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Inward FDI in the United States and its policy context

by

Lucyna Kornecki*

Inward foreign direct investment (IFDI) represents an integral part of the United States (U.S.) economy, with its stock growing from US\$ 83 billion in 1980 to US\$ 3.5 trillion in 2011. The United States, which had earlier been primarily a home for multinational enterprises (MNEs) rather than a host for affiliates of foreign MNEs, has become a preferred host country for FDI since the 1980s. Foreign MNEs have contributed robust flows of FDI into diverse industries of the U.S. economy, and total FDI inflows reached US\$ 227 billion in 2011, equivalent to 15% of global inflows, the single largest share of any economy. Inflows of FDI, with a peak of US\$ 314 billion in 2000 and another of US\$ 306 billion in 2008, have been an important factor contributing to sustained economic growth in the United States. The recent financial and economic crises negatively impacted FDI flows to the United States and opened a period of major uncertainty. The effectiveness of government policy responses at both the national and international levels in addressing the financial crisis and its economic consequences will play a crucial role for creating favorable conditions for a rebound in FDI inflows.

Trends and developments

Inward foreign direct investment is an essential component of the U.S. economy, contributing to production, exports and high-paying jobs for the country's workers. As the world's largest economy, the United States is well positioned to participate in the increasingly competitive international environment for FDI that has emerged as both advanced and developing economies

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have recognized the value of such investment. The U.S. hosts the largest stock of IFDI among the world's economies and continues to be at the top as a destination for inward FDI flows.

Country-level developments

The IFDI stock of the United States grew from US\$ 83 billion in 1980 to US\$ 540 billion in 1990 to US\$ 2,783 billion in 2000, reaching \$3,509 billion in 2011¹ (annex table 1). It exceeds by far the inward FDI stock of other large developed economies such as the United Kingdom (US\$ 1,199 billion), Germany (US\$ 714 billion) and the largest emerging market economy, China (US\$ 712 billion) (annex table 1).

The IFDI stock in the United States as a percentage of GDP rose from 14% in 1995 to 17% in 2008 and further to 23% in 2011.² The relatively high percentage of the FDI stock relative to GDP indicates the important role that FDI plays in the U.S. economy. Research on FDI stock and output growth indicates that FDI stock contributes greatly to the country's output growth and constitutes a crucial factor determining economic growth.³

The United States continues to be the leading destination for FDI flows, with inflows reaching US\$ 227 billion in 2011; in comparison, FDI flows that year to China were US\$ 123 billion, to the United Kingdom, US\$ 54 billion, and to Germany, US\$ 40 billion (annex table 2). Between 2000 and 2011, the United States received the largest FDI inflows of any economy in the world, reaching a peak of US\$ 306 billion in 2008. Between 2008 and 2009, during the recent financial and economic crisis, FDI inflows decreased by 50%, from US\$ 306 billion to US\$ 153 billion, but grew again to US\$ 197 billion in 2010 and further to US\$ 227 billion in 2011. Inward FDI flows as a percentage of GDP reached their peak of 3.2% in 2000, in comparison with 1.1% in 1996,⁴ 1.4% in 2010 and 1.5% in 2011.⁵

¹ Data for 1980 and 1990 are from UNCTAD, FDI/TNC database, available at: www.unctad.org/fdistatistics

² UNCTAD, *World Investment Report 2011: Non-equity Modes of International Production* (Geneva: United Nations, 2011), annex tables, web table 07, available at: http://archive.unctad.org/sections/dite_dir/docs/WIR11_web%20tab%207.pdf; and UNCTAD, *World Investment Report 2012: Towards a New Generation of Investment Policies* (Geneva: United Nations, 2012), annex tables, web table 07, available at: unctad.org/en/ages/DIAE/world%20Investment%20Report/Annex-Tables.aspx?A.

³ See Lucyna Kornecki and Vladislav Borodulin, "A study on FDI contribution to output growth in the U.S. economy," *Journal of US-China Public Administration*, vol. 8, number 1 (January 2011), pp. 104-110, available at http://www.davidpublishing.com/journals_info.asp?jId=403. The paper presented the results of a regression analysis that indicated that FDI stock in the U.S. economy showed a relatively higher rate of growth in comparison with that of domestic capital and contributes about 23% to GDP growth in comparison with domestic capital contributing 20%. Another study applied the Cobb-Douglas production function to data from 1988 to 1999 and found that foreign capital accounted for almost 16% of overall U.S. productivity growth (see Ernie Goss, John R. Wingender and Megan Torau, "The contribution of foreign capital to U.S. productivity growth", *The Quarterly Review of Economics and Finance*, vol. 7(3) (July 2007), pp. 383-396). Based on the empirical results indicating the existence of a positive and significant relationship between FDI and U.S. economic growth, it is beneficial for the U.S. economy to continue attracting foreign direct investment.

⁴ See Kornecki and Borodulin, op. cit., p. 106.

⁵ UNCTAD FDI/TNC data base, available at: <http://unctadstat.unctad.org/>.

The largest part of FDI flows went to four states: Texas, California, New York, and Illinois. These four states have been the top recipient states of FDI since 1990.⁶ In 2007, a year before the financial crisis, the IFDI stock in Texas reached US\$ 128,424 million and in California US\$ 108,572 million, followed by New York (US\$ 80,474 million), Illinois (US\$ 48,626 million) and Ohio (US\$ 43,438 million).⁷ Unfortunately, state-based statistics after the recession are not yet available.

Among the components of FDI flows (equity investment, reinvested earnings, intra-company loans), equity investment is the one that is related most directly to long-term international investment strategies. The reinvested-earnings component of U.S. IFDI flows grew in 2011 and equity capital and intra-company loans continued to decline during 2008-2010 as parent firms withdrew or were paid back loans from their affiliates, in particular those in developed host economies. In order to strengthen their balance sheets amid fears of a sovereign debt crisis spreading in many parts of the Eurozone, European MNEs significantly reduced loans to their affiliates in the United States in 2010, a trend expected to continue in 2011.⁸

A.T. Kearney's FDI Confidence Index measures investor sentiment on the basis of a survey of senior executives in the world's largest enterprises, and ranks present and future prospects for FDI flows to different economies with respect to the factors that drive corporate decisions to invest abroad.⁹ The FDI Confidence Index Report of 2010 ranked China and the United States as the most attractive FDI locations in the world, recording unprecedented levels of investor confidence. According to the ranking for 2011, however, although the United States remained a strong magnet for FDI in the world economy, China, India and Brazil occupied the top spots in terms of the Confidence Index.

The United States is a very attractive investment destination for FDI due to its strong economic FDI determinants, its low-risk profile as compared to other leading global economies and its leading role in international investment diplomacy around the world¹⁰. However, the 2008-2009 economic downturn has contributed to the erratic behavior of FDI flows into the United States,

⁶ E.M. Ekanayake and Lucyna Kornecki, "Factors affecting inward FDI flows into the United States: Evidence from state-level data", *Quantitative Methods of Economics*, vol. XII, no.1, pp. 53-67.

⁷ Available at: http://www.bea.gov/iTable/index_MNC.cfm

⁸ UNCTAD, "Global and regional FDI trends in 2010", *Global Investment Trends Monitor*, No.5, Geneva, January 17, 2011.

⁹ A.T. Kearney, "Cautious investors feed a tentative recovery: The 2012 A.T. Kearney FDI Confidence Index," available at:

<http://www.atkearney.com/index.php/Publications/foreign-direct-investment-confidence-index.html>

¹⁰ See E. M. Ekanayake & L. Kornecki, "Latest trends in finance and economic sciences", volume 1, No 3 (2011) and "Factors affecting inward foreign direct investment flows into the United States: Evidence from state level data", available at: <http://ojs.excelingtech.co.uk/index.php/IJLTFES/article/view/352/150>. This research investigated factors affecting the inward FDI flows in the United States using annual data for the period from 1997 to 2007 and identified several state-specific determinants of FDI. The result showed that, among the major determinants influencing FDI flows, the real per capita state income, real per capita state expenditure on education, state FDI related employment, state real research and development expenditure (R&D), and state capital expenditure are found to have a significant and positive impact on FDI inflows.

already somewhat volatile since their peak in 2000 at US\$ 314 billion with the exception of the deep decline in 2003 to US\$ 53 billion following the 9/11 attacks.

While, over the period 2000-2011 as a whole and in most years, the services sector accounted for the largest IFDI flows, the manufacturing sector overtook services in 2005, 2007, 2010, and 2011, with inflows to the sector peaking in 2007 at US\$ 103 billion (annex table 3), accounting for 48% of total flows (annex table 3a). Within services, financial services represented the largest recipient category in most years between 2000 and 2011, but were overtaken by wholesale trade in 2002, 2005, 2007, and 2011.

Between 2000 and 2011, most FDI flows into the United States originated from Europe (annex table 4). Based on the most recent data, in 2011 FDI inflows mainly came from Europe (58.6%), followed by North America, mostly from Canada (8%), and Asia and Oceania, mostly from Japan (8.5%) and Australia (7.5%). Most of the FDI flows from Europe originated in the United Kingdom (20.7%), Luxembourg (9.7%), Germany (6.1%), and Belgium (4.5%) (annex table 4a). FDI inflows from Europe in 2011 stood at US\$ 133 billion, down from US\$ 150.3 billion in 2010. There was significant drop in FDI inflows from Europe during the recent economic recession, from a record high of US\$ 234.3 billion in 2008 to US\$ 99 billion in 2009 (annex table 4).

The corporate players

As the large shares of European economies in U.S. IFDI suggest, the list of principal foreign affiliates in the United States, ranked by revenue for 2010, was largely dominated by affiliates of European MNEs (annex table 5). Shell Oil, the U.S. affiliate of Royal Dutch Shell (Netherlands) topped the list, followed by BP America, an affiliate of British Petroleum (BP) (United Kingdom). Foreign affiliates in manufacturing featured prominently on the list. Included in the top twenty foreign affiliates by revenue were the affiliates of five automobile manufacturing firms: Toyota Motor, Honda Motor, and Nissan Motor from Japan, as well as Daimler and Volkswagen from Germany; U.S. affiliates of foreign MNEs in electronic manufacturing, with established names like Siemens (Germany), Sony (Japan) and Samsung (Republic of Korea) were also among the top twenty, ranking 10th, 15th and 8th, respectively.

The largest M&As in the United States by foreign MNEs in 2008-2011 are listed in annex table 6. The largest cross-border acquisitions in 2011 were headed by a deal by Sanofi-Aventis (SA), a French biological products company, valued at US\$ 21.2 billion, and one by BHP Billiton Ltd., a crude petroleum and natural gas company from Australia, valued at US\$ 11.8 billion. In 2010, the largest cross-border acquisition in the United States was that by the German pharmaceutical company Merck KGaA (the world's largest maker of liquid crystal), of the U.S. biotechnology equipment manufacturer Millipore Corp, valued at US\$ 6.2 billion. The oil and gas industry continued to account for a significant portion of cross-border M&As in the United States in 2010 and 2011. M&A transactions like Goldcorp's US\$ 3.3 billion acquisition of Andean Resources Ltd. in 2010 formed part of a critically important growth strategy for metals and mining companies benefiting from higher metal prices (annex table 6).

In 2008 and 2009, several foreign pharmaceutical companies undertook large multi-billion M&A deals in the United States. Swiss Roche Holding AG targeted Genentech Inc. (valued at US\$ 46.7 billion), and InBevNV from Belgium targeted Anheuser-Busch in a deal valued at US\$ 52.2 billion. During this period, the bulk of M&As by foreign MNEs in the United States occurred in the financial sector and, in particular, involved commercial banks, as part of the efforts to re-structure balance sheets and prevent further systemic risk and liquidity crises set in motion by the multi-billion dollar fall of Lehman, prefaced just months earlier by that of Bear Stearns. In 2009, M&As involving U.S. commercial banks continued, mainly by MNEs from home countries that had been relatively immune to the liquidity crisis, such as Canada and Singapore.

Annex table 7 provides data on the largest announced or implemented greenfield projects by foreign MNEs investing in the United States between 2008-2010. The largest greenfield FDI projects between 2008 and 2010 were in energy and manufacturing. The dramatic surge in large greenfield investments in 2010 in manufacturing and energy included investments valued at more than US\$ 1.1 billion each by Iberdrola (Spain), Solar Millennium (Germany), Blue Chip Energy GmbH. (Austria), and the Gestamp Group (Spain). The largest greenfield FDI project of 2010 was in the manufacturing sector, by Samsung of the Republic of Korea, with an investment of US\$ 3.6 billion.

Annual greenfield investment by foreign companies is reported to have risen from US\$ 46.2 billion in 2007 to US\$ 88.7 billion in 2008, followed by sharp drops to US\$ 70.6 billion in 2009 and to US\$ 54.9 billion in 2010.¹¹ Annual employment created by greenfield foreign investment in the United States increased from 72,701 in 2006 to 97,270 in 2007, then dropped to 96,817 in 2008, increasing again to 107,180 in 2009 and to 123,443 in 2010.¹²

Effects of the recent global crises

The financial crisis, which began during in 2007, led to a progressive deterioration of the investment situation in the world economy. Various indicators during the first half of 2008 already suggested a decline in world growth prospects, as well as in investors' confidence. This deteriorating climate began to leave its first negative marks in investment programs, including FDI, in early 2008. According to UNCTAD's 2008-2010 *World Investment Prospects Survey*, conducted April-June 2008, 40% of the respondent companies already mentioned at that time that the financial instability had a "negative" or "very negative" impact on their investment.¹³

Between 2008 and 2009, FDI flows to the United States decreased, as noted, by 50%. IFDI flows into the services sector decreased from US\$ 168,874 million in 2008 to US\$ 54,380 million in 2009 (by 68%). The services sector, led by finance and wholesale trade, was most impacted by the financial crisis. Between 2008 and 2009, FDI flows in the financial sector declined by 70% and in wholesale trade by 65%. Manufacturing was been less affected, with IFDI flows to the

¹¹ Organization for International Investment, "Greenfield insourcing projects, 1st half 2011," August 2011, available at http://www.ofii.org/docs/Greenfield_Findings_Jan_June_2011.pdf.

¹² Ibid.

¹³ UNCTAD, *World Investment Prospects Survey 2008-2010* (Geneva: United Nations, 2010), available at unctad.org/en/docs/wips2008_en.pdf.

sector having decreased from US\$ 77,098 million in 2008 to US\$ 53,416 million in 2009 (by 31%).¹⁴

Most IFDI flows into the United States originate from the developed European economies, and they decreased dramatically during the crisis. Between 2008 and 2009, IFDI flows from The Netherlands decreased by 93% (from US\$ 75,327million to US\$ 5,018 million), followed by a decrease from the United Kingdom by 65% (from US\$ 52, 609 million to US\$ 18, 373 million), Switzerland by 77% (from US\$ 45,660 million to US\$ 10,710 million) and from Germany by 28% (from US\$ 17,122 million to US\$ 12,320 million). Additionally, the inflows from Japan between 2008 and 2009 decreased by 71% (from UD\$ 22,321 million to US\$ 6,544 million).¹⁵

A decrease in cross-border M&As had a significant impact on global FDI flows, which are strongly correlated with the value of cross-border M&A transactions. Cross-border M&As in general were strongly affected as a direct consequence of the crisis, with a 35% decline in their value in 2008 compared with 2007. There was a global reduction in the number and value of mega deals (i.e., cross-border M&As valued at more than \$ 1 billion). The number of such deals fell by 21% and their value by 31%.¹⁶

Cross-border M&As in the United States were particularly affected, while international greenfield investments in the United States were less impacted during the beginning of the crisis; however, from September 2008 onwards, there was a continuous decline in greenfield investments as various industries cancelled or postponed many projects.¹⁷

The value of M&As and greenfield investment in the United States by foreign MNEs picked up again in 2010, contributing to a rise in FDI flows from US\$ 153 billion in 2009 to US\$ 198 billion in 2010 and further to US\$ 227 billion in 2011 (annex table 2). Although not yet back at their pre-crisis level, FDI inflows in 2010 and 2011 accounted for 15% of global inflows in both years, still by far the single largest share of any economy in the world.¹⁸

The policy scene

The United States, like a number of other economies with strong FDI inflows, has a policy designed to address national security concerns arising from IFDI, especially regarding M&As by foreign MNEs.¹⁹ The Committee on Foreign Investment in the United States (CFIUS) was tasked in 1975 with monitoring the impact of foreign investments and acquisitions in the United States.²⁰ An increasing number of acquisitions of U.S. companies by Japanese firms led to the

¹⁴ United States Department of Commerce, Bureau of Economic Analysis, FDI database, available at www.bea.gov/international.

¹⁵ Ibid

¹⁶ UNCTAD, *World Investment Report 2009: Transnational Corporations, Agricultural Production and Development* (Geneva: United Nations, 2009), available at http://unctad.org/en/docs/wir2009pt1_en.pdf.

¹⁷ Ibid

¹⁸ See, www.unctadstat.unctad.org/TableViewer/tableView.aspx.

¹⁹ United States Government Accountability Office, "Foreign investment: foreign laws and policies addressing national security concerns," Report to the Chairman, Committee on National Security, House of Representatives, April 1996.

²⁰ Committee on Foreign Investment in the United States (CIFUS), Annual Report to Congress, December 2011.

adoption of the Exon-Florio provision by Congress in the 1980s.²¹ The Exon-Florio amendment to the Defence Production Act of 1950 authorized the President to suspend or prohibit foreign acquisitions of U.S. companies that may harm national security.²² The Foreign Investment and National Security Act of 2007 (FINSA) amended Exon-Florio. These regulations completed the reform of CFIUS as an inter-agency committee chaired by the U.S. Treasury, to which the President's review and decision-making authorities provided by the Exon-Florio amendment are delegated.²³ According to a B&I Schwartz report, an effectively implemented national security review regime could actually facilitate additional FDI by reducing protectionist pressures while building confidence that national security is being protected.²⁴

For dealing effectively with the financial crisis and its economic aftermath, as well as benefiting from the positive contributions of FDI to output growth and employment, it is important that policymakers maintain an overall favorable business and investment climate.

When discussing the policy context for FDI in the United States, it is important to keep in mind that inward FDI contributes significantly to employment in the U.S. economy. Over the past ten years, majority-owned U.S. affiliates of foreign companies employed 5-6 million workers and supported 2 million manufacturing jobs. FDI-supported manufacturing jobs tend to be more stable during economic recessions than domestic manufacturing jobs. Workers at majority-owned U.S. affiliates of foreign companies receive 30% higher pay than those in non-FDI supported jobs.²⁵

Employment in majority-owned U.S. affiliates of foreign companies increased systematically between 1980 and 2009, reaching a peak of 6,268,300 in 2000. Employment declined in 2009 to 5,279,700 from 5,636,700 in 2008,²⁶ decreasing further to 5,270,400 in 2010.²⁷ The share of such foreign affiliates in total U.S. private industry employment amounted to 4.7% in 2010, almost unchanged from 2009 and down slightly from 4.8% in 2008. The decline in 2010 resulted largely from partial and complete selloffs of affiliates to U.S. purchasers.²⁸

In 2010, the largest share of majority-owned foreign affiliates in U.S. private industry employment was in mining (16%), followed by that in manufacturing (14%). British-owned

²¹ J. Jackson, "The Exon-Florio national security test for foreign investment," CRS Report for Congress, 2006.

²² U.S. Government Accountability Office, "National security reviews of foreign acquisitions of U.S. companies could be improved," March 23, 2007, available at <http://www.gao.gov/assets/120/11604.5.pdf>.

²³ Cleary Gottlieb Steen and Hamilton LLP, "Recent revisions to Exon-Florio "national security" reviews of foreign investment in the United States," December 22, 2008, available at <http://www.cgsh.com/files/News/63d37f78-b20b-4c45-914b-0ce3def68bf4/Presentation/NewsAttachment/11f5787c-aa9d-439e-953c-0f074c473122/CGSH%20Alert%20-%20Exon%20Florio%20CFIUS%20Reform.pdf>

²⁴ David M. Marchick and Mathew J. Slaughter, "Global FDI policy: correcting a protectionist drift," The Bernard and Irene Schwartz Series on American Competitiveness, CSR No. 34, Council on Foreign Relations, June 2008.

²⁵ David Payne and Fenwick Yu, "Foreign direct investment in the United States," Department of Commerce. Economics and Statistics Administration, June 2011, available at: <http://www.esa.doc.gov/sites/default/files/reports/documents/fdiesaisssuebriefno2061411final.pdf>.

²⁶ Bureau of Economic Analysis, Comprehensive Financial and Operating Data Archive, Tables F7 and G7 for years 1999-2009, available at: <http://www.bea.gov/international/di1fdiop.htm>.

²⁷ Thomas Anderson, "U.S. affiliates of foreign companies operations in 2010," *Survey of Current Business*, August 2012, Vol. 92, no.9, pp. 213-228, available at: http://www.bea.gov/scb/pdf/2012/08%20August/0812_us_affiliate_operations.pdf.

²⁸ Ibid.

affiliates accounted for the largest share of total majority-owned U.S. affiliates employment (16.7%), followed by Japanese-owned affiliates (12.4%). The share of employment accounted for by such affiliates was highest in New Hampshire (7.5%), then Connecticut (7.3%) and Delaware (7.2%).²⁹

In order to promote foreign investment, the United States has entered into a number of international investment agreements, including bilateral investment treaties (BITs) and double taxation treaties (DTTs). The total number of BITs concluded by the United States as of June 1, 2012 was 48,³⁰ and the total number of DTTs concluded as of June 1, 2011 was 164.³¹ For over 70 years, the United States has negotiated bilateral tax treaties with its trading partners to facilitate economic flows and investments between the treaty partners, eliminate double taxation, and provide certainty to taxpayers where overlapping taxing jurisdictions can cause confusion. The major focus of these treaties is to provide clear rules as to which taxing authority has the authority to tax income that has some connection to entities or persons in both the United States and the country with which a treaty was negotiated. Some of the other key features of these treaties include prevention of income tax evasion, avoiding double taxation, reducing barriers to cross border investment, and avoidance of discriminatory tax treatment.³²

There are several priorities being pursued by the U.S. Government to attract foreign companies. In addition to an ongoing review of trade, tax and regulatory policies and legislation to assure competitiveness in a rapidly evolving global marketplace, strategies with a focus on technology, innovation, education, and supporting infrastructure are being implemented to assure that the country can find its place in an increasingly competitive environment. “SelectUSA”, established by the President and housed within the U.S. Department of Commerce, represents a Government-wide effort to encourage, facilitate and accelerate business investment in the United States, by both domestic and foreign firms —as a major engine of economic growth and job creation. It provides enhanced coordination with existing resources across all federal departments and agencies with operations relevant to business investment. It works in partnership with state, regional and local economic development organizations to promote and facilitate business investment overall in the United States.³³

A number of organizations in the United States deal with IFDI promotion. The state and local economic development organizations include state, regional, city, and county or local organizations. These refer to investment promotion agencies, economic development agencies, economic development corporations, industrial development corporations, or various other organizations. Many of these organizations are closely associated with local chambers of commerce, but generally are operated separately and play a key role in pursuing policies aimed

²⁹ Ibid.

³⁰UNCTAD, “Country-specific lists of bilateral investment treaties (BITs),” available at <http://unctad.org/en/Pages/DIAE/International%20Investment%20Agreements%20%28IIA%29/Country-specific-Lists-of-BITs.aspx>.

³¹ UNCTAD, “Country-specific lists of double taxation treaties (DTTs),” available at <http://archive.unctad.org/Templates/Page.asp?intItemID=4505&lang=1>.

³² Organization for International Investment, *The Purpose and Scope of U.S. Income Tax Treaties*, 2012, available at: http://www.ofii.org/docs/Background_on_Tax_Treaties.pdf.

³³ SelectUSA, “Programs and incentives to help your business succeed,” available at <http://selectusa.commerce.gov/why-select-usa>.

at retaining existing activities by foreign companies and in implementing targeted investment promotion programs on promising activities.³⁴

Over the past five to ten years, these state and local economic development agencies have used the Internet to create search engines and databases that offer foreign as well as domestic investors useful information on matters such as business and personal tax structure, infrastructure and utilities, work force and training resources, population and demographics, business and industry profiles, financing and incentive programs, and available sites and buildings. These web-based resources have streamlined the location process by allowing foreign MNEs to conduct a great deal of research. The state development agencies have an established framework of financial incentives to influence the final business location decision. Typical state inducements may include low-interest loans, reduced income, sales, or property tax liability, and grants for training or infrastructure improvement.³⁵

Conclusions

The recent economic crises negatively impacted world FDI flows in 2008 and 2009 and opened a period of major uncertainty. IFDI flows into the United States fell in 2009 but rose in 2010 and 2011, recovering toward the pre-crisis level, but remaining well below their pre-crisis peak. The effectiveness of government policy responses at both the national and international levels in addressing the financial crisis and its economic aftermath will play a crucial role for creating favorable conditions for a continued recovery of FDI inflows into the United States. Public policies will obviously play a major role in the implementation of favorable conditions for such a recovery. Structural reforms aimed at ensuring more stability in the world financial system, a renewed commitment to an open environment for FDI and the implementation of policies aimed at favoring investment and innovation are key issues in this respect.³⁶

In the midst of the global recession, U.S. FDI inflows and especially inbound M&As were particularly affected. The bulk of M&A purchases by foreign firms during this time took place in financial services and largely involved commercial banks attempting to restructure balance sheets and mitigate losses. A number of greenfield investments were cancelled or postponed. Despite the reduction in FDI inflows, the United States remains the largest host economy for FDI, and European MNEs and their affiliates continue to dominate FDI in that country. The position of the United States as the largest recipient of FDI inflows stems in part from its open policy toward foreign investment. The Committee on Foreign Investment in the United States monitors the impact of M&As in the United States by foreign MNEs for any national security concerns. A careful implementation of this national security regime can enhance the effectiveness of the country's open policy in promoting FDI by reducing protectionist pressure that security concerns might otherwise generate.

³⁴ For a list of such organizations, see, "Global direct investment solutions: Corporate development for a networked world", available at: http://www.gdi-solutions.com/directory/invest_usa.htm.

³⁵ SELECTUSA, "Federal programs and incentives for business", available at: <http://www.selectusa.commerce.gov/investment-incentives>.

³⁶ UNCTAD, "Assessing the impact of current financial and economic crisis on global FDI flows," January 2009, available at: <https://wpqr1.adb.org/.../0918 BE1C4C9148EC48257567000D8869/...>

According to UNCTAD, global FDI flows rose moderately to US\$1.3 trillion in 2010 and US\$1.5 trillion in 2011, recovering toward their pre-crisis level, but still well below their 2007 peak of US\$ 1.9 trillion. UNCTAD has predicted slower growth in 2012, with flows levelling off at about US\$ 1.6 trillion, in line with trends observed in the first five months of 2012. Longer-term projections suggest a moderate but steady rise, to US\$1.8 trillion in 2013 and US\$ 1.9 trillion in 2014, barring any macro-economic shocks.³⁷

Unlocking the full potential of the future global IFDI developments for the United States, as elsewhere, will depend on wise policymaking and institution building by governments and international organizations. Global FDI has not yet bounced back to pre-crisis levels, though some regions experienced a better recovery than others. One reason is the risk factor in the post-crisis business environment, such as the unpredictability of global economic governance, a possible spread of the Eurozone debt crises and fiscal and financial sector imbalances in the global economy.

Additional readings

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³⁷ UNCTAD, *World Investment Report 2012*, op. cit., chapter 1.

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Statistical annex

Annex table 1. United States: inward FDI stock, 2000-2011

(US\$ billion)

Economy	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
United States	2,783	2,560	2,022	2,455	2,717	2,818	3,293	3,551	2,486	3,027	3,451	3,509
Memorandum: comparator economies												
United Kingdom	439	507	523	606	702	841	1,139	1,243	981	1,056	1,086	1199
Germany	272	272	298	395	512	476	591	695	668	677	674	714
China	193	203	217	228	245	272	293	327	378	473	579	711
Russia	32	53	71	97	122	180	266	491	216	382	423	457
Japan	50	50	78	90	97	101	108	133	203	200	215	226

Source: UNCTAD's FDI/TNC database, available at: www.unctad.org/fdistatistics.

Annex table 2. United States: inward FDI flows, 2000-2011

(US\$ billion)

Economy	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
United States	314	159	75	53	136	105	237	216	306	153	198	227
Memorandum: comparator economies												
China	41	47	53	54	61	72	73	84	108	95	115	124
United Kingdom	119	53	24	17	56	176	156	196	91	71	51	54
Germany	198	26	54	32	-10	47	56	80	4	38	47	40
Russia	3	3	3	8	15	13	30	55	75	36	41	53
Japan	8	6	9	6	8	3	-7	23	24	12	-1	-2

Source: UNCTAD's FDI/TNC database, available at: www.unctad.org/fdistatistics.

Annex table 3. United States: sectoral distribution of inward FDI flows, 2000 – 2011

(US\$ billion)

Sector / industry	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
All sectors / industries	314.0	159.5	74.5	53.1	135.8	104.8	237.1	216.0	306.4	144.0	198.0	227.0
Services	139.0	95.1	27.4	22.2	100.7	30.3	106.4	63.6	169	54.4	83.5	64.5
Wholesale trade	16.2	6.0	9.2	-5.3	26.6	19.9	20.9	31.8	32.9	11.6	29.6	25.7
Retail trade	4.2	5.9	0.3	4.0	0.6	0.1	2.8	-2.2	7.2	4.1	1.1	3.5
Information	25.2	51.5	5.2	1.4	15.5	-11.9	27.3	9.0	8.6	-7.8	-2.3	0.6
Depository institutions	5.8	6.4	2.1	4.2	17.9	9.4	13.8	-0.8	24.8	16.6	9.3	17.9
Finance	51	18.2	7.9	19.5	31.6	3.9	37.6	9.5	95.4	28.5	38.9	8.5
Real estate	2.5	-2.2	1.6	-3.6	2.6	1.1	0.4	7.8	-4.8	-1	-0.08	1.9
Other services	34.1	9.3	1.1	2.0	5.9	7.8	3.6	8.5	4.9	2.4	7	6.4
Manufacturing	105.1	51.1	26	18.2	21	55.5	98.5	102.8	77.1	53.4	86	91
Food	2.3	0.3	3.8	1.7	2.2	3.0	6.6	-0.5	1.3	2.8	16.3	1.8
Beverages and tobacco	5.1	2.8	3.2	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Textiles, apparel, & leather	-0.3	-0.1	-0.3	-0.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Wood products	0.4	-0.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Paper	4.4	1.4	-0.7	-0.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Printing and related activities	0.2	-0.3	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Petroleum and coal	-0.8	-1.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Chemicals	25.5	16.8	-6	8.8	11.9	16.7	30.4	42.1	-2.8	12.4	19	48.5
Plastics and rubber	2.9	-1.2	1.6	0.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Nonmetallic minerals	4.9	2.5	2	0.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Primary & fabricated metals	8.2	-3.1	0.5	0.5	2	7.8	8.3	9.8	9.6	3.9	0.8	2.7
Machinery	2.2	3.6	3.9	2.1	0.5	7.3	10.0	16.7	9.2	5.5	0.5	0.8
Computers and electronics	33.1	-1.4	-6.7	2.4	-2.7	8.0	23.3	0.8	10.0	-4.0	5.0	3.0
Electrical equipment	13.3	20.5	4.5	-1.9	0.0	0.8	3.2	8.8	1.0	2.0	-0.2	3.9
Transportation equipment	1.7	9.7	6.2	3.0	2.9	6.3	-4.1	12.2	-6.2	16.0	7.0	2.0
Furniture and related	0.5	0.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other manufacturing	1.6	1.2	13.9	0.8	4.2	5.7	20.8	12.9	54.9	14.8	37.6	28.3
Other industries^{a/}	32.7	13.3	21.1	12.9	14.2	19.1	32.1	49.7	60.4	36.2	28.5	71.5

Source: United States Department of Commerce, Bureau of Economic Analysis, FDI database, available at www.bea.gov/international.

^{a/} Other industries include agriculture, mining, utilities, construction, transportation, holding companies, health care, accommodation, and food services.

Annex table 3a. United States: sectoral distribution of inward FDI flows, 2000 – 2011

(Percentage of total inward FDI flows)

Sector / industry	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
All sectors / industries	100	100	100	100	100	100	100	100	100	100	100	100
Services	44.3	59.6	36.8	41.8	74.2	28.9	44.9	29.4	55.2	37.8	42.2	28.4
Wholesale trade	5.2	3.8	12.3	-10.0	19.6	19.0	8.8	14.7	10.7	8.1	14.9	11.3
Retail trade	1.3	3.7	0.4	7.5	0.4	0.1	1.2	-1.0	2.3	2.8	0.6	1.5
Information	8.0	32.3	7.0	2.6	11.4	-11.4	11.5	4.2	2.8	-5.4	-1.2	0.3
Depository institutions	1.8	4.0	2.8	7.9	13.2	9.0	5.8	-0.4	8.1	11.5	4.7	7.9
Finance	16.2	11.4	10.6	36.7	23.3	3.7	15.9	4.4	31.1	19.8	19.6	3.7
Real estate	0.8	-1.4	2.1	-6.8	1.9	1.0	0.2	3.6	-1.6	-0.7	-0.04	0.8
Other services	10.9	5.8	1.5	3.8	4.3	7.4	1.5	3.9	1.6	1.7	3.5	2.8
Manufacturing	33.5	32.0	34.9	34.3	15.5	53.0	41.5	47.6	25.2	37.1	43.4	40.1
Food	0.7	0.2	5.1	3.2	1.6	2.9	2.8	-0.2	0.4	1.9	8.2	0.8
Beverages and tobacco	1.6	1.8	4.3	0.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Textiles, apparel, & leather	-0.1	-0.1	-0.4	-0.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Wood products	0.1	-0.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Paper	1.4	0.9	-0.9	-0.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Printing and related activities	0.1	-0.2	0.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Petroleum and coal	-0.3	-1.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Chemicals	8.1	10.5	-8.1	16.6	8.8	15.9	12.8	19.5	-0.9	8.6	9.6	21.4
Plastics and rubber	0.9	-0.8	2.1	0.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Nonmetallic minerals	1.6	1.6	2.7	1.7%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Primary & fabricated metals	2.6	-1.9	0.7	0.9	1.5	7.4	3.5	4.5	3.1	2.7	0.4	1.2
Machinery	0.7	2.3	5.2	4.0	0.4	7.0	4.2	7.7	3.0	3.8	0.3	0.4
Computers and electronics	10.5	-0.9	-9.0	4.5	-2.0	7.6	9.8	0.4	3.3	-2.8	2.5	1.3
Electrical equipment	4.2	12.9	6.0	-3.6	0.0	0.8	1.3	4.1	0.3	1.4	-0.1	1.7
Transportation equipment	0.5	6.1	8.3	5.6	2.1	6.0	-1.7	5.6	-2.0	11.1	3.5	0.9
Furniture and related	0.2	0.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other manufacturing	0.5	0.8	18.7	1.5	3.1	5.4	8.8	6.0	17.9	10.3	19.0	12.5
Other industries	10.4	8.3	28.3	24.3	10.5	18.2	13.5	23.0	19.7	25.1	14.4	31.5

Source: United States Department of Commerce, Bureau of Economic Analysis, FDI database, available at www.bea.gov/international.

Note: "n.a." denotes "not available".

Annex table 4. United States: geographical distribution of inward FDI flows, 2000-2011
(US\$ billion)

Region / economy	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
World	314	159.5	74.5	53.1	135.8	104.8	237.1	216	306.4	146.6	197.9	226.9
<i>Developed economies</i>												
Europe	251	140.7	45.4	22.8	80.7	77.9	182.6	124.6	234.3	99.0	150.3	133.0
Austria	-0.2	-0.2	1.1	0.0	0.2	-1.0	-0.2	0.6	0.4	0	0.1	0.2
Belgium	3.9	0.2	-2.7	1.8	1.3	-1.6	0.5	12.8	-1.0	13	7.4	10.3
Denmark	-0.5	-0.9	3.0	0.6	0.2	1.0	0.9	0.2	0.5	1.2	0.6	1.0
France	51.0	14.5	4.6	4.5	10.7	10.1	29.1	5.8	13.0	25.4	9.0	4.0
Germany	14.1	40.2	2.0	12.3	7.1	12.1	39.5	-12.7	17.1	12.3	17.0	13.9
Ireland	5.1	1.9	2.0	-4.8	-5.2	1.9	6.5	5.0	-0.3	-1.4	6.0	-2.2
Italy	2.0	0.5	0.4	-0.2	1.2	0.6	3.2	5.5	5.9	-2.5	1.3	3.0
Luxembourg	30.9	-21.5	-1.1	14.3	7.3	4.2	17.9	16.1	6.8	17.4	28.4	22.0
Netherlands	33.5	24.0	4.3	6.4	8.2	-1.9	25.5	26.0	75.3	5	26.8	1.0
Spain	6.4	-0.2	0.0	0.7	0.5	2.3	7.2	15.3	9.3	4.6	4.0	6.0
Sweden	3.5	-0.4	0.0	0.0	2.5	-1.2	-2.4	20.3	-7.7	1.4	11.0	3.0
United Kingdom	82.7	2.8	21.3	-4.4	28.1	36.1	38.5	25.4	52.6	18.4	24.0	47.0
Other	6.7	17.8	0.7	-5.3	6.2	8.7	15.0	8.6	16.7	4.2	14.7	23.8
North America												
Canada	27.3	9.2	4.6	7.1	33.2	14.9	14.8	43.9	16.8	30.4	5.5	18.7
Asia and Oceania												
Australia	4.9	6.5	6.6	3.4	3.1	-5.3	2.2	6.0	4.6	-3.9	3.2	17.0
China			-0.1	-0.1	0.2	0.1	0.3	0.0	0.5	0.5	1.2	0.6
Japan	7.8	-3.1	6.5	8.5	17.5	14.2	16.5	21.1	22.3	6.5	17.7	18.6
Hong Kong (China)	0.7	0.1	0.7	0.0	1.9	0.8	0.1	0.4	0.4	-0.01	0.2	0.5
<i>Developing economies</i>												
Africa	0.7	-0.3	0.0	0.0	-0.6	0.3	0.3	-0.1	1.0	-0.7	1.1	2.1
South Africa	0.2	-0.1	-0.1	0.0	-0.1	-0.2	0.1	-0.3	0.4	-0.2	0.1	0.3
Other	0.5	-0.2	0.1	0.0	-0.5	0.5	0.1	0.2	0.5	-0.5	1.0	1.8
Latin America and the Caribbean	12.7	8.2	10.3	9.2	-2.9	-3.2	11.8	2.5	8.8	8	15	18.4
Bermuda	3.0	-6.5	-0.1	-3.5	-0.6	-5.4	7.0	-4.8	4.5	1.1	5	-1.5
Brazil	0.1	-0.3	0.3	-0.3	0.7	1.0	-0.5	0.5	0.3	-1.5	2.47	3.7
Mexico	5.1	-0.7	2.3	2.2	-0.6	0.0	2.3	0.3	0.7	2.5	0.17	2.3
British Virgin Islands	3.8	13.0	2.1	3.8	-3.9	0.0	3.8	8.3	3.7	2.5	7	12.2
Venezuela	0.6	-0.3	0.1	-0.1	0.6	0.3	-1.4	-2.0	-1.5	0.2	0.3	1.0
Other	0.2	3.1	5.5	7.1	0.9	1.0	0.5	0.3	1.1	3.2	0.1	0.7
Other economies	8.9	-1.7	0.5	2.3	2.9	5.0	8.7	17.7	17.6	6.8	3.7	18.0

Source: United States Department of Commerce, Bureau of Economic Analysis, FDI database, available at: www.bea.gov/international.

Annex table 4a. United States: geographical distribution of inward FDI flows, 2000-2011
(Percentage of total inward FDI flows)

Region / economy	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
World	100	100	100	100	100	100	100	100	100	100	100	100
<i>Developed economies</i>												
Europe	80.0	88.2	60.9	42.8	59.4	74.3	77.0	57.7	76.5	67.5	75.9	58.6
Austria	-0.1	-0.1	1.5	0.1	0.2	-1.0	-0.1	0.3	0.1	0.0	0.1	0.1
Belgium	1.2	0.2	-3.6	3.3	1.0	-1.5	0.2	5.9	-0.3	8.9	3.7	4.5
Denmark	-0.2	-0.6	4.1	1.1	0.1	1.0	0.4	0.1	0.2	0.8	0.3	0.4
France	16.2	9.1	6.2	8.5	7.9	9.6	12.3	2.7	4.2	17.3	4.5	1.8
Germany	4.5	25.2	2.7	23.1	5.2	11.5	16.7	-5.9	5.6	8.4	8.6	6.1
Ireland	1.6	1.2	2.7	-8.9	-3.9	1.8	2.8	2.3	-0.1	-1.0	3.0	-1.0
Italy	0.6	0.3	0.5	-0.4	0.9	0.6	1.4	2.5	1.9	-1.7	0.7	1.3
Luxembourg	9.8	-13.5	-1.5	27.0	5.4	4.0	7.6	7.4	2.2	11.9	14.4	9.7
Netherlands	10.7	15.1	5.8	12.0	6.0	-1.8	10.8	12.0	24.6	3.4	13.5	0.4
Spain	2.0	-0.1	0.1	1.3	0.3	2.2	3.0	7.1	3.0	3.1	2.0	2.6
Sweden	1.1	-0.2	0.0	0.0	1.8	-1.2	-1.0	9.4	-2.5	1.0	5.6	1.3
United Kingdom	26.3	1.8	28.5	-8.3	20.7	34.5	16.3	11.8	17.2	12.6	12.1	20.7
Other	2.1	11.1	0.9	-10.0	4.5	8.3	6.3	4.0	5.5	2.9	7.4	10.5
North America												
Canada	8.7	5.8	6.2	13.3	24.4	14.2	6.2	20.3	5.5	20.7	2.8	8.2
Asia and Oceania												
Australia	1.6	4.1	8.9	6.4	2.3	-5.0	0.9	2.8	1.5	-2.7	1.6	7.5
China	0.0	0.0	-0.2	-0.1	0.1	0.1	0.1	0.0	0.2	0.3	0.6	0.3
Japan	2.5	-2.0	8.7	16.1	12.9	13.5	6.9	9.8	7.3	4.4	8.9	8.2
<i>Developing economies</i>												
Africa	0.2	-0.2	0.0	-0.1	-0.4	0.3	0.1	0.0	0.3	-0.5	0.5	0.9
Latin America and Caribbean	4.1	5.2	13.9	17.3	-2.2	-3.0	5.0	1.2	2.9	5.5	7.6	8.1
Other countries	3.0	-1.0	1.6	4.2	3.5	5.5	3.7	8.4	5.9	4.6	1.9	8.0

Source: U.S. Department of Commerce, Bureau of Economic Analysis, FDI database, available at: www.bea.gov/international.

Annex table 5. United States: principal foreign affiliates, ranked by revenue, 2010

Rank 2010	Rank 2000	Foreign investor	Home economy	Name of affiliate	Industry	Revenue (US \$ billion)
1	6	Royal Dutch Shell	Netherlands	Shell Oil	Oil	285.1
2	7	BP	United Kingdom	BP America	Oil	246.1
3	8	Toyota Motor	Japan	Toyota Motor North America	Automobile	204.2
4	20	AXA Group	France	AXA Group	Insurance	175.3
5	9	ING Group	Netherlands	ING America Insurance Holdings	Diversified finance	163.2
6	36	Volkswagen	Germany	Volkswagen of America	Automobile	146.2
7	38	Daimler AG	Germany	Daimler (U.S.)	Automobile	109.7
8	890	Samsung	Korea, Rep. of	Samsung Electronics	Semiconductor equipment and products	108.9
9	1	HSBC Holdings	United Kingdom	HSBC Bank USA	Banking	103.7
10	50	Siemens	Germany	Siemens	Electrical engineering, electronics	103.6
11	45	Nestle	Switzerland	Nestle USA	Food, nutrition, health care, cosmetics	99.1
12	68	Honda Motor	Japan	Honda North America	Automobile	92.4
13	172	Deutsche Telekom	Germany	T Mobile	Telecom services	89.8
14	96	Nissan Motor	Japan	Nissan Motor (U.S.)	Automobile	80.9
15	182	Sony	Japan	Sony Corporation of America	Consumer electronics, entertainment	77.7

Source: Information compiled by the Organization for International Investment & RSM McGladrey, available from: <http://www.ofii.org/resources>.

Annex table 6. United States: main M&A deals, by inward investing firm, 2008- 2011

Year	Acquiring company	Home economy	Target company	Target industry	Shares Acquired (%)	Value (US\$ million)
2011	Sanofi-Aventis SA	France	Genzyme Corp	Biological products	100.0	21,230
2011	BHP Billiton Ltd	Australia	Petrohawk Energy Corp	Crude petroleum and natural gas	100.0	11,766
2011	Mitsubishi UFJ Finl Grp Inc	Japan	Morgan Stanley	Offices of bank holding companies	100.0	7,800
2011	Enesco PLC	United Kingdom	Pride International Inc	Drilling oil and gas wells	100.0	7,306
2011	Teva Pharmaceutical Industries	Israel	Cephalon Inc	Pharmaceutical preparations	100.0	6,311
2011	Toronto-Dominion Bank	Canada	Chrysler Financial Corp	Personal credit institutions	100.0	6,300
2011	BHP Billiton Ltd	Australia	Chesapeake Energy Corp.	Crude petroleum and natural gas	100.0	4,750
2011	Bank of Montreal	Canada	Marshall & Ilsley Corp.	National commercial banks	100.0	4,095
2011	ABB Ltd	Switzerland	Baldor Electric Co	Motors and generators	90.0	3,895
2011	Unilever PLC	United Kingdom	Alberto-Culver Co	Perfumes, cosmetics	100.0	3,842
2011	Grifols SA	Spain	Talecris Biotherapeutics Holdings Corp	Pharmaceutical preparations	100.0	3,560
2011	Investor Group	Singapore	Frac Tech Holdings LLC	Oil and gas field services	100.0	3,500
2010	Merck KGaA	Germany	Millipore Corp	Laboratory instruments	100.0	6,126.5
2010	Royal Dutch Shell PLC	Netherlands	East Resources Inc	Crude petroleum and natural gas	100.0	4,700.0
2010	Reynolds Group Holdings Ltd	New Zealand	Pactiv Corp	Plastics foam products	100.0	4,516.6
2010	KDDI Corp	Japan	Liberty Global-Subsidiaries(3)	Cable and other pay television services	100.0	4,000.0
2010	Nestle SA	Switzerland	Kraft Foods Inc-North American	Frozen specialties	100.0	3,700.0
2010	Goldcorp Inc	Canada	Andean Resources Ltd	Gold ores	100.0	3,373.9
2010	Brookfield Asset Mgmt Inc	Canada	General Growth Properties Inc	Real estate investment trusts	35.5	3,270.0
2010	PRISA	Spain	Liberty Acq Hldgs Corp	Investment offices	100.0	2,220.0
2010	Noble Corp	Switzerland	FDR Holdings Ltd	Drilling oil and gas wells	100.0	2,160.0

2010	Hexagon AB	Sweden	Intergraph Corp	Prepackaged software	100.0	2,125.0
2009	Roche Holding AG	Switzerland	Genentech Inc	Biological products, except diagnostic substances	47.8	46,694.8
2009	Preferred Shareholders	Unknown	Citigroup Inc	Nat. commercial banks	38.8	28,078.3
2009	Preferred Shareholders	Unknown	Bank of America Corp	National commercial banks	10.4	9,498.5
2009	Electricite de France Intl SA	France	Constellation Energy Nuclear	Electric services	50	4,500.0
2009	Sanofi-Aventis SA	France	Merial Ltd	Pharmaceutical preparations	50	4,000.0
2009	GlaxoSmithKline PLC	United Kingdom	Stiefel Laboratories Inc	Pharmaceutical preparations	100.0	3,600.0
2009	Warner Chilcott PLC	Ireland	Procter & Gamble Pharm Inc	Pharmaceutical preparations	100.0	3,100.0
2009	Advanced Tech Invest Co LLC	United Arab Emirates	Advanced Micro-Mnfg Facilities	Semiconductors and related devices	65.8	2,900.0
2009	Grupo Bimbo SAB de CV	Mexico	Dunedin Hldg-US Bread Making	Bread and bakery products	100.0	2,500.0
2009	Grupo Industrial Minera Mexico	Mexico	ASARCO LLC	Copper ores	100.0	2,200.0
2009	Banco Santander SA	Spain	Sovereign Bancorp Inc	Chartered Saving institutions, fed.	75.7	1,910.2
2009	K+S AG	Germany	Morton International Inc	Chemicals and chemical prep.	100.0	1,675.0
2008	InBev NV	Belgium	Anheuser-Busch Cos Inc	Malt beverages	100.0	52,177.7
2008	Teva Pharmaceutical Industries	Israel	Barr Pharmaceuticals Inc	Pharmaceutical preparations	100.0	8,810.2
2008	Toronto-Dominion Bank	Canada	Commerce Bancorp, New Jersey	National commercial banks	100.0	8,638.2
2008	Nokia Oyj	Finland	NAVTEQ Corp	Prepackaged Software	100.0	7,953.6
2008	Mitsubishi UFJ Finl Grp Inc	Japan	Morgan Stanley	Offices of bank holding companies	21.9	7,839.2
2008	Abu Dhabi Investment Authority	United Arab Emirates	Citigroup Inc	National commercial banks	4.9	7,500.0
2008	Government of Singapore Invest	Singapore	Citigroup Inc	National commercial banks	4.2	6,880.0
2008	Investor Group	Australia	MidCon Corp	Natural gas transmission	80	6,575.0
2008	Fresenius SE	Germany	APP Pharmaceuticals	Pharmaceutical	100.0	5,628.0
2008	SAP AG	Germany	Business Objects SA	Prepackaged software	78	5,511.0

Source: The author, based on Thomson ONE Banker, Thomson Reuters.

Annex table 7. United States: main greenfield projects, by inward investing firm, 2008-2010

Date	Company Name	Source country	Sector	Business activity	Investment (US\$ billion)
2010	Samsung	Rep. of Korea	Semiconductors	Manufacturing	3.6
2010	Solar Millennium	Germany	Alternative/renewable energy	Electricity	3.5 ^a
2010	Nissan	Japan	Electronic components	Manufacturing	1.7
2010	Blue Chip Energy GmbH	Austria	Electronic components	Electricity	1.5 ^a
2010	Iberdrola	Spain	Transportation	Logistics, distr. & transportation	1.4
2010	Gestamp Group	Spain	Alternative/renewable energy	Electricity	1.2 ^a
2010	Shin-Etsu Chemical	Japan	Plastics	Manufacturing	1.1
2010	Iberdrola	Spain	Alternative/renewable energy	Electricity	1.1 ^a
2010	Formosa Plastics Group (FPG)	Taiwan Province of China	Chemicals	Manufacturing	0.9
2010	Tower Semiconductor	Israel	Semiconductors	Manufacturing	0.9 ^a
2009	Royal Dutch Shell Plc	Netherlands	Coal, oil and natural gas	Manufacturing	7.0
2009	Enbridge Energy	Canada	Coal, oil and natural gas	Logistics, distribution. and transportation	4.4
2009	Energias de Portugal	Portugal	Alternative/renewable energy	Electricity	4.0
2009	British Petroleum (BP)	United Kingdom	Coal, oil and natural gas	Manufacturing	2.5
2009	TransCanada	Canada	Coal, oil and natural gas	Logistics, distribution and transportation	2.0
2009	Shin-Etsu Chemical	Japan	Semiconductors	Manufacturing	2.0 ^a
2009	EnCana	Canada	Coal, oil and natural gas	Manufacturing	1.9
2009	Albisa Gestion Industrial SA	Spain	Alternative/renewable energy	Electricity	1.0
2009	GDF SUEZ	France	Coal, oil and natural gas	Electricity	1.0
2009	Lukoil	Russia	Coal, oil and natural gas	Manufacturing	1.0
2009	Wacker	Germany	Chemicals	Manufacturing	1.0
2009	GTL Energy	Australia	Coal, oil and natural gas	Manufacturing	1.0 ^a
2009	Tianjin Pipe	China	Industrial machinery, equipment and tools	Manufacturing	1.0
2008	TransCanada	Canada	Coal, oil and natural gas	Logistics, distribution and transportation	30.0
2008	TransCanada	Canada	Chemicals	Logistics, distribution and transportation	7.0
2008	Advanced Technology Investment Company	United Arab Emirates	Semiconductors	Manufacturing	2.8 ^a
2008	Areva Group	France	Alternative/renewable energy	Manufacturing	2.7
2008	Areva Group	France	Alternative/renewable energy	Manufacturing	2.7
2008	Total	France	Coal, oil and natural gas	Manufacturing	2.2
2008	Areva Group	France	Alternative/renewable energy	Manufacturing	2.0
2008	Marquard & Bahls	Germany	Coal, oil and natural gas	Logistics, distribution. and transportation	1.8
2008	Essar Group	India	Metals	Manufacturing	1.6
2008	Eni SpA (Eni)	Italy	Coal, oil and natural gas	Extraction	1.5

Source: The author, based on fDi Intelligence, a service from the Financial Times Ltd.

^a Expected value.