

# The Transatlantic Economy in 2025

How companies navigated a year of uncertainty

# What you need to know

**01.** The state of the transatlantic economy

**02.** What about Luxembourg?

**03.** 2025, a year of trade tensions

**04.** Striking a deal:  
The EU-US Framework Agreement

**05.** What's next for Europe:  
The quest for competitiveness

# **AmCham EU speaks**

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# **for American companies**

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# **committed to Europe**

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# What we stand for



**A more competitive  
and united EU**



**A stronger  
transatlantic  
relationship**

# The state of the transatlantic economy







# \$9.5 trillion

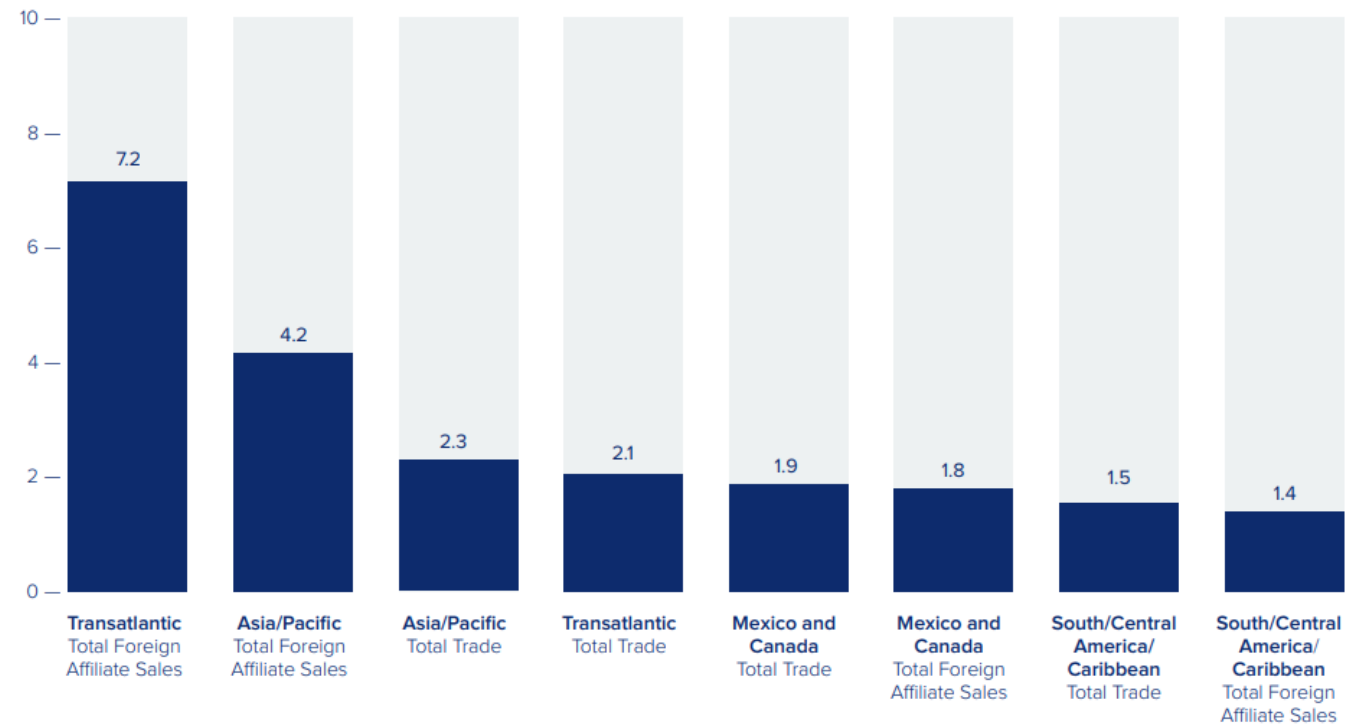
The transatlantic economic partnership

*Large. Integrated. Consequential.*



# Global impact

**Table 6. America's Major Commercial Arteries (\$Trillions)**



*Foreign Affiliate Sales: Author's estimates for 2023. Total Trade: Data for goods & services, 2023. South/Central America and Caribbean includes Mexico.*

*Source: U.S. Bureau of Economic Analysis.*

## Trade (2024)

### Goods

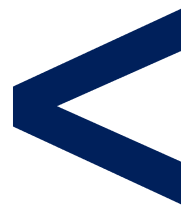
Europe to US: \$770.8 bn

US to Europe: \$503.6 bn

### Services

Europe to US: \$317.0 bn

US to Europe: \$432.6 bn



## Investment (2024)

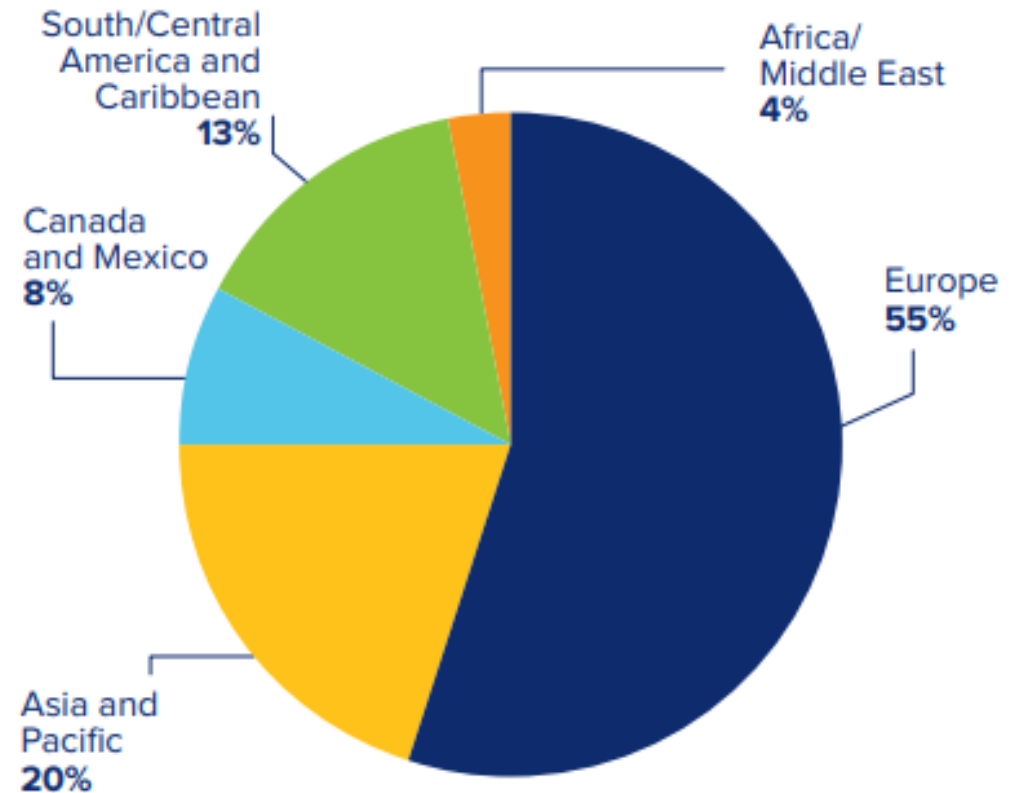
### Affiliate earnings

Europe in US: \$3.5 tn

US in Europe: \$4.0 tn

# Earnings around the world

**Table 4. U.S. Earnings Around the World, by Region** (Foreign Affiliate Income, \$Billions)



*Source: U.S. Bureau of Economic Analysis  
Data as of 2023.*

# What about China?

## Trade in goods (2024)

- EU-US: \$976 billion
- China-US: \$583 billion
- EU-China: \$786 billion

## Trade in services (2023)

- EU-US: \$447 billion
- China-US: \$67 billion
- EU-China: \$110 billion

48/50 US states export more to Europe than to China

# What about Luxembourg?





## United States in Luxembourg

28,600



## Luxembourg in the United States

135,700

Jobs directly supported by majority-owned bank and non-bank affiliates. Estimates for 2023. Total U.S.-related jobs are likely to be higher, because these figures do not include jobs created by trade flows, indirect employment effects through distributors or suppliers, or via non-equity arrangements such as strategic alliances, joint ventures, or other deals.

\$532.5 bn

### Foreign Direct Investment (FDI), 2023

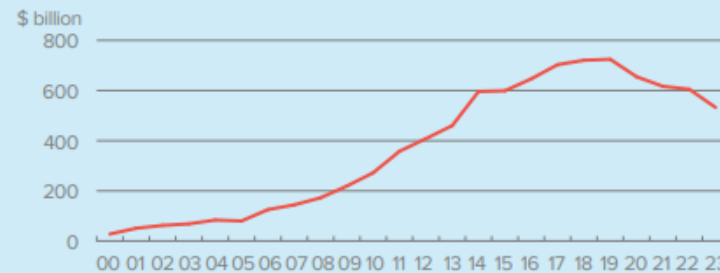
Investment between the U.S. and Luxembourg is skewed in favor of Luxembourg. Estimated U.S. foreign affiliate sales in Luxembourg were over three times greater than sales of Luxembourg affiliates in the U.S. Foreign direct investment and employment by Luxembourg firms in the U.S. have somewhat fluctuated over the past decade. In 2010, employment reached a first peak of 38,300 workers, then fell to as low as 5,200 workers in 2016, and has since risen to a new peak of an estimated 135,700 workers in 2023.



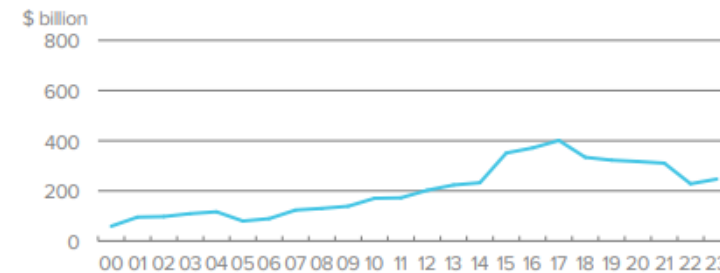
\$246.9 bn

### Foreign Direct Investment (FDI), 2023

#### U.S. FDI Position in Luxembourg



#### Luxembourg FDI Position in the U.S.



Foreign direct investment position, historic-cost basis, 2000-2023.

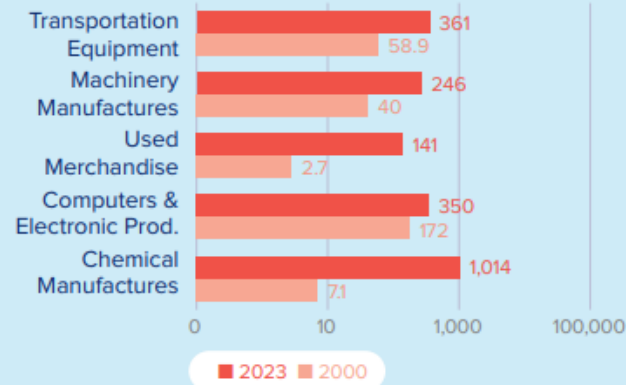
**\$1.1 bn**

**U.S. Goods Exports to Luxembourg, 2024**

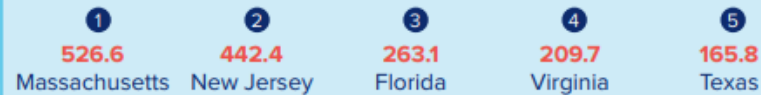
**2.6%** The U.S. supplied 2.6% of Luxembourg's total imports...

**25.8%** ...but the U.S. share increases to 25.8% when intra-EU trade is excluded from the total.

**Top Five U.S. Goods Exports to Luxembourg (2023, \$Millions)**



**Top State Exporters of Goods to Luxembourg (2023, \$Millions)**



Trade in  
Goods

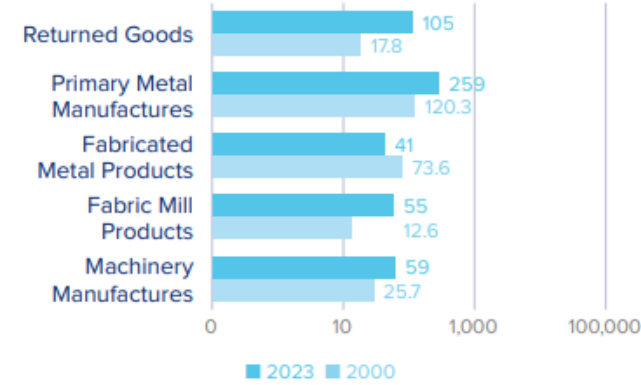
**\$699 m**

**U.S. Goods Imports from Luxembourg, 2024**

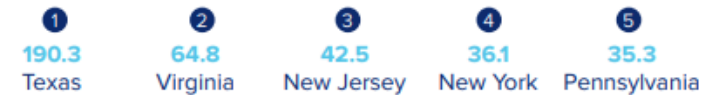
**3.1%** The U.S. received 3.1% of the total goods Luxembourg exported to the world...

**16.0%** ...but the U.S. share increases to 16.0% when intra-EU trade is excluded from the total.

**Top Five U.S. Goods Imports from Luxembourg (2023, \$Millions)**



**Top State Importers of Goods from Luxembourg (2023, \$Millions)**



**\$11.4 bn**

**U.S. Services Exports to Luxembourg, 2023**



Trade in  
Services

**\$3.0 bn**

**U.S. Services Imports from Luxembourg, 2023**

# 2025, a year of trade tensions

# A look at the data for the first half of 2025

01.

Goods trade is up

Europe to US: \$545 bn (↑25%)

US to Europe: \$237 bn (↑17%)

02.

Services trade is up

Europe to US: \$108 bn (↑7%)

US to Europe: \$161 bn (↑10%)

03.

Investment decisions are  
delayed

# How companies navigate uncertainty



**Cost  
absorption**



**Price  
increases**



**Stockpiling**



**Supply  
chain shifts**

# Striking a deal: The EU-US Framework Agreement





# What's next for Europe: The quest for competitiveness

# — of European competitiveness





