EUROPEAN UNION
DELEGATION OF THE EUROPEAN COMMISSION TO THE USA

eufocus

July 2005

Europe & America: An Economic Union

"Due to our history, Europe and the U.S. do enjoy deep bonds of kinship and share both culture and values. Our economic relationship has built on these solid foundations to bind us even further together."

José Manuel Barroso
President of the European Commission

The economic relationship between the European Union and the United States is perhaps the most defining feature of the global economy. The integration is broader and deeper than between any two other political regions in the world. The EU and U.S. account for 37 percent of global merchandise trade and 45 percent of world trade in services. The partnership is also the single most important driver of global economic growth, trade, and prosperity. And bilateral economic ties are increasing every year.

Headlines and policy debates frequently center on a small portion of this vital relationship, such as trade squabbles that account for only a fraction of transatlantic commerce. In reality, the overwhelming majority of bilateral trade between the EU and U.S. – a total of $1.5 billion a day – is dispute-free.

But that is just part of the story, according to a study conducted by the Center for Transatlantic Relations in Washington last year. Trade – everything from farm products to automobiles to computer software – constitutes a relatively small portion of total transatlantic economic activity, less than 20 percent. By a wide margin, EU and U.S. investment in each other's economies is what drives markets, jobs, innovation, and business activity. Bilateral trade between the EU and U.S. in manufactured goods was $549 billion last year, whereas "transatlantic" foreign affiliate sales -- sales of EU-based company affiliates and suppliers in the U.S. and vice-versa -- were five times larger, at $2.8 trillion. Add to this the foreign direct investment (FDI) by European companies in the U.S. and by American firms in the EU, more than $100 billion just in 2003, and the true picture of transatlantic business ties begins to emerge.

Inset: U.S. President George W. Bush and Jean-Claude Juncker, Luxembourg Prime Minister and President of the European Council, meet in Brussels earlier this year.

The economic relationship between the EU and U.S. is underappreciated on both sides of the Atlantic

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inside

EU Facts

- EU-based companies are the largest foreign investors in 45 of the 50 U.S. states and are ranked second in the other five.
- The $19.2 billion of U.S. investment in the Netherlands in 2003 nearly equaled U.S. investment in all of Asia ($22.4 billion).
- European investment just in the state of Texas was over $50 billion in 2002.
- More than 1.1 million U.S. workers are employed by British companies operating in the U.S.; another 734,000 work for U.S.-based subsidiaries of German companies.

Source: Center for Transatlantic Relations

Making Transatlantic

"Almost all decisions taken by our regulators and supervisors affect the other side of the Atlantic almost as much as our own. We need to manage together these ripple effects to avoid [crises]. Cooperate ex-ante, to avoid painful ex-post regulatory repairs."

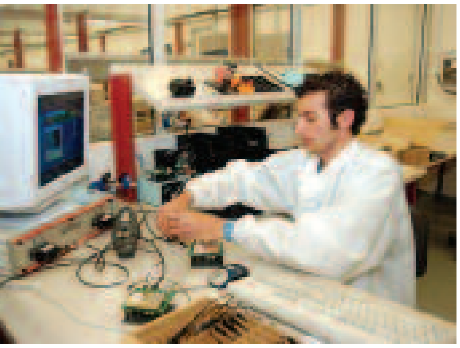
Charlie McCreevy
European Commissioner for
Internal Market & Services

Because transatlantic business is the main engine driving economic growth, jobs, and prosperity on both sides of the Atlantic, the EU and U.S. work constantly to improve the regulatory environment for business, changing duplicative or otherwise incompatible rules and procedures while maintaining appropriate labor and environmental safeguards. Such regulatory cooperation lies at the core of efforts to enhance transatlantic commerce and investment and helps each side regulate business and commerce within its respective economy in a way that minimizes bilateral crises over individual products, standards, or regulations.

To foster collaboration between regulators themselves, the EU and the U.S. drew up the Guidelines on Regulatory Cooperation and Transparency in 2002, followed by the more systematic approach outlined in the June 2004 Roadmap for EU-U.S. Regulatory Cooperation. These voluntary instruments covering industrial products represent a significant step forward and further strengthen this

Charlie McCreevy, European Commissioner for Internal Market & Services

promising and essential element of bilateral cooperation. Regular discussions are underway in a variety of specific sectors, including pharmaceuticals, auto safety, chemicals, nutritional labeling, information technologies, and consumer product safety. New EU entities overseeing food safety, environmental



EU-U.S. Priorities

To encourage even greater business flow across the Atlantic, EU and U.S. leaders are constantly working together to remove barriers to increased trade, jobs, and growth. Important initiatives include:

- **Competition (Antitrust) Policy.** Mergers and acquisitions on either side of the Atlantic increasingly affect both jurisdictions. EU and U.S. authorities cooperate intensively on competition (antitrust) policy, coordinating enforcement activities and exchanging non-confidential information. Exploratory talks have begun on an agreement to exchange confidential and protected information.
- **Government Procurement.** Although the WTO Government Procurement Agreement substantially increases procurement opportunities for both sides, there is room for further opening of markets between the U.S. and the EU and improving mutual access to tendering opportunities. The EU seeks to address market access impediments that adversely affect European companies, such as "Buy America," aspects of the Small Business Act, and state-level preferences.
- **Reducing High Business and Legal Costs.** U.S. companies operating in EU Member States often face higher operating costs because of local regulations while EU companies face possible liability from lawsuits and claims in the U.S. Reducing EU red tape and streamlining the U.S. tort system would enhance transatlantic economic ties.
- **Smarter, Safer Borders.** The EU and U.S. have been working closely on a number of initiatives to make trade and travel easier yet more secure, including sharing of Passenger Name Records and ways to improve container security in shipping. Joint EU-U.S. leadership is necessary to encourage global adoption of new standards.
- **Free Movement of Business People.** Because affiliate investment and trade are important drivers of the transatlantic economy, greater freedom of movement of key corporate personnel between the EU and the U.S. for extended stays is essential. The EU supports consideration of a special status for "trusted persons" to facilitate movement of international travelers, while bearing in mind security procedures.
- **Open Aviation Area.** The EU seeks a resumption of negotiations as soon as possible on an agreement to open aviation markets, remove restrictions on foreign investment, and deepen cooperation on aviation security. Such an agreement would spur greater competition in the airline industry and set a model for the rest of the world.
- **Intellectual Property.** Protecting intellectual property rights to promote innovation, employment, and competition is a fundamental economic imperative shared by the EU and the U.S. There is a need to fight rampant counterfeiting and piracy and to mitigate costly differences in the way each side protects intellectual property.

Business Run More Smoothly

Trade Differences: A Small but Important Aspect of the Relationship

Trade disputes, while often garnering big headlines, actually account for only 2-3 percent of EU-U.S. trade. Differences over steel, bananas, and other issues in the past have been resolved, while the extraterritoriality provisions of the Helms-Burton Act, suspended from application to date, remain a point of possible contention. Three of the more prominent subjects of present transatlantic discussion and/or disagreement are:

- **Boeing/Airbus.** After last fall's unilateral U.S. renunciation of the 1992 Bilateral Agreement on Trade in Large Civil Aircraft (an action which is not consistent with the agreement or with international law) and subsequent WTO consultation filing by the U.S. and then the EU, the two sides are discussing the possible reformulation of the Agreement, which includes limits on the amount of support governments may provide to aircraft manufacturers. Boeing continues to receive direct support that is incompatible with the Agreement and significantly exceeds the Agreement's limit of 3% of company turnover (revenues) through U.S. defense and NASA contracts and R&D programs that are in violation of both U.S. bilateral and multilateral commitments. Unlike loans to Airbus, which are repaid with interest, none of these subsidies are reimbursed. Boeing has also been one of the biggest beneficiaries of the FSC/ETI export subsidy scheme (which was struck down twice by the WTO).
- **Foreign Sales Corporations/ETI.** For more than 30 years, the U.S. taxed American companies less on export earnings than on income from domestic sales, an arrangement that the WTO found to be an export subsidy and an illegal competitive advantage. The EU put sanctions into place in March 2004, applying increasing tariffs on a $4 billion list of goods, which prompted the U.S. Congress to repeal the ETI act late in the year. The EU has asked the WTO to review "grandfathering" provisions of the repeal legislation that allow favorable tax treatment to continue for pre-existing contracts. Pending the outcome of that proceeding, however, the EU has suspended application of sanctions.
- **Byrd Amendment.** The "Byrd amendment," signed into law in October 2000, provides that the proceeds from anti-dumping and countervailing duty cases be paid to the U.S. companies responsible for bringing the cases. Following a complaint from the EU and ten countries, the WTO ruled in January 2003 that the Byrd Amendment is an impermissible response to dumping and a subsidy, leading the EU in May to impose an additional import duty on certain U.S. products, including paper, textiles, machinery, and agricultural products. Canada, a co-complainant in the dispute, simultaneously began to apply additional duties on specified products. Six other WTO members (Brazil, Chile, India, Japan, Korea, and Mexico) are also authorized to act in the dispute.

protection, cyber-security, and other areas are working to develop stronger links with their counterpart U.S. regulatory bodies to smooth the process of harmonizing regulations and business practices.

Substantial progress has been made over the past two years in the high-profile areas of financial services and corporate governance. To address both issues, the EU and U.S. created an informal Financial Markets Regulatory Dialogue, led by the U.S. Treasury Department and the European Commission's Directorate-General for the Internal Market. The group has considered matters arising on both sides of the Atlantic – for example, European companies expressed concerns about complying with provisions of the Sarbanes-Oxley Act in the U.S., while U.S.-based financial services firms had questions about complying with directives of the EU's Financial Services Action Plan.

The group has also discussed ways to converge EU and U.S. accounting standards. In April of this year, the European Commission and the Securities & Exchange Commission (SEC), meeting in the context of the EU-US Financial Markets Regulatory Dialogue, reached agreement on a 'roadmap' toward establishing equivalence between International Financial Reporting Standards (IFRS) and the U.S. Generally Accepted Accounting Principles (GAAP). European Commissioner Charlie McCreevy said the agreement is "a sign of our common interest in reducing regulatory burden and related costs on business…. [We] can achieve real progress through such constructive dialogue."

The prominence of the EU-U.S. relationship in the global economy makes regulatory cooperation a vital imperative not only for the transatlantic partners themselves but also for Asia, Latin America, the Middle East, and other parts of the world that depend on healthy and expanding EU-U.S. economic ties.

EU Statistics

EU25-U.S. Merchandise Trade (2004)

EU imports from the U.S.	$195.2 billion
EU exports to the U.S.	$290.0 billion

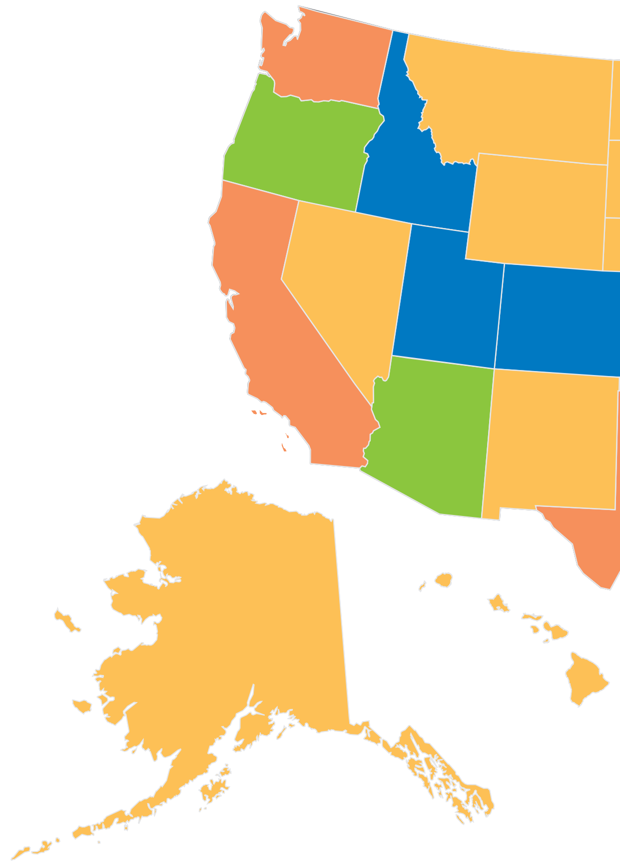
The European Union & the 50 U.S.

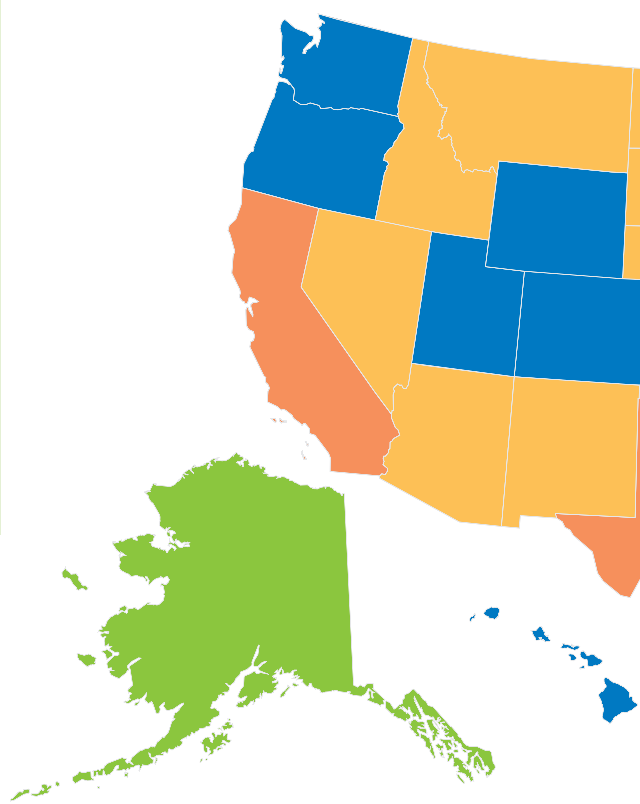
A State-by-State Look at Economic Ties Across the Atlantic

STATE	U.S. EXPORTS TO EU25 – 2004[1] ($U.S. MILLIONS)	PERCENTAGE OF STATE'S INTERNATIONAL EXPORTS TO EU25 – 2004[1]	FOREIGN DIRECT INVESTMENT FROM EU15 – 2002[2] ($U.S. MILLIONS)	PERCENTAGE OF FDI IN STATE FROM EU15 – 2002[2]
Alabama	$2,809	31.1%	$9,956	65.5%
Alaska	$485	15.4%	$26,632	90.0%
Arizona	$2,613	19.5%	$4,340	51.4%
Arkansas	$793	22.7%	$2,233	47.3%
California	$22,806	20.7%	$39,418	42.9%
Colorado	$1,323	19.9%	$7,150	56.8%
Connecticut	$3,572	41.7%	$8,363	65.4%
Delaware	$551	26.8%	$4,069	63.3%
District of Columbia	$786	67.5%	$2,203	41.3%
Florida	$4,123	14.2%	$13,154	46.2%
Georgia	$5,278	26.9%	$13,859	55.5%
Hawaii	$23	17.1%	$6,745	9.6%
Idaho	$605	20.8%	$1,446	67.9%
Illinois	$7,376	24.4%	$22,487	53.9%
Indiana	$4,630	24.2%	$18,464	65.6%
Iowa	$1,201	18.8%	$3,013	50.1%
Kansas	$1,139	23.1%	$3,456	71.4%
Kentucky	$3,771	29.0%	$11,312	47.7%
Louisiana	$2,982	15.0%	$13,133	43.5%
Maine	$234	9.6%	$2,366	40.3%
Maryland	$1,375	24.0%	$6,436	63.2%
Massachusetts	$9,110	41.7%	$17,510	75.3%
Michigan	$4,290	12.0%	$28,042	69.8%
Minnesota	$4,650	36.7%	$4,946	50.7%
Mississippi	$673	21.2%	$2,716	55.2%
Missouri	$1,637	18.2%	$10,006	66.5%
Montana	$59	10.6%	$757	36.1%
Nebraska	$345	14.9%	$721	41.2%
Nevada	$333	11.5%	$3,872	25.5%
New Hampshire	$723	31.7%	$2,997	69.7%
New Jersey	$6,243	32.5%	$16,407	51.5%
New Mexico	$269	13.2%	$3,528	79.2%
New York	$11,257	25.3%	$36,827	58.4%
North Carolina	$3,846	21.2%	$13,713	66.7%
North Dakota	$241	24.0%	$339	38.3%
Ohio	$5,364	17.2%	$17,543	54.8%
Oklahoma	$384	12.1%	$4,905	67.2%
Oregon	$1,687	15.1%	$5,293	57.0%
Pennsylvania	$4,304	23.3%	$22,267	72.6%
Rhode Island	$318	24.7%	$2,150	70.4%
South Carolina	$5,423	40.5%	$13,054	64.4%
South Dakota	$96	11.6%	$321	46.9%
Tennessee	$3,171	19.7%	$7,864	42.3%
Texas	$12,288	10.5%	$53,232	62.0%
Utah	$1,140	24.2%	$9,025	86.3%
Vermont	$312	9.5%	$615	40.0%
Virginia	$3,765	32.4%	$10,674	69.6%
Washington	$6,838	20.2%	$6,717	41.7%
West Virginia	$697	21.4%	$5,413	74.2%
Wisconsin	$2,563	20.2%	$12,128	70.5%
Wyoming	$72	10.6%	$8,147	77.3%

1 EU25 refers to the current 25 Member States of the European Union (Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, France, Finland, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and United Kingdom). Source: US Department of Commerce

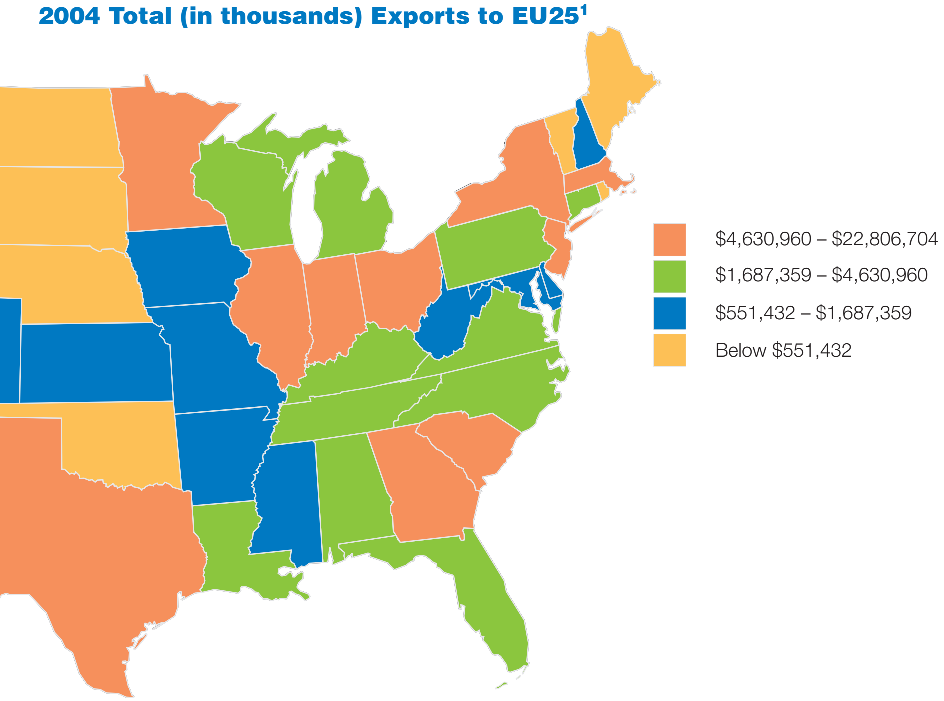
2 EU15 refers to the 15 EU Member States before May 1, 2004 (Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom). Source: US Department of Commerce.



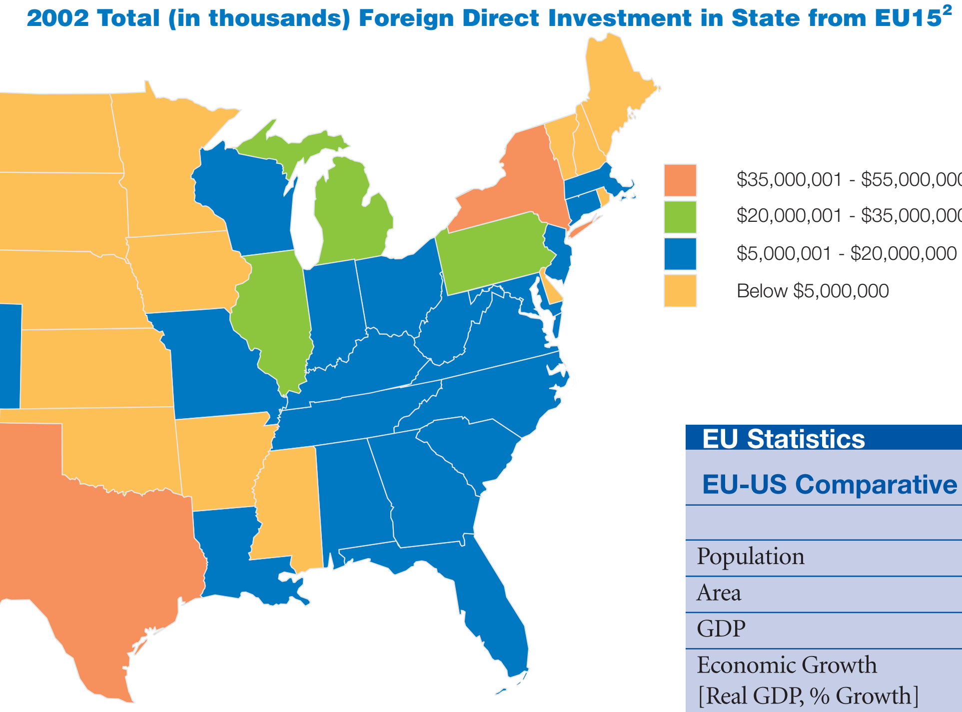


States (and Washington, DC)

2004 Total (in thousands) Exports to EU25[1]



2002 Total (in thousands) Foreign Direct Investment in State from EU15[2]



Important Dates in EU-U.S. Economic Relations

1990 **Transatlantic Declaration** formalized EC-U.S. contacts, introduced Presidential summits.

1995 **New Transatlantic Agenda (NTA)** and **Joint EU-U.S. Action Plan** to promote peace, stability, democracy, and development; respond to global challenges; expand world trade and forge closer economic relations; and reach out across the Atlantic.

1998 **Transatlantic Economic Partnership (TEP)**, launched within the NTA framework to intensify and extend multilateral and bilateral cooperation and common actions in the field of trade and investment.

2002 **Positive Economic Agenda** focuses on specific bilateral EU-U.S. projects, including the 2002 Regulatory Dialogue on Financial Markets and the 2004 Transatlantic Exchange of Information on Information and Communications Technology (ICT).

2002 **Guidelines on Regulatory Cooperation and Transparency** set a voluntary framework for better coordination of regulatory activities for certain industrial products.

2004 **Enhanced Security Dialogue on Transport and Border Security:** cooperation and coordination in economic terms vis-à-vis terrorism and domestic security.

2004 **Roadmap for EU-U.S. Regulatory Cooperation and Transparency** outlines activities intended to reduce costs, expand market opportunities, and minimize EU-U.S. regulatory differences.

Annual Presidential Summits (U.S. President, Commission President, Council Presidency) – intensive dialogue for implementation of NTA.

2005 Summit: June 20, Washington, DC.

EU Statistics

EU-US Comparative Figures (2004)

	EU 25	USA
Population	457 million	294 million
Area	1,503,000 sq miles	3,787,000 sq miles
GDP	$11 trillion	$11 trillion
Economic Growth [Real GDP, % Growth]	2.4%	4.4%
Inflation	2.1%	2.7%
Unemployment	9.0%	5.5%

A Dynamic Transatlantic Dialogue

"Our alliance is determined to encourage commerce among nations, because open markets create jobs, and lift income, and draw whole nations into an expanding circle of freedom and opportunity."

George W. Bush
President of the United States

While EU and U.S. officials meet regularly to discuss economic issues, the private sector and civil society also engage in and contribute to transatlantic policymaking. Last year, a series of "stakeholder consultations" were launched on both sides of the Atlantic to explore how to advance transatlantic economic integration along the lines outlined in the 2004 EU-U.S. Summit Declaration on Strengthening the EU and U.S. Economic Partnership.

Feedback from stakeholders focused on such issues as how to standardize the EU and U.S. regulatory environments, liberalize trade in services, stimulate the digital economy, reduce barriers to transatlantic business, and enhance EU-U.S. cooperation in third country markets. The European Commission invited multinational corporations, industry and trade groups, environmental organizations, consumer groups, trade unions, academic groups, and other interested parties in Europe to participate. The U.S. launched a similar effort domestically. A joint series of recommendations will be presented to EU and U.S. leaders in Washington this summer.

Günter Verheugen, European Commissioner for Enterprise & Industry

European and U.S. companies also contribute to the effort to improve ties through organizations like the Transatlantic Business Dialogue. TABD includes senior representatives from companies on both sides of the Atlantic who meet regularly to discuss ways to increase regulatory cooperation, ease the flow of bilateral trade, and establish industry-wide consensus on harmonization and standards. They also participate in an early warning system on trade disputes.

EU Statistics

EU25-U.S. Investment (2003)

EU Inward Stocks (from U.S.)	$724.7 billion
EU Outward Stocks (to U.S.)	$865.6 billion
EU Inflows from U.S.	$57.0 billion
EU Outflows to U.S.	$60.7 billion

"Trade and investment remain at the core of our relationship and we must continue to look for cooperative means and best practices to enhance economic growth, job creation, and innovation, in particular in the most dynamic sectors of our economies."

EU-U.S. Declaration on Strengthening Our Economic Partnership, Dromoland Castle, June 26, 2004

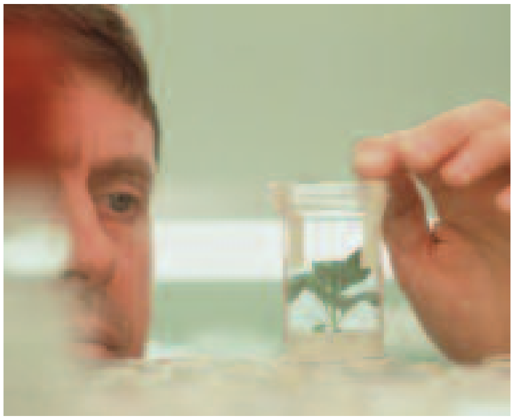
Working Together for New Discoveries

The EU and U.S. have a long history of cooperation in research, science, and technology. Scientific collaboration occurs at many levels – involving U.S. government agencies such as NASA, NIST, DOE, and the NSF and their EU counterparts, private companies, academic institutions, and professional societies on both sides of the Atlantic – and the associated research and development activity leads to commercial applications that play an important role in economic growth and prosperity for the EU, the U.S., and the world.

In October 2004, the EU and U.S. signed a five-year renewal of the Agreement for Scientific and Technological Cooperation. Several EU Member States also have bilateral accords with the U.S. Together with various multilateral initiatives, these agreements serve as the legal umbrella under which European and U.S. scientists from universities, industry, and government conduct research in areas as diverse as climate change and carbon sequestration, energy, medicine and health care, biotechnology, space, food safety, nanotechnology, engineering, telecommunications, and the digital economy.

EU and U.S. scientists are particularly busy working to develop new sources of energy, including fusion and hydrogen power, that have the potential to replace our fossil fuel-based economy with clean, plentiful, and emission-free energy. The EU and the U.S. are cooperating with other countries to develop the next generation nuclear power plant ('Generation IV') as well as improved systems for observing the earth's ocean, atmosphere, land, and ecosystems (GEOSS). On communication security, the EU and U.S. agreed in June 2004 to enhance the compatibility and interoperability of the European Galileo satellite navigation system and the U.S. Global Positioning System (GPS).

Fuels Growth and Jobs



TABD serves as a catalyst for EU-U.S. efforts to liberalize global trade. The forum addresses difficult issues such as how to protect intellectual property and fight counterfeiting and piracy, reduce entry barriers to capital markets, advance global business practices and accounting standards, and maximize free trade opportunities through better homeland security policies in aviation, shipping, and customs.

Similarly, the Transatlantic Consumer Dialogue, a forum of EU and U.S. consumer organizations, represents the 745 million EU and U.S. consumers. Among TACD's current priorities are trade in services, access to medicines, GMOs (genetically-modified organisms), nutritional labeling, spam, internet fraud and consumer redress, product labels and trade rules, transparency and early warning.

The Transatlantic Legislators Dialogue (TLD) constitutes the formal response of the European Parliament and the U.S. Congress to a joint commitment in the New Transatlantic Agenda of 1995 to enhance parliamentary ties between the European Union and the United States. To foster an ongoing dialogue, TLD convenes bi-annual meetings of European Parliament and U.S. Congressional delegations and a series of teleconferences, organized around specific topics of mutual concern.

The Transatlantic Policy Network, an independent network of businesses, think tanks, and other interested stakeholders, has proposed that the EU and U.S. develop a barrier-free economic zone by 2015, with early elimination of trade and investment barriers in IT and telecommunications, air transportation, financial services, and competition regulation.

Informal dialogues occur at many levels, including between and among chambers of commerce, industry associations, think tanks, and policy institutes in both the United States and across the EU. The European Commission Delegation in Washington meets regularly with myriad stakeholders to discuss and share ideas for enhancing transatlantic economic and business ties.

Lisbon: The EU's Growth Agenda

Five years ago, the European Union set itself an ambitious goal for the next decade: making the EU the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs, greater and more broadly spread prosperity for its citizens, and continued respect for the environment.

At the halfway point in 2005, the EU has made considerable progress toward realizing the goals of the "Lisbon Agenda," but much remains to be achieved. A newly-reinvigorated process focuses on three main objectives:

- Increase R&D investment across the EU to 3 percent of Gross Domestic Product to enhance economic growth through greater knowledge and innovation.
- Improve the EU's 'internal market' and make Europe a more attractive place to do business by reducing red tape and other impediments to the free flow of commerce.
- Generate greater employment and new, high-quality jobs while investing in 'human capital' by helping workers adapt to a rapidly changing job market.

The EU and Member States are committed and working closely together to give the Lisbon Agenda new momentum. A stronger, more globally competitive EU will enhance not only growth, jobs, and trade in Europe but also in the United States and the rest of the world.

"Governments have to set the right framework so that industry can create growth and jobs. By removing barriers to transatlantic trade and investment, we will [help] our respective business communities to do so."

Günter Verheugen
Vice-President of the European Commission &
European Commissioner for Enterprise and Industry

"People-to-People" Transatlantic Outreach

(Transatlantic dialogues, higher education, and civil society)

1995	TABD: Transatlantic Business Dialogue
1998	EU Centers: Focused EU studies at American universities
1998	TACD: Transatlantic Consumers' Dialogue
1999	TLD: Transatlantic Legislators' Dialogue

EU Facts

About 60 percent of all American industry R&D outside the U.S. takes place in the EU. EU industry R&D in the U.S. dwarfs that of all other countries, including Japan.

"I believe strongly in the power of multilateral agreement … to extend the benefits of trade to all. Trade policy, when used well, can make a powerful contribution to economic development all around the world."

Peter Mandelson
European Commissioner
for Trade

Beyond the Atlantic: Open Trade Practices Foster Global Economic Growth

The EU and U.S. share the common goal of fostering global growth and prosperity by promoting trade and investment liberalization in a multilateral, rules-based global trading system now embodied in the World Trade Organization. At the WTO, the European Commission represents all 25 EU Member States on matters falling under the common commercial policy (encompassing trade and investment), negotiating trade agreements and addressing trade complaints when necessary.

The WTO trading regime benefits both wealthy countries and developing nations, where it can help reduce poverty and encourage sustainable development. However, the world's poorest countries complain about barriers that still keep them from benefiting fully from the multilateral trading system. Accordingly, promoting development is a central aim of the current round of development negotiations, based on the Doha Development Agenda, which seeks rules that help foster development, reduce poverty, and increase the capacities of developing countries to take advantage of further trade liberalization.

EU Statistics

EU15-U.S. Services Trade (2003)	
EU from the U.S.	$107.7 billion
EU to the U.S.	$115.8 billion

The DDA includes "market access" negotiations to reduce tariffs and other trade barriers, including areas of particular interest to developing countries, such as agriculture, and also in the field of services. Talks will also seek to lower trade barriers between developing countries given the great potential of South-South trade to promote growth and lift incomes. The EU and the U.S. aim to make significant progress in the Doha Round negotiations before the next WTO Ministerial Conference in Hong Kong in December 2005.

Overall, free and open trade represents a tremendous opportunity to generate growth and raise living standards around the world. The EU supports trade liberalization strategies that promote sustainable development and that balance economic growth, social progress, and environmental protection. In the same spirit, the EU in 2001 eliminated duties and quotas on all products originating from 49 Least Developed Countries under the Everything But Arms (EBA) initiative. Import quotas and tariffs on fresh bananas, rice, and sugar are being gradually reduced, with their elimination scheduled for January 2006, September 2009, and July 2009, respectively.

An Economic Union, continued from page 1

with respect to its impact on growth, jobs, and innovation. The partnership generates employment for more than 12 million workers across the United States and the European Union – and these are jobs with high wages and strong labor and environmental standards, and that deliver high-quality industrial products, consumer goods, services, and business solutions. The U.S. enjoys a "million worker surplus" with the EU – that is, EU-based companies employ about a million more Americans in the U.S. than American companies employ Europeans in the EU. (And the "insourcing" of jobs to the U.S. from EU Member States dwarfs the number of U.S. jobs that have gone to developing markets like India and China.)

The EU's total investment stake in the U.S. economy today exceeds $1.4 trillion, accounting for nearly 75 percent of all foreign investment in the United States. Business partnerships between EU-based and U.S. corporations are among the most successful and profitable in the world, providing wealth for millions of shareholders and pension plan beneficiaries. The EU is also a large supplier of capital or liquidity for the U.S. economy and helps to finance the U.S. government's budget deficit.

The EU and U.S. are the largest markets for each other's research and development investment, which helps both compete on the global stage. There is also much cooperation between each other's political, legal, and regulatory systems. All of these factors contribute to the enormous two-way benefits of this vast and deep economic partnership.

For further information and additional references: http://www.eurunion.org/eufocus

EUROPEAN UNION
DELEGATION OF THE EUROPEAN COMMISSION TO THE USA

EU Focus is published bi-monthly by the Delegation of the European Commission to the United States.

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