



# UNDERSTANDING THE LATEST FDI NUMBERS

*SelectUSA*

---

**Amanda Budny, BEA**

**Elizabeth Schaefer, SelectUSA**

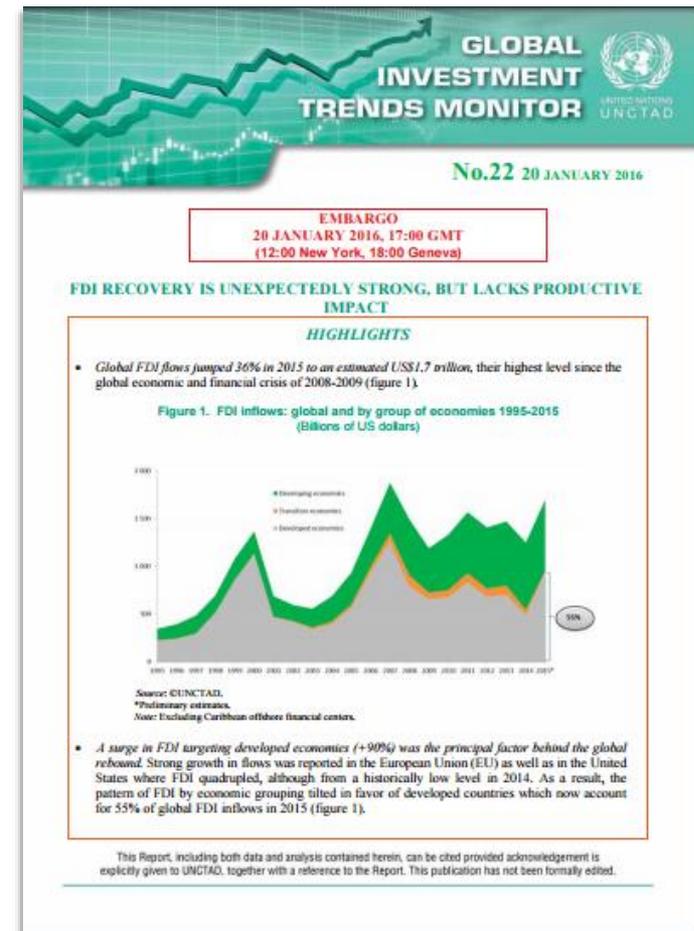
**March 23, 2016**



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



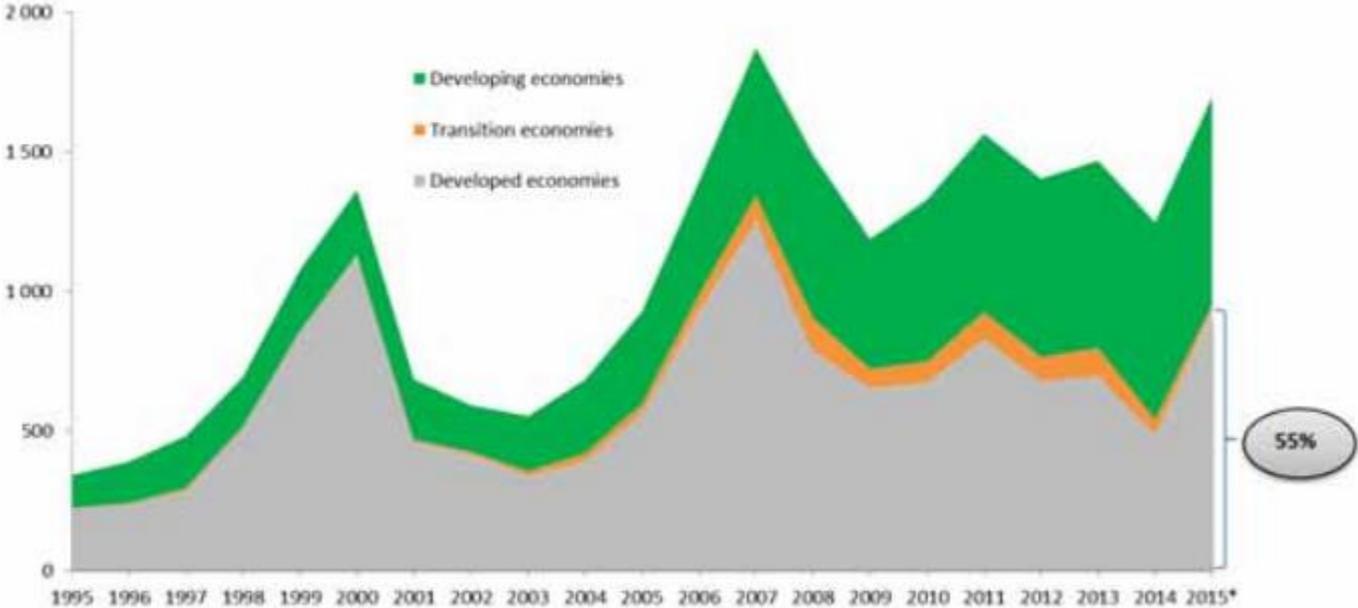
- Latest United Nations Report on Global Investment released January 2016
- See latest available report here: [http://unctad.org/en/PublicationsLibrary/webdiaeia2016d1\\_en.pdf](http://unctad.org/en/PublicationsLibrary/webdiaeia2016d1_en.pdf)
- Next Report Expected mid-April 2016
- Other UN Division 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.

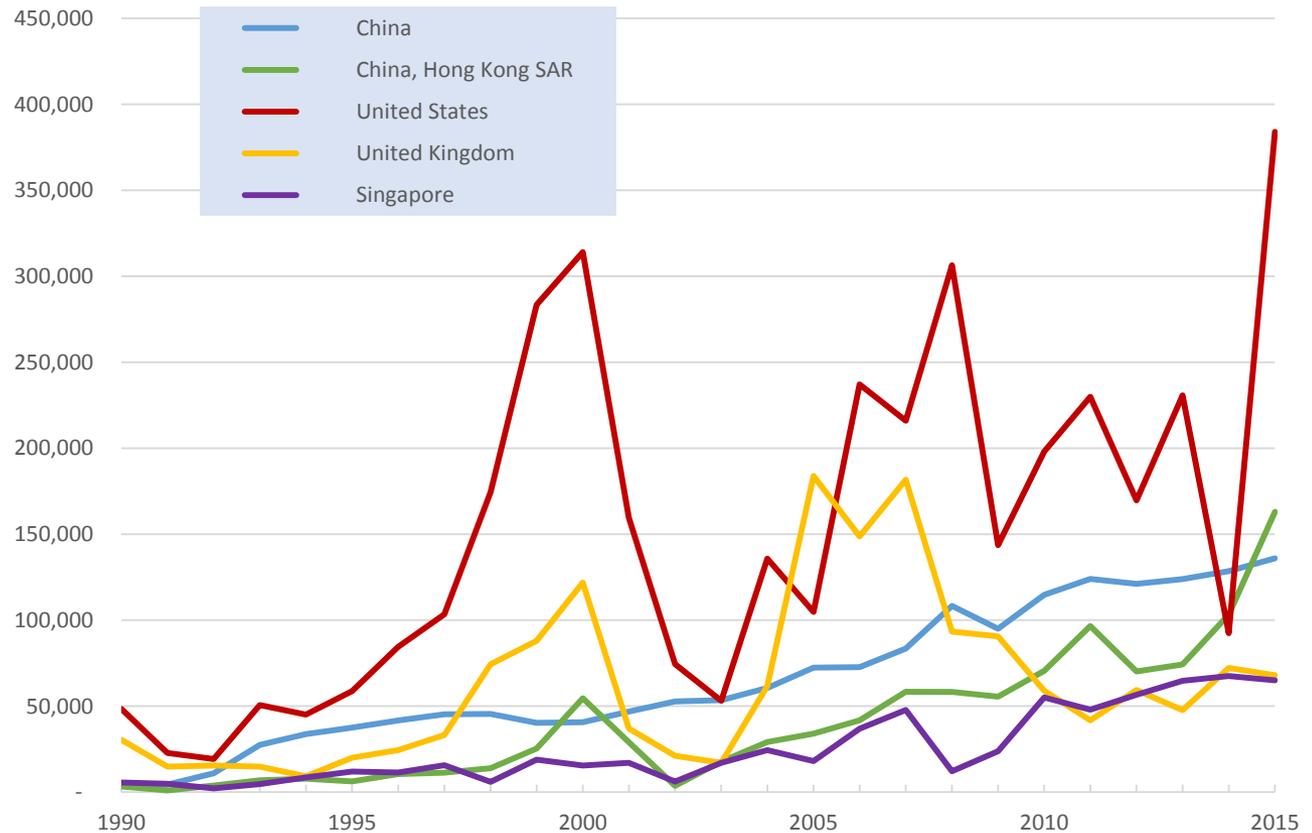
Note: FDI estimations in this Trends Monitor are based primarily on quarterly FDI data derived from the (extended) directional principle, though there are some countries for which the asset/liability data are used for estimation.

# UNCTAD - Top FDI Flow Destinations



- 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.

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



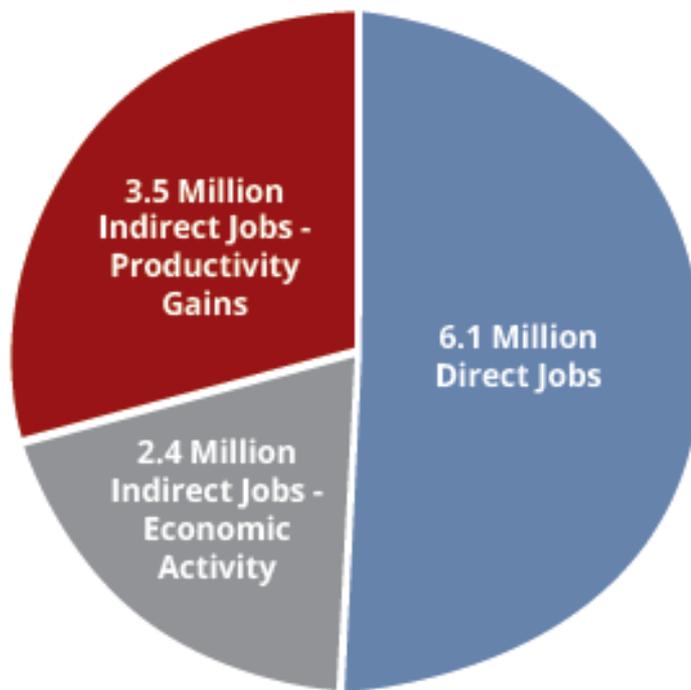
Source: UNCTADstat and UN Global Investment Monitor [http://unctad.org/en/PublicationsLibrary/webdiaeia2016d1\\_en.pdf](http://unctad.org/en/PublicationsLibrary/webdiaeia2016d1_en.pdf)

# U.S. Jobs Attributable to FDI Study



- 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](#)

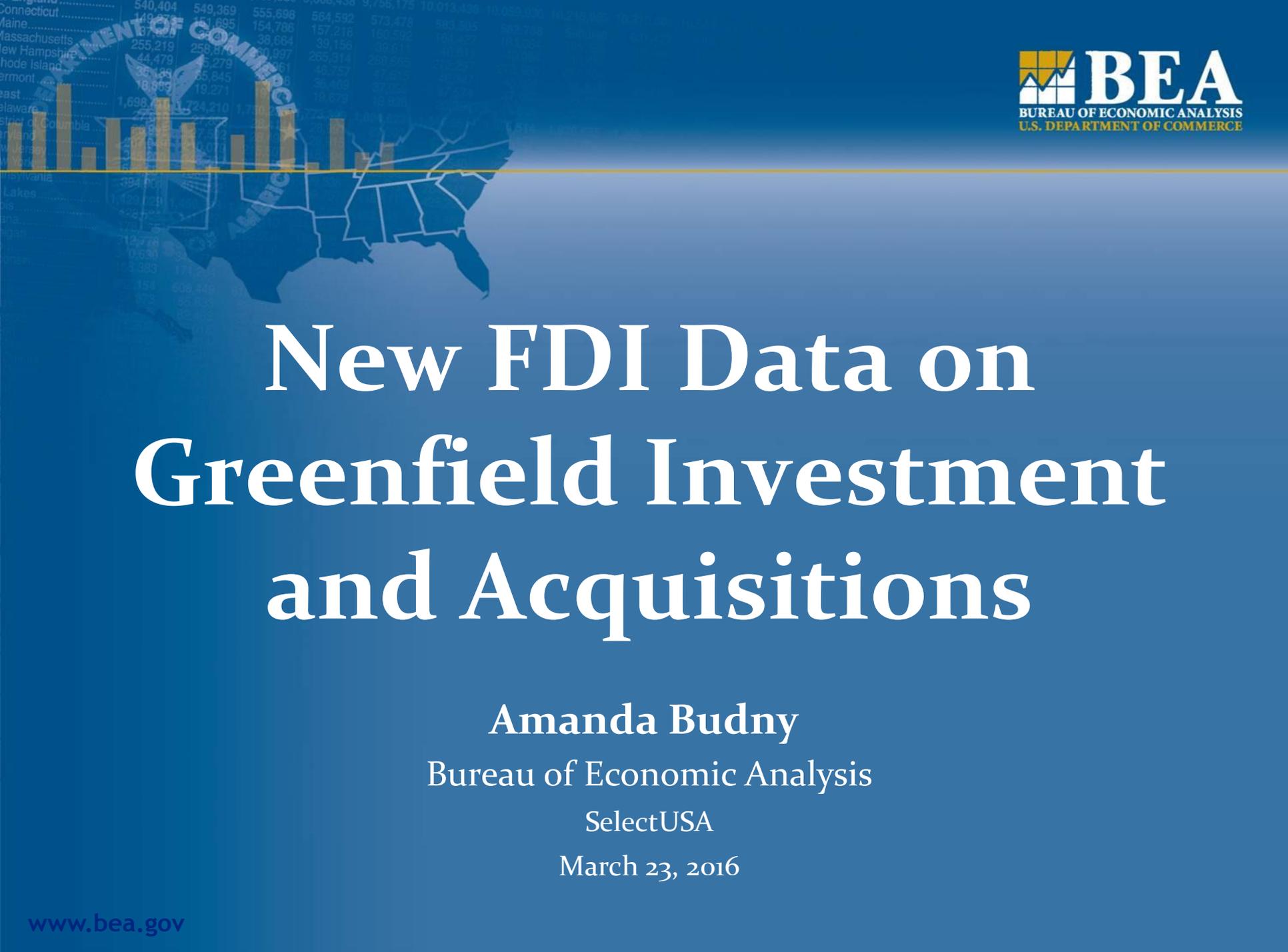
For more information on this work, please contact:

Julian Richards, Economist, Industry & Analysis

[Julian.Richards@trade.gov](mailto:Julian.Richards@trade.gov) 202.482. 4327

Elizabeth Schaefer, Director Investment Analysis, SelectUSA

[Elizabeth.Schaefer@trade.gov](mailto: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

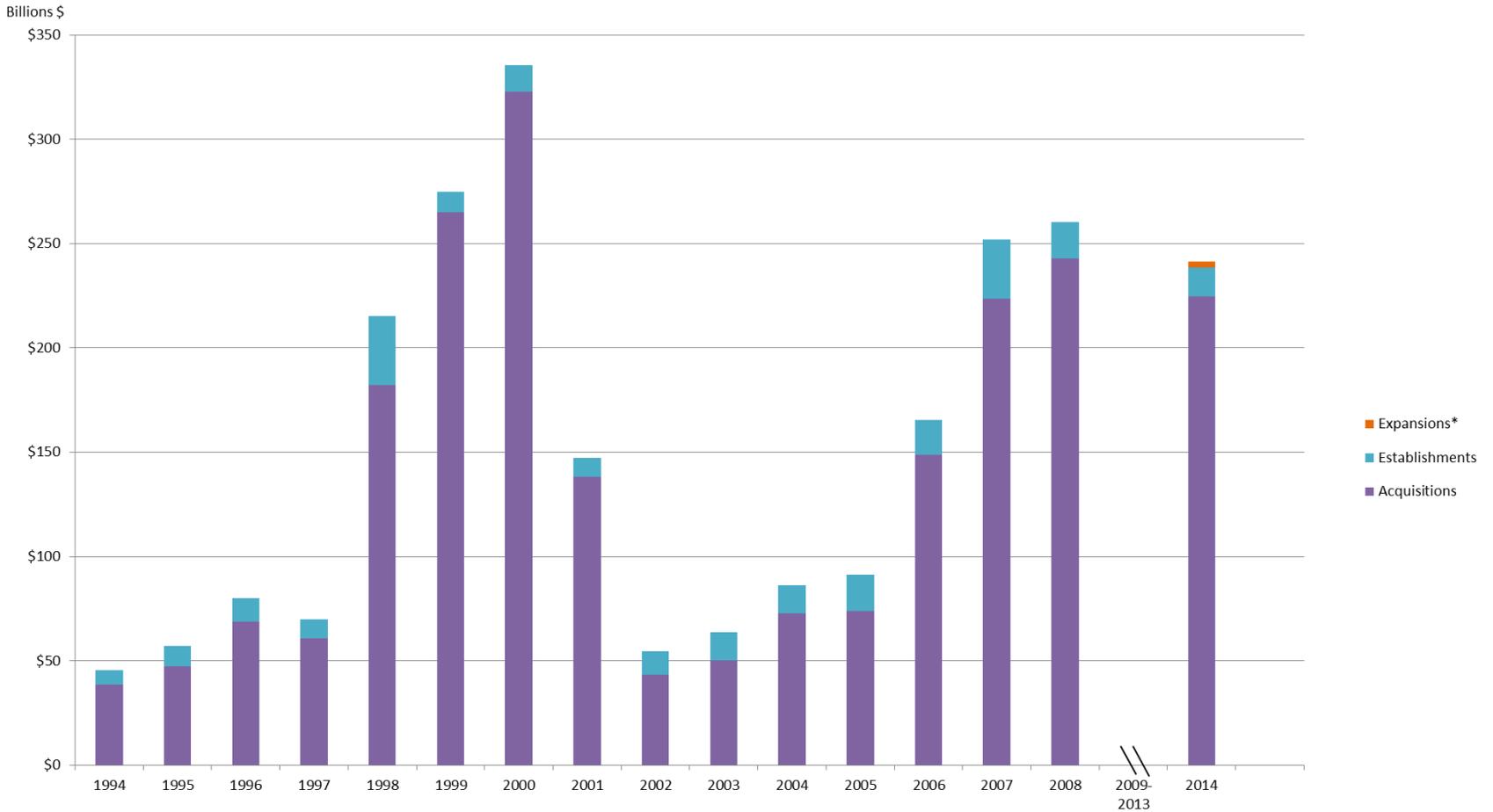
- Impact on U.S. economy
- Investment promotion
- Business decisions
- Policymaking

# 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

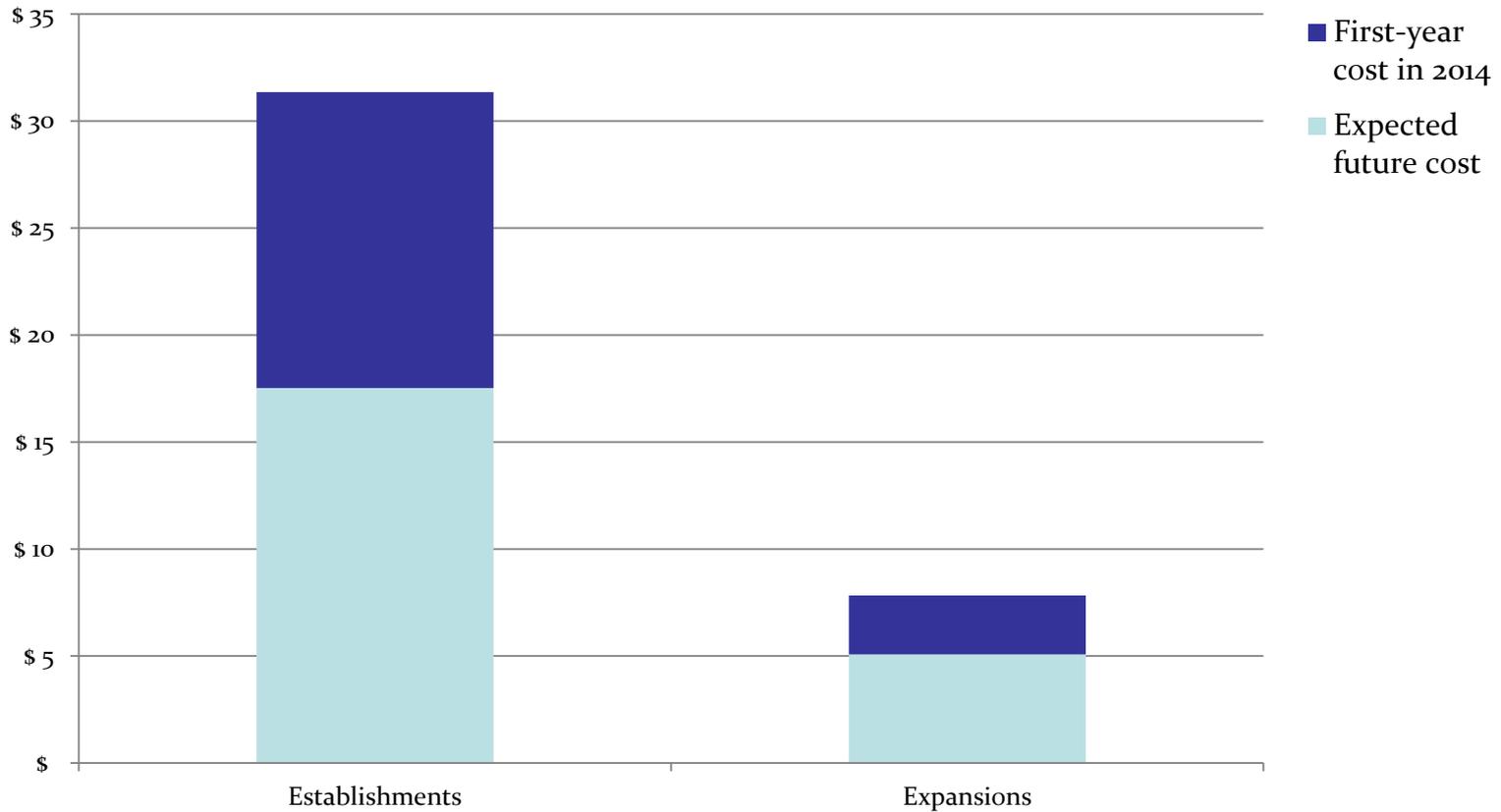
**New Investment by Foreign Direct Investors by Type, 1994-2014**



\*Expansions included in 2014 only.

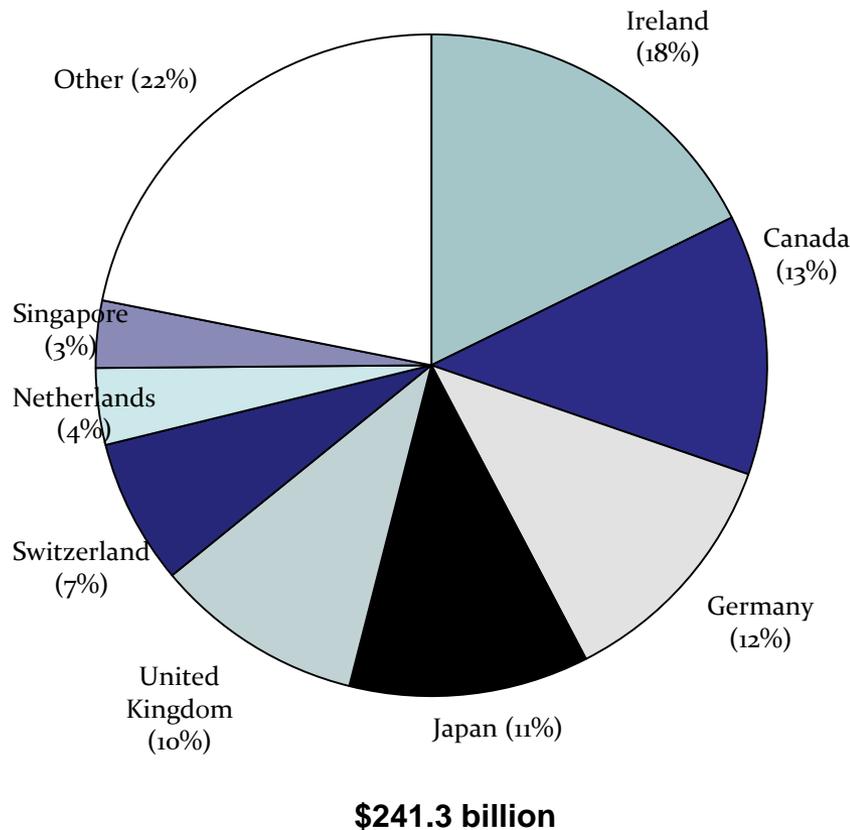
# Greenfield Investment Initiated in 2014

Billions

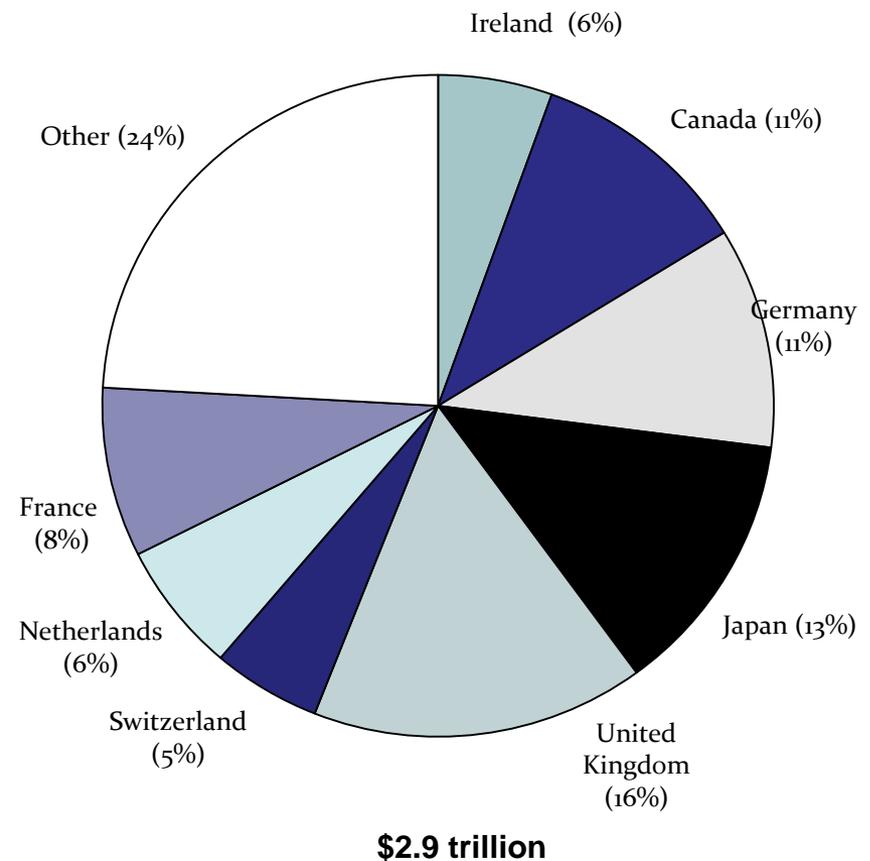


# Country of Ultimate Beneficial Owner

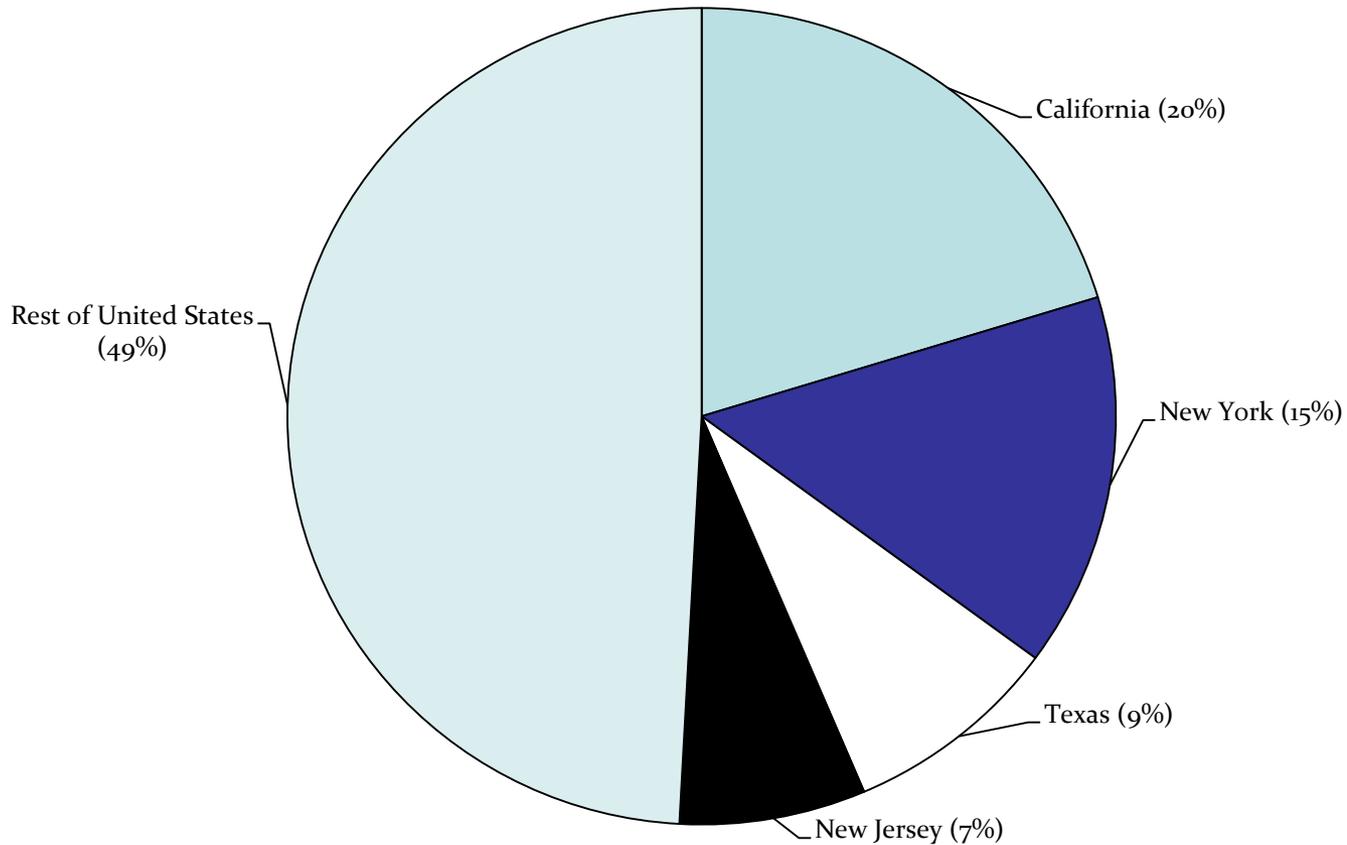
## 2014 First Year Investment



## 2014 FDIUS Position

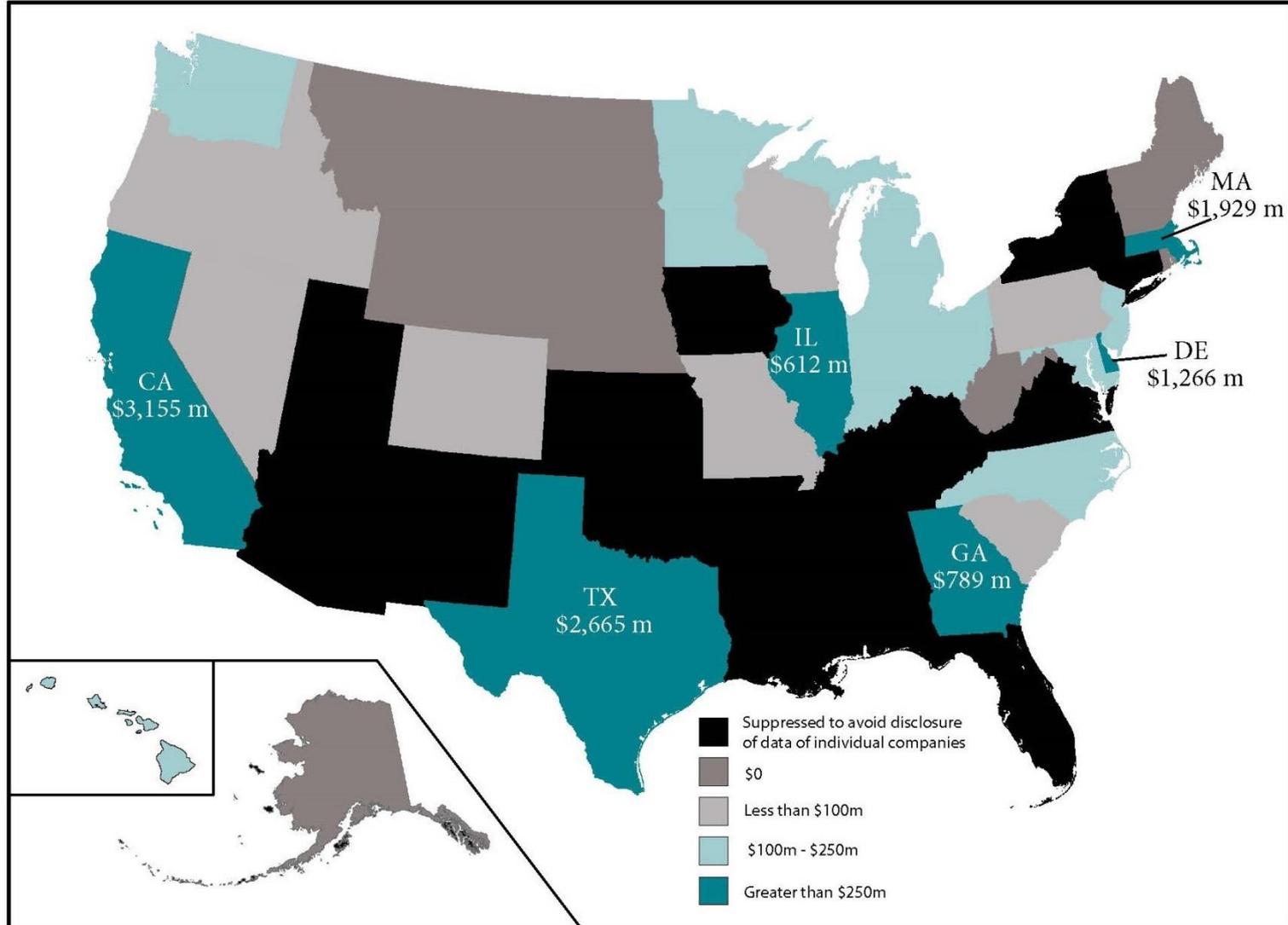


# First Year Investment in 2014 - Top States



# 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
    - 1<sup>st</sup> 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](mailto:amanda.budny@bea.gov)
- BE-13 Survey Assistance
  - Phone – (202) 606-5613
  - Email – [be13@bea.gov](mailto:be13@bea.gov)
- All Other International Questions
  - Email – [InternationalAccount@bea.gov](mailto:InternationalAccount@bea.gov)