



## **Trans-Atlantic Trade and Investment Partnership**

Together, the United States and the European Union generate half of global GDP. More than \$1.5 trillion in goods, services, and income receipts flow between the United States and the EU Annually.

U.S. firms have direct investments of nearly \$2 trillion in the EU – 20 times what they have invested in China. These European investments generate some \$3 trillion in annual revenues for American companies that have invested in the European Union to sell their wares to its more than 500 million citizens. The numbers are similar for European firms' investments in the United States. Our economies are so closely integrated that about 40% of U.S.-EU trade is intra-firm.

While European and U.S. tariffs are often low, the sheer volume of trans-Atlantic commerce is so large that one-third of all tariffs on U.S. exports to the world are paid to the EU. Eliminating trans-Atlantic tariffs would boost U.S.-EU trade by more than \$120 billion within five years. It would also generate GDP gains of \$180 billion – a budget-neutral boost to the U.S. and EU economies.

However, a tariffs-only approach is not enough. What is needed is a comprehensive trans-Atlantic trade and investment agreement that has the greatest potential for supporting jobs and promoting growth and competitiveness across the Atlantic. This agreement will not only eliminate tariffs and non-tariff barriers but also improve the compatibility of the U.S. and EU regulatory regimes and liberalize investment, services, and procurement. The agreement should cover manufactured goods, services, and agricultural products.

In contrast with some developing countries, the United States and the EU are committed to similar social, labor, and environmental standards. The global context is important as well. The EU has a free-trade agreement with Mexico and is negotiating one with Canada. Does it make sense for tariffs and other trade barriers to remain in force on the third and largest leg of European-North American trade?

For too long, the United States has ignored the untapped potential of its ties to the world's other economic colossus. For the sake of jobs and growth, it's time to turn that around.