Europe’s Role in the World Economy

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Population (http://cait.wri.org)

- Europe Union (25)
  - 452.6 million
  - 7.4% of World Total

- US
  - 289.4 million
  - 4.7% of World Total
Size of Economy

- European Union (25)
  - 10.5 trillion dollars
  - 22.5% of world total

- US
  - 9.9 trillion dollars
  - 21.2% of world total
Global GDP and World Trade

- Statistical Appendix to the IMF Annual Report (http://www.imf.org)
<table>
<thead>
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<th>Number of Countries</th>
<th>GDP</th>
<th>Exports of Goods and Services</th>
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Importance in World Trade Negotiations

- Common External Tariffs and Trade Regulations
- Doha Round
  - Agricultural Subsidies
  - Market Access for Manufactured Goods
- Lome Convention
- Bi-lateral Free Trade Agreements
- Trade Disputes
  - Fiscs
  - Bananas
  - Hormonally Enhanced Beef
  - Textiles and Apparel
  - Steel
Foreign Direct Investment

- FDI Coming To Europe
- European Source of FDI
Outflows and Inflows of FDI in 2004 (millions of euros)

<table>
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<tr>
<th></th>
<th>Outward flows to:</th>
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Global Companies
Financial Times/PricewaterhouseCoopers World’s Most Respected Companies Survey 2004

# 13 DaimlerChrysler
#16 BMW
#17 Nestle
#21 Sony Ericson
#23 Siemens
#26 Nokia
#27 HSBC
#30 Ikea
#33 Unilever
#34 Royal Dutch/Shell
#36 L’Oreal
#39 Danone
#40 Ferrari

# 43 Deutsche Bank
#44 Virgin
#46 BASF
#49 SAP
#49 BHP Billiton
#51 British Airways
#52 Airbus
#54 Volkswagen
#55 GlaxoSmithKline
#56 Royal Bank of Scotland
#57 Vodafone
#59 Bayer
#60 Tesco
Technological Innovation

- Patents Issued to European-based Companies or Institutions
- Cloning (Dolly)
- Advanced Space Research
Global Financial System

- Use of the Euro in World Trade
- Use of the Euro in National Reserves
- Financings Denominated in Euros
- European-Based Financial Markets
Global Regulatory Movement

- Pressure for Convention on Private Foreign Investment
- Movement Toward Greater Transparency in Business and Government

- World Court
- Concern for Global Warming: Kyoto Accords
- World Criminal Court
- EU Directorate General for Competition
  - GE-Honeywell Case
  - Microsoft Case
Energy Use and Environment

Sources: World Resources Institute, Climate Analysis Indicators Tool, http://cait.wri.org
Yearly Greenhouse Gas Emissions

- European Union (25)
  - Yearly % World Total 14.05%

- US
  - Yearly % World Total 20.6%
Oil Equivalent Energy Use

- **European Union (25)**
  - Annual Metric Tons Oil Equivalent 1,660
  - 16.71% World Total
  - MT Oil Equivalent/Person 3.7

- **US**
  - Annual Metric Tons Oil Equivalent 2,304
  - 23.19% World Total
  - MT Oil Equivalent/Person 8.0
Total CO2 Emissions, 1990-2000
(excludes land use change)

- World
- United States of America
- Asia
- European Union (25)

Percentage Growth from 1990

Years:
- 1990
- 1992
- 1994
- 1996
- 1998
- 2000
Total CO2 Emissions/Person, 1990-2000
(excludes land use change)

Percentage Growth from 1990

Years


World
United States of America
Asia
European Union (25)
China
Europeans continue to support their way of life based on collective expenditures to raise the standard of living of all people in their societies. Public policies are being adjusted in the light of economic and social changes, but the basic commitment to the welfare state continues to be strong.
Summary of Salient Points

- Regulatory approaches to business are important all over the world.
- Sheer size of the market means that companies must always take the EU into account in their strategies.
- The euro is increasingly used as a worldwide money.
- The thrust of EU policies and the policies of European nation-states continues to facilitate globalization.