



# INVEST IN AMERICA

## FACT SHEET

### Promoting Foreign Direct Investment

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#### **Promotes Employment with High Wages:<sup>1</sup>**

- U.S. subsidiaries of foreign firms employ over 5 million American workers, support an annual payroll of \$335.9 billion, and pay on average 32 percent higher wages than the national average.
- These U.S. subsidiaries invest heavily in American manufacturing, with 33 percent of these jobs in this sector.
- Between 2002-2006, nearly 2,900 new projects were announced or opened in the U.S. by foreign companies, yielding \$82 billion in investment and approximately 170,000 new American jobs.

#### **Strong Economic Benefits to the U.S. Economy:**

- U.S. subsidiaries of foreign firms account for 19 percent of total U.S. exports of goods (\$169.2 billion), and in 2006 reinvested \$80.3 billion of their profits back into the U.S. economy.
- U.S. subsidiaries also spent over \$31 billion on research and development activities in the United States.

#### **Who Invests in the United States:<sup>2</sup>**

- Companies based in OECD countries account for 94 percent of cumulative foreign direct investment in the U.S.
- Europe accounted for 68 percent of capital flows of foreign direct investment in the United States in 2006.
- The top 5 countries, ranked by cumulative direct investment in the United States were: United Kingdom - \$282.5 billion; Japan - \$190.3 billion; Germany - \$184.2 billion; The Netherlands - \$170.8 billion; Canada - \$144.0 billion.

#### **Total Foreign Direct Investment:<sup>3</sup>**

- The cumulative value of foreign direct investment at the end of 2005 was \$1.874 trillion, or 15 percent of U.S. GDP.
- In 2006, direct investment capital inflows totaled \$161.5 billion. 2005 direct investment capital inflows totaled \$91.4 billion.

#### **Recent Examples of Investing in America:**

- On May 11, German ThyssenKrupp AG announced plans to invest \$3.7 billion dollars into a new steel plant near Mount Vernon, Alabama. This facility is expected to open in 2010 and will employ approximately 2,700 people.<sup>4</sup>
- On February 27, Japanese automaker Toyota Motor Corporation announced that it would build a new manufacturing facility near Tupelo, Mississippi. This \$1.3 billion facility is expected to employ 2,000 initially. In 2005, Toyota employed 38,340 in North America.<sup>5</sup>

#### **Promoting America as the Investment Destination of Choice:**

- The Invest in America initiative supports President Bush's statement on open investment that reaffirms the unequivocal and long-standing commitment by the United States to promote open investment policies.
- Invest in America will help coordinate U.S. Government agencies to promote the desirability of investment in the U.S. as a whole and leverage Commerce's global network to educate international investors on advantages inherent with investing in the United States.
- Invest in America efforts are focused on outreach to foreign governments, investors, and U.S. states; and addressing business climate concerns by serving as ombudsman in Washington for the international investment community.

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<sup>1</sup> Unless otherwise noted, source: BEA data with analysis from the Organization for International Investment ([www.ofii.org](http://www.ofii.org)); <sup>2</sup> Source: BEA (figures at historical cost); <sup>3</sup> Source: BEA (figures at current cost); <sup>4</sup> Source: The International Herald-Tribune ([www.iht.com](http://www.iht.com)); <sup>5</sup> Source: The Clarion-Ledger Newspaper ([www.clarionledger.com](http://www.clarionledger.com))