of the EU and the U.S. by between 0.5 to 1 percent of GDP. It will benefit business, consumers, and regulators, and could also create an additional two million jobs...at no expense to taxpayers.

"TTIP is a once-in-a-generation opportunity to strengthen the greatest economic corridor in the world and to give a significant boost to global trade." David O'Sullivan, EU Ambassador to the United States (2015).

Foreign Direct Investment



EU-U.S. Foreign Direct Investment (Historic-Cost Basis)

Source for FDI data: U.S. Department of Commerce Bureau of Economic Analysis, August 2016

Year	U.S. FDI in EU (\$ millions)	U.S. FDI in EU as % Total U.S. FDI	EU FDI in U.S. (\$ millions)	EU FDI in U.S. as % Total U.S. FDI
2015	2,677,085	53.11%	1,866,471	59.55%
2014	2,512,972	52.03%	1,700,811	58.38%
2013	2,357,329	51.47%	1,649,774	60.48%
2012	2,206,478	50.03%	1,609,015	62.25%
2011	2,040,502	50.38%	1,507,149	61.92%

European Union Trade in Goods

2015 (\$ millions)	Extra-EU (World)	U.S.	China	Russia	Switzerland	Japan
EU Exports	1,988,603	412,058	189,237	82,041	167,471	62,770
% Total EU Exports	100%	20.7%	9.5%	4.2%	8.4%	3.2%
EU Imports	1,917,109	275,765	388,971	150,639	113,579	66,342
% Total EU Imports	100%	14.4%	20.3%	7.9%	5.9%	3.5%

EU, DG Trade (converted to \$ at 2015 rate: €1=\$1.11)

United States Trade in Goods

2015 (\$ millions)	World	EU28	China	Canada	Mexico	Japan
U.S. Exports (\$ millions)	1,502,572	271,988	116,072	280,609	235,745	62,443
% Total U.S. Exports	100%	18.1%	7.7%	18.7%	15.7%	4.2%
U.S. Imports (\$ millions)	2,248,232	427,562	483,245	296,156	296,408	131,364
% Total U.S. Imports	100%	19.0%	21.5%	13.2%	13.2%	5.8%

U.S. Department of Commerce, International Trade Administration

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Continuous Dialogue, Constant Cooperation

To ensure that relations remain robust, the EU and the U.S. have developed both formal and informal mechanisms to foster transatlantic cooperation. Dialogue takes place regularly at multiple levels, from the transatlantic leaders and their ministers/Cabinet heads to American and European officials who are in daily contact at the working level on issues of mutual interest.

Presidential summits, held alternately in the EU and the U.S., take place regularly between the Presidents of the European Commission and the European Council and the President of the United States.

In conjunction with summits, leaders hold meetings of the Transatlantic Economic Council and the EU-U.S. Energy Council, two key mechanisms for fostering transatlantic cooperation in priority areas.

The **Transatlantic Economic Council (TEC)** was established in 2007 to advance EU-U.S. economic integration by bringing together governments, the business community, and consumers to work on key areas where greater regulatory convergence and understanding can reap rewards on both sides of the Atlantic.

TEC's **High-level Working Group on Jobs and Growth** was set up in 2011 to identify policies and measures that would enhance EU-U.S. trade and investment and lead to mutually beneficial job creation, economic growth, and international competitiveness. TTIP is a major outcome.

The **EU-U.S. Energy Council** provides a forum for the U.S. Secretaries of State and Energy and the EU High Representative for Foreign Affairs and Security Policy (EUHR), the EU Vice-President for Energy Union, and the EU Commissioners for Energy and Climate to address the pressing challenges of energy security, sustainability, and climate change. The Council's objective is to foster stable, reliable, and transparent global energy markets and coordinate regulatory regimes and research programs to speed the deployment of tomorrow's clean and efficient energy technologies.

Thematic dialogues ensure that a wide range of actors contributes to the EU-U.S. policy process by encouraging legislators, businesspeople, consumers, scientists, academics, and citizens' groups to build and sustain links with their transatlantic counterparts.

The **Transatlantic Business Dialogue (TABD)** develops joint policy recommendations aimed at establishing a barrier-free transatlantic market with safe and efficient regulation that will serve as a catalyst for global trade liberalization and prosperity. TABD members include leading American and European companies both large and small and with strong transatlantic credentials. TABD is the highest forum of the Transatlantic Business Council (TABC), a cross-sectoral business association representing global companies with headquarters in the EU and the United States.

The **Transatlantic Consumer Dialogue (TACD)** champions the consumer perspective in transatlantic decision-making. EU and U.S. consumer organizations that constitute this forum ensure that key consumer priorities are promoted and advocated within the EU-U.S. regulatory and governmental processes. Annual TACD conferences, held alternately in the U.S. and the EU, produce recommendations in areas including food, trade, the information society, intellectual property, financial services, and nanotechnology issues.

The **Transatlantic Legislators' Dialogue (TLD)** involves biannual meetings of the European Parliament and U.S. Congressional delegations along with a series of teleconferences organized on specific topics of mutual concern, including: creating growth and jobs through closer trade; improving investment and regulatory cooperation; enhancing collaboration on energy matters; and augmenting security and defense alliances. TLD promotes awareness of the transatlantic impact of legislation and regulations and fosters an ongoing and uninterrupted dialogue among legislators.

People-to-People Contacts are a significant component in EU-U.S. relations and are vital to increasing awareness and understanding of the EU and its policies in the U.S.

Educational programs, such as the **Jean Monnet Program**, support university-level teaching and research on European integration. The European Commission's **Partnership Instrument** supports conferences, briefing sessions, fellowships, and public outreach—activities designed to encourage reflection and discussion on the EU-U.S. relationship—at U.S. universities, think tanks, and public policy research centers. Through its **Getting to Know Europe** grants for U.S.-based non-governmental and civil society organizations, the EU also supports programs that promote a greater knowledge of the EU within communities around the U.S.



The Transatlantic Partnership— Effective Collaboration





Promoting Stability, Security, and Prosperity

The European Union and the United States are strategic partners in promoting peace and stability around the world, working together to address hot spots like Syria and Ukraine and confront global security challenges like terrorism, nuclear weapons proliferation, and transnational crime, including cybercrime. The EU and the U.S. also collaborate on a wide range of civilian and military crisis management and conflict prevention initiatives.

- The EU responded vigorously to United Nations Security Council Resolution 1929 of June 2010, imposing a strong broad-based set of sanctions on Iran because of its continued refusal to comply with its international obligations regarding its nuclear program. In 2015, the E3 + 3 (U.S., China, Russia, EU, France, UK, Germany) reached a landmark agreement with Iran to ensure that its nuclear program will be exclusively peaceful.
- With Russia, the United States, and the United Nations, the EU forms the “Quartet” that drafted the 2002 roadmap of goals and timelines to encourage progress in the Middle East Peace Process.
- Like the United States, the EU has introduced comprehensive sanctions and increased its humanitarian aid in response to the brutal repression and widespread violation of human rights by the Syrian regime.

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• In response to the illegal annexation of Crimea and the deliberate destabilization of Ukraine, both the EU and the United States imposed restrictive measures that have steadily increased the diplomatic and financial costs of Russia's aggressive actions toward its sovereign neighbor.

• The EU NAVFOR Atalanta operation is part of the international maritime presence off the Horn of Africa that is helping to protect commercial shipping and respond to piracy and armed robbery at sea in the region. Launched in December 2008, it has significantly reduced the pirates' ability to operate in this part of the world.



Fighting Existing and Emerging Threats

- Cooperation with the U.S. is a fundamental component of the EU's counterterrorism strategy, and agreements have been reached in areas including terrorist financing, transport and borders, and mutual legal assistance and extradition. U.S. authorities work closely with Europol—the European Police Office (which provides fast information exchange, sophisticated intelligence analysis, coordination, expertise, and training) and Eurojust (a “college” of experienced judges and prosecutors who facilitate international mutual legal assistance, extradition requests, and cross-border criminal investigations).
- The EU-U.S. Working Group on Cybersecurity and Cybercrime is developing collaborative approaches to a wide range of issues and tackling new threats to the global networks upon which the security and prosperity of free societies are increasingly dependent.

Advancing Sustainable Development

- Together, the EU and the U.S. provide more than

three-quarters of official development assistance worldwide.

• The EU-U.S. Development Dialogue aims to improve the quality and effectiveness of the partners' development aid. From the initial focus on the Millennium Development Goals, food security, and climate change, the dialogue has evolved toward aid effectiveness, health, and security and development.

Driving Innovation

- The EU-U.S. Science and Technology Agreement, originally signed in 1998 and renewed in 2014 until 2018, brings a pan-European dimension to transatlantic cooperation in science and technology. Collaboration occurs in areas including: Marine and Arctic science, transportation technologies, nanotechnology, health research, and energy technologies.
- The EU's Horizon 2020 program for research and innovation funds the very best “frontier” research through the European Research Council, and its grants reward the leading ideas from top researchers of any nationality—including the U.S.—who are willing to conduct much of their research in Europe.

Differing Approaches: Capital Punishment

While the transatlantic partners share common values, differences do exist. The EU's position on capital punishment, for example, differs dramatically from that of the United States.

The EU opposes the use of capital punishment in all cases and under all circumstances and calls for a global moratorium as a first step toward its universal abolition. With capital punishment any miscarriage of justice, from which no legal system is immune, represents an irreversible loss of human life.

On the Web

European External Action Service
http://ec.europa.eu/us/index_en.htm

European Commission Directorate-General on Trade

http://ec.europa.eu/trade/policy/countries-and-regions/countries/united-states/index_en.htm