



# THE TRANSATLANTIC ECONOMY 2025

EXECUTIVE SUMMARY

Annual Survey of  
Jobs, Trade and Investment  
between the United States and Europe

Daniel S. Hamilton and Joseph P. Quinlan



U.S. Chamber of Commerce



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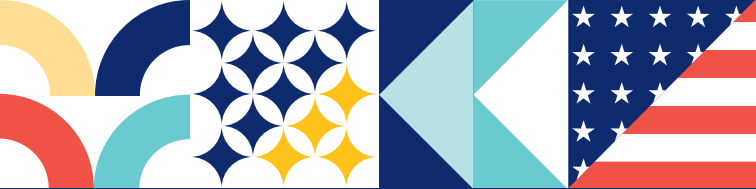
*Transatlantic Leadership Network*



# THE TRANSATLANTIC ECONOMY 2025

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The U.S.-Europe commercial relationship is the most mutually beneficial on earth. The \$9.5 trillion transatlantic economy is the largest in the world. The U.S. and Europe remain each other's most important markets and geo-economic base. No two other regions in the world are as deeply integrated as the U.S. and Europe.



**16 million jobs**

on both sides of the Atlantic



**Half of total**

global personal consumption



**\$7.5 trillion**

in total commercial sales a year



**One third of global GDP**

(in terms of purchasing power)

# Investment



**64%**

of global investment into the U.S. comes from Europe (2023)



**56%**

of U.S. global investment goes to Europe (2009-2023)

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# Jobs



## Workers

**5.3 million**

employees of European companies in the U.S. (direct jobs due to investment, 2023)

**4.6 million**

employees of U.S. companies in Europe (direct jobs due to investment, 2023)

## Trade in goods



**\$504 billion**

the U.S. to Europe (2024)

**\$771 billion**

Europe to the U.S. (2024)

7

## Trade in services



**\$433 billion**

the U.S. to Europe (2023)

**\$317 billion**

Europe to the U.S. (2023)

# Innovation



## R&D spending

**\$38.2 billion**

U.S. affiliate R&D in  
Europe (2022)

**\$56.2 billion**

European affiliate R&D in  
the U.S. (2022)





# Executive Summary

While the \$9.5 trillion transatlantic economy faces several hurdles in 2025, from trade disputes to challenges from China, it does so with strong momentum from 2024, with a series of record-breaking figures.

## 2024: a Year of All-Time Highs

### Total trade

- U.S. trade in goods and services with Europe: \$2 trillion (est.).

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### Trade in goods

- Goods trade between the U.S. and its NATO allies: \$1.8 trillion.
- U.S.-European goods trade: \$1.3 trillion.
- U.S.-EU goods trade: \$976 billion.
- EU goods exports to the U.S.: \$606 billion.

### Trade in services

- U.S. exports of services to the EU: \$275 billion (est.).

## Affiliate performance

- European affiliate income in the U.S.: \$205 billion.
- U.S. foreign affiliate sales in Europe: \$4 trillion (est.).
- European affiliate sales in the U.S.: \$3.5 trillion (est.).

## Energy partnership

- U.S. share of Europe's LNG supplies: 48%.
- Europe's share of U.S. LNG global exports: 55%.

*The Transatlantic Economy 2025* presents ten metrics that demonstrate why the transatlantic economy remains the world's most interconnected, resilient and mutually beneficial commercial artery.



# 1

## **Goods trade: The United States and the European Union are key partners when it comes to international trade in goods.**

- U.S. goods trade with Europe broadly defined was \$1.3 trillion in 2024. Most of that consisted of U.S. goods trade with the EU+UK of \$1.1 trillion. U.S. goods exports to Europe reached a record high of \$504 billion, and U.S. goods imports from Europe a record \$771 billion.
- U.S.-EU goods trade reached a record high of \$976 billion in 2024, 60% higher than U.S.-China goods trade (\$583 billion) and 20% higher than EU-China goods trade (\$786 billion).
- The U.S. exported \$370 billion in goods to the EU and imported \$606 billion in 2024. This generated a U.S. trade deficit in goods with the EU of \$236 billion, about \$27 billion more than its 2023 trade deficit of \$209 billion.
- Texas is the top U.S. state exporter of goods to Europe, followed by California, New York and Louisiana.
- Germany was the top European goods customer for 16 U.S. states, the Netherlands for 15, and the UK for 8 in 2023. Germany was also the top European goods supplier to 38 U.S. states, Ireland for 5 states.



## 2

**Services trade: The United States and the European Union are the two largest traders of services in the world and each other's most important services trading partners.**

- U.S.-EU services trade totaled an estimated \$475 billion in 2024, comprised of U.S. services exports of \$275 billion and services imports of \$200 billion, resulting in a U.S. surplus in services trade with the EU of \$75 billion.
- Europe accounted for 42% of U.S. services trade with the world in 2023. The EU accounted for 25% of this European figure; the UK, Switzerland and other non-EU countries represented another 17%.
- U.S.-EU services trade was slightly higher than U.S. services trade with the Asia-Pacific region in 2023, about double U.S. services trade with its USMCA partners Canada and Mexico, and more than double U.S. services trade with South and Central America and the Caribbean.
- Putting goods and services together, U.S. trade with Europe topped an estimated \$2 trillion in 2024. That includes \$1.3 trillion in goods trade and over \$750 billion in services trade.
- The overall U.S. trade deficit with the EU of \$161 billion in 2023 was just one-fourth the size of the U.S. trade deficit with Asia-Pacific partners and less than the U.S. trade deficit with its USMCA partners Canada and Mexico.



# 3

## **Investment: Mutual investment dwarfs trade and is the real backbone of the transatlantic economy.**

- The U.S. and Europe are each other's primary source and destination for foreign direct investment (FDI). Together they accounted for 60.3% of global inward foreign investment stock and 62.5% of outward stock in 2023.
- In 2023, U.S. FDI stock in Europe on a historic cost basis stood at \$4 trillion; Europe's FDI stock in the United States stood at \$3.5 trillion.
- More U.S. FDI goes to Europe than to the entire rest of the world. From 2009 to 2023 Europe accounted for 56% of U.S. global FDI outflows, far ahead of the Asia-Pacific (17%), South and Central America and the Caribbean (13%), USMCA partners Canada and Mexico (12%), and Africa and the Middle East (2%).
- EU firms accounted for 45% of all FDI in the United States in 2023. The Netherlands had the largest FDI position in the United States of all countries in the world. The UK, Switzerland and Norway were responsible for an additional 19% of global FDI in the U.S., about the same as all companies from the Asia-Pacific region. Enterprises from USMCA partners Canada and Mexico accounted for 13% of the total.

# 4

## Trade and investment synergies: Deep U.S. and European investment ties in each other's market are another conduit for trade.

- 64% of U.S. imports from the EU+UK consisted of intra-firm trade in 2023 – much higher than U.S. intra-firm imports from Asia-Pacific nations (around 40%) and well above the global average (48%). Percentages are notably high for Ireland (90%), as well as for Germany and the Netherlands (68% each).
- U.S.-based foreign firms generated \$469 billion in U.S. exports to the world in 2022; European firms accounted for 59% of the total. U.S.-based UK companies exported \$70 billion in goods made in the U.S.A., followed by German (\$60 billion) and Dutch (\$55 billion) firms.
- Intra-firm trade accounted for 41% of U.S. exports to the EU+UK in 2023, and 56% to the Netherlands.
- Ireland is the second largest export platform for U.S. companies in the world, trailing only Singapore. Following Ireland are Switzerland, the UK, Belgium, the Netherlands and Germany.



# 5

**Affiliate output and assets: The total output of U.S. company affiliates in Europe and of European company affiliates in the United States is greater than the total gross domestic product of most countries.**

- Aggregate output of U.S. affiliates globally reached \$1.8 trillion in 2023; Europe accounted for 46% of the global total.
- U.S. affiliate output in Europe (\$770 billion) in 2022 was 62% larger than U.S. affiliate output in the Asia-Pacific region (\$475 billion).
- European companies operating in the U.S. in 2022 accounted for 60% of the roughly \$1.35 trillion contributed by all foreign firms to U.S. GDP, 3 times more than the output of Asia-Pacific firms in the United States.
- Combined estimated output of U.S. foreign affiliates in Europe (\$825 billion) and of European foreign affiliates in the U.S. (\$850 billion) in 2023 of \$1.68 trillion was larger than the total output of countries such as Spain, Indonesia, or Türkiye.
- U.S. foreign assets in Europe totaled an estimated \$19.2 trillion in 2023. That represents roughly 64% of corporate America's global footprint.
- Europe's asset base in the United States, by far its largest anywhere, continues to expand. Total assets of European affiliates in the United States were valued at an estimated \$9.3 trillion in 2023. UK firms ranked first, followed by German, Swiss, and French companies.
- European assets in the U.S. accounted for 50% of all foreign owned assets in the United States in 2022.



## 6

**Foreign affiliate sales and income: Foreign affiliate sales – not exports or imports – are the primary means by which U.S. and European firms deliver goods and services to each other’s market.**

- Total transatlantic affiliate sales, estimated at \$7.5 trillion in 2024, easily rank as the most integrated commercial partnership in the world. They were \$3 trillion higher than transpacific affiliate sales.
- Sales of U.S. affiliates in Europe of \$3.9 trillion in 2023 were 4 times more than U.S. exports of goods and services to Europe of \$946 billion; estimated European affiliate sales in the U.S. of \$3.3 trillion in 2023 were more than triple U.S. imports of goods and services from Europe.
- U.S. companies sold EU customers \$3.62 trillion in goods and services in 2022: \$2.62 trillion of that total was through affiliate sales and \$600 billion through exports. EU companies sold U.S. customers \$2.93 billion in goods and services that year: \$2.2 trillion in affiliate sales and \$729 billion in U.S. imports. On a “sell vs. buy” comparison, U.S. companies sold \$690 billion more to EU customers than EU companies sold to U.S. customers.
- U.S. companies relied on Europe for an estimated 54% of their total annual foreign income in 2024.
- European companies accounted for 59% of the \$269 billion earned by global companies operating in the United States in 2023. 42% of total global earnings went to EU companies, another 10% to UK firms, and an additional 7% to enterprises from the rest of Europe. 18% of the earnings went to Asian-Pacific firms and 17% to those from Canada and Mexico.



# 7

**Jobs: Europe and the U.S. are by far the most important source of onshored jobs in each other's market.**

- The transatlantic economy employs more than 16 million workers in mutually onshored jobs on both sides of the Atlantic.
- U.S. and European foreign affiliates directly employed nearly 10 million workers in 2022. These figures understate overall job numbers, since they do not include:
  - jobs supported by transatlantic trade flows;
  - indirect employment effects of nonequity arrangements such as strategic alliances, joint ventures, and other deals; and
  - indirect employment generated by distributors and suppliers.

We estimate that these additional commercial activities supported at least another 6 million jobs.

- European majority-owned affiliates directly employed an estimated 5.3 million U.S. workers in 2023.
- U.S. affiliates have added roughly 1 million more European workers to their payrolls since the century began, bringing the total to an estimated 4.6 million in 2023.

**Transatlantic innovation:  
The transatlantic innovation ecosystem  
is growing in importance as the race for  
future technologies accelerates.**

- U.S.-European R&D flows are the most intense between any two regions in the world.
- U.S. affiliates spent \$38.2 billion on R&D in Europe in 2022. Outlays were the greatest in the UK (\$8.2 billion), Germany (\$6.4 billion), Switzerland (\$6.3 billion), Ireland (\$4.6 billion), Belgium (\$2.7 billion), and France (\$2.1 billion). These six countries accounted for roughly 83% of U.S. spending on R&D in Europe.
- Europe accounted for roughly 53% of global R&D spending by U.S. affiliates worldwide.
- R&D spending by all foreign affiliates in the United States totaled \$80.3 billion in 2022. European affiliates spending amounted to \$56.2 billion, or 70% of the total. Firms from the EU spent \$34.5 billion (34%).
- Swiss firms were the single largest source of foreign affiliate R&D spending in the U.S., accounting for \$14.7 billion (26%) of total European R&D. German firms ranked second, with \$12.8 billion (22%), followed by firms from the UK (\$6.6 billion, 12%) and the Netherlands (\$5.5 billion, 10%).
- Over the past decade over 6,700 U.S. tech start-ups have had at least one European founder, and over 5,000 European start-ups have had at least one U.S. founder.

**The Digital Atlantic: The transatlantic digital economy – under the sea, on land, and in the air – is the largest, densest, and busiest in the world.**

- Europe and the United States accounted for two-thirds of global exports of digitally delivered services in 2023.
- The U.S. exported \$320 billion in digitally-deliverable services to Europe in 2023 – 49% of all U.S. digitally-deliverable exports to the world, 2.2 times more than what it exported to the entire Asia-Pacific region (\$145 billion), and more than combined U.S. exports of digitally-deliverable services to the Asia-Pacific, Latin America and other Western Hemisphere, Africa and the Middle East.
- The U.S. accounted for 43% of all digitally-deliverable services supplied to the EU in 2023. The U.S. trade surplus in digitally-deliverable services with the EU was \$105.38 billion.
- U.S imports of digitally-deliverable services from the EU of \$207 billion rivaled total imports from all of Asia and Oceania of \$220 billion.
- Europe accounted for 70% of the \$518 billion in total global information services supplied abroad by U.S. multinational corporations through their majority-owned foreign affiliates in 2022.

- European companies provided 81% of the \$176 billion in information services supplied in 2022 by all foreign affiliates based in the United States – dwarfing those of all other regions put together.
- Transatlantic data flows account for more than half of Europe's data flows and about half of U.S. data flows globally.
- Submarine cable capacity across the Atlantic is 2.5 times that of transpacific routes, 3 times that of intra-Asian routes, 3.9 times more than Europe-Africa routes, and 2 times that of U.S.-Latin American routes.
- The transatlantic digital seaway is also the busiest in the world. The transatlantic route's share of cable capacity actually being used is almost 2 times intra-Asian routes, 2.4 times transpacific routes, and 4 times U.S.-Latin American routes.

- The U.S. is Europe's most important supplier of crude oil and LNG and its 2nd largest supplier of coal. Europe is America's top export market for each of these three commodities.
- The U.S. accounted for 48% of Europe's LNG supplies in 2024, up from 27% in 2021.
- Europe accounted for 55% of total U.S. LNG exports in 2024, ahead of Asia (34%) and Latin America (11%).
- Europe is the largest destination for U.S. crude oil exports, ahead of the Asia-Pacific and other world regions. The Netherlands receives more U.S. crude oil exports than any other country.
- U.S. and European companies are the largest foreign investors and foreign suppliers of jobs in each other's energy economy.
- European companies have accounted for almost three-quarters of FDI greenfield investments in the U.S. energy sector over the past decade. German investors lead with 20% of the total, followed by French investors (14%).
- The U.S. accounts for 42%, and the EU for an additional 22%, of global cleantech venture capital, each ahead of China's 14% share.



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