



Facilitating Business Investment in the United States

February 21, 2019

SelectUSA
U.S. Department of Commerce

I. About Investment Promotion and SelectUSA

About SelectUSA

Our Mission

SelectUSA's mission is to promote and facilitate business investment in the United States. We are the single point of contact at the national level for international and domestic companies to invest in the United States.

Our Clients

- Existing and Potential Business Investors
- U.S. Economic Development Organizations (EDOs)

Our Impact



To date, SelectUSA has directly assisted attracting over **\$27 billion** in client-verified investments into the United States.

We partner with EDOs to support FDI.

Who We Are

Our Team

- **U. S. Department of Commerce** SelectUSA HQ: www.selectusa.gov/our-team
- U.S. Commercial Services
70+ International Offices, 100+ Domestic Offices
- ITA HQ: Regional Desks and Industry Experts, Industry Analysis

Our Network

Interagency Investment Working Group (IIWG)

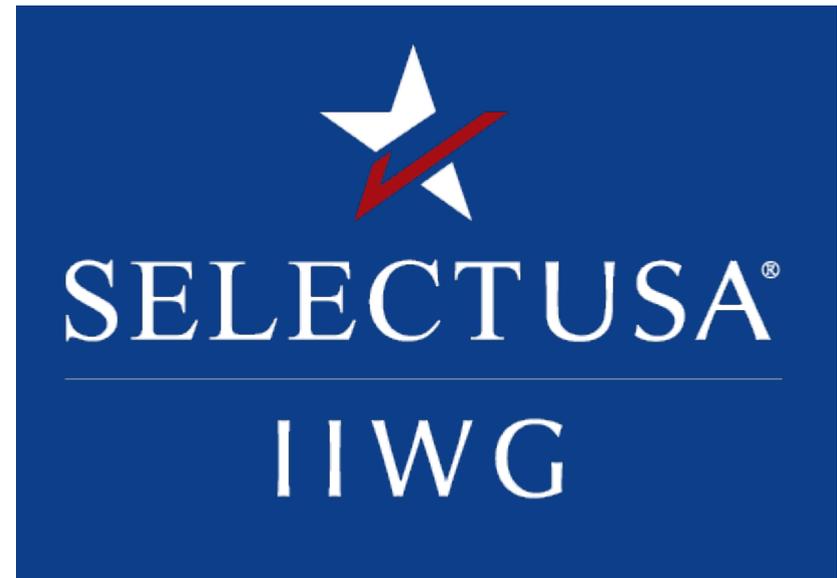
Interagency Investment Working Group

The Working Group shall coordinate activities to promote business investment and respond to specific issues that affect business investment decisions”

The Executive Order established the Federal Interagency Investment Working Group (IIWG)

Over 20 IIWG participating agencies including:

- Department of State
- DHS
- SBA
- Ex-Im Bank
- USTR
- DOE
- DOD



II. The Importance of Foreign Direct Investment

What is FDI?

DEFINITION

Foreign Direct Investment, or FDI, generally indicates a **long term relationship** with the management of a foreign enterprise. According to the U.S. Bureau of Economic Analysis that publishes official U.S. statistics:

“Foreign Direct Investment occurs when an entity or group of related entities acting in a concerted manner in one economy makes an investment in another economy that gives control, or a significant degree of influence, over the management of an entity resident in another economy.”

- ◇ The international standard definition of FDI requires at least **10 percent ownership**.
- ◇ SelectUSA generally defers to figures that characterize **majority (>50%) ownership**.

TWO TYPES OF FDI

Greenfield

When a foreign investor builds operations in another country from the ground up. This also includes when existing operations are expanded.

Mergers & Acquisitions (M&A)

When a foreign investor gains a non-passive equity stake by investing in an existing company.

FDI Benefits the U.S. Economy

#1 → The United States is home to more foreign direct investment than anywhere else in the world

Nearly a Quarter of U.S. Exports → In 2015, U.S. subsidiaries of foreign-owned firms accounted for nearly 1/4 of all U.S. goods exports

More Than 13 Million U.S. Jobs → In 2015, subsidiaries directly employed 6.8 million U.S. workers (plus 6.6 million indirectly)

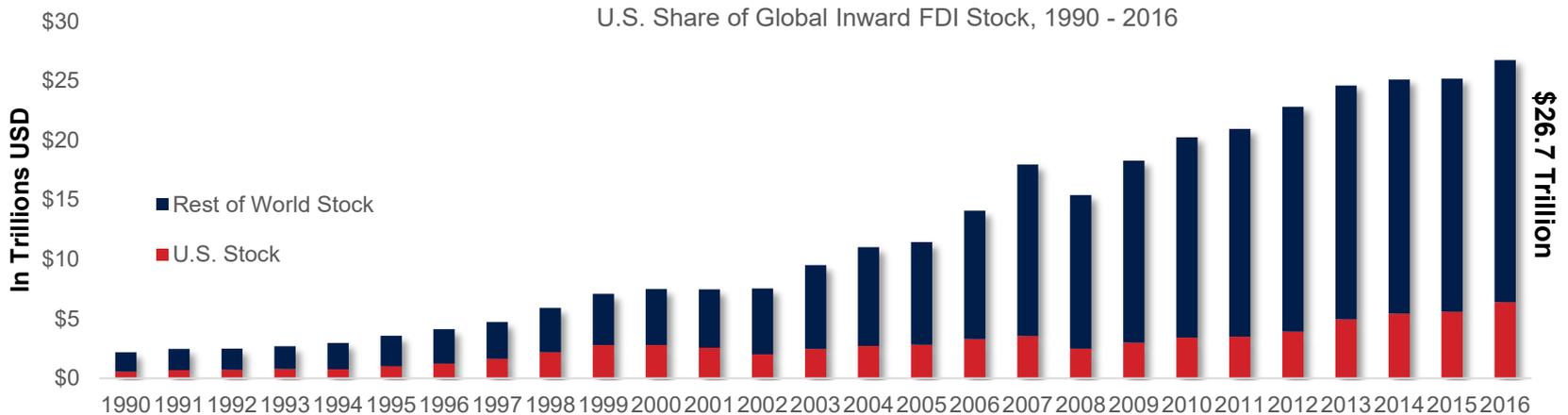
Average Annual Compensation \$79,040 → In 2015, subsidiaries paid wages that averaged more than \$79,000 (as opposed to the national average of \$63,585)

R&D Investments → In 2015, subsidiaries spent \$57 billion in research and development in the United States

Source: Department of Commerce, Bureau of Economic Analysis – FDI by majority foreign-owned firms, UNCTADStat

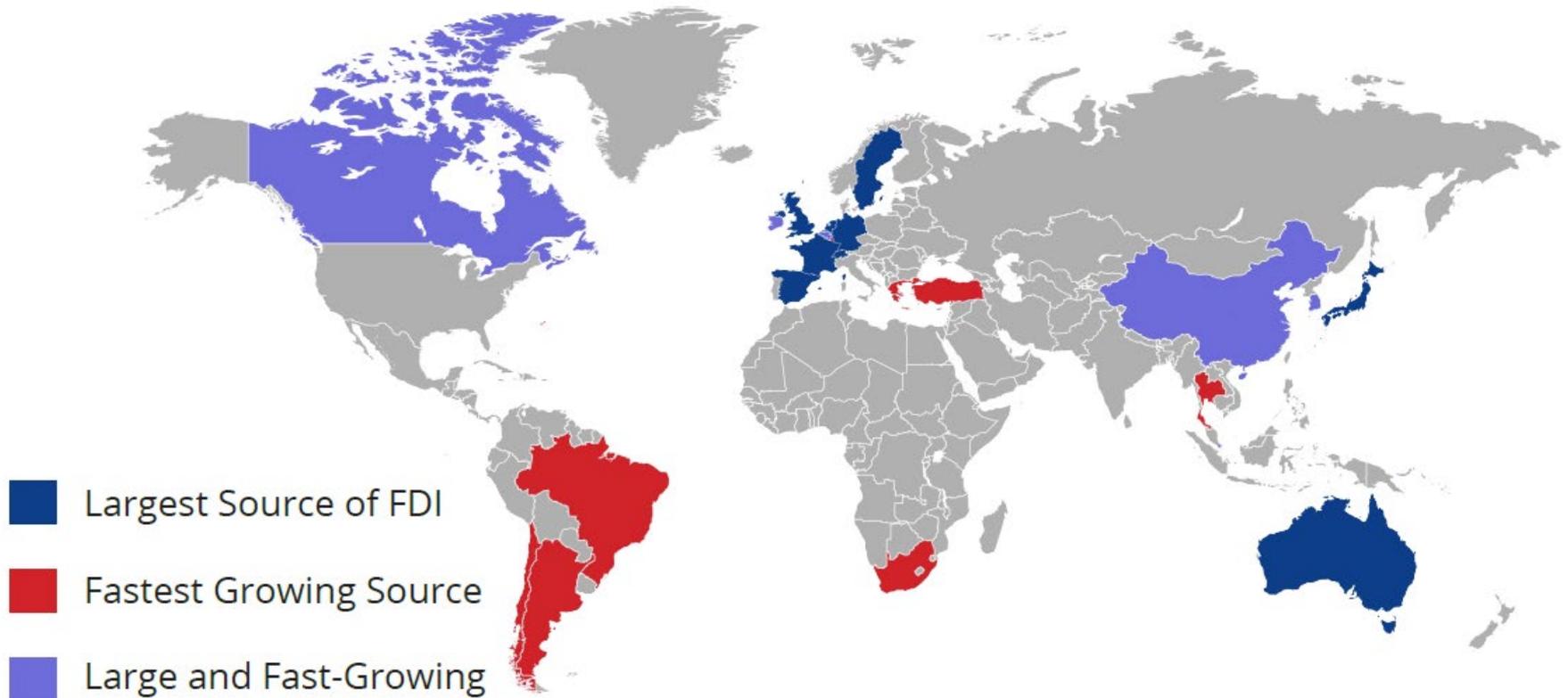
Global FDI Trends

The United States is the Largest Recipient of FDI



Source: United Nations Conference on Trade and Development
<http://unctadstat.unctad.org/>

U.S. FDI Trends – Market Breakout



FDI Position by Ultimate Beneficiary Owner

Source: Department of Commerce, Bureau of Economic Analysis, Calculations based on Ultimate Beneficial Owner (UBO) Position figures, Fastest growing CAGR calculations based on Inward 2011-2016 FDI Position and Largest Source of FDI based on 2016 Inward Position
<http://www.bea.gov/international/di1fdibal.htm>

Largest and Fastest Growing

Largest Sources of FDI in the United States (by UBO)

Rank	Market	2017 Position In USD millions	Share of total
1	United Kingdom	\$614,865	15.3%
2	Canada	\$523,761	13.0%
3	Japan	\$476,878	11.8%
4	Germany	\$405,552	10.1%
5	Ireland	\$328,671	8.2%
6	France	\$301,540	7.5%
7	Switzerland	\$201,867	5.0%
8	Netherlands	\$169,155	4.2%
9	Singapore	\$88,596	2.2%
10	Belgium	\$80,352	2.0%
11	Spain	\$73,244	1.8%
12	Australia	\$73,002	1.8%
13	China	\$58,048	1.4%
14	Sweden	\$54,150	1.3%
15	South Korea	\$50,633	1.3%

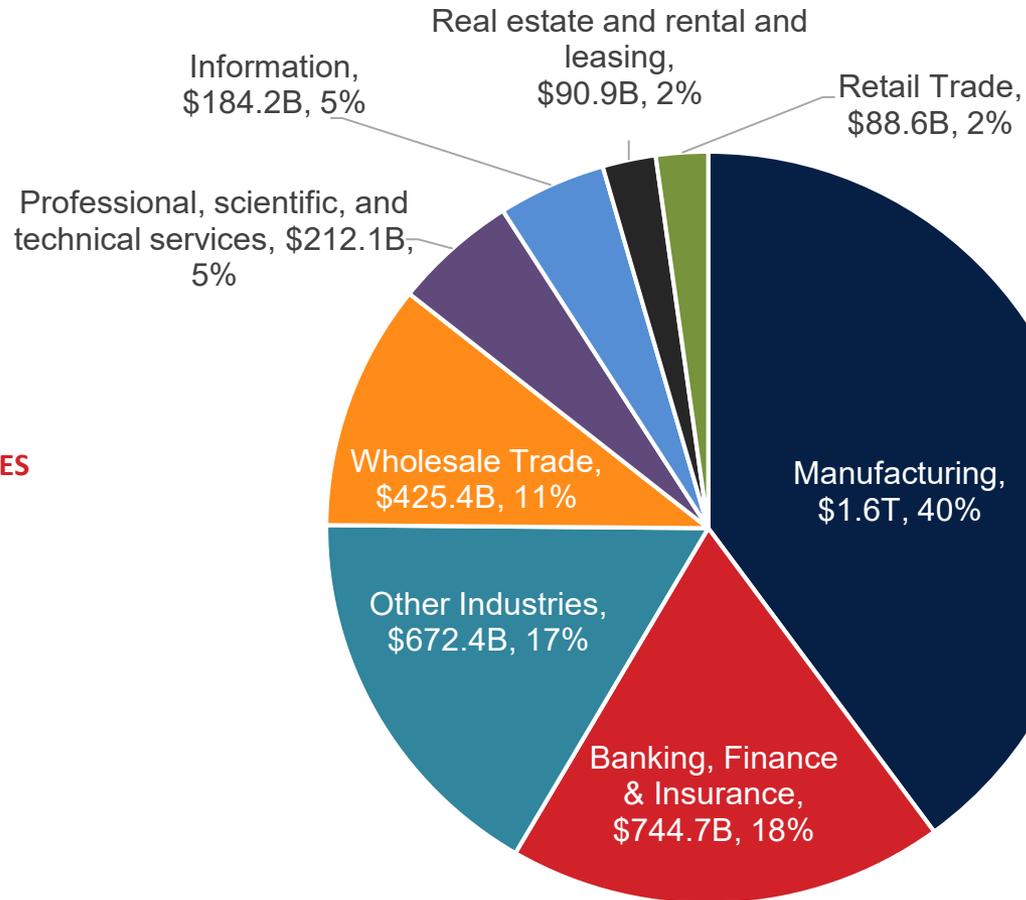
Fastest-Growing Sources of FDI in the United States (by UBO)

Rank	Market	2017 Position In USD millions	CAGR 2012-2017
1	Greece	\$1,028	70.7%
2	Argentina	\$4,608	56.6%
3	Thailand	\$2,160	38.9%
4	Singapore	\$88,596	38.4%
5	China	\$58,048	32.8%
6	Ireland	\$328,671	29.6%
7	Turkey	\$2,282	26.7%
8	Brazil	\$42,841	22.7%
9	Belgium	\$80,352	21.0%
10	Chile	\$2,674	17.7%
11	Canada	\$523,761	16.3%
12	Luxembourg	\$28,792	15.2%
13	South Korea	\$50,633	15.0%
14	Bermuda	\$35,920	14.4%
15	South Africa	\$5,073	14.4%

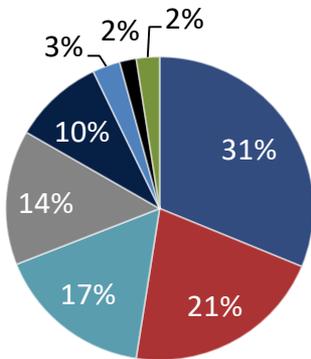
FDI in the United States by Industry

2017 FDI IN THE UNITED STATES

Breakout of \$4.0 Trillion Inward Position



2004 FDI IN THE UNITED STATES



Foreign Direct Investment (FDI):
MEXICO

\$35.4 Billion

Total 2017 stock of FDI from
Mexico
to the United States

(by UBO)

Mexican FDI in the USA (in USD millions)

	2013	2014	2015	2016	2017
Position (UBO)	\$31,820	\$33,302	\$34,390	\$34,783	\$35,408
Flow	\$3,157	\$1,742	\$1,116	\$2,372	\$702

U.S. FDI in Mexico (in USD millions)

	2013	2014	2015	2016	2017
Position	\$86,433	\$94,482	\$101,326	\$100,734	\$109,671
Flow	\$6,078	\$8,218	\$7,255	\$5,212	\$6,334



Supporting U.S. Jobs
79,200

Number of U.S. workers employed by
U.S. affiliates of majority
Mexican-owned firms in 2016.

TOP 6 INDUSTRY SECTORS

By # of announced Mexican
FDI projects in the USA

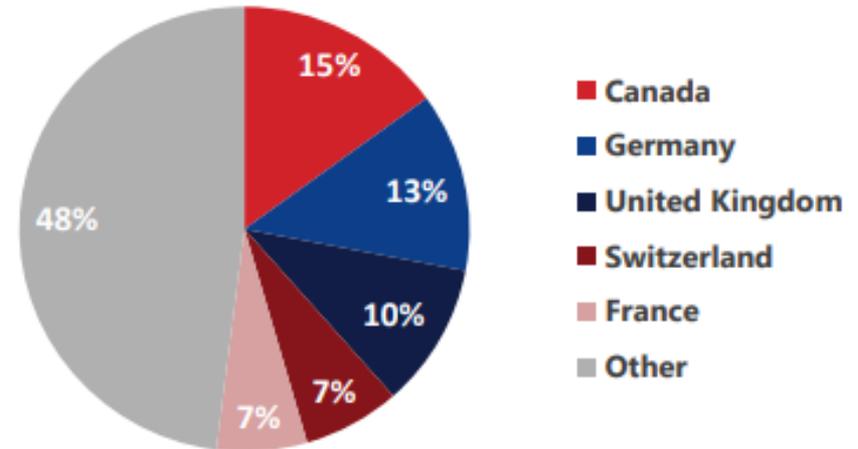
- #1 Food & Tobacco
- #2 Communications
- #3 Auto Components
- #4 Plastics
- #5 Metals
- #6 Business Services

Select Mexican Companies in Arizona

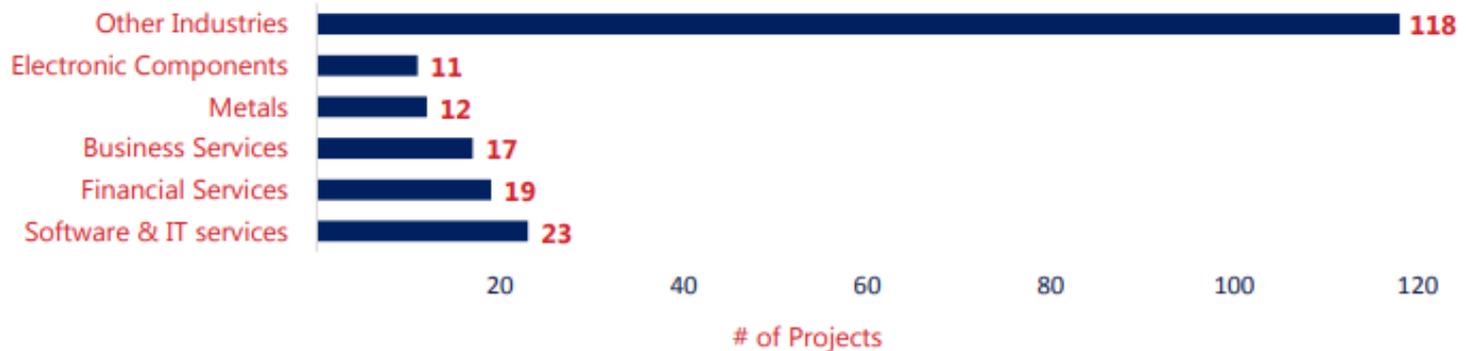


Foreign Direct Investment (FDI):
ARIZONA

Top Sources of FDI in Arizona
(200 Total Announced Greenfield Projects)



Top Industry Sectors in Arizona:



III. SelectUSA Services

SelectUSA Clients



Existing and Potential Business Investors

Business entities that currently have a business operation in the United States or are considering expansion. Largely foreign businesses.



U.S. Economic Development Organizations (EDOs)

Government or public-private entities that provide economic development services for a U.S. jurisdiction (state, region, county, city). This may also include economic development and governmental associations or chambers of commerce. For-profit organizations are not considered to be EDOs.

How SelectUSA Can Help

SelectUSA Services

ACTIONABLE INFORMATION on business investment in the United States and developing an FDI strategy.

Primary Clients: Investors and EDOs

PLATFORM FOR CONNECTIONS that will provide in-depth, on-the-ground expertise and guidance at a local level.

Primary Clients: Investors and EDOs

NAVIGATING THE FEDERAL SYSTEM to help with questions or concerns about U.S. federal rules and regulations.

Primary Client: Investors and EDOs

INVESTMENT PROJECT ADVOCACY to promote the United States in international competition

Primary Clients: EDOs

Services for Investors

ACTIONABLE INFORMATION

on business investment in the United States.

- ◇ Information about the U.S. market and how to open a business in the United States
 - ◇ Counseling and customized reports on industry clusters, supply chains, workforce availability, operating costs, infrastructure and logistics, regulations, and federal and state resources for businesses to support companies' decision-making process
-

Services for Investors

PLATFORM FOR CONNECTIONS

that will provide in-depth,
on-the-ground expertise and guidance at a local level.

- ◇ Direct introductions and networking opportunities with the States to assist with site selection, permitting, workforce training partnerships, incentives, and other “last mile” delivery of services to investors
-

Services for Investors

NAVIGATING THE FEDERAL SYSTEM

to help with questions or concerns about U.S. federal rules and regulations.

- ◇ Break through the complexities of federal regulations to assist business decision-making
- ◇ One-stop assistance connecting EDOs and investors with officials at federal agencies to address questions and concerns

Services for EDOs

ACTIONABLE INFORMATION

on developing and executing an FDI strategy.

- ◇ Information and counseling to help develop or refine FDI strategies, investment trends, profiles of international investment in their state, sectors, jobs creation and research and development
-

Services for EDOs: Actionable Information

SelectUSA Stats is a FDI Data Visualization Tool

- Interactive Dashboards
- Public Data
- Free Online Tool

Contains FDI Data by:

- Year(s)
- Source Market(s)
- Destination State(s)



WELCOME TO THE SELECTUSA INVESTMENT DATA TOOL

SelectUSA has created several data dashboards to assist visitors to our website with visualizing and analyzing key FDI data from a variety of sources. Each dashboard features the earliest through the latest available data. Please note that for some indices there can be a delay of up to two years (data release dates vary).

Explore SelectUSA Stats Now!



<https://www.selectusa.gov/selectusa-stats>

Services for EDOs

PLATFORM FOR CONNECTIONS

that will provide in-depth,
on-the-ground expertise and guidance at a local level.

- ◆ Events overseas and in the United States provide a platform to extend global marketing reach and to generate new business leads
-

Services for EDOs: Platform for Connections

FACILITATED INVESTMENT MISSION

FCS-led program at trade shows or conferences that provides participating EDOs a suite of fee-base services

- Examples: Investment Pavilion at Hannover Messe Tradeshow; India Road Show
- Multiple EDOs participate

SINGLE LOCATION PROMOTION (SLP)

Tailor-made events developed collaboratively, promoting individual U.S. jurisdictions as FDI destinations. Led by FCS posts.

- Example: Maryland Economic Development mission to Brazil
- A single U.S. location participates
- SelectUSA promotes the United States

Services for EDOs

NAVIGATING THE FEDERAL SYSTEM

to help with questions or concerns about U.S. federal rules and regulations.

- One-stop assistance connecting EDOs and investors with officials at federal agencies to address questions and concerns

Services for EDOs

INVESTMENT PROJECT ADVOCACY

to promote the United States in international competition.

- High-level U.S. government investment advocacy when one U.S. location is competing with a foreign location
-

Upcoming Events

A dark blue, monochromatic photograph of Washington D.C. landmarks, including the Washington Monument on the left and the Jefferson Memorial on the right, reflected in the water of the Tidal Basin. The scene is captured at dusk or dawn, with a soft glow on the horizon.

The SelectUSA Investment Summit is the highest-profile event dedicated to promoting foreign direct investment (FDI) in the United States. This signature event provides an unparalleled opportunity to bring together companies from all over the world, economic development organizations from every corner of the nation, and other parties working to facilitate business investment in the United States.

The Summit's theme – “Invest Here. Grow Here. Succeed Here” – focuses on the crucial connections between U.S. economic developers and international business investors.

Gaylord National Resort & Convention Center | www.selectusasummit.us

#SelectUSASummit

2018 Summit At A Glance

PARTICIPANTS



More than **3,000** Confirmed
 350 Service Providers
 300+ U.S. Government Officials
 Over **250** Speakers, Media, and Staff

PARTICIPANTS ALSO INCLUDE:

Over **1,200** International Firm Attendees
 From **66** Markets

THE TOP 10 MARKETS REPRESENTED



EXHIBITORS

More than **700** EDO Representatives
 From **50** U.S. States and Territories
 Including **47** Official State EDO Exhibitors

USG PAVILION

23 U.S. Government Programs and Agencies

JSW Steel, NewCold, Re:Cognition Health, and Weastec, announced expansions in the United States, projects worth more than **\$600 million** and creating approximately **650 new jobs**.



Donald J. Trump @realDonaldTrump · Jun 23
 Steel is coming back fast! U.S. Steel is adding great capacity also. So are others.

FOX Business @FoxBusiness
 Steel maker JSW to build new plant, invest \$500M after Trump tariffs
fxn.ws/2twECaC

2018 Summit At A Glance

Past attendees of SelectUSA have announced nearly **\$93 billion** in new investment projects, which support **140,000 American jobs**.



Resources and Tools

SELECTUSA STATS

New dynamic data visualization tool that gives you the latest and greatest FDI-related data. All you need to know is your country, industry, or state of interest!

Website: <https://www.selectusa.gov/selectusa-stats>

PUBLIC FACT SHEETS

Easy to print and use publicly cleared and vetted 1 page summaries of FDI in 52 US States and territories and from 40+ countries

Website: <https://www.selectusa.gov/FDI-global-market>

CLUSTER MAPPING

Over 50 million public data points are available on a map of the United States so users can easily understand industry clusters across the United States and identify economic data associated with their locality at the State, Metro, and Country levels

Website: <http://www.clustermapping.us/>

UNIWORLD DATABASE

Located on the ITA Common Data Platform (CDP) this database offers a queryable list of individual foreign-owned companies operating in the United States

TRAININGS!

FDI Data Primer

FDI by the Numbers

SUBSCRIPTION SERVICES

We have access to a limited number of subscription databases and information for research purposes, including FDI Markets, Industrial Info Resources, Bloomberg, and others

Contact Us: Investment Services Team

DOMESTIC PORTFOLIOS



SETH ISENBERG	BRUCE ELLSWORTH	STEVE MILLER	RYAN WALLACE	KEIDA ACKERMAN	BELEN GALLEGOS
AK, AZ, CA, HI, NV, OR, UT, WA, NM, American Samoa, Guam & Northern Mariana Islands	CO, ND, MT, ND, NE, WY	IA, IL, IN, KS, KY, MI, MN, OH, WI, WV	AR, DE, LA, MO, NJ, NY, OK, PA, TX	AL, FL, GA, MS, NC, SC, TN, Puerto Rico & U.S. Virgin Islands	CT, DC, ME, MD, MA, NH, RI, VT, VA

Contact Us: Investment Services Team

INTERNATIONAL PORTFOLIOS

The SelectUSA HQ Portfolio Manager and/or the U.S. Commercial Service team in your location are your contacts for investment questions or cases.

REGION	PORTFOLIO MANAGER
East Asia	Keida Ackerman Keida.Ackerman@trade.gov (202) 482-0850
China, Baltics, Central Asia & Russia	Bruce Ellsworth Bruce.Ellsworth@trade.gov (202) 482-3092
Western Hemisphere	Belen Gallegos Belen.Gallegos@trade.gov (202) 482-4413
South Asia, Southeast Asia & Oceania	Seth Isenberg Seth.Isenberg@trade.gov (202) 482-0588
Middle East & Africa	Steve Miller Steve.Miller@trade.gov (202) 482-0978
Europe	Ryan Wallace Ryan.Wallace@trade.gov (202) 482-7805

IN-MARKET INVESTMENT SPECIALISTS	
Canada	Bojan Opsenica
Mexico	Ruben Lugo
Brazil	Andre Leal
UK	Gus Franklyn-Bute
Ireland	Conor Kenny
Germany	Jana Dorband & Sumeyra Yildirim
Switzerland	Sandor Galambos
Israel	Sigal Mendelovich
India	Rahul Padmanabha
Singapore	Zac Ong
Japan	Junko Chino & Yuko Nakaoka

Contact Us: Investment Services Team

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SelectUSA Contact HQ

Seth Isenberg

Seth.Isenberg@trade.gov

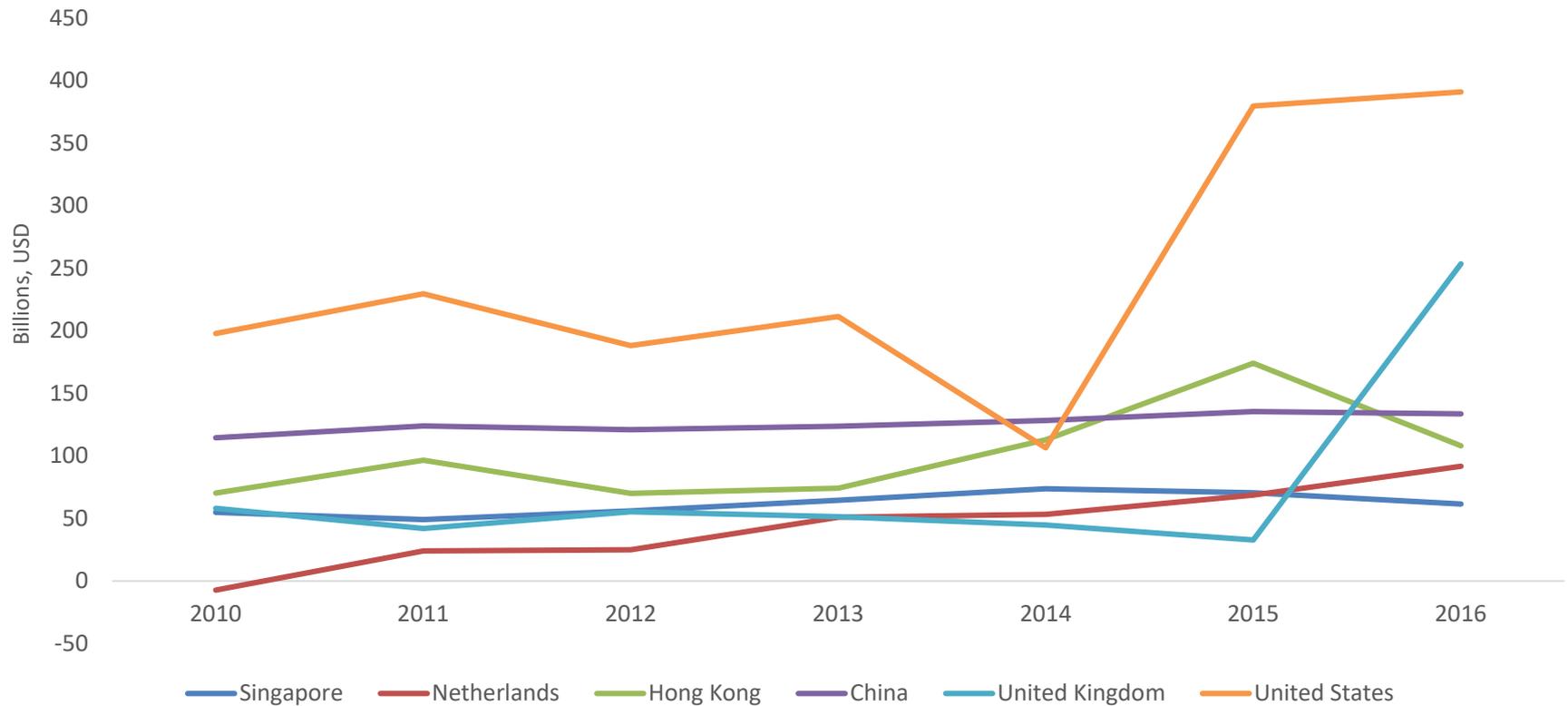
(202) 482-0588

VII.Appendix: Additional Data

U.S. InFlows Compared to ROW



FDI Inflows to Selected Markets
(Top 6 Destinations in 2016)

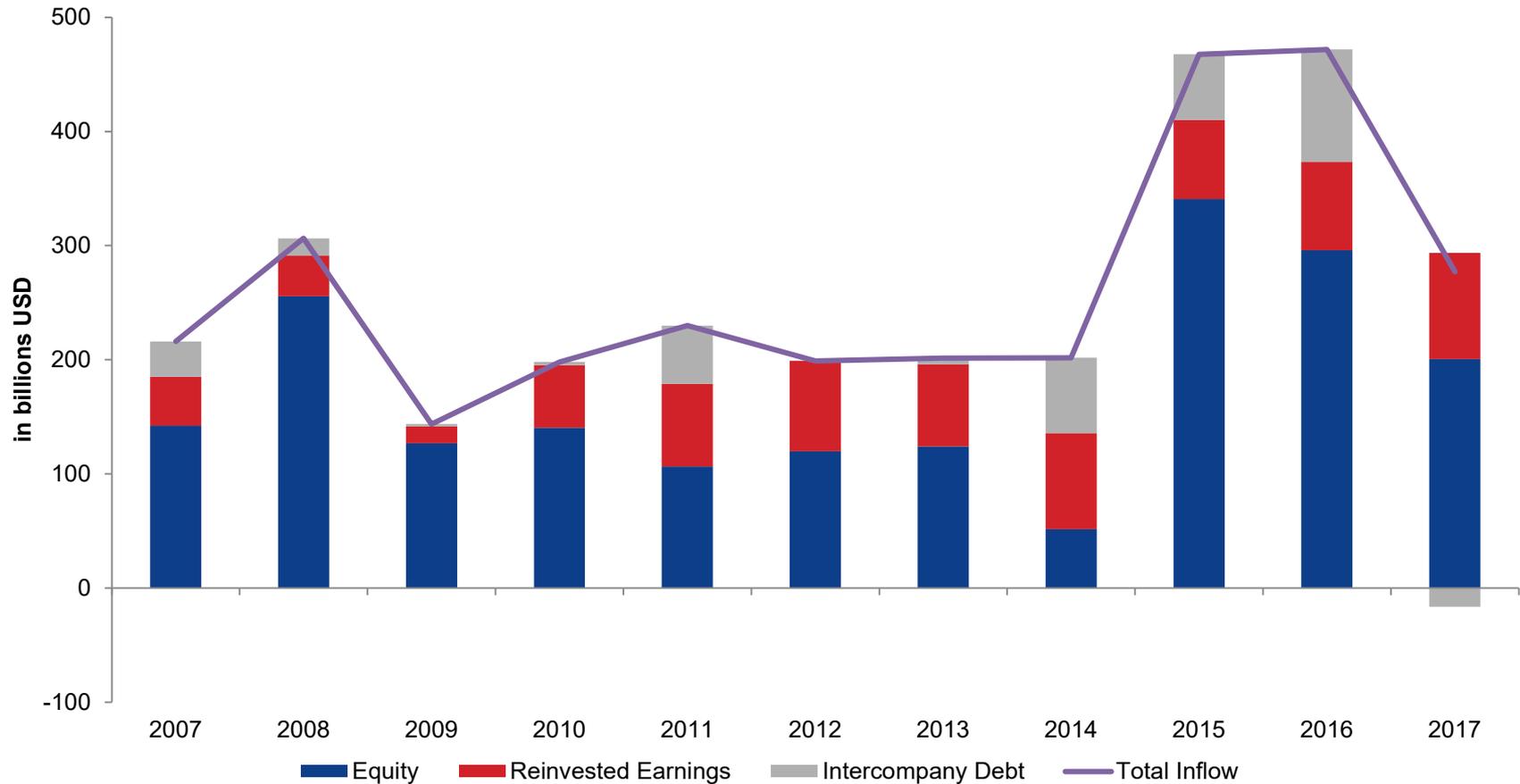


Source: UNCTADStat. Accessed August 2018. unctadstat.unctad.org

FDI Inward Flows to the United States



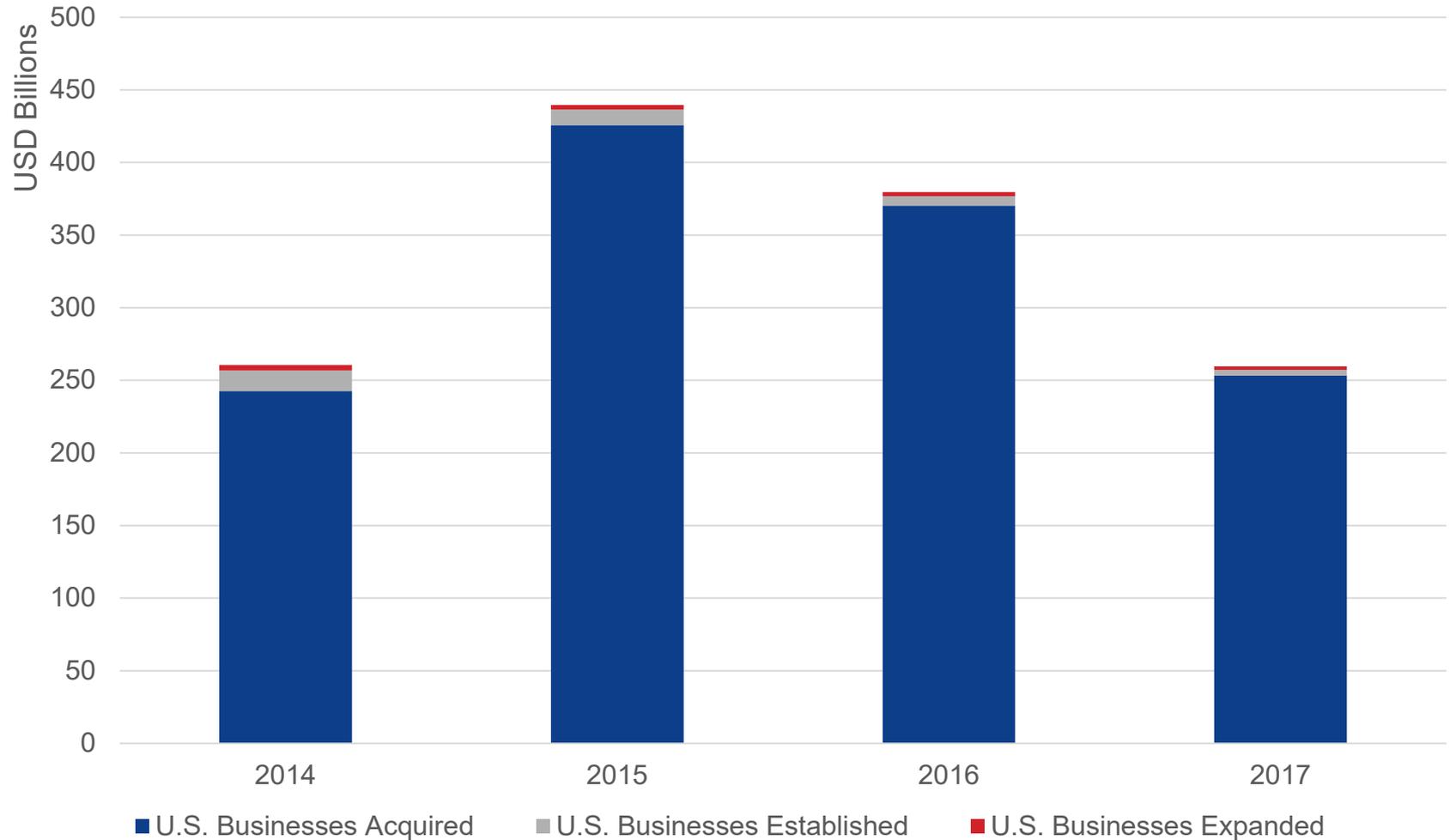
U.S. Inward FDI Flow Decomposition by Financial Flow Type



Source: Department of Commerce, Bureau of Economic Analysis, FDIUS Data
<http://www.bea.gov/international/di1fdibal.htm>

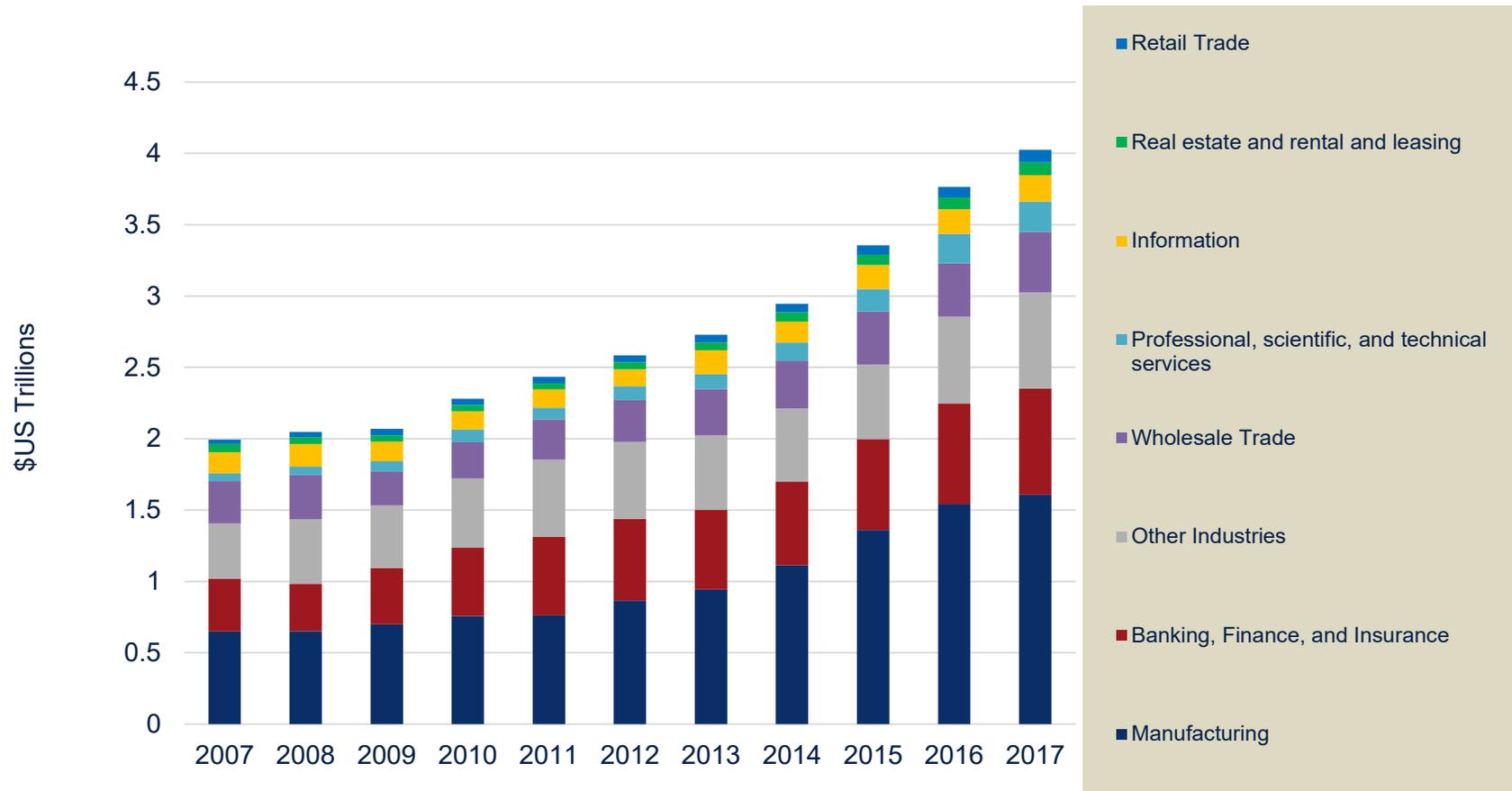


New Foreign Direct Investment Expenditures



Source: Department of Commerce, Bureau of Economic Analysis, FDIUS Data, <https://www.bea.gov/data/intl-trade-investment/new-foreign-direct-investment-united-states>

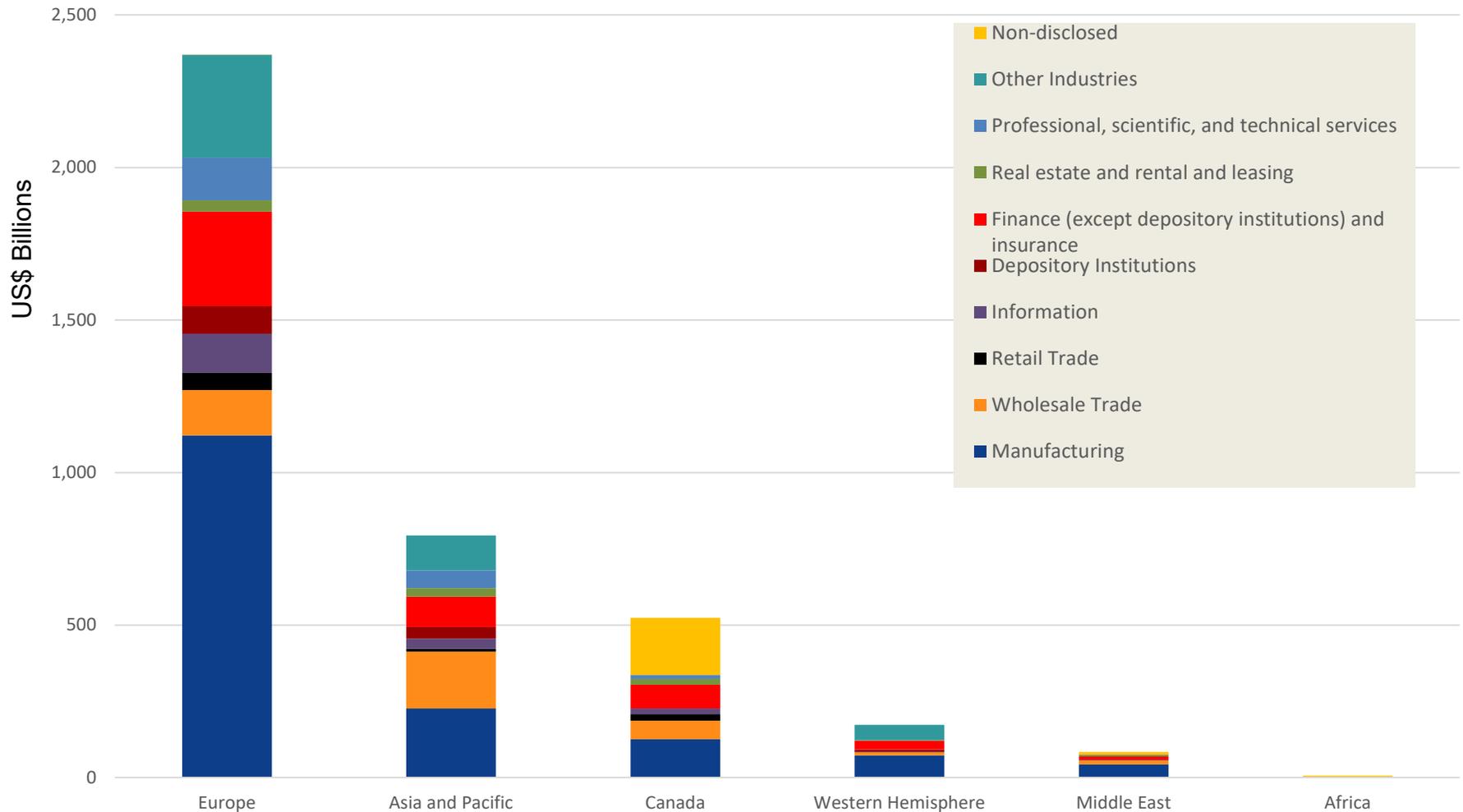
FDI Position in the U.S. by Industry (by UBO, historical-cost basis)



U.S. FDI Trends – By Global Region



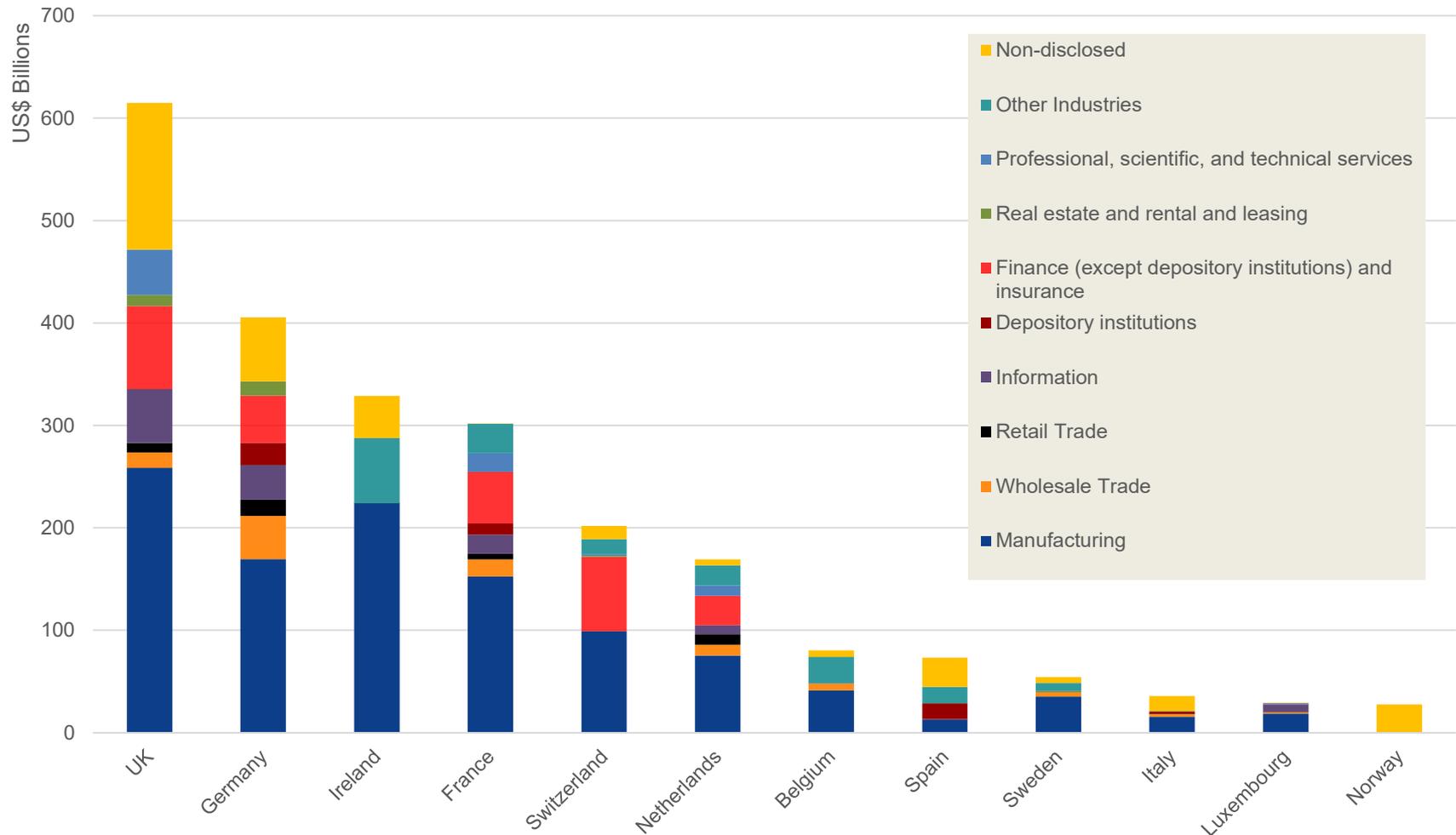
The Stock of FDI from ROW to the United States was \$4.0 trillion in 2017



U.S. FDI Trends - Europe



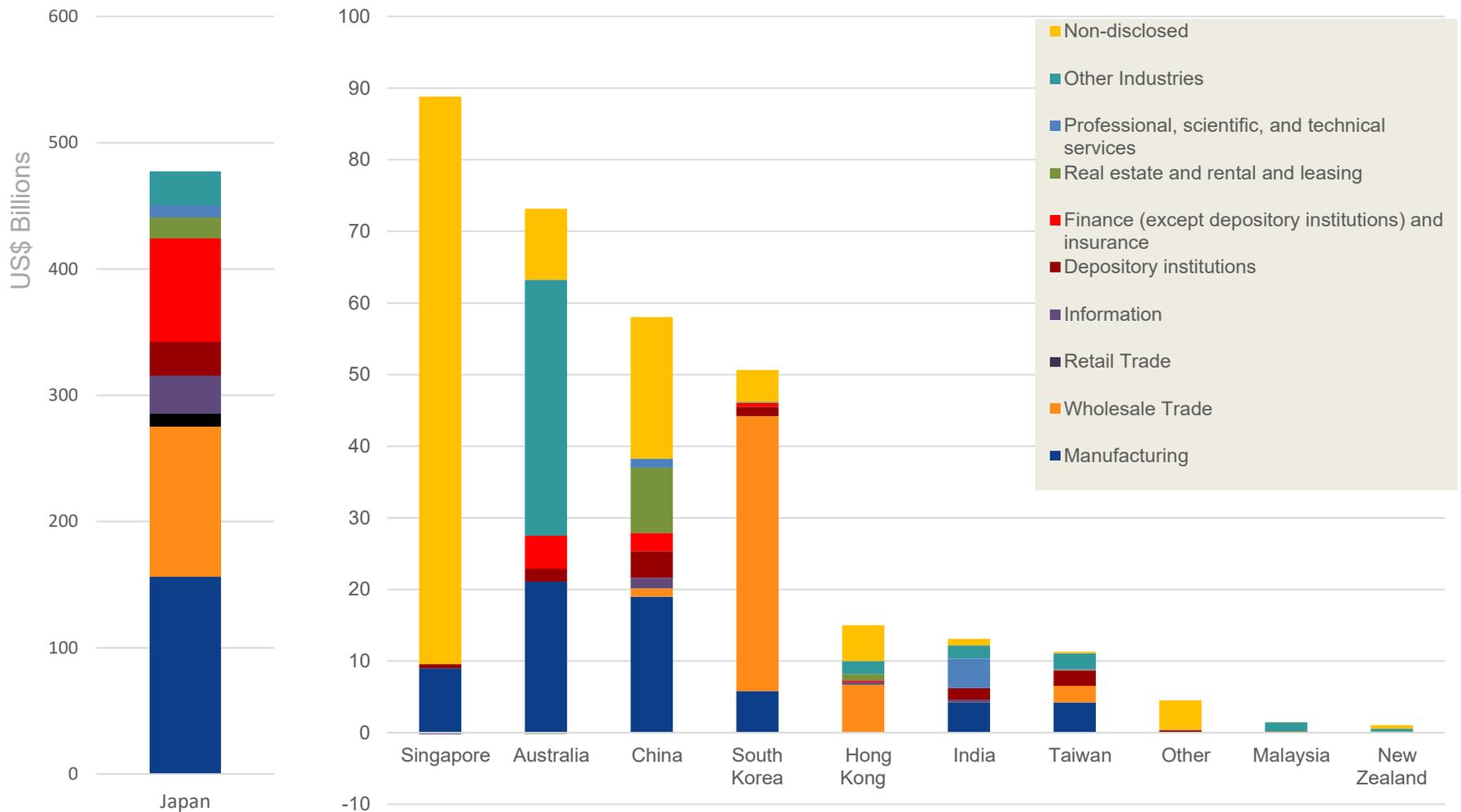
The Stock of FDI from Europe to the United States was nearly \$2.4 trillion in 2017



U.S. FDI Trends – Asia Pacific



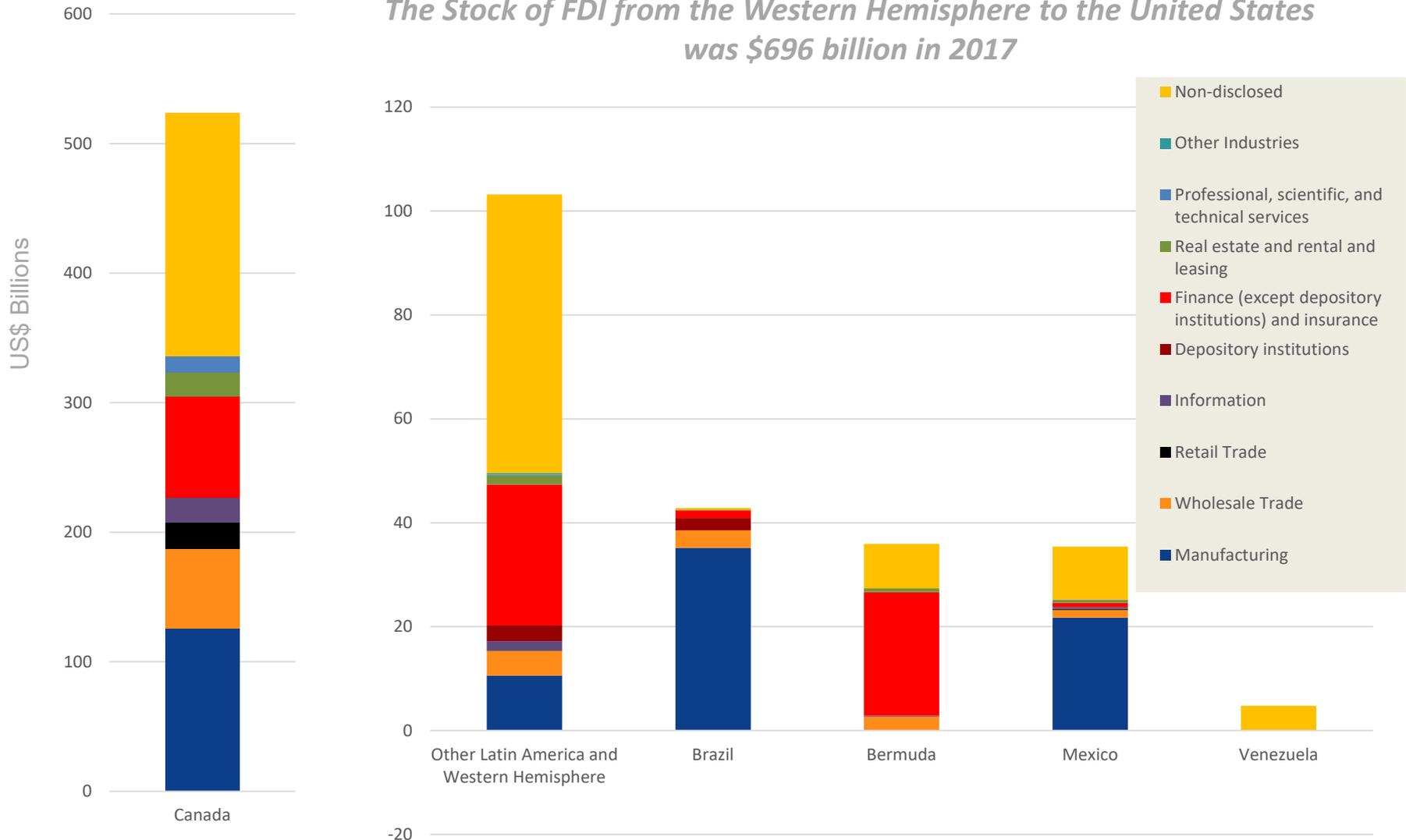
The Stock of FDI from Asia-Pacific to the United States was over \$793.6 billion in 2017



U.S. FDI Trends – Western Hemisphere



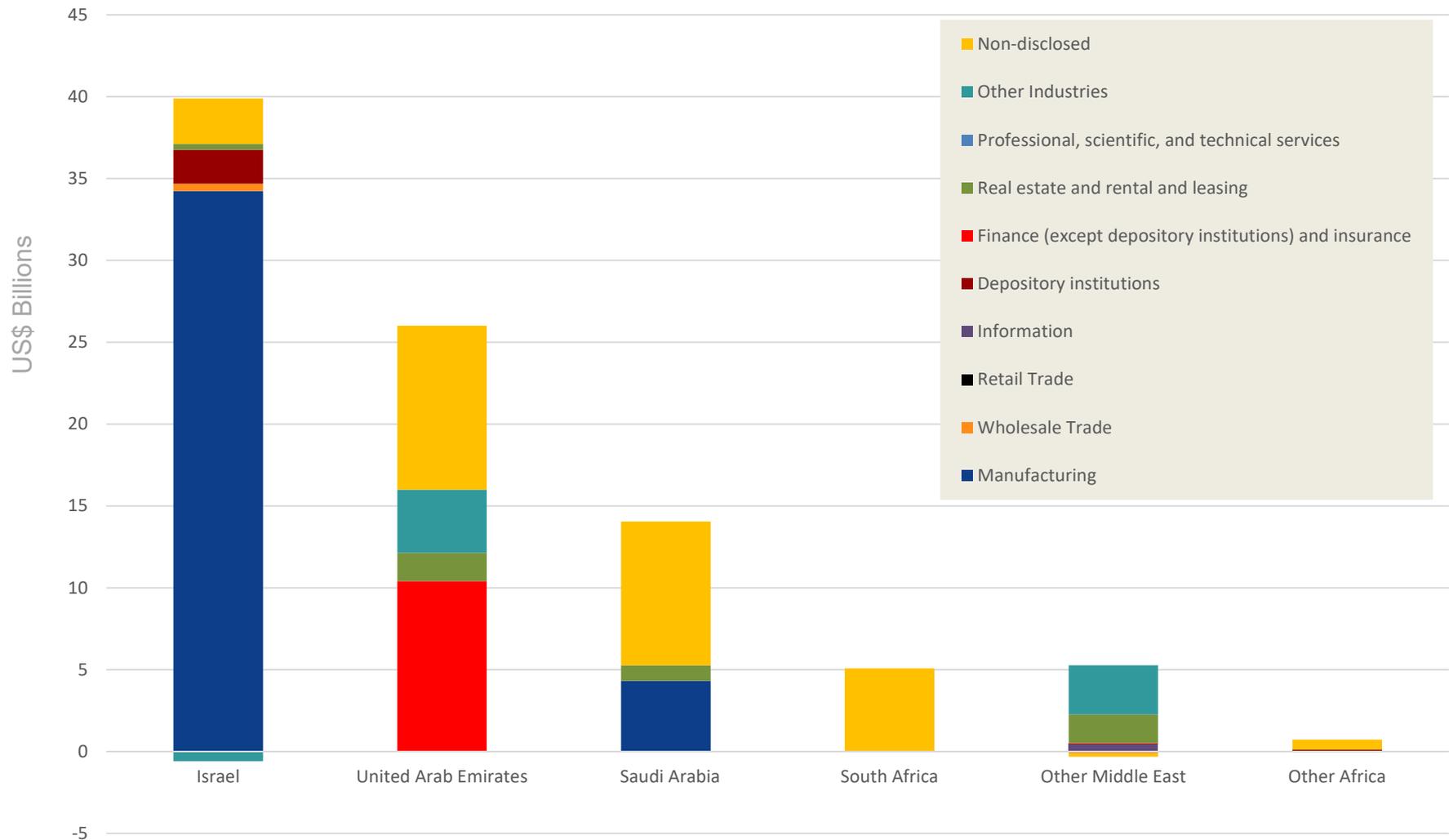
The Stock of FDI from the Western Hemisphere to the United States was \$696 billion in 2017



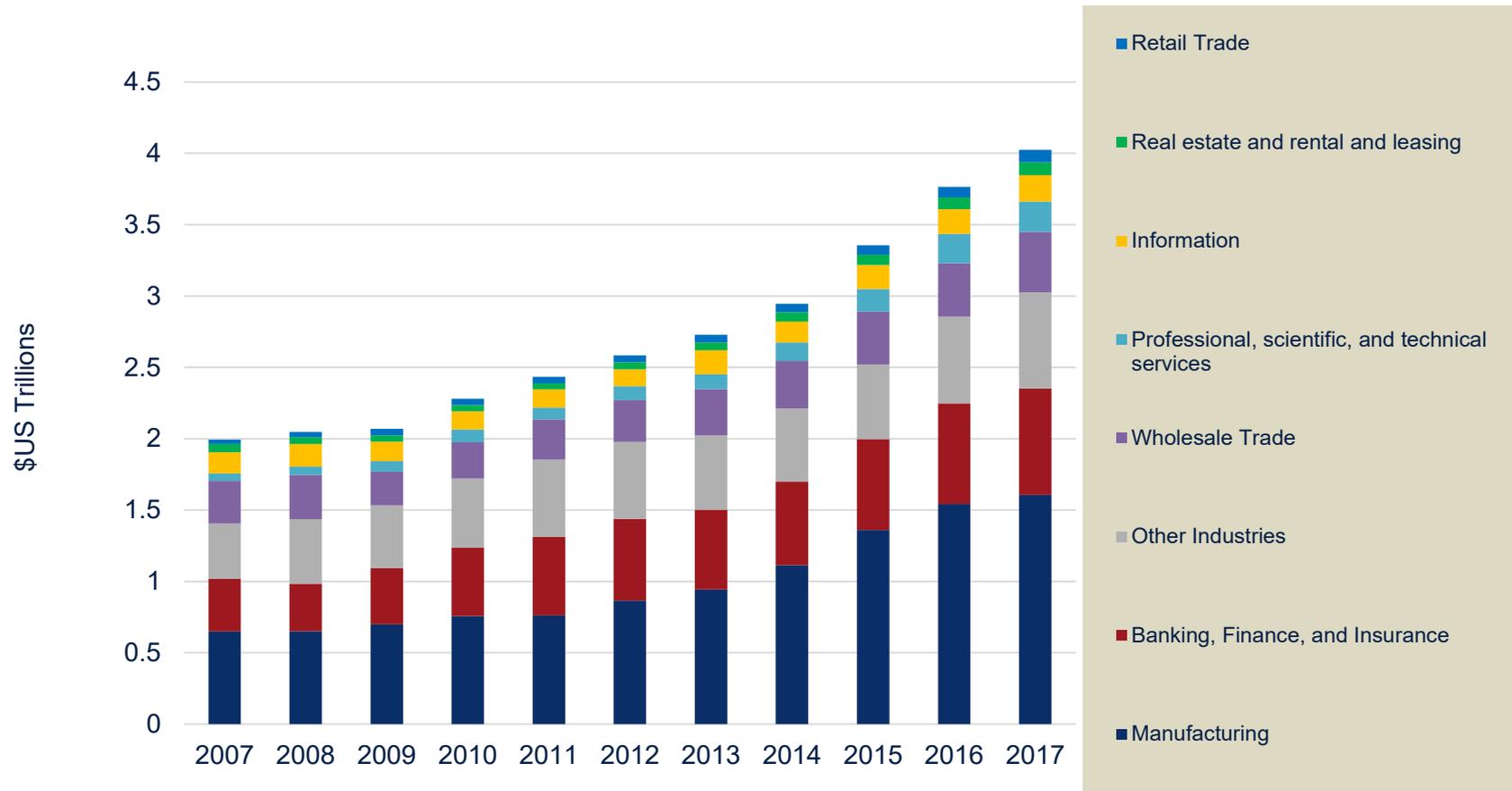
U.S. FDI Trends –Middle East & Africa



The Stock of FDI from Middle East & Africa to the U.S. was \$90.1 billion in 2017

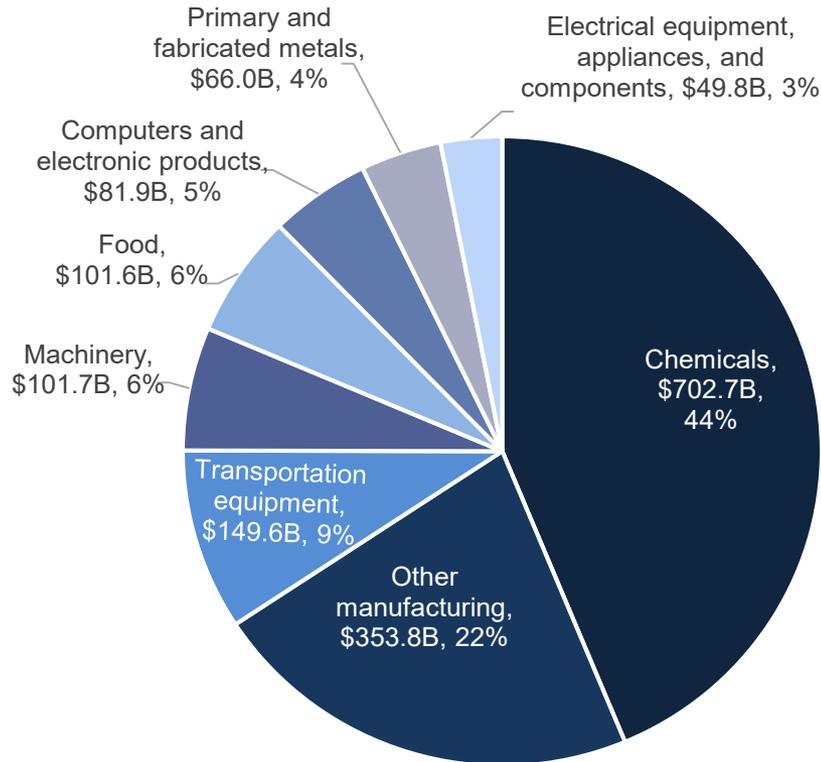


FDI Position in the U.S. by Industry (by UBO, historical-cost basis)

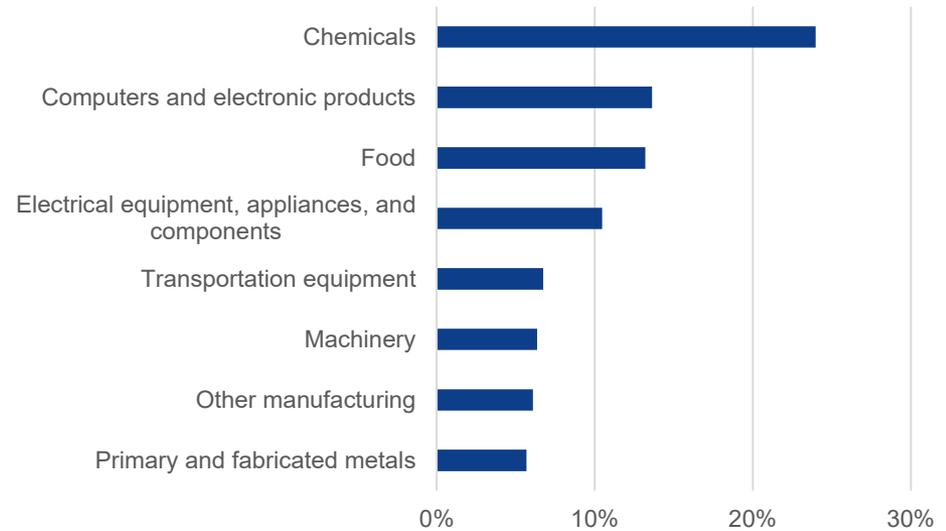


FDI in the U.S. – Manufacturing

2017 Position: \$1.6 Trillion



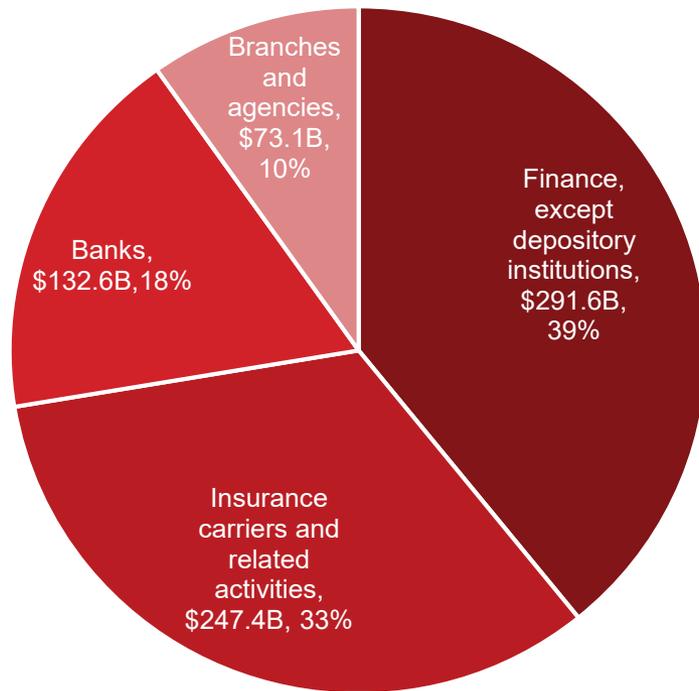
Manufacturing FDI Compound Annual Growth Rate, 2012-2017



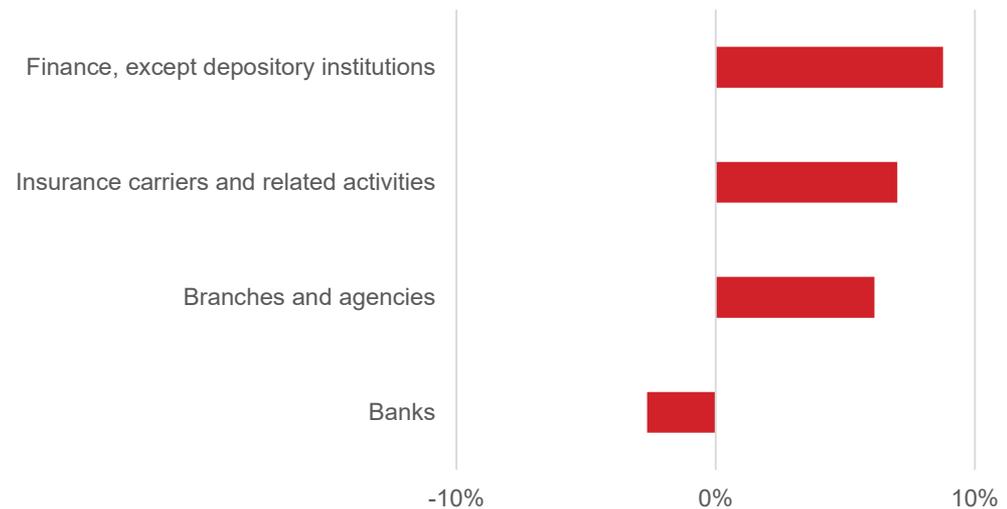
- FDI in Chemicals increased by over \$15.2 billion since 2016. The chemicals manufacturing sector continues to be the largest and fastest-growing recipient of manufacturing FDI in the United States.
- Computers & electronic products manufacturing is the second-fastest growing recipient of manufacturing FDI (13.6 percent).
- Food manufacturing growth has decreased to become the now third fastest-growing recipient of manufacturing FDI, at a rate of 13.2 percent. Its previously measured growth rate from 2011-2016 was 25.8 percent.

FDI in the U.S. – Banking, Finance & Insurance

2017 Position: \$744.7 Billion



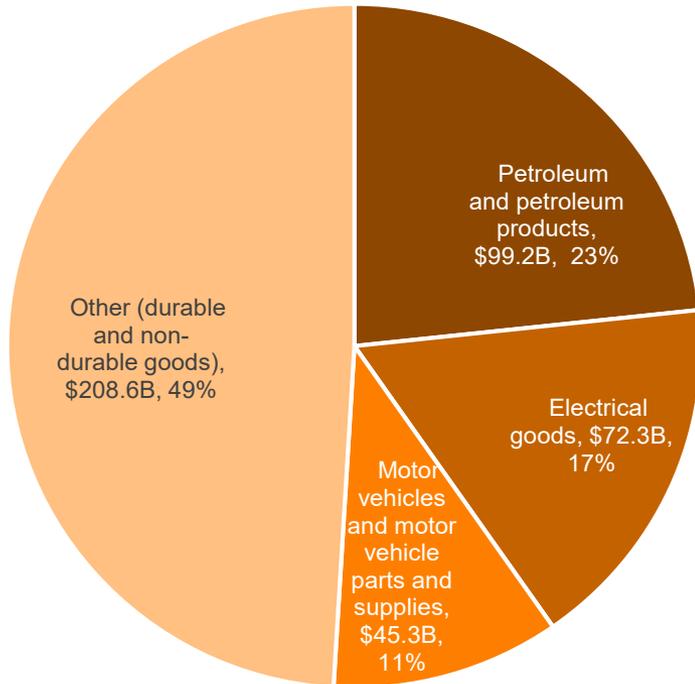
Banking, Finance & Insurance FDI Compound Annual Growth Rate, 2012-2017



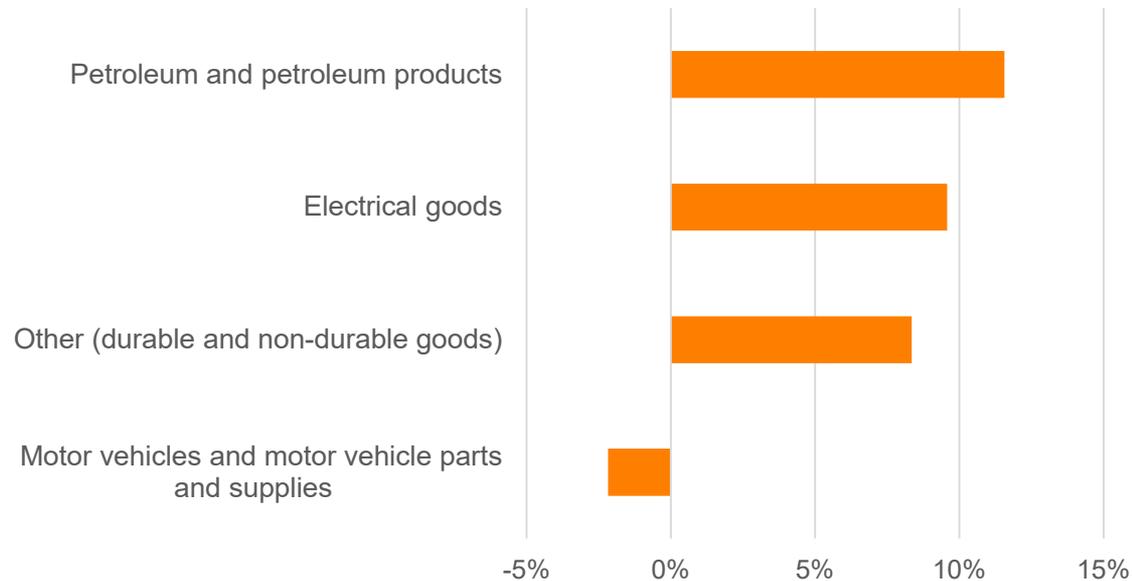
- Affiliates in non-bank Finance are the largest recipients of Banking, Finance & Insurance FDI in the United States
- FDI in Finance – FDI in non-banking finance grew at a compound average annual rate of 8.8 percent between 2012-2017, making it the fastest growing recipient of Banking, Finance & Insurance FDI in the United States.

FDI in the U.S. - Wholesale Trade

2017 Position: \$425.4 Billion



Wholesale Trade FDI Compound Annual Growth Rate, 2012-2017



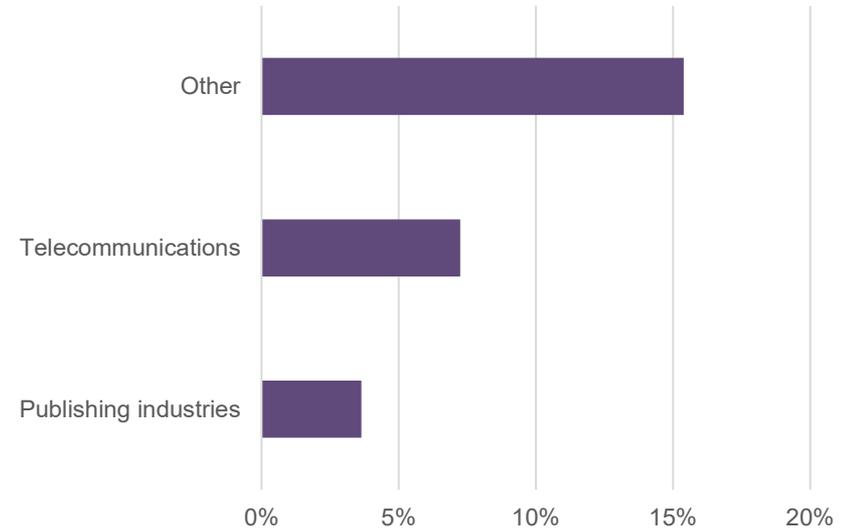
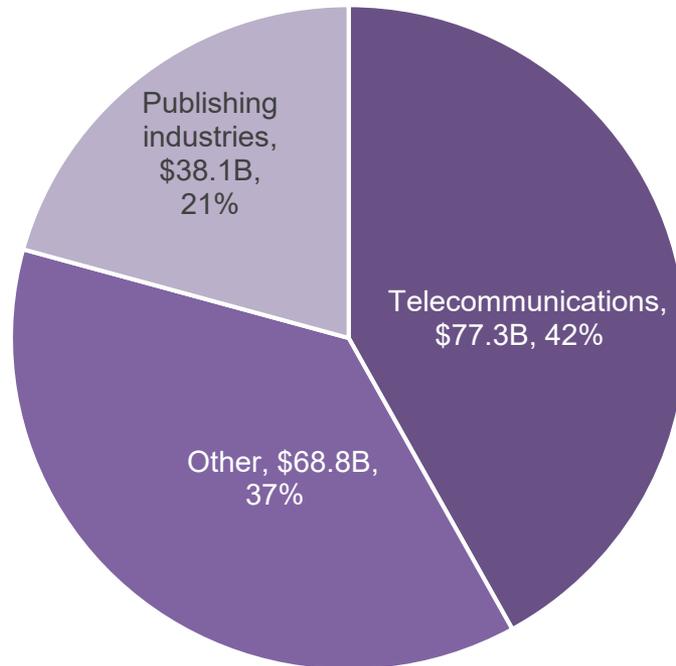
- In the Wholesale Trade industry, affiliates in petroleum and petroleum products are the largest recipients of FDI. Other durable goods captured \$94.2 billion in FDI in 2017, while the value of non-durable goods was suppressed.
- FDI into the Petroleum and Petroleum Products sector grew at a compound average annual rate of 11.6 percent between 2012-2017, surpassing Electrical Goods as the fastest growing recipient of Wholesale Trade industries in the United States.

FDI in the U.S. - Information Industries

2017 Position: \$184.2 Billion



Information Industries FDI Compound Annual Growth Rate, 2012-2017



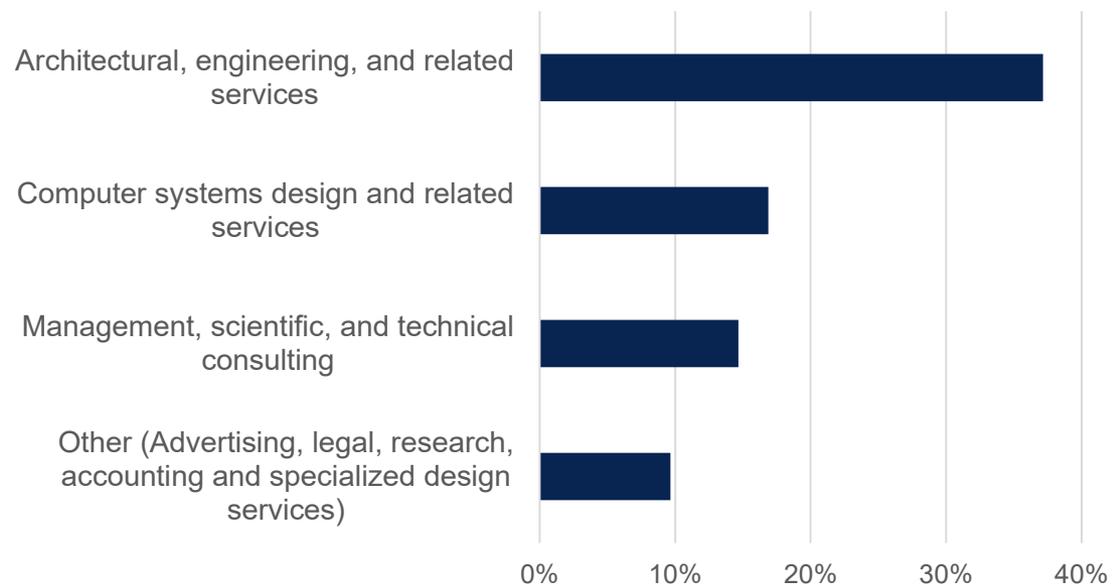
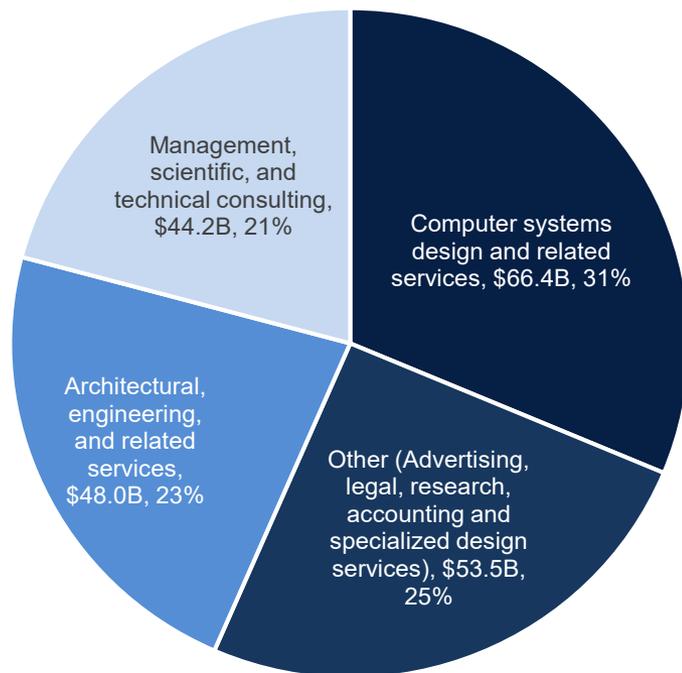
- Other Information, including motion picture, broadcast, and other information services, is the largest and fastest growing recipient of Information Industries' FDI in the United States, with a compound annual growth rate of 15.4 percent up from 10.0 percent between 2011 – 2016
- Telecommunications 2011-2016 annual growth rate grew slightly from 5.8 percent to 7.2 percent between 2012-2017.

FDI in the U.S. – Professional, Scientific & Technical Services

2017 Position: \$212.1 Billion



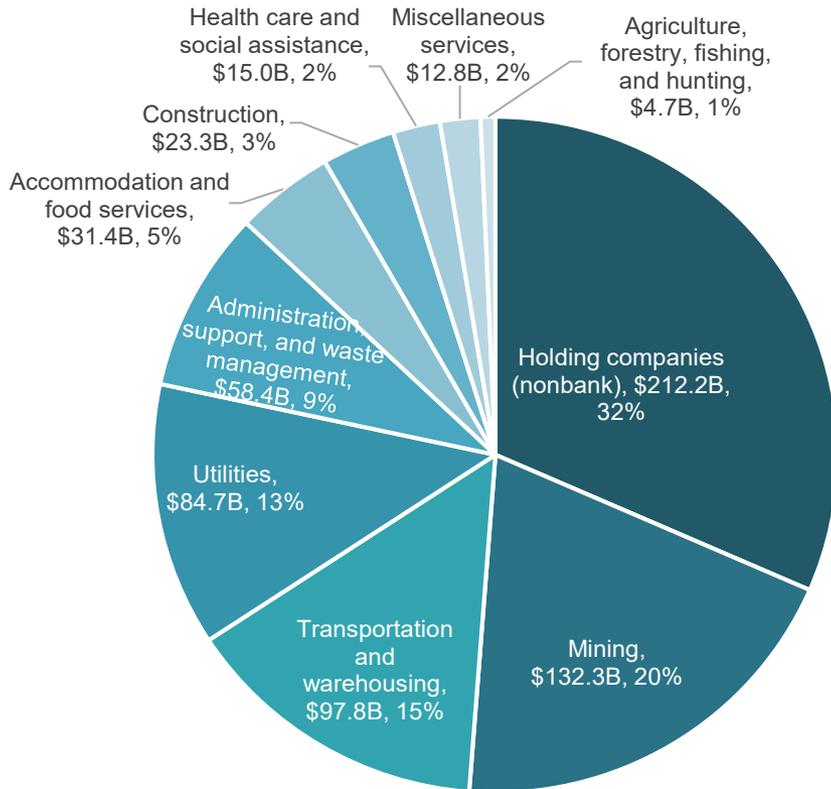
Professional, Scientific & Technical Services Industries FDI Compound Annual Growth Rate, 2012-2017



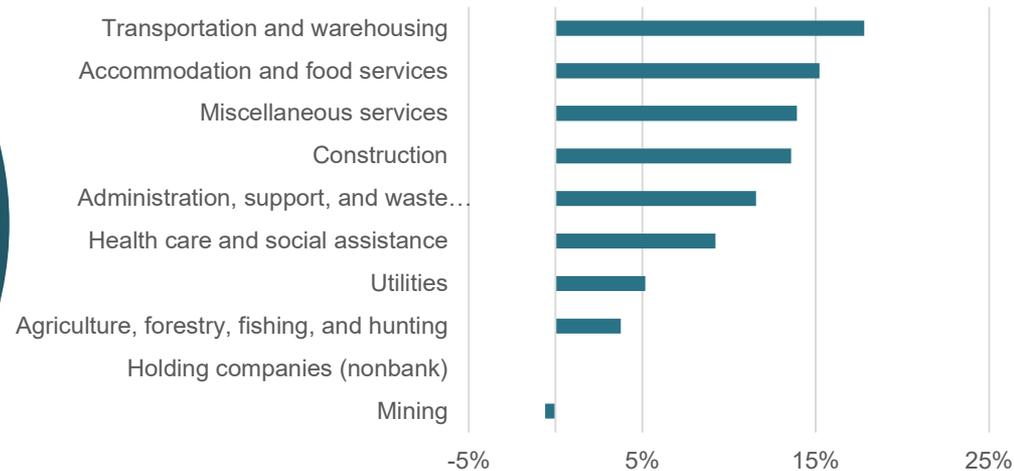
- Computer Systems Design and Related Services is the largest recipient of Professional, Scientific & Technical Service industries' FDI in the United States
- Architectural, engineering, and related services is now the fastest growing subsector, with a compound annual growth rate of 37.1 percent between 2012-2017

FDI in the U.S. – Other Industries

2017 Position: \$672.4 Billion



Other-Sector FDI Compound Annual Growth Rate, 2012-2017



- In Other sectors, affiliates in Holding companies (nonbank) and Mining industries are the two largest recipients of FDI in the United States, respectively.
- FDI in transportation and warehousing grew at a compound average annual rate of 17.8 percent between 2012-2017, making it the fastest growing recipient of Other-sector FDI in the United States.

Regional Decomposition using BEA Data – FDI in the United States



FDI Position in the U.S. (by UBO, historical-cost basis)

