



# THE ATLANTIC COUNCIL OF THE UNITED STATES

## PRESS RELEASE

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## Transatlantic Leadership for a New Global Economy

**For immediate release** – *Washington DC, April 17, 2007* — To deal with a new international economy — one dominated by globalization, threatened by economic nationalism, and undergoing a shift of economic power to the east and south — the United States and European Union must lead a major effort to restructure the governing institutions of that economy and seek new ways to reduce barriers to trade and investment, according to a report issued today by the Atlantic Council. The report, *Transatlantic Leadership for a New Global Economy*, is the product of a commission co-chaired by Stuart E. Eizenstat, former deputy secretary of the Treasury and Council board member, and Grant D. Aldonas, former under secretary of Commerce for international trade.

“The U.S.-EU summit on April 30 is likely to produce an agreement to reduce regulatory barriers,” said Eizenstat, “but much more must be done in a transformational way if the U.S. and EU — working as partners with the major emerging economies — are to safeguard an open and prosperous global economy with relevant and healthy institutions.” Frederick Kempe, president of the Atlantic Council, said: “This report, endorsed by a bipartisan group of outstanding transatlantic experts, offers an unprecedented recipe for change in the global economic system, one that is necessary if that economy is to remain strong in the face of major challenges.”

According to the report, globalization and the shift of economic power threaten to overwhelm key institutions — including the G8/G7, OECD, IMF, World Bank, WTO — unless they adapt their traditional roles and structures. The travails of the Doha Round signal the end of the traditional multilateral trade talks that have helped liberalize the world economy. The global energy market must cope with the rise of China and India as major consumers and the growing dominance of state-owned companies.

The United States and the EU must take the initiative to respond to these challenges. “Transatlantic leadership is indispensable to managing the global economy and ensuring that it delivers on the promise of global markets,” commented Aldonas. “No other country or group of countries is capable of initiating this effort.” The report recommends that the United States and the EU:

- Convene a G8/G20 Conference on Global Economic Governance to restructure the relevant institutions. The World Bank and the IMF should no longer be led automatically by an American and European, but instead select leadership on merit; the institutions as a whole should be more representative of emerging economies; greater cooperation between them should be required, and planning should begin for a merger by 2030. The WTO should be strengthened, and its very successful dispute resolution process made more transparent.
- Establish a barrier-free “Enhanced Transatlantic Market” by removing regulatory obstacles and barriers to investment. After the Doha Round, the U.S. and EU should work with like-minded countries to reduce trade barriers in the global market, continuing to liberalize in the WTO context.
- Undertake a joint effort to strengthen the global energy market by broadening the scope and membership of the International Energy Agency; reinforcing transparency in the market; developing joint approaches to security of supplies, and establishing an international nuclear fuel cycle bank.

The Commission and its report were generously supported by the Washington Delegation of the European Commission, the German Marshall Fund of the United States, and the Transatlantic Program of the German Ministry of Labor and Economics. Frances G. Burwell, director of the transatlantic relations program at the Atlantic Council, served as rapporteur. Copies are available on-line at <http://www.acus.org> or by contacting Jan Neutze at 202-778-4990, [jneutze@acus.org](mailto:jneutze@acus.org).