IMPACT OF THE LAST ECONOMIC RECESSION

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Introduction

United States Inward and Outward FDI

United States Outward FDI

- U.S. FDI Stock comparing to World Foreign Direct Investment
- U.S. Outward FDI as a % of Gross National Product
- U.S. Outward FDI Employment
- U.S. Outward FDI financial structure
- Geographical distribution
- Sectoral distribution

Multinational Corporations (MNCs)

- Ranking by revenue
- Mergers and Acquisitions, and Greenfield Projects

Conclusion
Introduction

Globalization

The World We Live In

Multinational Corporations

Foreign Direct Investment

U.S. Outward FDI Profile
U.S. Outward FDI

U.S. Stock comparing to World FDI

World and US outward FDI stock, 2000-2011

- $19,273 billion (World)
- $5,275 billion (US)

US dollars, in billions


-15% (World decrease)
-41% (US decrease)
European Union includes countries of Old and New Europe
Developing economies: Africa, Central and South Americas, Asia (including India, China, etc.), and Oceania
Transition economies include most of Commonwealth of Independent States countries
### U.S. Outward FDI

**As a percent of Gross National Product**

<table>
<thead>
<tr>
<th>Year</th>
<th>GNP</th>
<th>Outward FDI flows</th>
<th>OFDI flows % of GNP</th>
<th>Outward FDI stock</th>
<th>OFDI stock % of GNP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>9,989</td>
<td>143</td>
<td>1.4%</td>
<td>2,694</td>
<td>27%</td>
</tr>
<tr>
<td>2001</td>
<td>10,338</td>
<td>125</td>
<td>1%</td>
<td>2,315</td>
<td>22%</td>
</tr>
<tr>
<td>2002</td>
<td>10,691</td>
<td>135</td>
<td>1%</td>
<td>2,023</td>
<td>19%</td>
</tr>
<tr>
<td>2003</td>
<td>11,211</td>
<td>129</td>
<td>1%</td>
<td>2,729</td>
<td>24%</td>
</tr>
<tr>
<td>2004</td>
<td>11,945</td>
<td>295</td>
<td>2%</td>
<td>3,363</td>
<td>28%</td>
</tr>
<tr>
<td>2005</td>
<td>12,720</td>
<td>15</td>
<td>0.12%</td>
<td>3,638</td>
<td>28.6%</td>
</tr>
<tr>
<td>2006</td>
<td>13,450</td>
<td>224</td>
<td>1.7%</td>
<td>4,470</td>
<td>33%</td>
</tr>
<tr>
<td>2007</td>
<td>14,152</td>
<td>394</td>
<td>2.8%</td>
<td>5,275</td>
<td>37%</td>
</tr>
<tr>
<td>2008</td>
<td>14,460</td>
<td>308</td>
<td>2%</td>
<td>3,102</td>
<td>21%</td>
</tr>
<tr>
<td>2009</td>
<td>14,117</td>
<td>267</td>
<td>1.9%</td>
<td>4,287</td>
<td>30%</td>
</tr>
<tr>
<td>2010</td>
<td>14,708</td>
<td>304</td>
<td>2%</td>
<td>4,767</td>
<td>32%</td>
</tr>
<tr>
<td>2011</td>
<td>15,328</td>
<td>397</td>
<td>2.6%</td>
<td>4,500</td>
<td>29%</td>
</tr>
</tbody>
</table>

#### United States outward FDI flows and stock as percentage of US GNP, 2000-2011
The financial structure of the United States Capital outflows by component

- Equity
- Intercompany debt
- Reinvested earnings
U.S. Direct Investment Income and reinvested earnings

Reinvested earnings
Direct investment income

71%
Average Outward US FDI Employment by Industry (in thousands), 2000-2010

- Manufacturing: 5,221
- Retail trade: 919
- Wholesale trade: 800
- Accommodation and food services: 733
- Transportation and warehousing: 283
- Information: 563
- Professional, scientific, and technical services: 601
- Administration and management: 689
- Finance and insurance: 309
- Real estate and rental and leasing: 72
- Other industries: 774

Total: 13,000,000 jobs
Geographical Distribution (regions)

Geographical distribution of U.S. outward FDI flows (average) 2000-2011

- North America: Canada (8%)
- Europe (57%)
- Latin America (16%)
- Africa (16%)
- Middle East (2%)
- Asia and Pacific (1%)
Geographical distribution of U.S. FDI flows (average) 2000-2011. Top 8 countries

- Netherlands: 39%
- Luxembourg: 15%
- Canada: 12%
- United Kingdom: 8%
- Ireland: 8%
- Bermuda: 6%
- Australia: 5%
- Switzerland: 4%
- Other countries: 3%

Geographical Distribution (countries)
Sectoral distribution of U.S. outward FDI flows (average) 2000-2011

- Holding companies: 93 billions of dollars
- Manufacturing: 43 billions of dollars
- Finance: 35 billions of dollars
- Wholesale trade: 15 billions of dollars
- Information: 6 billions of dollars
- Mining: 15 billions of dollars
- Real estate: 7 billions of dollars
- Other industries: 14 billions of dollars
## TOP 10 MNCs

<table>
<thead>
<tr>
<th>Rank 2011</th>
<th>MNC Name</th>
<th>Industry</th>
<th>Revenue US $ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Exxon Mobil</td>
<td>Petroleum Refining</td>
<td>453</td>
</tr>
<tr>
<td>2</td>
<td>Wal-Mart Stores</td>
<td>General Merchandisers</td>
<td>447</td>
</tr>
<tr>
<td>3</td>
<td>Chevron</td>
<td>Petroleum Refining</td>
<td>246</td>
</tr>
<tr>
<td>4</td>
<td>ConocoPhillips</td>
<td>Petroleum Refining</td>
<td>237</td>
</tr>
<tr>
<td>5</td>
<td>General Motors</td>
<td>Motor Vehicles and Parts</td>
<td>150</td>
</tr>
<tr>
<td>6</td>
<td>General Electric</td>
<td>Diversified Financials</td>
<td>148</td>
</tr>
<tr>
<td>7</td>
<td>Berkshire Hathaway</td>
<td>Insurance</td>
<td>144</td>
</tr>
<tr>
<td>8</td>
<td>Ford Motor</td>
<td>Motor Vehicles and Parts</td>
<td>136</td>
</tr>
<tr>
<td>9</td>
<td>Hewlett-Packard</td>
<td>Computers</td>
<td>127</td>
</tr>
<tr>
<td>10</td>
<td>AT&amp;T</td>
<td>Telecommunications</td>
<td>126</td>
</tr>
</tbody>
</table>

**U.S. Outward FDI Profile**
The role of the United States in Global Economy is enormous

U.S. economy is “the engine” of the world economy, and a driver of global growth

U.S. Outward Foreign Direct Investment was highly affected by economic recession of 2007

Starting from 2009 U.S. outward foreign direct investment grew up reflecting the nascent economic recovery from the impact of the economic recession.
DISCUSSION

U.S. Outward FDI Profile

Resources:

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

UNCTAD/Erasmus University database; www.unctad.org/wir or www.unctad.org/fdistatistics.

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