



SelectUSA: A Federal Partner in Attracting Investment

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- **FDI in the U.S.**
- **Role of Insular Areas in FDI**
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FDI in the U.S. Economy



5.3 million

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

\$228 billion

Size of FDI Flows into the U.S. in 2010

\$410 billion

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

21%

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

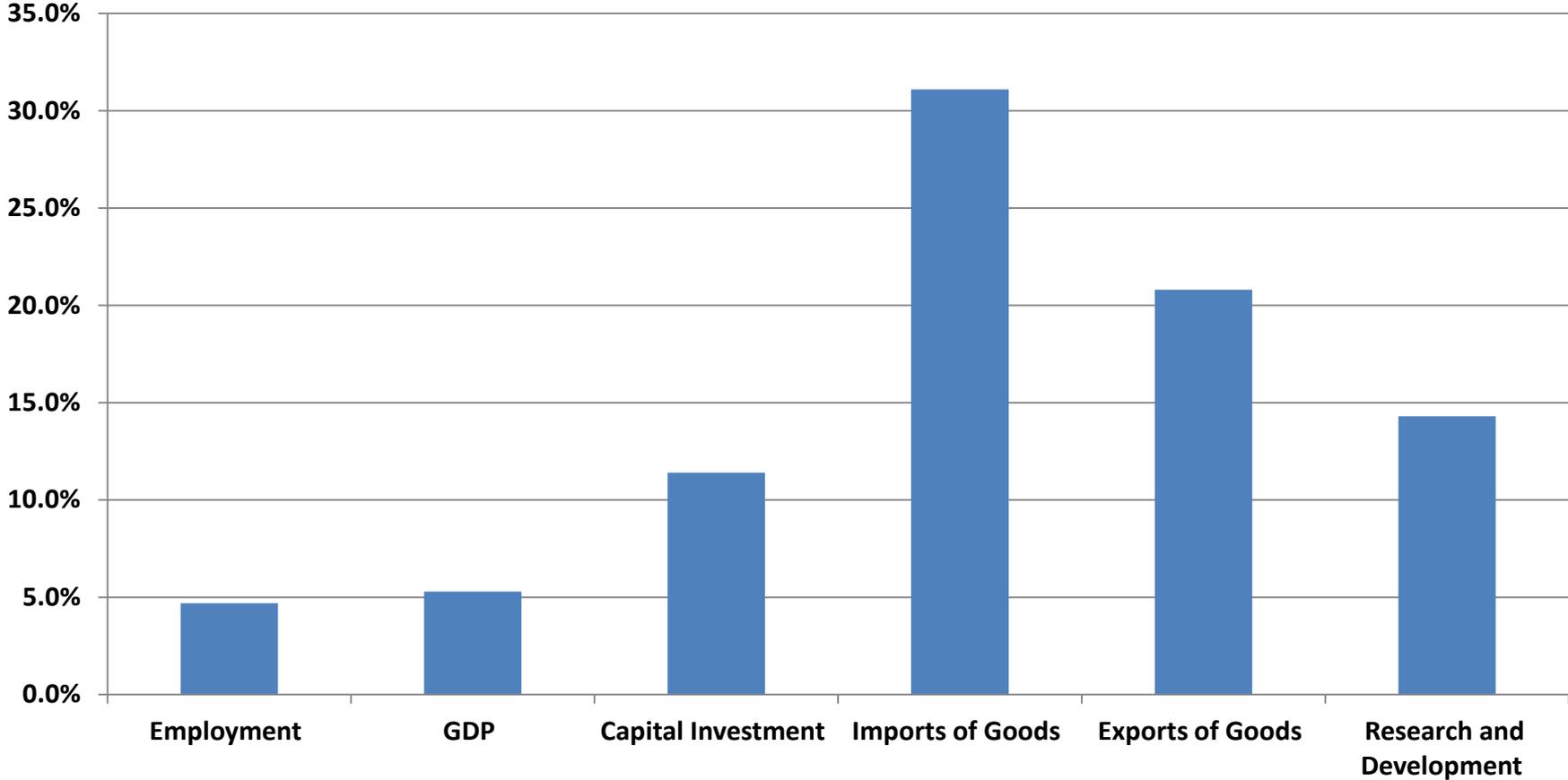
33%

U.S. Affiliates of Foreign Firms On average Pay 33% More than the economy-wide average in 2009

FDI in the U.S. Economy



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

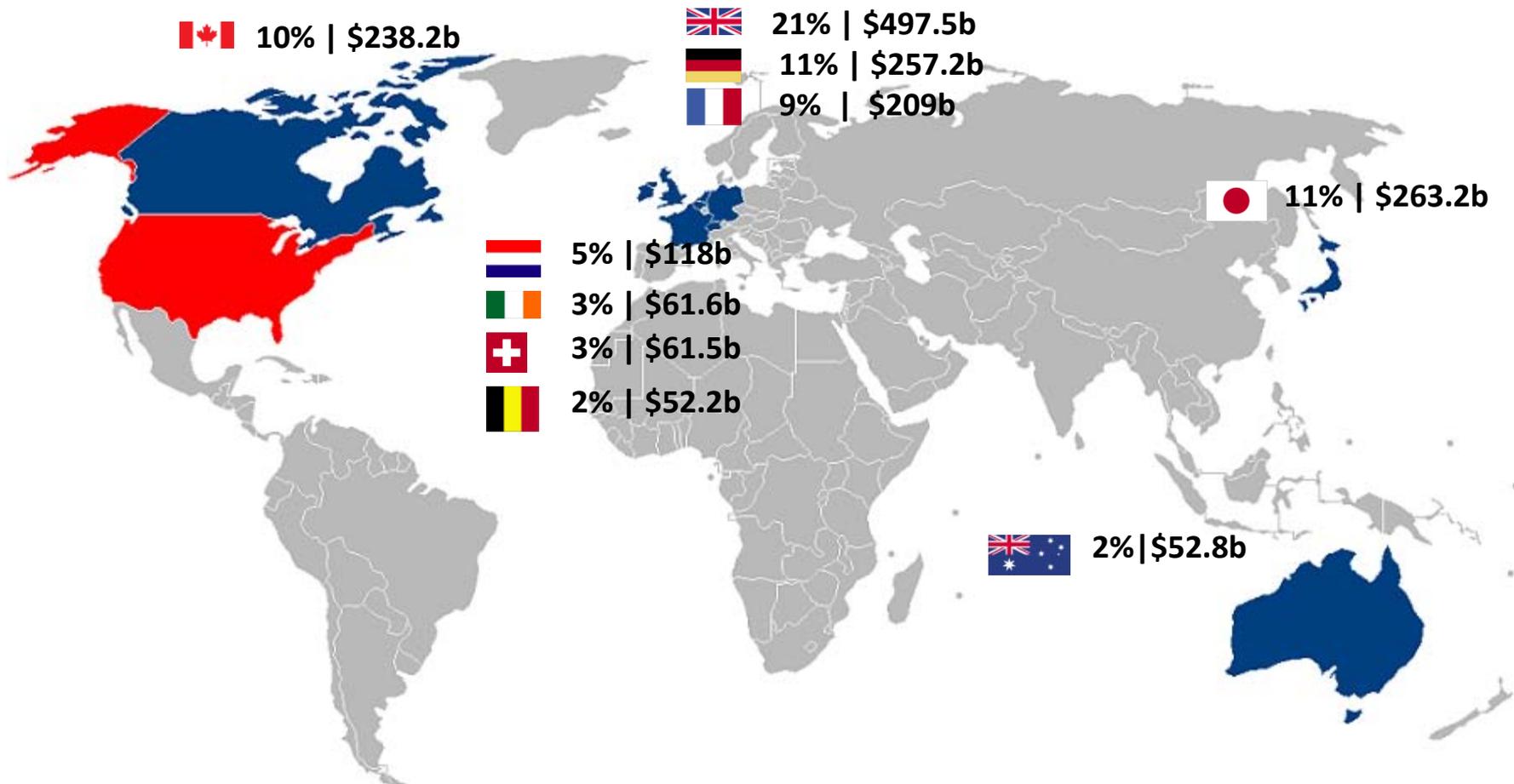


Source: Bureau of Economic Analysis

2008 R&D figures are shown (latest available)

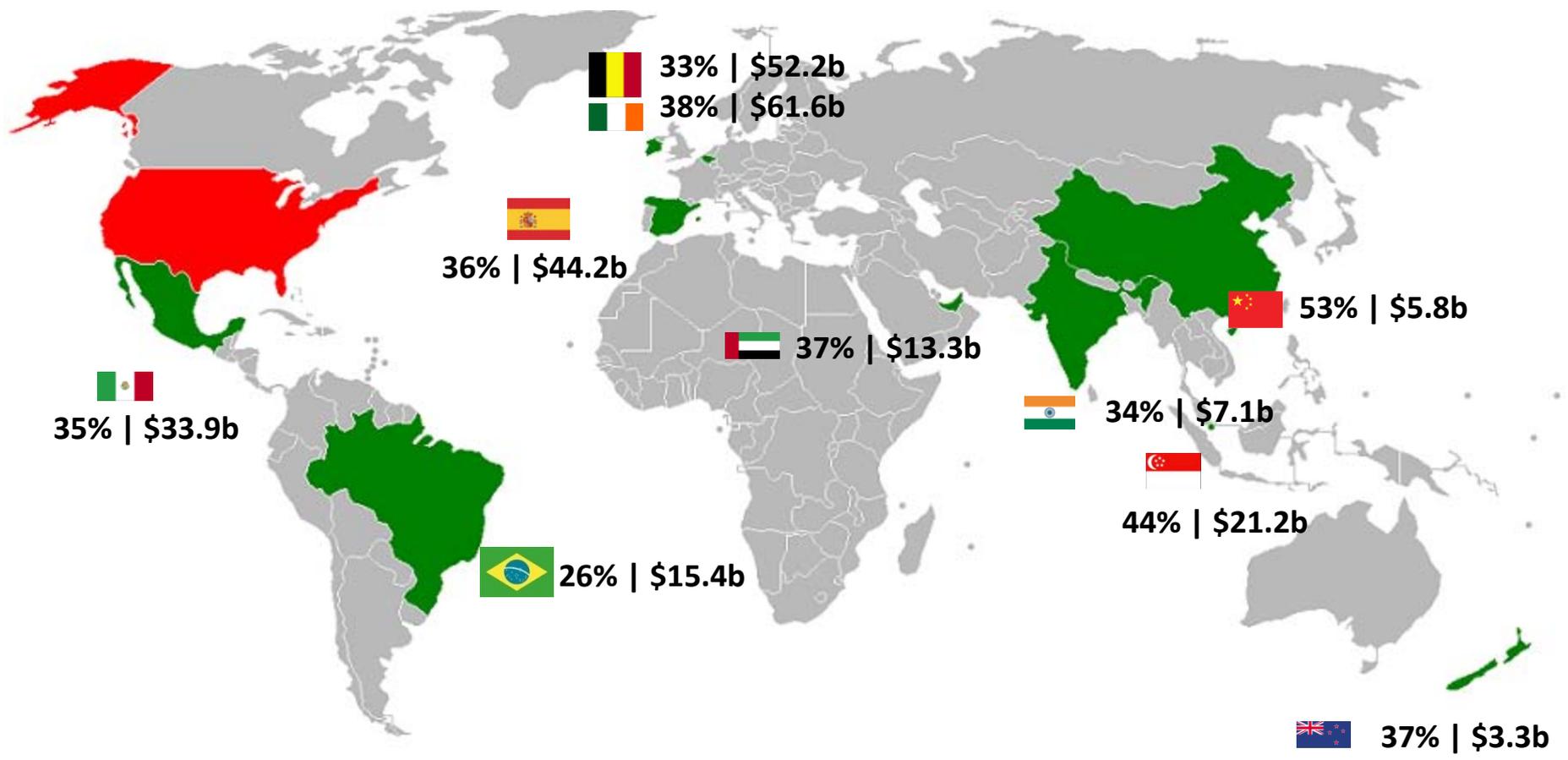
U.S. FDI Trends

Top 10 FDI Stock Positions, 2010



U.S. FDI Trends

Top 10 FDI Growth Markets, 2010

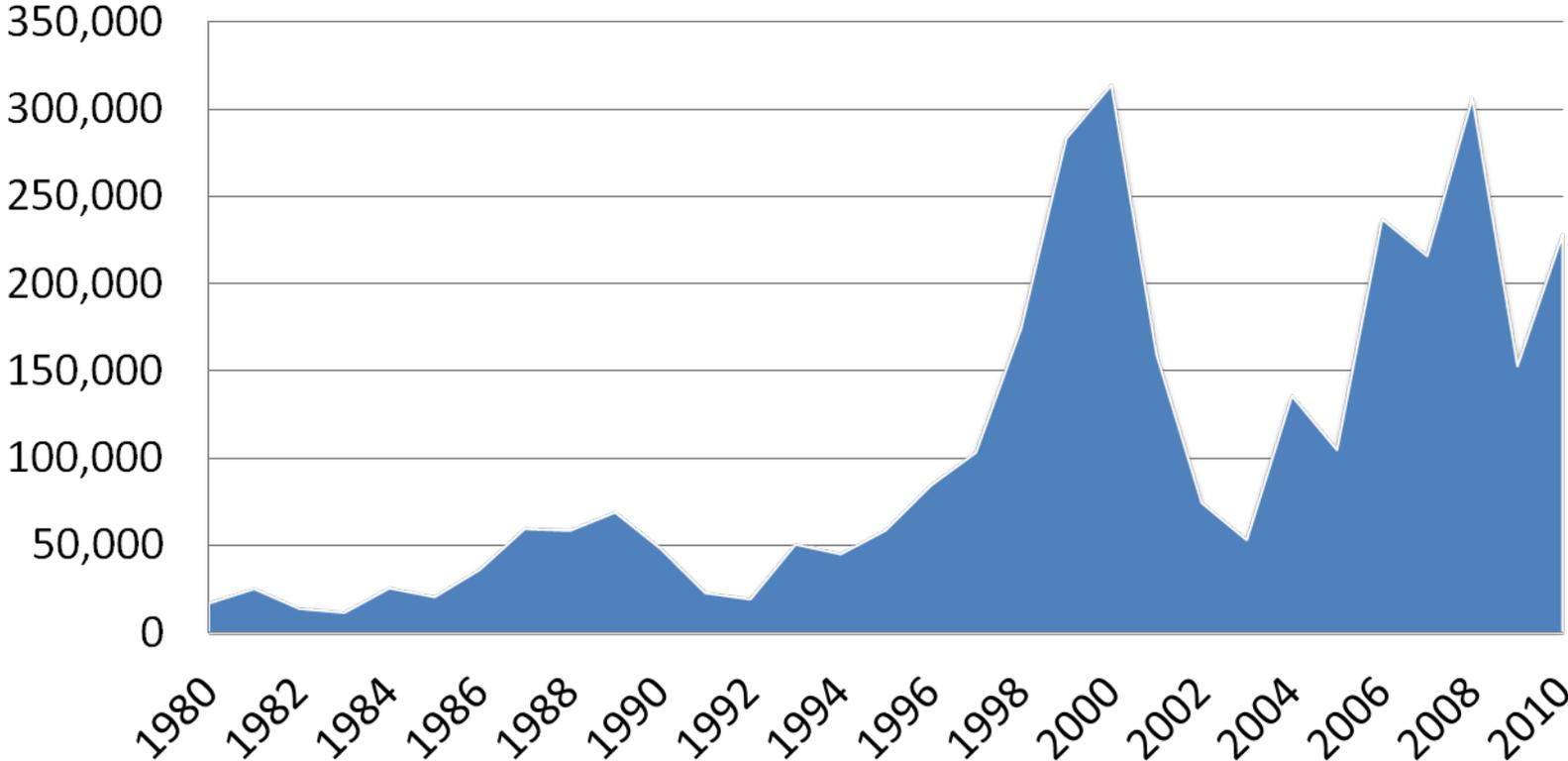


Note: Numbers denote 5 year compound annual growth rate (2005-2010) and total investment position in United States
Source: Department of Commerce, Bureau of Economic Analysis – FDI by Ultimate Beneficiary Owner

U.S. FDI Trends



Foreign Direct Investment in the U.S.
(Millions of dollars; without current-cost adjustment)



Myths and Facts on FDI



 **Myth:** The United States no longer welcomes foreign investment and is gradually moving away from an open investment policy.

 **Fact:** The U.S upholds an unequivocal and long-standing commitment to maintain open investment policies.

 **Myth:** The United States does not offer support mechanisms for international investors, making it difficult for many companies to locate in the U.S. market.

 **Fact:** SelectUSA welcomes all inquiries and can serve as a foreign investor's first point of contact for an investment in the United States.

 **Myth:** All foreign investment in the United States is subject to undue scrutiny, especially if the investment originates from certain countries or regions.

 **Fact:** The United States is open to foreign investment and is committed to affording all foreign investors fair, equitable and nondiscriminatory treatment.

The United States: A Great Return on Investment



- Strategic Market & FTAs

Population of U.S. and FTAs is 695 million;¹

- Center for Global Innovation and Entrepreneurship

U.S. Responsible for 40% of Total World R&D Expenditures; 11.5% of Americans are Entrepreneurs²

- Strong Intellectual Property Right Protections

50% of the Patents Granted in 2009 by the U.S. Patent and Trademark Office Originated from a Foreign Country³

- A Leader in Higher Education

Six of the Top Ten Universities in the World are in the U.S.⁴

- Productive Workforce

U.S. leads world in labor productivity per person; productivity gap between U.S. and most developed economies growing⁵

- Open to People, Cultures, and Ideas

U.S. has more Irish than Ireland, Filipinos than Manila, Chinese than Hangzhou* and Poles than Warsaw⁶

1. Office of the U.S. Trade Representative; Central Intelligence Agency – The World Factbook; and Credit Suisse survey; 2 RAND Corporation's National Defense Research Institute; Florida International University/University of Michigan study, 2005; 3. U.S. Patent and Trademark Office; 4. The Times Higher Education Supplement 2009 (U.K.); 5. 2007 International Labor Organization Report 6. U.S. Census Bureau, *Hangzhou city proper

Center for Global Innovation and Entrepreneurship



#1

World Economic Forum's 2010-2011 Global Competitiveness rankings for Innovation

8

The U.S. is Home to Eight of the Top Ten "Knowledge Economy" Regions of the World

22

Among *Business Week's* Top 50 Information Technology companies, 22 are U.S. firms

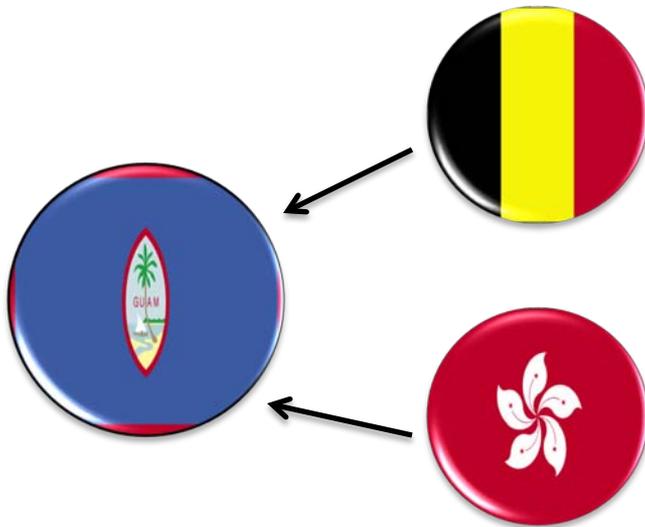
565,000

In 2010, an average of 565,000 new businesses were created in the U.S. per month

Sources: World Economic Forum; World Knowledge Competitiveness Index 2008 (Centre for International Competitiveness); National Science Foundation Science and Engineering Indicators 2010; Kauffman Index of Entrepreneurial Activity 1996-2009;

Role of Insular Areas in FDI: Guam

Between 2003 and mid-January 2012, foreign owned companies have announced plans to invest in 6 greenfield FDI projects in Guam. Once (and if) all of these deals are finalized, they are expected to create \$41million in new investment and create 259 new jobs.

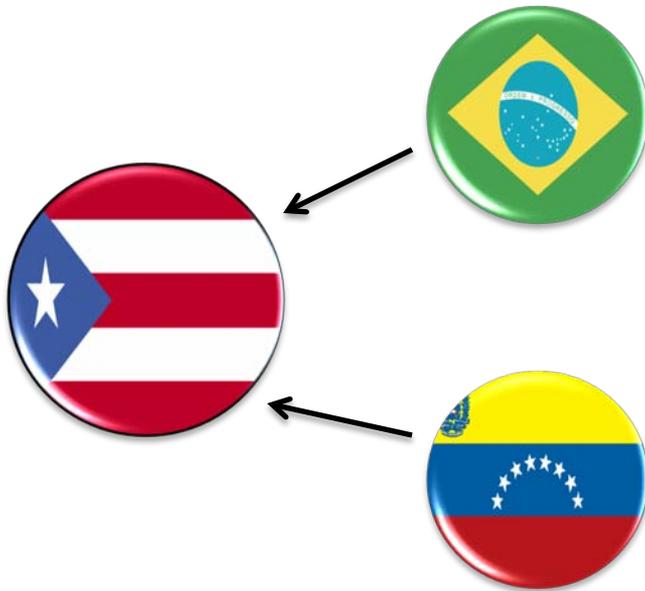


November 2011- Harrington Industrial Plastics, a pipe distribution firm and subsidiary of Belgium-based Aliaxis, has opened a 930 sq m facility in Tamuning, Guam. The location is an extension of the company's continued expansion and provides local inventories, deliveries, and technical application specialists.

August 2011 - CTSI Logistics Guam, a freight forwarding company and subsidiary of Hong Kong-based Luen Thai, has opened a newly expanded \$6m storage facility in Tiyan, Guam. The 3,540 sq m facility expands the company's storage capacity and will house offices, open storage areas, five temperature-controlled rooms, and two chiller rooms.

Role of Insular Areas in FDI: Puerto Rico

Between 2003 and mid-January 2012, foreign owned companies have announced plans to invest in 173 greenfield FDI projects in Puerto Rico. Once (and if) all of these deals are finalized, they are expected to create \$8 billion in new investment and create 37,300 new jobs.



February 2012 - Brazil-based company International Meal Company (IMC) is to add 1200 jobs in Puerto Rico by 2015 as part of its plans to open at least 12 new restaurants in the country. The company will invest \$22m and create 500 of the jobs by 2014.

April 2011 - Venezuelan industrial machinery manufacturer Industrias GoldPack is to invest \$1.2m to establish a manufacturing facility in Yabucoa, Puerto Rico. The company has created eight new jobs for the unit and plans to increase this number by 10 as part of future expansion plans on its machine shop, which will enable GoldPack to make pieces for machinery assembled on site.

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

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-

Open Investment Policy

“At a time where we need to use every tool in our toolbox to continue to put Americans back to work and grow the economy here at home, promoting foreign direct investment is an important opportunity to accelerate our economic recovery.”

- President Barack Obama
June 20, 2011



Our Role



- Our mission is to encourage, facilitate, and accelerate business investment to create jobs, spur economic growth, and promote American competitiveness
- Geographically neutral in the United States
- Engage in international and domestic business investment
- What we do:
 1. Facilitate Business Inquiries
 2. Act as Ombudsman and Advocate
 3. Connect Investors with State/Local EDOs and Provide Guidance to EDOs
 4. Conduct Investor Outreach and Educate Investors
 5. Lead and Coordinate an Interagency Working Group

What We Do



Facilitate Business Inquiries:

SelectUSA provides actionable information to foreign firms to help them...

- Incorporate a business in the U.S.
- Understand basic U.S. tax and legal concepts
- Learn about incentives available to businesses in the U.S.
- Connect with U.S. state, city, or regional economic development offices to learn about investment opportunities
- Apply for a business-related visa

Investors can communicate with **SelectUSA** staff by phone or email in Washington, DC, or meet with members of the U.S. Foreign Commercial Service in almost 80 countries around the world.

What We Do



Act as Ombudsman:



What We Do



Advocacy Assistance:

SelectUSA can, when appropriate, promote the U.S. business climate to a potential investor in an ongoing project that:

- May be at risk,
- May face international competition, and
- When a federal-level engagement can convey the appropriate support.

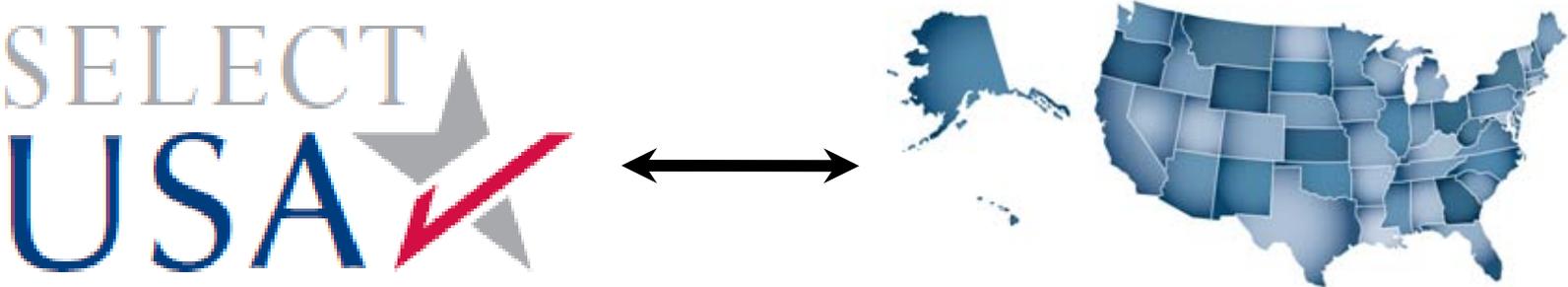
Senior leadership in USG, DOC, or ITA will be asked to engage to help advocate for the investment being made in the United States.

A U.S. governor, mayor, or county executive may requests this support, which will be provided according to strict geographic neutrality.

What We Do



Connect Investors to State/Local EDOs :



What We Do



Provide Guidance to U.S. EDOs

SelectUSA has the expertise to help EDOs:



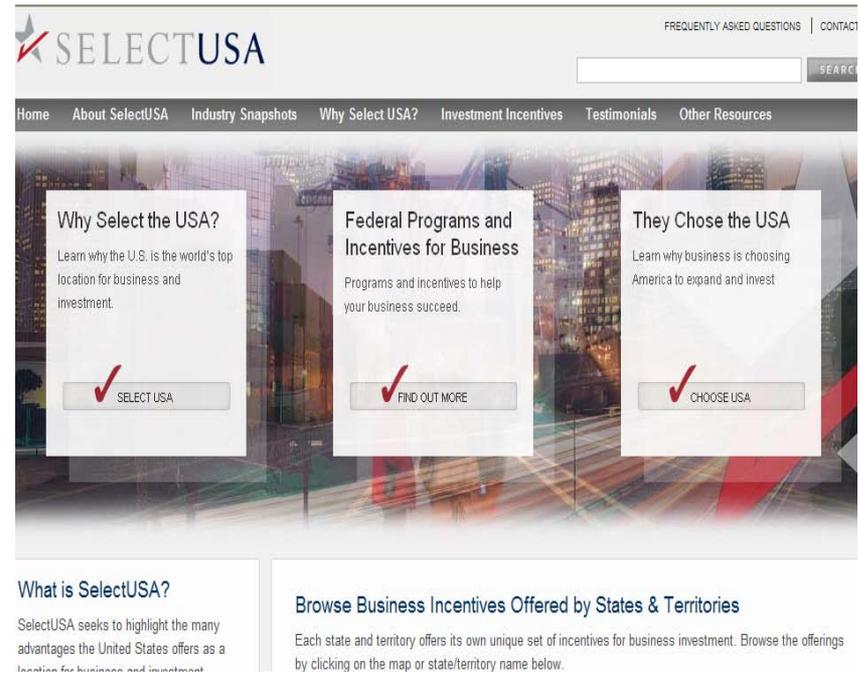
- ✓ Develop a data-driven FDI attraction strategy
- ✓ Collaborate within their region
- ✓ Invest in an information-rich website
- ✓ Ensure foreign operations' productivity through the use of meaningful metrics
- ✓ Secure organizational funding tied to multi-year performance
- ✓ Explore additional measures, including retention and expansion or company partnerships with local universities

What We Do



Educate Investors

- Research & Development Tax Credit
- SBIR Funding Opportunities
- Renewable Energy Tax Credit
- DOE Loan Guarantee Program
- ARPA-E Funding Opportunities
- Updated Guide Available at <http://www.selectusa.gov/>
- Contact SelectUSA with questions



What We Do



Inter-Agency Investment Working Group



2007 White Paper: "Visas and Foreign Direct Investment"

Commerce: Interacts with U.S. firms active in international commerce



State: Interacts with foreigners outside the United States



DHS: Interacts with foreigners at entry to United States



Thank You



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