



UNDERSTANDING THE LATEST FDI NUMBERS

SelectUSA

Amanda Budny, BEA

Elizabeth Schaefer, SelectUSA

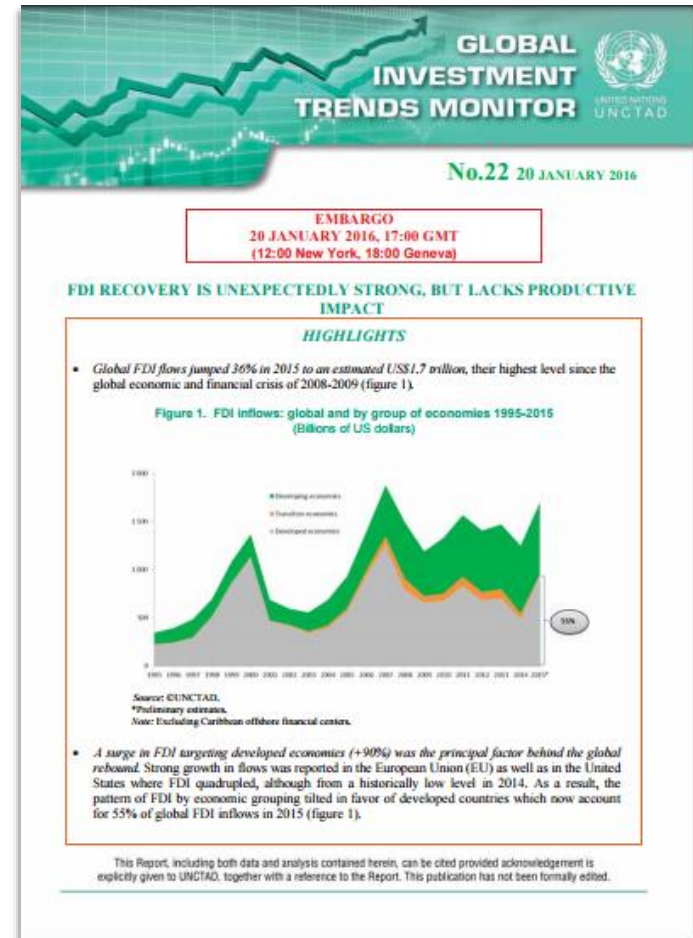
March 23, 2016



- UNCTAD's Latest Global Investment Trends Monitor - Highlights
- ITA Jobs Attributable to FDI Research Findings
- BEA New FDI Data on Greenfield Investment and Acquisitions



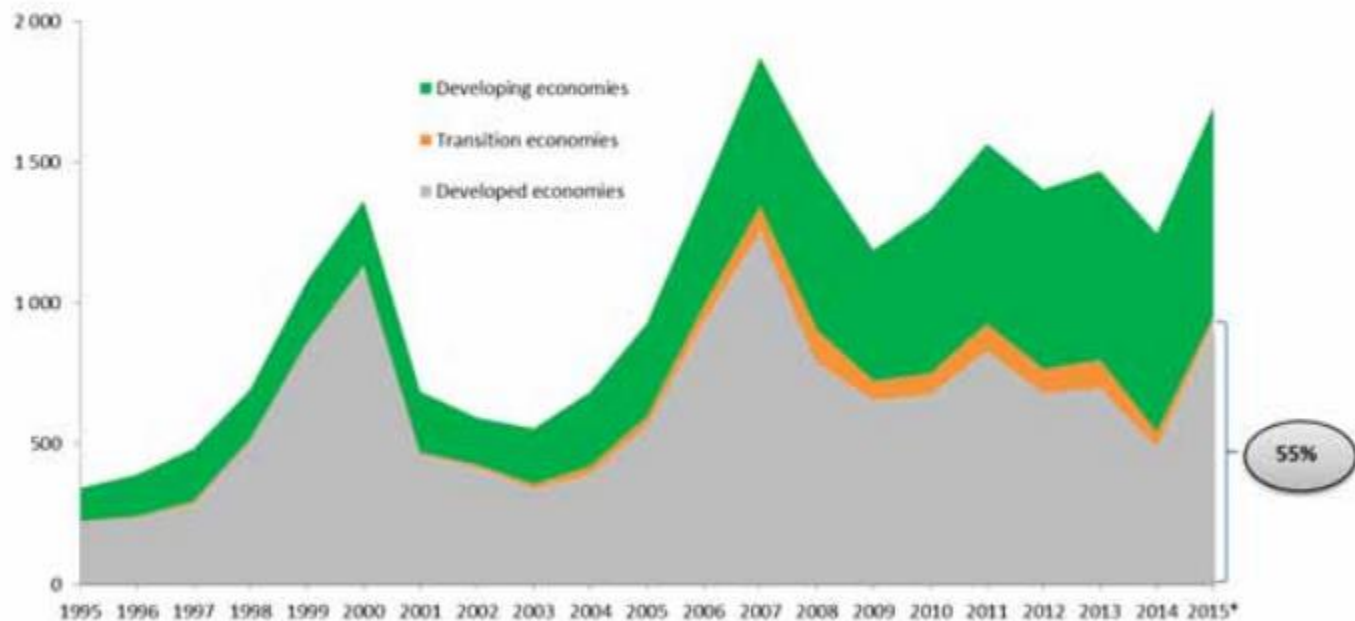
- Latest United Nations Report on Global Investment released January 2016
- See latest available report here:
http://unctad.org/en/PublicationsLibrary/webdiaeia2016d1_en.pdf
- Next Report Expected mid-April 2016
- Other UN Division on Investment and Enterprise (DIAE) Products include:
 - [World Investment Report](#) (Annual)
 - [Bilateral FDI Statistics](#)





- *Global FDI flows jumped 36% in 2015 to an estimated US\$1.7 trillion, their highest level since the global economic and financial crisis of 2008-2009 (figure 1).*

Figure 1. FDI inflows: global and by group of economies 1995-2015
(Billions of US dollars)



Source: ©UNCTAD.

*Preliminary estimates.

Note: Excluding Caribbean offshore financial centers.



- Preliminary UNCTAD estimates for 2015 FDI inflows show the United States is the top destination for investment in the world.
- Although not included in this report, the United States also remains home to the largest amount — by far — of FDI stock.

Figure 2. Estimated FDI inflows: top 10 host economies, 2015
(Billions of US dollars)



Source: ©UNCTAD.

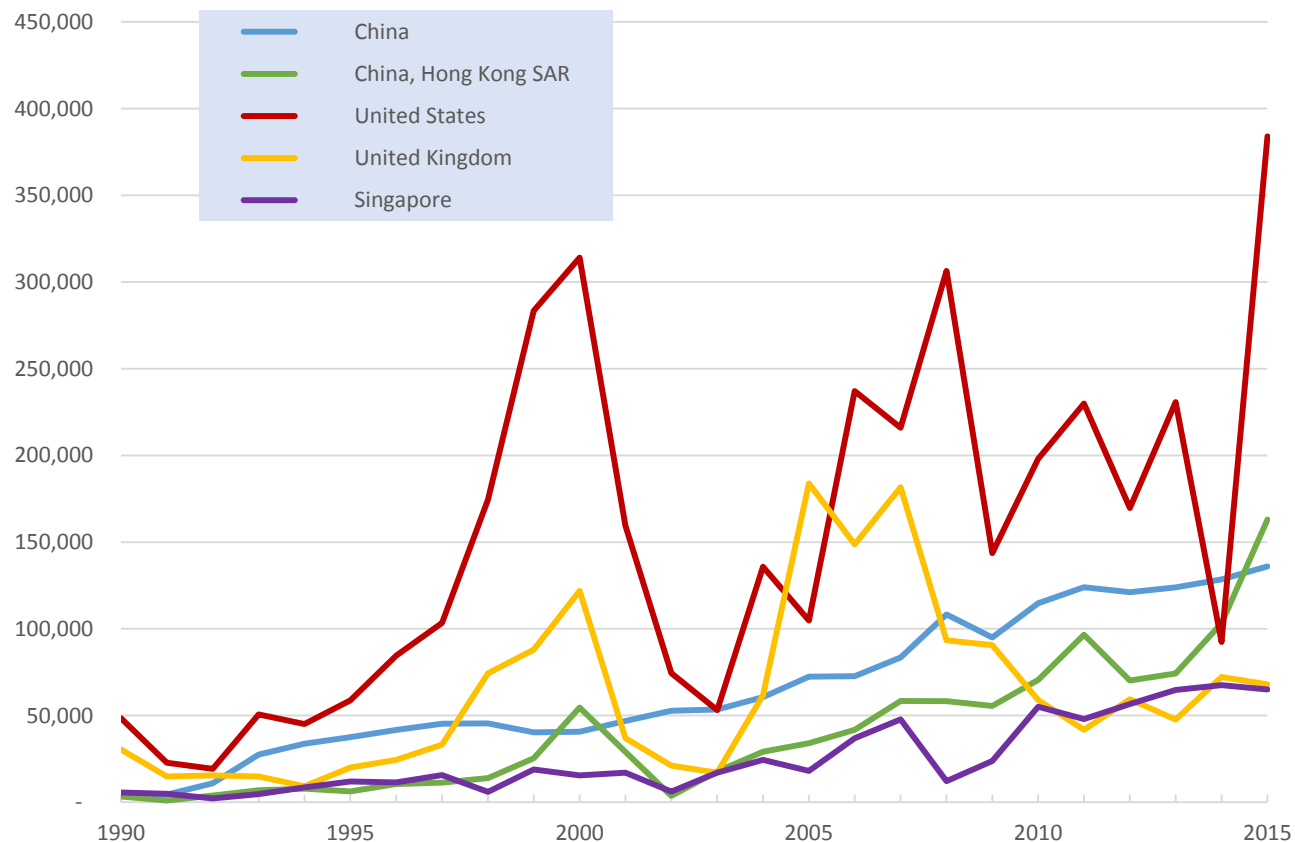
Note: FDI estimations in this Trends Monitor are based primarily on quarterly FDI data derived from the (extended) directional principle, though there are some countries for which the asset/liability data are used for estimation.

UNCTAD - Top FDI Flow Destinations



Top 5 Est. FDI Annual Flow Destinations
(in millions USD in current dollars at current exchange rates)

- Over the past 10 years, the United States has been the number one recipient of global FDI nine times.
- This shows that during the past decade, investors have remained confident in the quality of the investment environment and opportunities in the United States.



Source: UNCTADstat and UN Global Investment Monitor http://unctad.org/en/PublicationsLibrary/webdiaeia2016d1_en.pdf

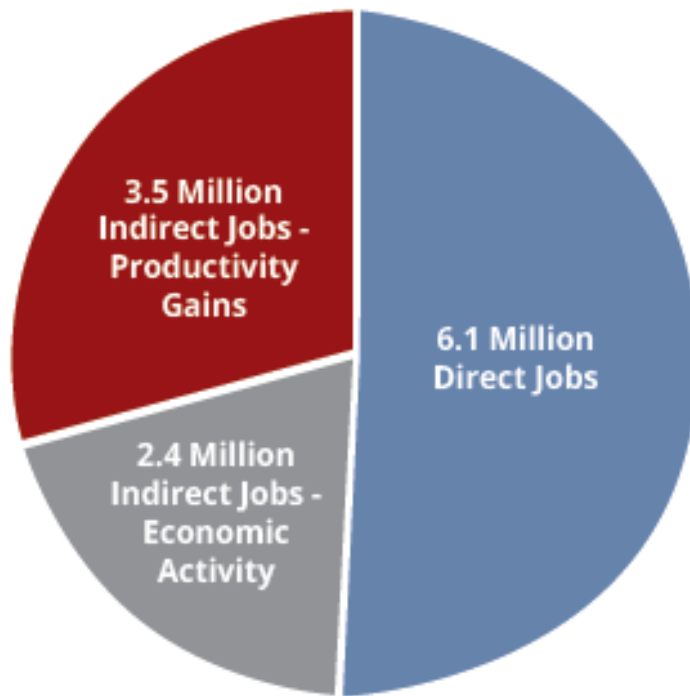
U.S. Jobs Attributable to FDI Study



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- ITA study released February 2016 quantifies the employment impact of foreign direct investment (FDI) in the United States

12 Million U.S. Jobs Attributable to FDI



6.1 Million reflects the number of U.S. workers who are directly employed by majority foreign-owned firms

2.4 Million includes jobs attributable to the economic activity of majority foreign-owned firms, including jobs in those firms' supply chains, jobs attributable to higher incomes, and other economic effects

3.5 Million includes jobs attributable to productivity gains in the manufacturing sector

Based on Richards and Schaefer's Jobs Attributable to Foreign Direct Investment in the United States : <http://www.trade.gov/mas/ian/employment/>

U.S. Jobs Attributable to FDI – Findings



Highlighted Findings

- In 2013, an estimated 12 million jobs, or 8.5 percent of the entire U.S. labor force, were attributed to FDI
- For each job directly attributable to FDI, there is at least 1 job indirectly attributable to FDI

To learn more:

- Read the [Report](#)
- Download the [Infographic & FAQs](#) or [ITA Blog](#)

For more information on this work, please contact:

Julian Richards, Economist, Industry & Analysis

Julian.Richards@trade.gov 202.482. 4327

Elizabeth Schaefer, Director Investment Analysis, SelectUSA

Elizabeth.Schaefer@trade.gov 202.482.3863

New FDI Data on Greenfield Investment and Acquisitions

Amanda Budny

Bureau of Economic Analysis

SelectUSA

March 23, 2016

BEA's Direct Investment Data

- BEA collects data from U.S. companies involved in DI relationships
 - Foreign direct investment in the United States (FDIUS)
 - U.S. direct investment abroad
- To be DI, 10 percent voting interest in a business enterprise is held by a single entity
- Investor (parent) has influence over management of the business (affiliate)

BEA's FDI Statistics

- FDI transactions and positions
 - National and international accounts
 - Financing of U.S. affiliates by foreign parents
- Activities of multinational enterprises
 - Measures of U.S. affiliate operations
 - Employment, sales, R&D activity, trade, value added



New FDI Statistics from BEA

- Statistics on new foreign direct investment (FDI) in the United States
 - Foreign investors' expenditures to acquire, establish, or expand U.S. businesses
 - “*Greenfield*” investment includes expansions and establishments
- Detail currently available
 - First year expenditures and total planned expenditures
 - Type of transaction (acquisition, establishment, expansion)
 - Country, industry, state

Relationship Between FDI Data from BEA

- New data relate to FDI financial transactions with some key differences
 - New data focus on new investments; FDI flows include other transactions between parents and affiliates
 - New data include cost of investment whether funding is from foreign parent or existing affiliate
- New data include some activities data
- Updates sample frame for other surveys

Uses of the Statistics

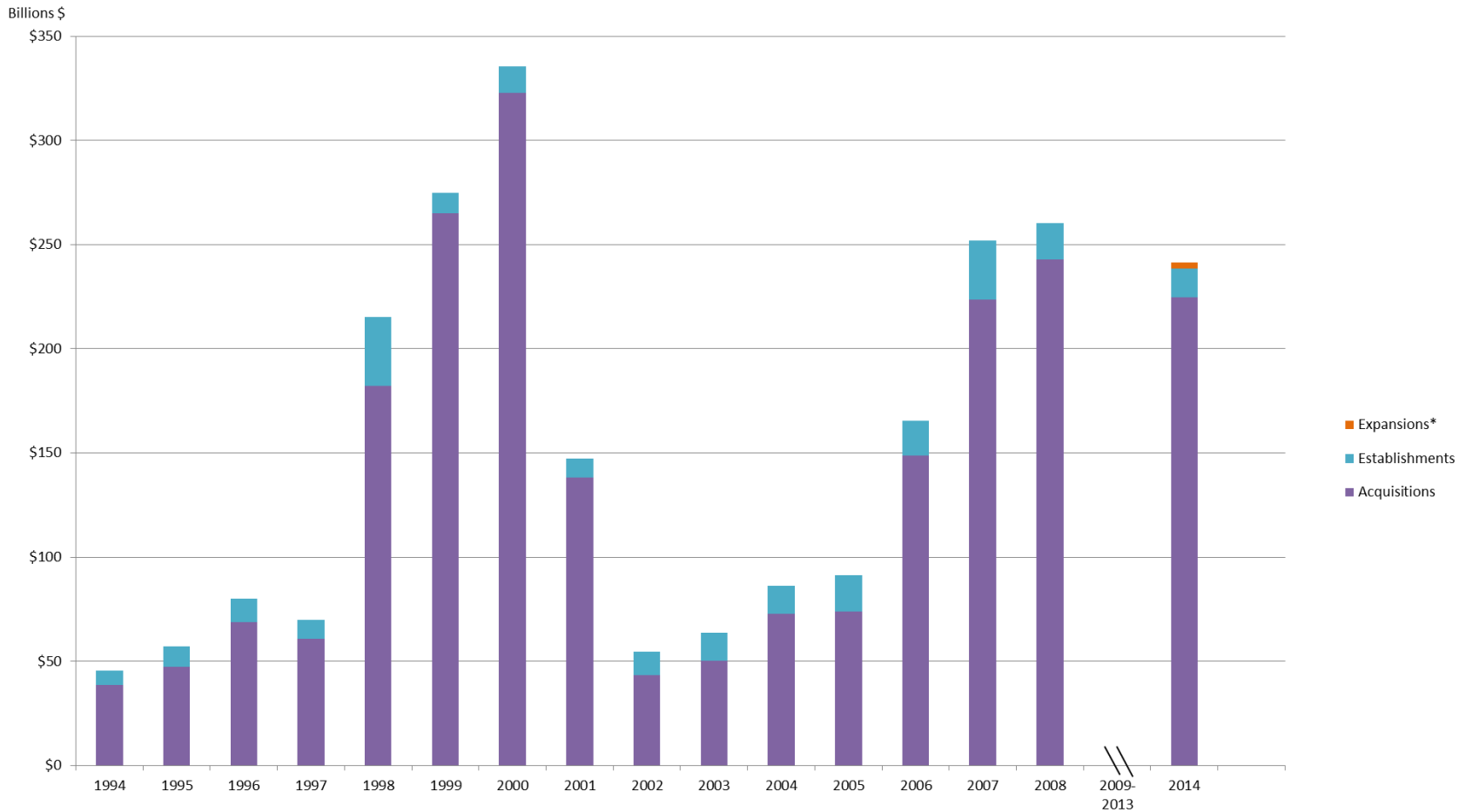
- Impact on U.S. economy
- Investment promotion
- Business decisions
- Policymaking

2014 Data Overview

- First year expenditures are \$241 billion
- Total planned expenditures are \$264 billion
- Greenfield Investment
 - \$16.3 billion first year expenditures
 - \$39.1 billion total planned expenditures

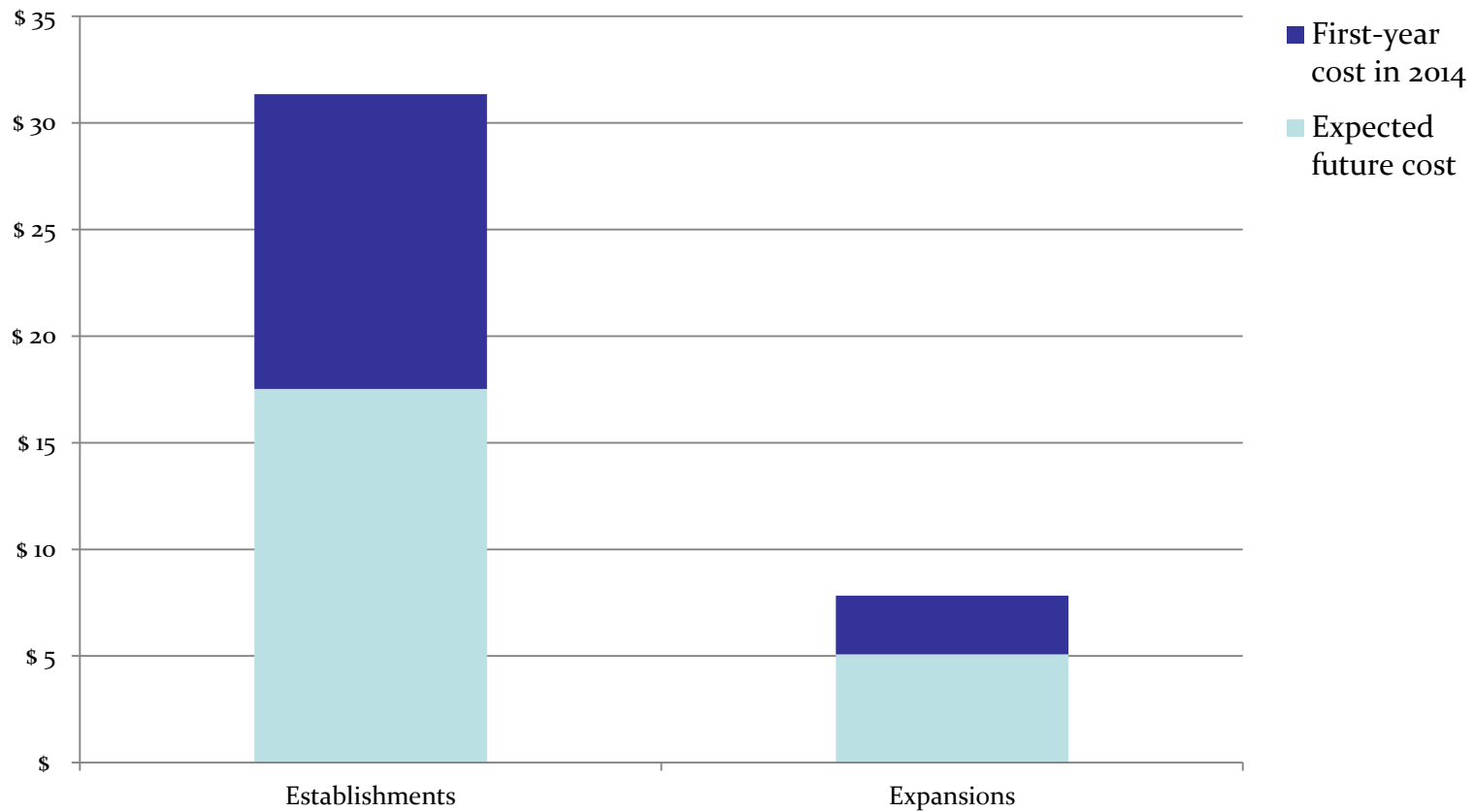
New Foreign Investment, 1994-2014

New Investment by Foreign Direct Investors by Type, 1994-2014



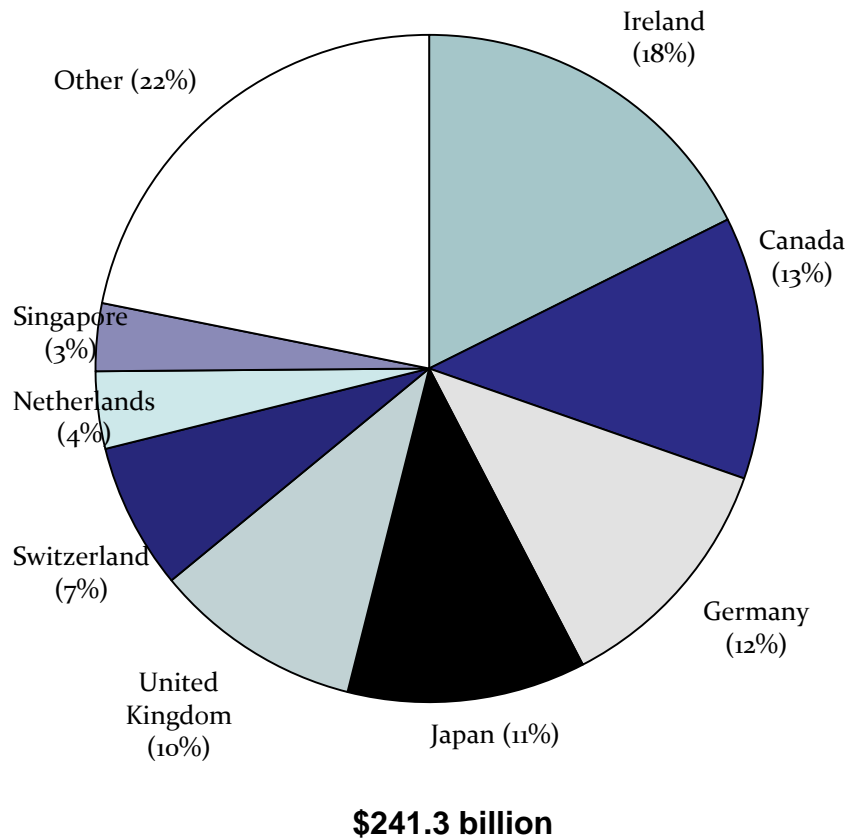
Greenfield Investment Initiated in 2014

Billions

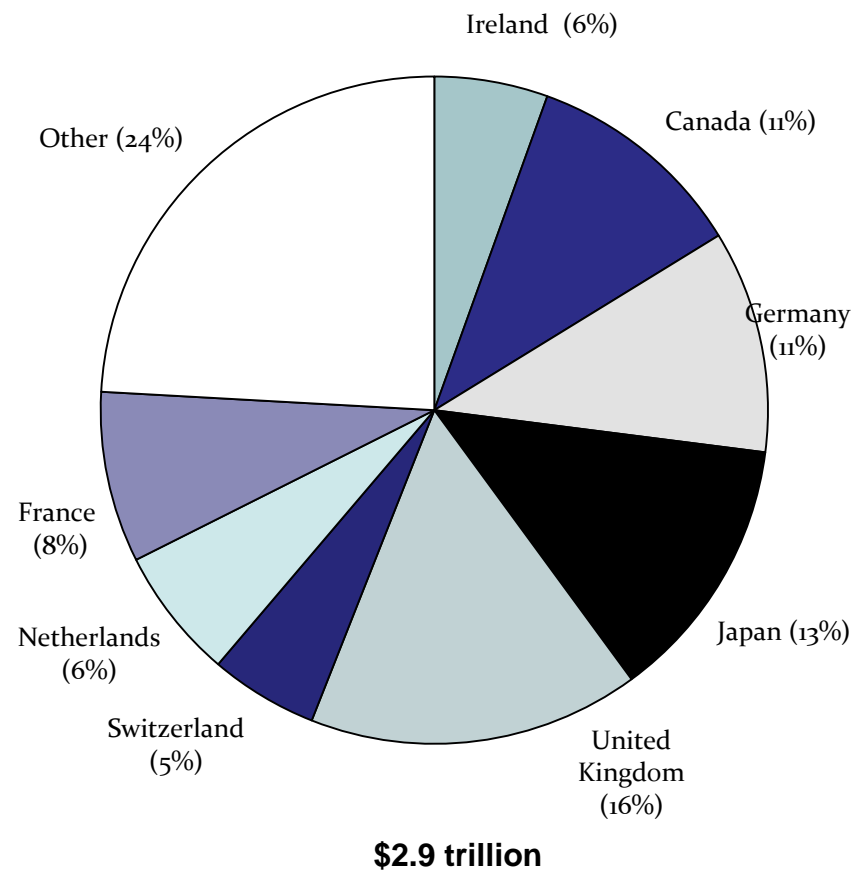


Country of Ultimate Beneficial Owner

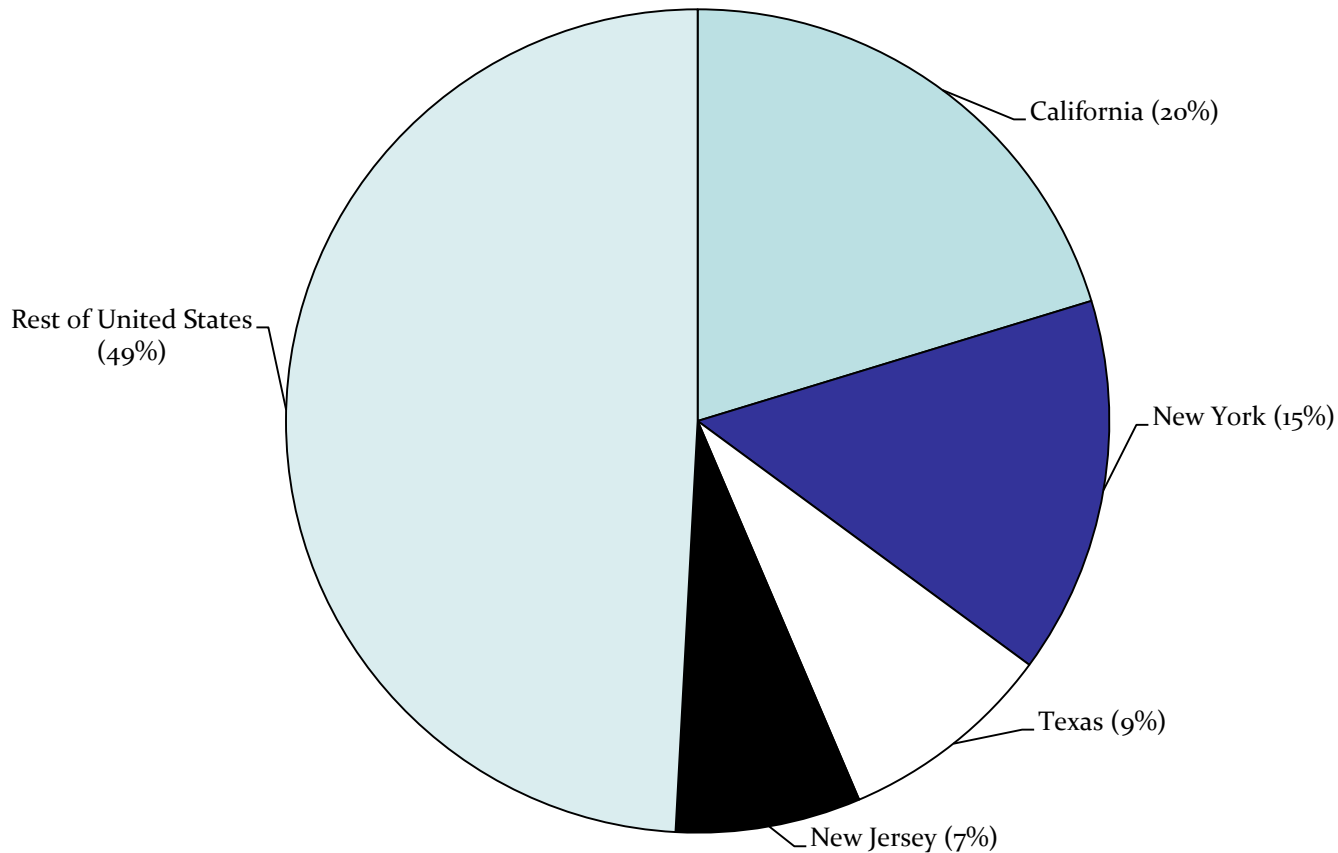
2014 First Year Investment



2014 FDIUS Position

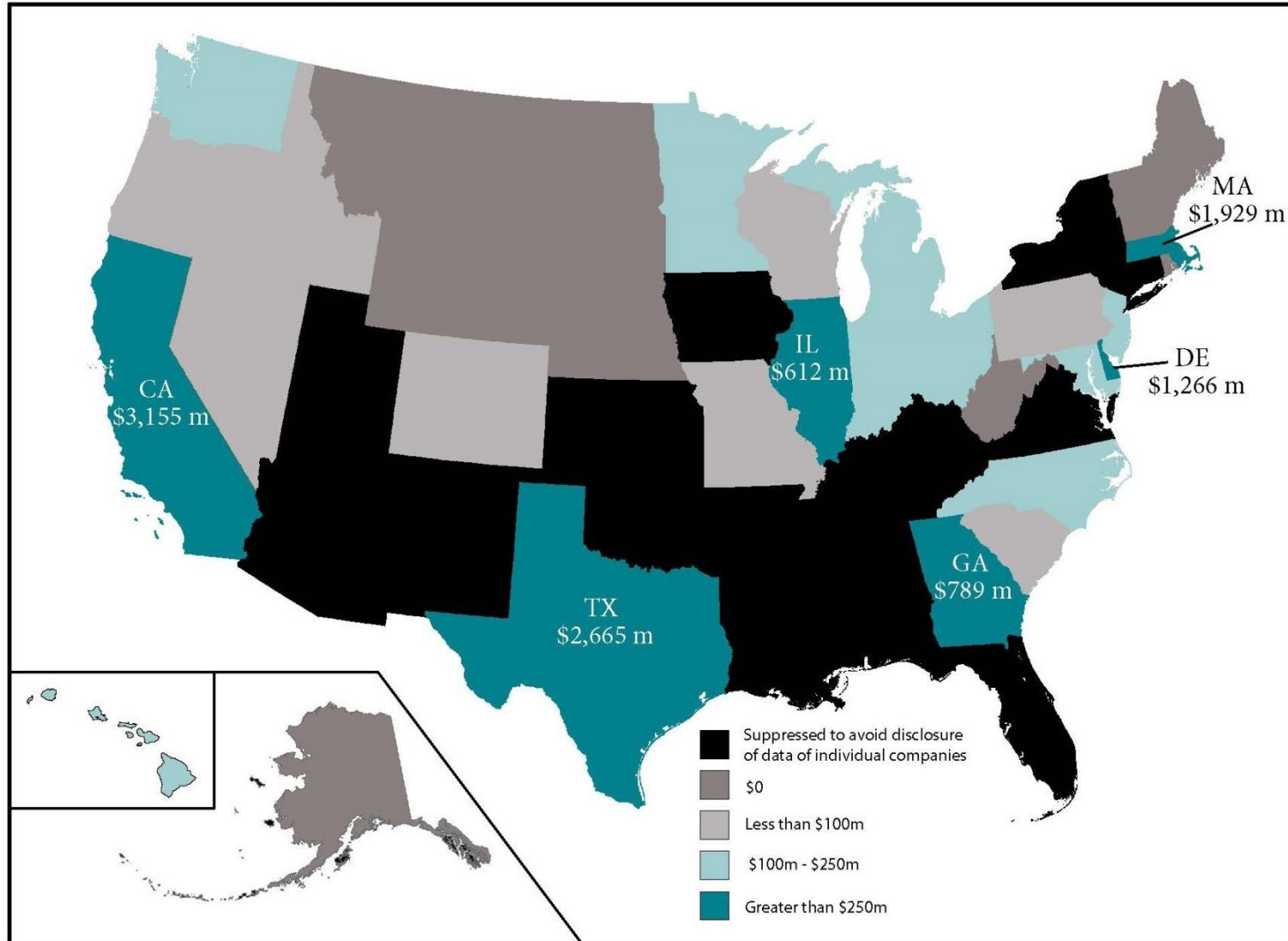


First Year Investment in 2014 - Top States



First Year Greenfield Investment in 2014

First Year Greenfield Investment by State, 2014



Challenges of Producing Statistics

- Identifying new investments
- Holding companies
- Defining expansions

Other Data from the New Survey

- Data on activities
- Industry of foreign owner
- Type of expenditures
- To be released in summer of 2016 with revised 2014 investment data and preliminary 2015 statistics

Upcoming Direct Investment Data

- FDI transactions and positions
 - June 2016
 - Data available
 - 1st quarter 2016 transactions and positions
 - 2015 annual position
- Activities of multinational enterprises
 - Mid-August 2016
 - New state level data

Contact Information

- Amanda Budny – Section Chief
 - Phone – (202) 606-9844
 - Email – amanda.budny@bea.gov
- BE-13 Survey Assistance
 - Phone – (202) 606-5613
 - Email – be13@bea.gov
- All Other International Questions
 - Email – InternationalAccount@bea.gov