

UNDER TRUMP, THE UNITED STATES ATTRACTS, EUROPE ADAPTS

Against a backdrop of geopolitical tensions, companies and investors alike are rethinking their strategies. For Winston & Strawn partners Sara Susnjar and Cari Stinebower, this is a time for diversification, resilience and regulatory strategy.

INTERVIEW

with **Sara Susnjar** and **Cari Stinebower**,
Winston &
Strawn partners

Donald Trump was elected President of the United States over 100 days ago. The decisions he took during the first part of his mandate have had a direct impact on markets and business in general. For example, M&A activity in Europe is very slow. What about in the United States? How are American investors reacting?

Sara Susnjar: We need to distinguish between global, American and European dynamics, which respond to different logics. If M&A activity is slowing down on a global scale, it is mainly due to uncertainty linked to international trade and economic policy, and to the evolution of sanctions systems. But this does not mean that European companies are standing still: they are reorganizing, exploring new strategies and adapting. In the United States, we are seeing an influx of investments. The White House even publishes the commitments of certain companies - including French groups - to build new factories on American soil. This dynamic is generating increased demand in regulatory compliance, AI, international trade and governance. Even if certain operations are unsuccessful, economic activity is real.

Cari Stinebower: The first quarter was marked by a certain amount of expectation, but also by a high level of

of inward investments. At the same time, many companies are reassessing their exposure to China and considering alternatives: Latin America, Europe, Canada, Mexico, the United States. This is known as *reshoring* or *nearshoring*: relocating or bringing production lines closer together, in order to reduce dependence on China. This movement was initiated back in 2018, slowed down under Biden, but is coming back in force. The slowdown in M&A activity actually reflects a phase of strategic recalibration. Companies are redefining their priorities before committing to new deals.

Any concrete examples of sectors or investments?

Sara Susnjar: There is a striking contrast between the highly regulated EU and the USA, which is still relatively flexible in some respects. As a result, investments are flocking to the USA in the AI and digital asset sectors and cybersecurity, both through buyouts and through technological development.

Cari Stinebower: Giants such as NVIDIA, Apple and IBM have each invested close to \$500 million in AI. In pharma, Johnson & Johnson, Genentech are very active. The energy sector is also a magnet: Hyundai has committed \$21 billion in a plant in Louisiana ; CMA CGM, \$20 billion in the American maritime industry. And we also see a lot of venture capitalists focus on green technologies.

 Cari Stinebower



Does this new policy risk slowing down French investments in American companies in the long term?

Sara Susnjar: It is possible. Tariff instability, political volatility and regulatory divergences may cause French groups to hesitate. Some companies are already showing increased caution. If this instability continues, it could slow down investments. The European context also needs to be taken into account: if ESG standards continue to diverge on both sides of the Atlantic, this could accentuate tensions. French companies could find themselves facing internal pressures, whether political or image-related. As a result, there could well be a drop in investments. But this remains theoretical, as other factors could counterbalance this trend: for example, a persistently weak dollar could encourage investments in the USA. It should not be forgotten that the USA remains, on the whole, a solid economic partner, with a stable and favorable investment history. It's a question of weighing up all these factors - risks and opportunities - for every company.

What advice would you give today to companies aiming for international growth?

Cari Stinebower: The first thing to do: assess your exposure to China. It is time to diversify locations, secure supply chains, and prioritize production that is geographically closer. We believe that, in the long term, the situation in the Middle East will stabilize, particularly in Israel, and that Russia will gradually reintegrate into the world economy. If these two developments materialize, this could open up new opportunities for re-engagement in these markets. But in the meantime, for the next three to seven years, we clearly recommend that companies move away from a model based solely on sourcing from China.

Sara Susnjar: It's not a question of turning inward, but of embracing a local approach in each jurisdiction. Understanding laws and regulatory cultures is fundamental. Regulation can become a real strategic lever - whether in AI, sanctions, crypto-assets or in foreign investment. We also need to strengthen resilience by diversifying, bringing together and digitizing production chains.

Are American investors showing renewed interest in Europe?

Sara Susnjar: Our clients want to remain committed to the EU. The focus is on defense, aerospace,

renewable energies and, of course, AI - which, by its very nature, has a global reach. We are also seeing many investors taking an interest in French SMEs in difficulty but with a high level of specialization. These niche acquisitions are increasingly in demand.

In this new context of international competition, what can Europe do to attract foreign investors? And what American practices could inspire French entrepreneurs?

Cari Stinebower: American interests are tax benefits and investment incentives. Now, can this model be transposed to the European Union? That remains to be seen.

Sara Susnjar: What Europe needs most is more harmonization between member states, in terms of taxation, labor law, digital regulation and data protection. The European Union must act as a unified block. This also means streamlining approval procedures, particularly for mergers and acquisitions and cross-border operations, so that they can be completed more quickly. Finally, Europe should strengthen its industrial leadership and its driving role in innovation.

Are there any other specific laws or regulations - such as those on penalties, customs duties or even artificial intelligence - that will play a role in transactions or in business in general?

Cari Stinebower: One of the big challenges linked to sanctions is Russia, where there is a very strong coalition - the European Union, Canada, New Zealand, Australia, Japan and others - but despite this, differences remain between jurisdictions, making global compliance a complex issue.

The execution of these measures must be, if not identical, at least as similar as possible between the different zones to avoid differences in interpretation and application. As for AI, we are seeing differences in approach: some advocate open AI, others insist on intellectual property rights.

Sara Susnjar: When you combine all the regulations - sanctions, AI Act, MiCA, digital asset regulation in Europe - what stands out is that most have an extraterritorial effect or require multi-jurisdictional compliance.

Many companies are not sufficiently prepared, even though they should be.

Cari Stinebower: We see that in the export controls, where the European Union, the United Kingdom and the United States are seeking to harmonize their positions, particularly on intellectual property. These countries are beginning to consider certain sensitive technologies - in particular, AI and microchips - as a means of national security issues.

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