



Business Investment in the United States

INEAP Meeting

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SelectUSA | U.S. Department of Commerce
Wednesday, July 25, 2012

SelectUSA was created by the Executive Order of the President of the United States in June 2011.

The Executive Order outlines:

1. The Administration's policy on business investment
2. The establishment and functions of the SelectUSA initiative
3. The establishment of the Federal Interagency Investment Working Group

Presidential Documents

Executive Order 13577 of June 15, 2011

Establishment of the SelectUSA Initiative

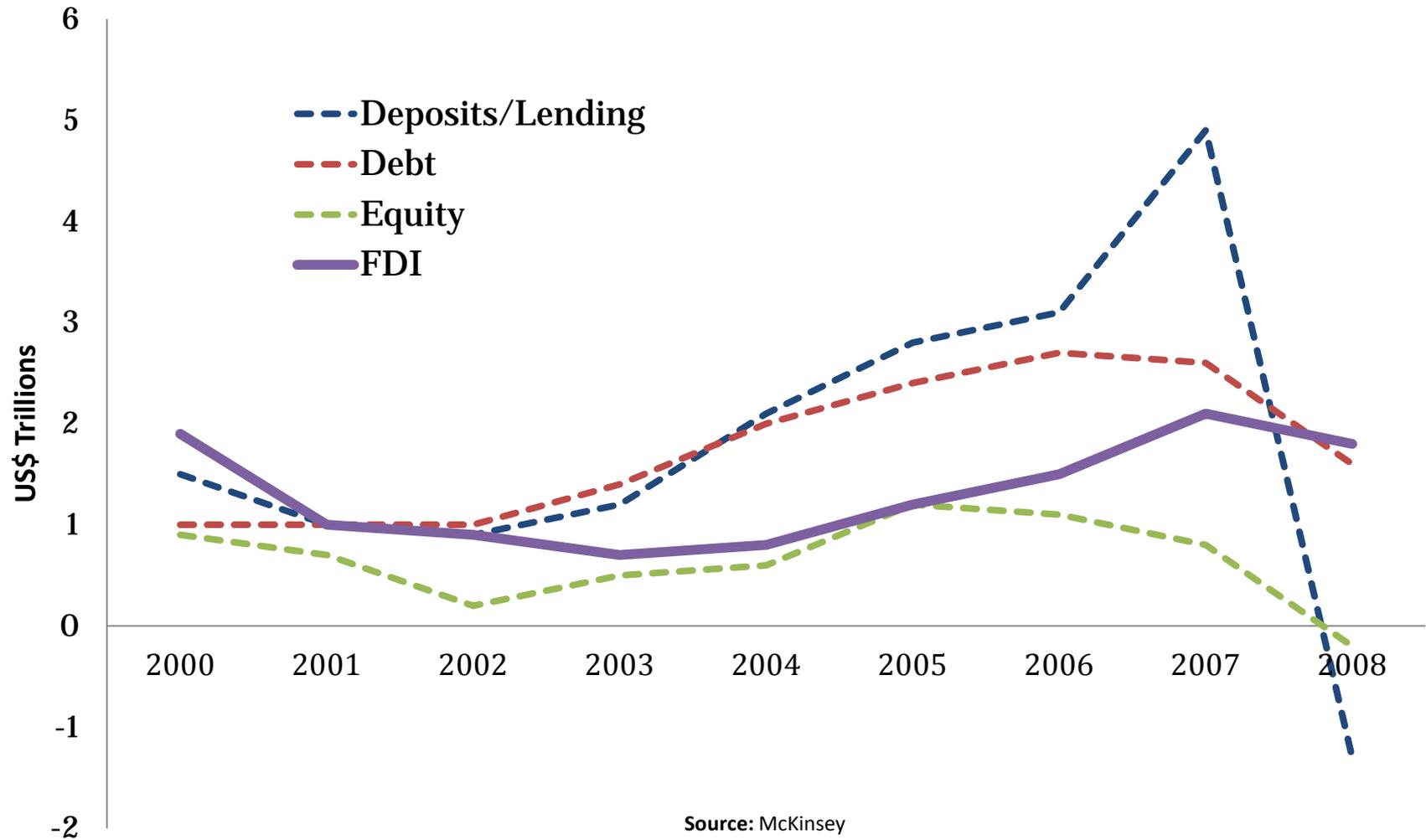
By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to support private-sector job creation and enhance economic growth by encouraging and supporting business investment in the United States, it is hereby ordered as follows:

Section 1. Policy. Business investment in the United States by both domestic and foreign firms, whether in the form of new equipment or facilities or the expansion of existing facilities, is a major engine of economic growth and job creation. In an era of global capital mobility, the United States faces increasing competition for retaining and attracting industries of the future and the jobs they create. My Administration is committed to enhancing the efforts of the United States to win the growing global competition for business investment by leveraging our advantages as the premier business location in the world.

As a place to do business, the United States offers a hardworking, diverse, and educated workforce, strong protection of intellectual property rights, a predictable and transparent legal system, relatively low taxes, highly devel-

FDI vs. Other Capital Flows

2000-2008



Value of FDI to the U.S. Economy



5.3 million

Workers Employed by U.S. Affiliates of Foreign Firms in the U.S. in 2009

\$410 billion

Amount of Wages Paid to Employees of U.S. Affiliates of Foreign Firms in 2009

33%

Compensation by U.S. affiliates of foreign firms was 33% higher than the economy-wide average wage in 2009

\$43 billion

Amount U.S. Affiliates of Foreign Firms spent on R&D in the U.S. in 2008

\$154 billion

Amount U.S. Affiliates of Foreign Firms Spent on Capital Investments in 2009

\$220 billion

Size of FDI Flows into the U.S. in 2011 (preliminary)

21%

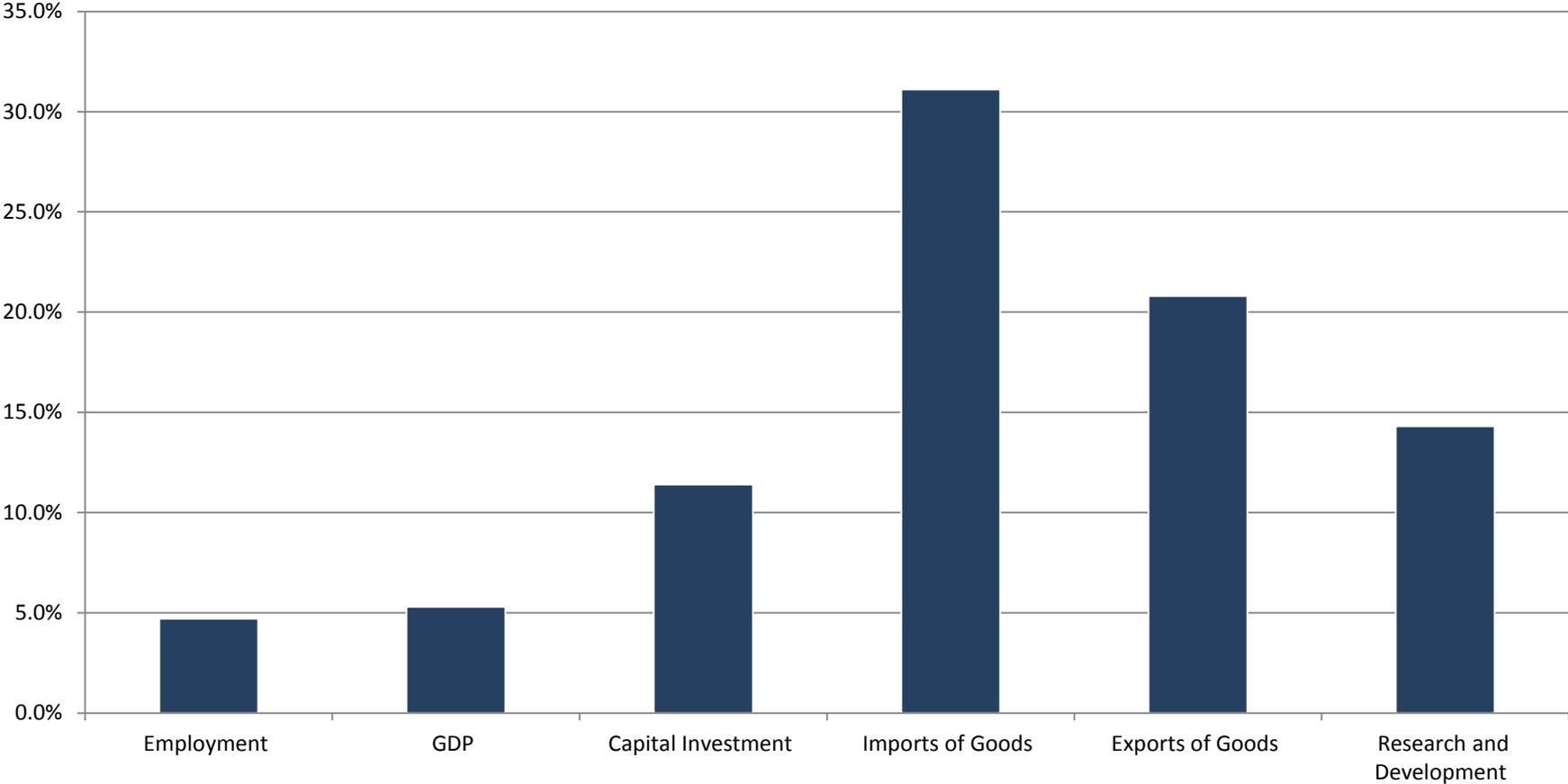
Percent of all U.S. exports come from U.S. subsidiaries of foreign firms in 2009

Source: Bureau of Economic Analysis

FDI and the U.S. Economy



U.S. Subsidiaries of Global Companies Shares of Total U.S. Private-Sector Activity (2009)



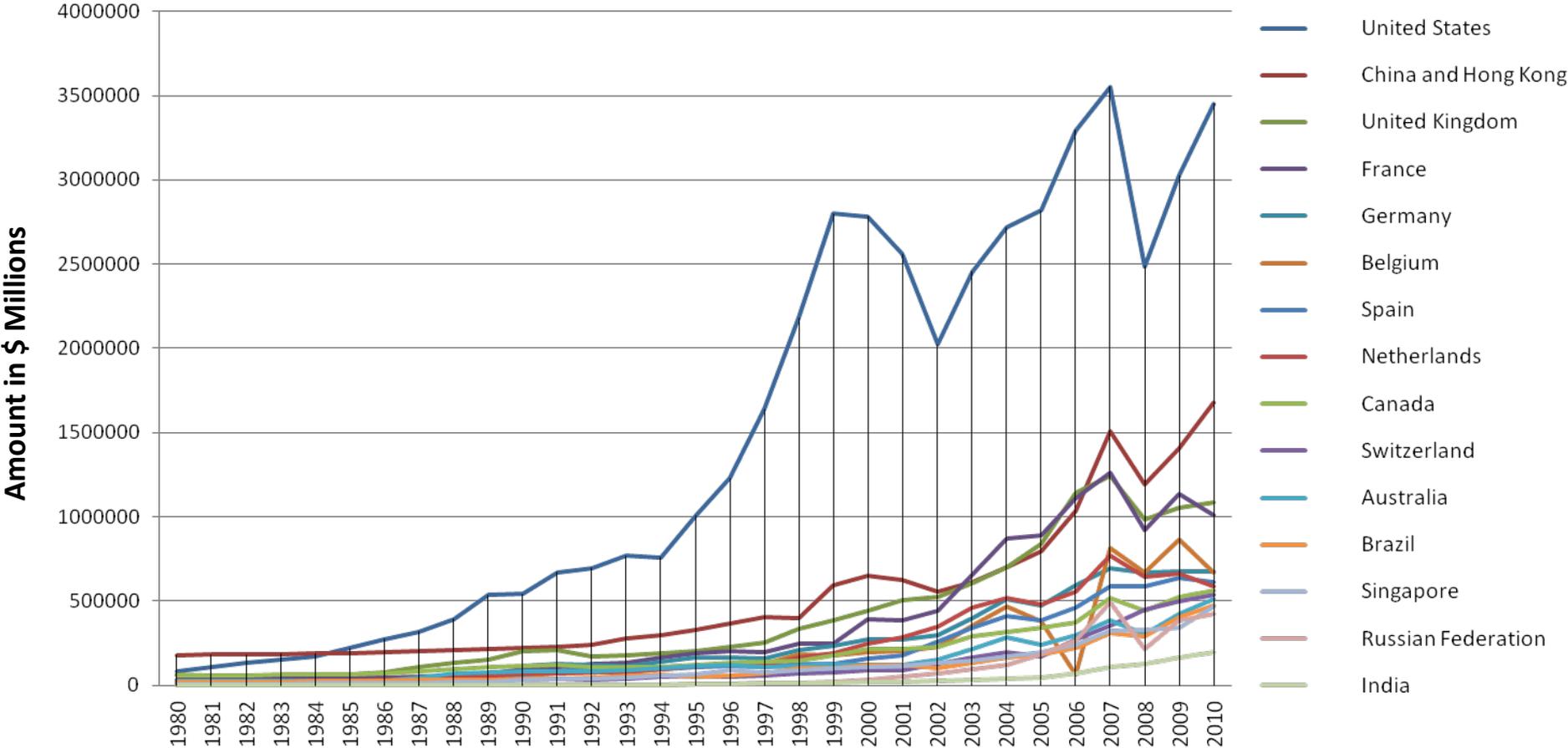
Source: Bureau of Economic Analysis

2008 R&D figures are shown (latest available)

Global FDI Trends

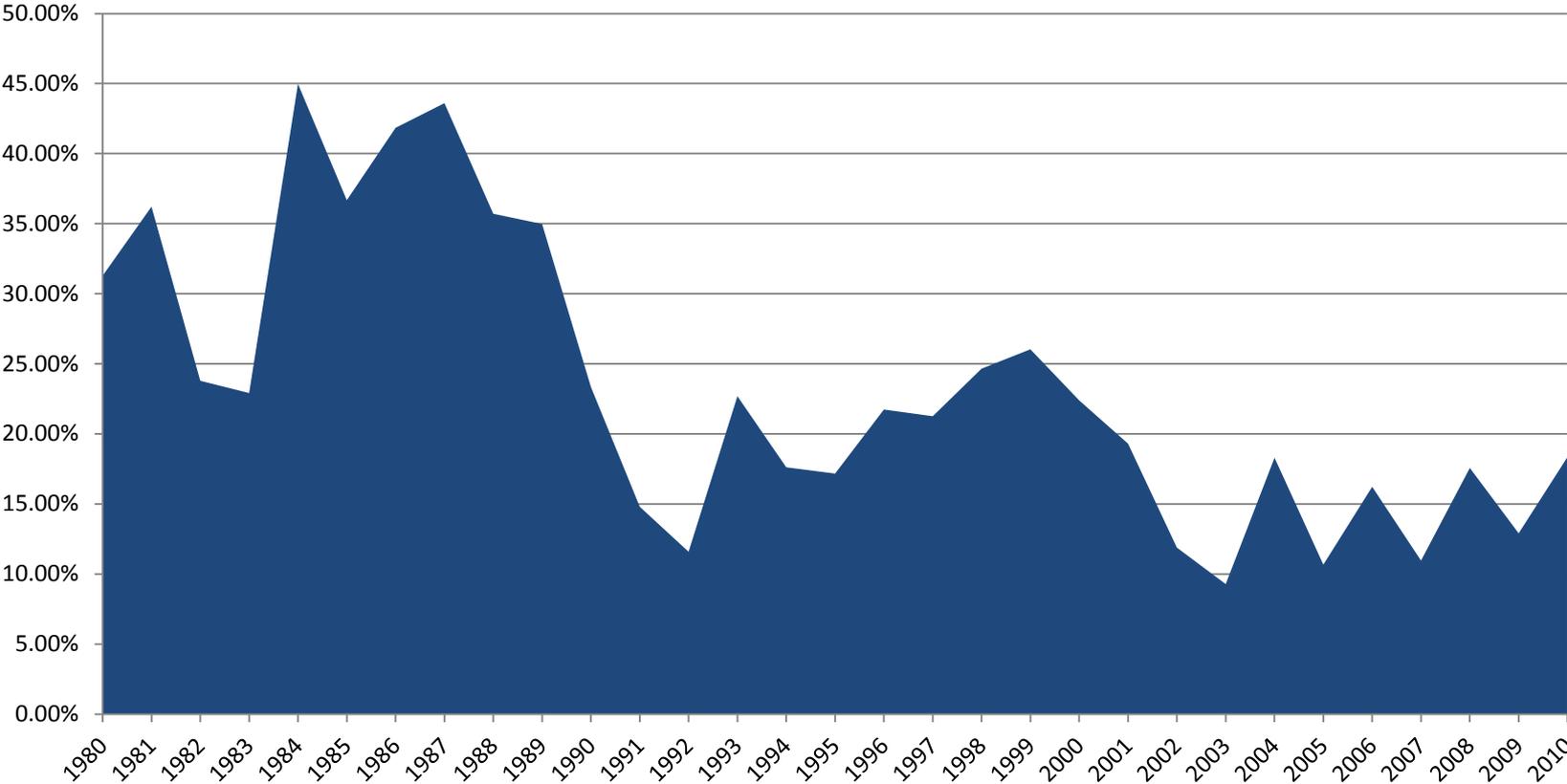


Global Inbound FDI Stock (1980 - 2010)



Total Global Inward FDI Stock: \$19 Trillion

Share of Global FDI Flows Captured by the United States

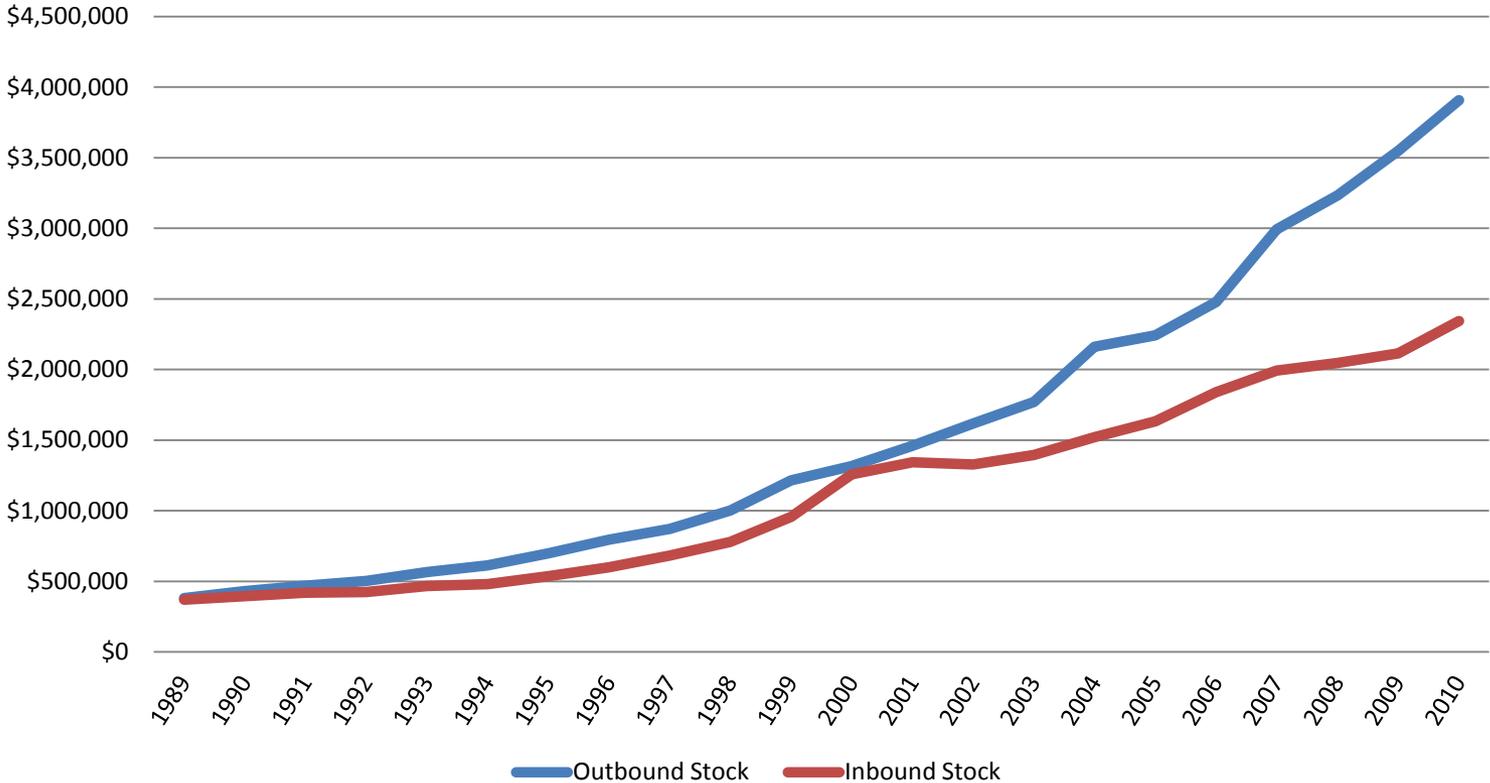


Source: UN Conference on Trade and Development (UNCTAD)

U.S. FDI Trends



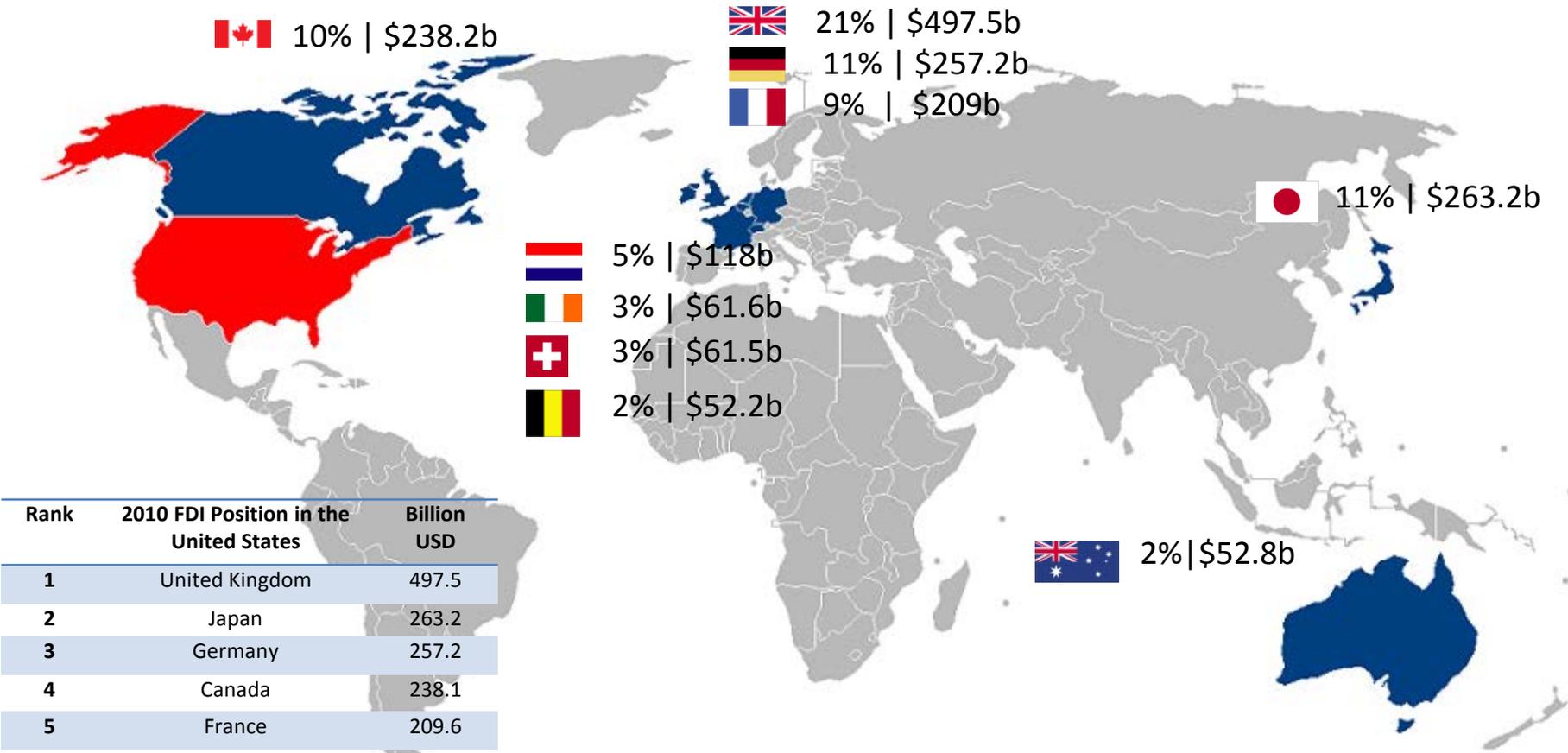
The United States Sends Out More FDI Than It Attracts Based on Stock FDI Positions



Figures in USD Millions
Source: Bureau of Economic Analysis

U.S. FDI Trends

Top 10 FDI Stock Positions, 2010

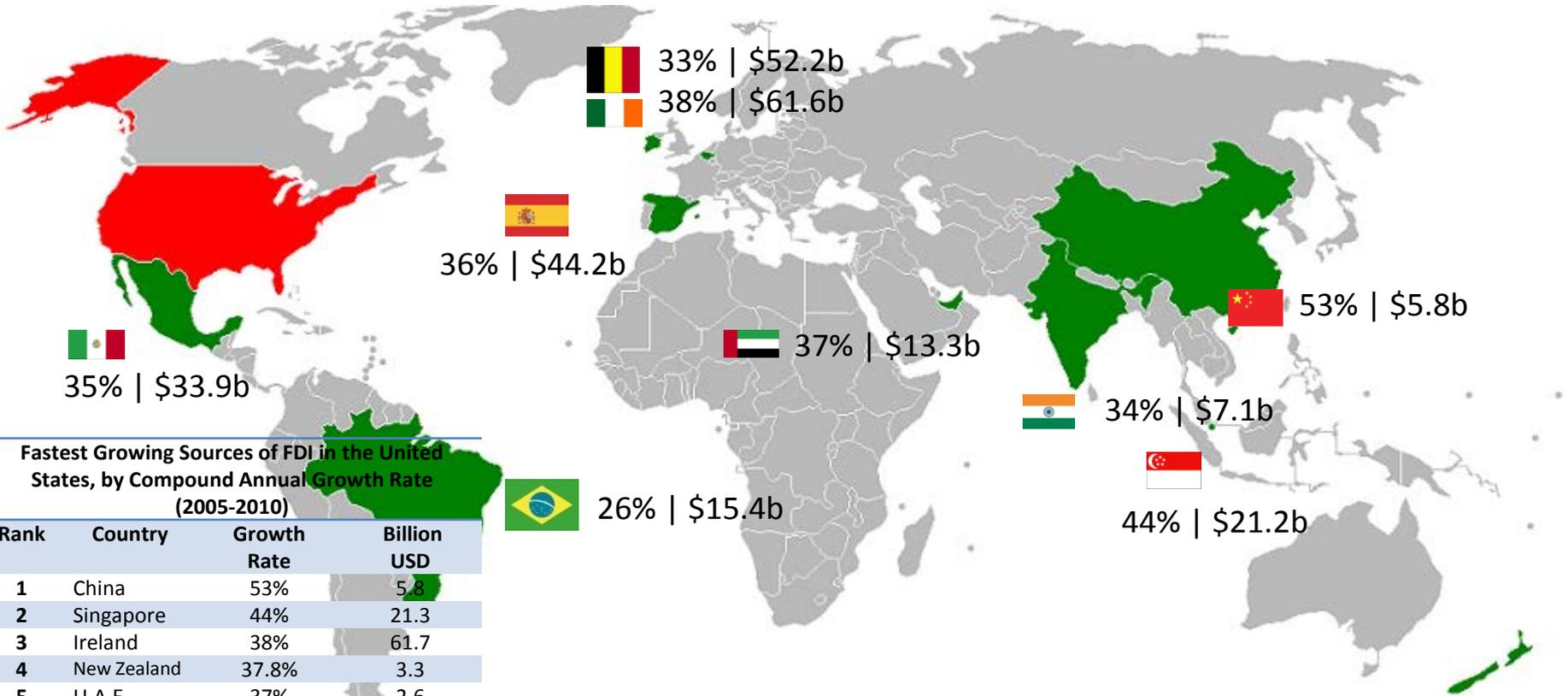


Rank	2010 FDI Position in the United States	Billion USD
1	United Kingdom	497.5
2	Japan	263.2
3	Germany	257.2
4	Canada	238.1
5	France	209.6
6	Netherlands	118
7	Ireland	61.7
8	Switzerland	61.6
9	Australia	52.9
10	Belgium	52.2

Source: Department of Commerce, Bureau of Economic Analysis – FDI by Ultimate Beneficiary Owner

U.S. FDI Trends

Top 10 FDI Growth Markets, 2010



Fastest Growing Sources of FDI in the United States, by Compound Annual Growth Rate (2005-2010)

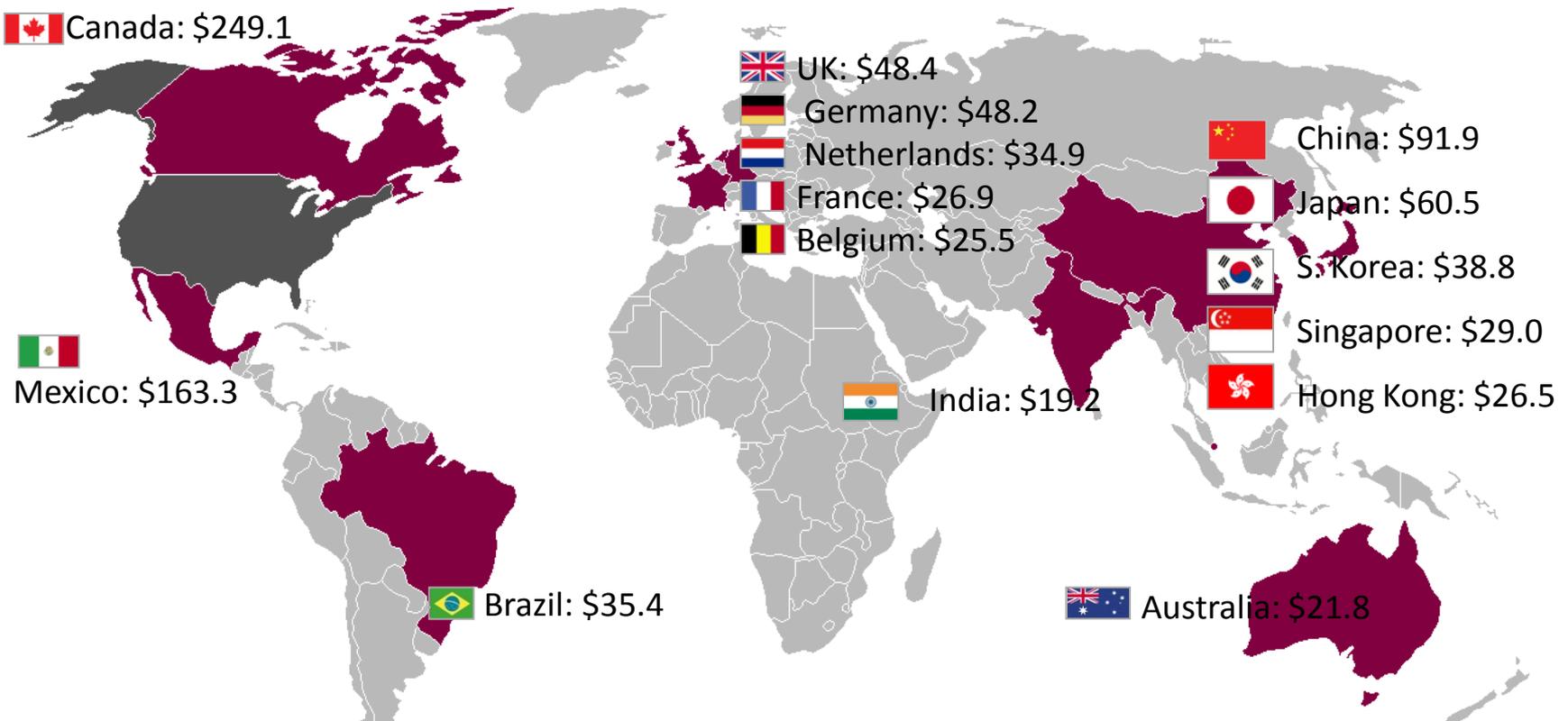
Rank	Country	Growth Rate	Billion USD
1	China	53%	5.8
2	Singapore	44%	21.3
3	Ireland	38%	61.7
4	New Zealand	37.8%	3.3
5	U.A.E.	37%	2.6
6	Spain	36.9%	44.2
7	Mexico	35%	5.5
8	India	34%	2.3
9	Belgium	33%	2.4
10	Brazil	26%	3.8

Note: Numbers denote 5 year compound annual growth rate (2005-2010) of the stock FDI position and the total stock of FDI in the United States

Source: Department of Commerce, Bureau of Economic Analysis – FDI by Ultimate Beneficiary Owner

U.S. FDI Trends

Top Export Markets, 2010



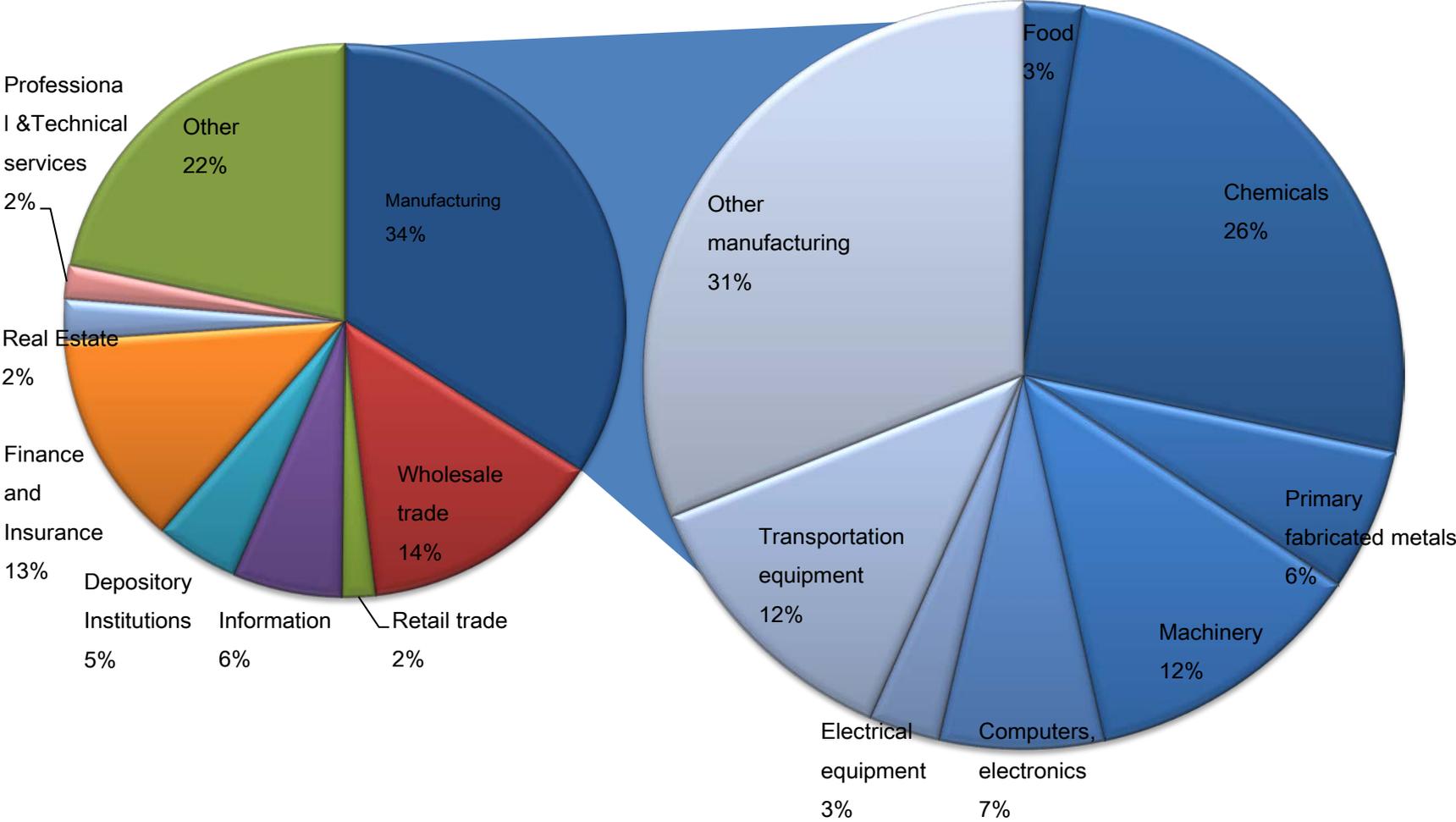
Top U.S. Export Markets are also among the top sources of FDI

Figures in USD Billions
Source: Bureau of Economic Analysis

U.S. FDI Trends

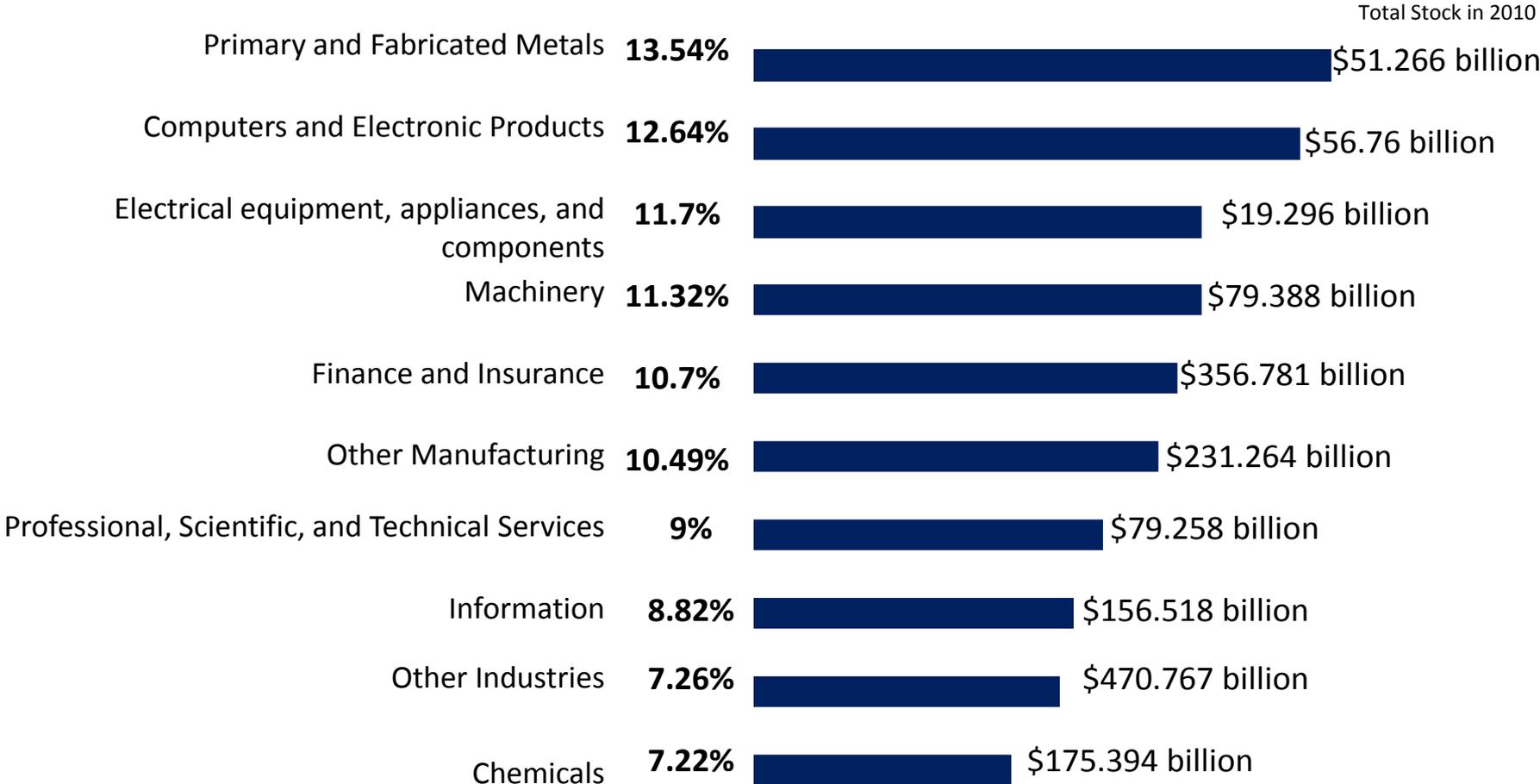


Industry breakdown of total U.S. FDI stock (\$2.3 trillion)



Top 10 FDI Growth Sectors in the United States

(Compound annual growth rate in FDI position between 2005 and 2010 and dollars in 2010 on a historical cost basis)

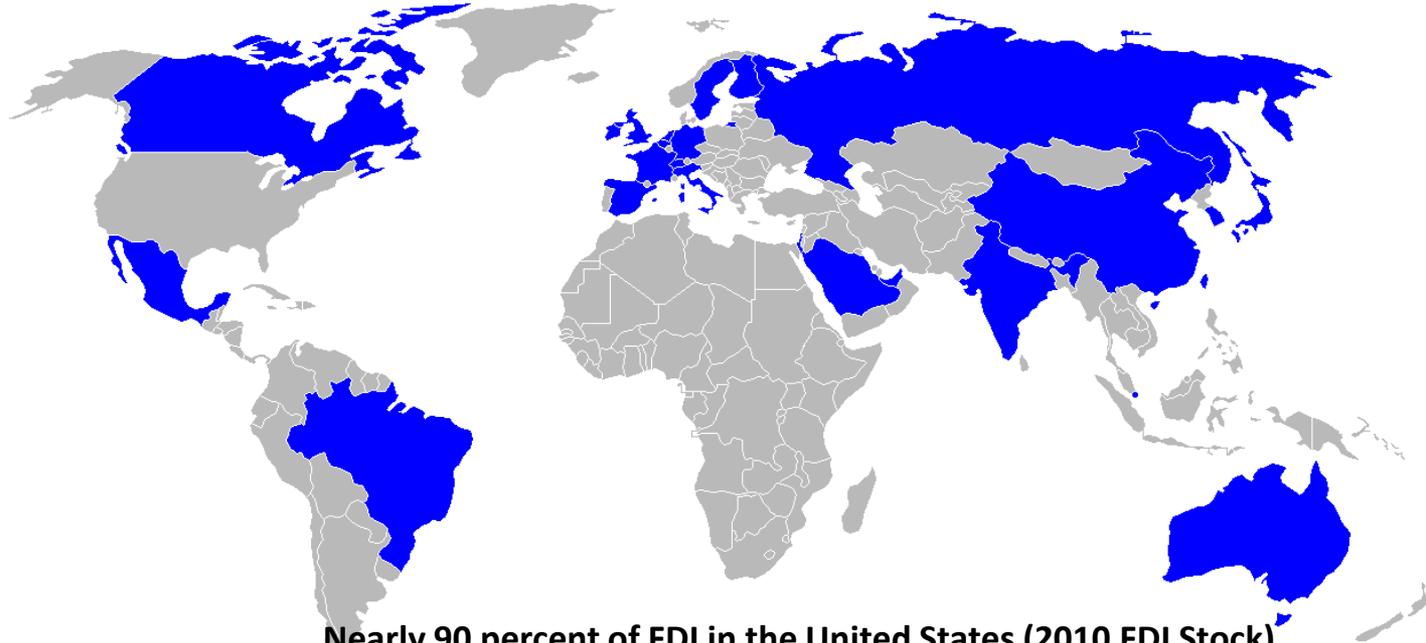


About SelectUSA



- SelectUSA is housed in the U.S. and Foreign Commercial Service
- Primary U.S. Government Effort to Support Business Investment in the United States
- Geographically neutral in the United States
- Two key constituents: Firms and Economic Development Organizations
- What We Do:
 1. Act as Information Clearinghouse
 2. Act as Ombudsman
 3. Act as Advocate
 4. Connect Investors with U.S. States
 5. Provide Policy Guidance
 6. Educate Investors
 7. Provide Guidance to U.S. Economic Development Organizations

SelectUSA FY13 Focus Markets



Nearly 90 percent of FDI in the United States (2010 FDI Stock)

Australia	\$52.9 Billion	Germany *	\$257.2 Billion	Mexico*	\$34 Billion	Spain *	\$44.2 Billion
Belgium	\$52.2 Billion	India *	\$7.1 Billion	Netherlands	\$118 Billion	Sweden	\$36 Billion
Brazil*	\$15.5 Billion	Ireland	\$61.6 Billion	Russia *	\$8.8 Billion	Switzerland	\$61.6 Billion
Canada *	\$238.1 Billion	Israel	\$19.5 Billion	Saudi Arabia	\$9.8 Billion	Taiwan	\$6 Billion
China and Hong Kong*	\$5.8 Billion \$11.6 Billion	Italy	\$23 Billion	Singapore	\$21.3 Billion	UAE	\$13.3 Billion
Finland	\$10 Billion	Japan	\$263.2 Billion	South Korea *	\$16.6 Billion	UK	\$497.5 Billion
France*	\$209.7 Billion						

(*) denotes FY12 pilot market

Source: U.S. Bureau of Economic Analysis

Thank You



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