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# Foreign Direct Investment in the United States

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Organization for  
International  
Investment

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March 16, 2011

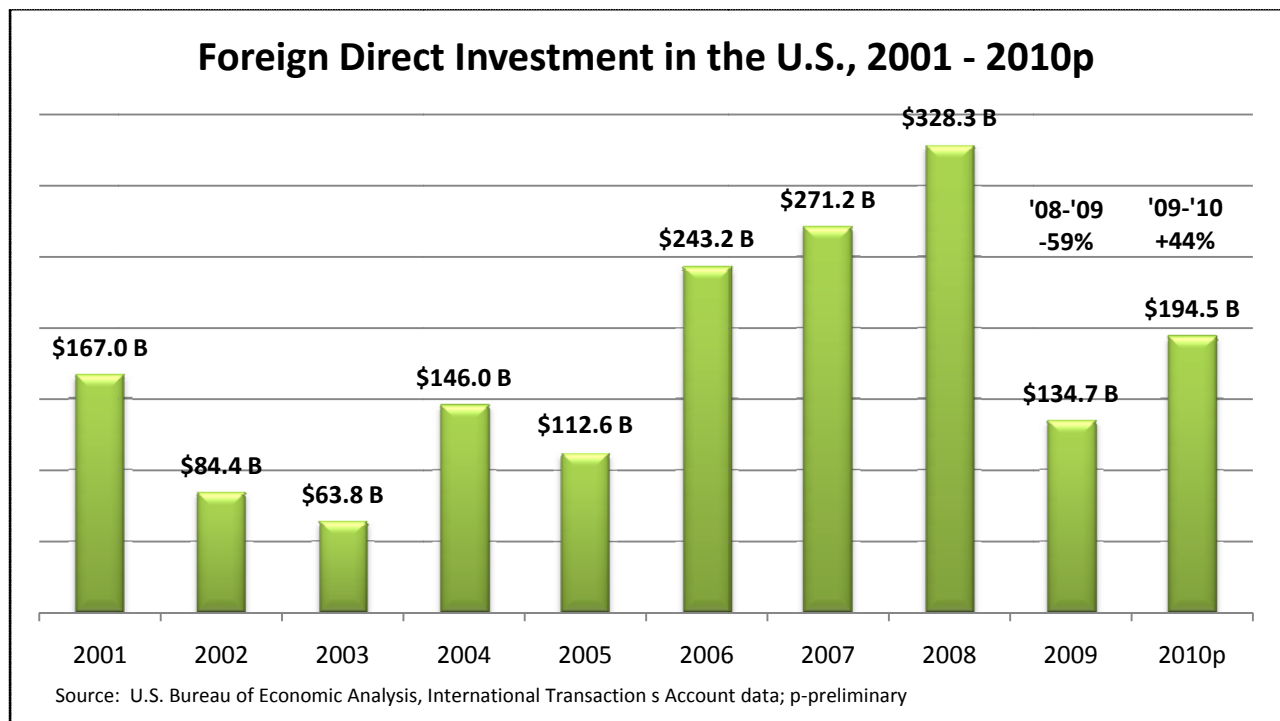
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## FOREIGN DIRECT INVESTMENT IN THE UNITED STATES

### Key Findings

#### Foreign Direct Investment in the United States, 2001-2010<sup>1</sup>

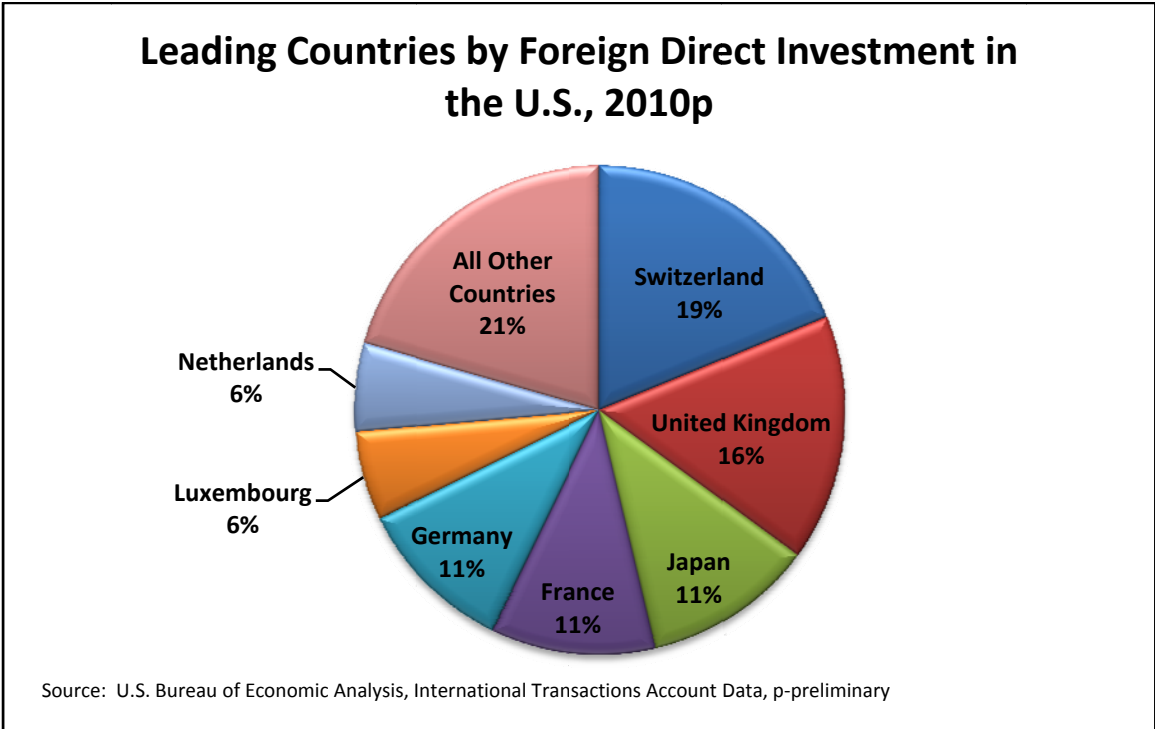
- Foreign direct investment in the United States (FDIUS)<sup>2</sup> in 2010 totaled \$194.5 billion, an increase of 44 percent compared to the \$134.7 billion in 2009.
- Reinvested earnings more than tripled from \$28.5 billion in 2009 to \$93.1 billion in 2010.
- The \$194.5 billion FDIUS recorded in 2010 was the fourth highest during the past 10 years.
- Foreign direct investment in the United States reached a record high for the decade of \$328.3 billion in 2008, after which, FDIUS dropped to \$134.7 billion in 2009 and then rose again in 2010.



<sup>1</sup> The U.S. Bureau of Economic Analysis released the most recent foreign direct investment statistics on March 16, 2011. These are preliminary and subject to revision.

<sup>2</sup> Foreign direct investment in the United States measures equity capital flows, reinvested earnings, and intercompany debt flows between U.S. affiliates and their parents abroad.

# Foreign Direct Investment in the United States by Select Countries

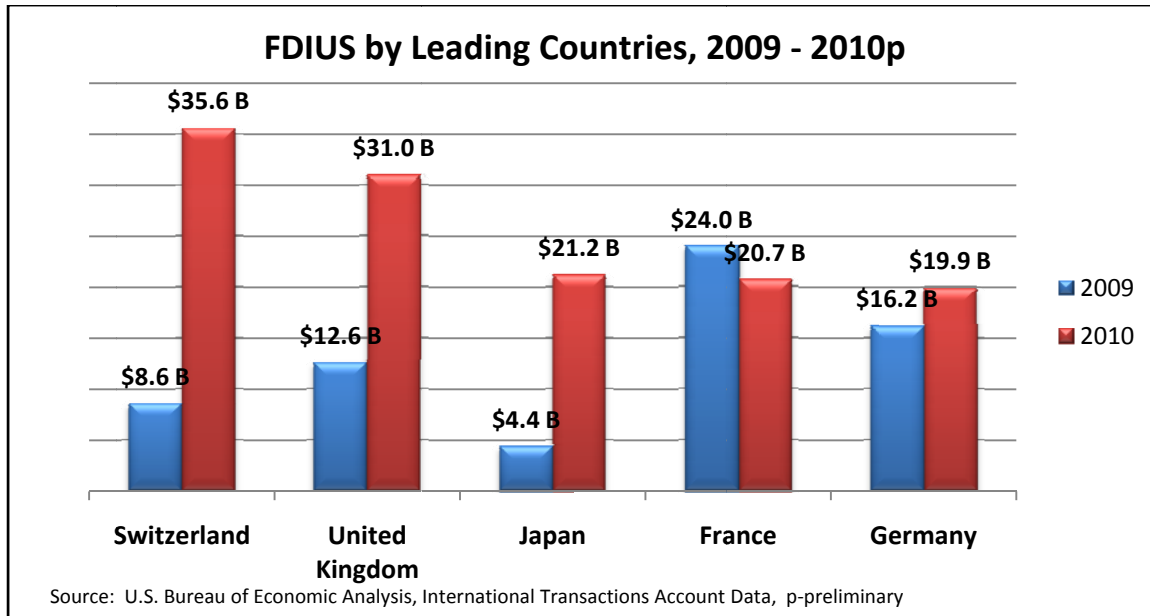


- Switzerland was the leading foreign investor in the United States in 2010, investing \$35.6 billion last year, followed by the United Kingdom at \$31.0 billion and Japan at \$21.2 billion.
- Other leading countries by foreign direct investment in the United States in 2010 were France, Germany, Luxembourg, and the Netherlands.
- Together, these seven countries represented 79 percent of all foreign direct investment in the United States in 2010.

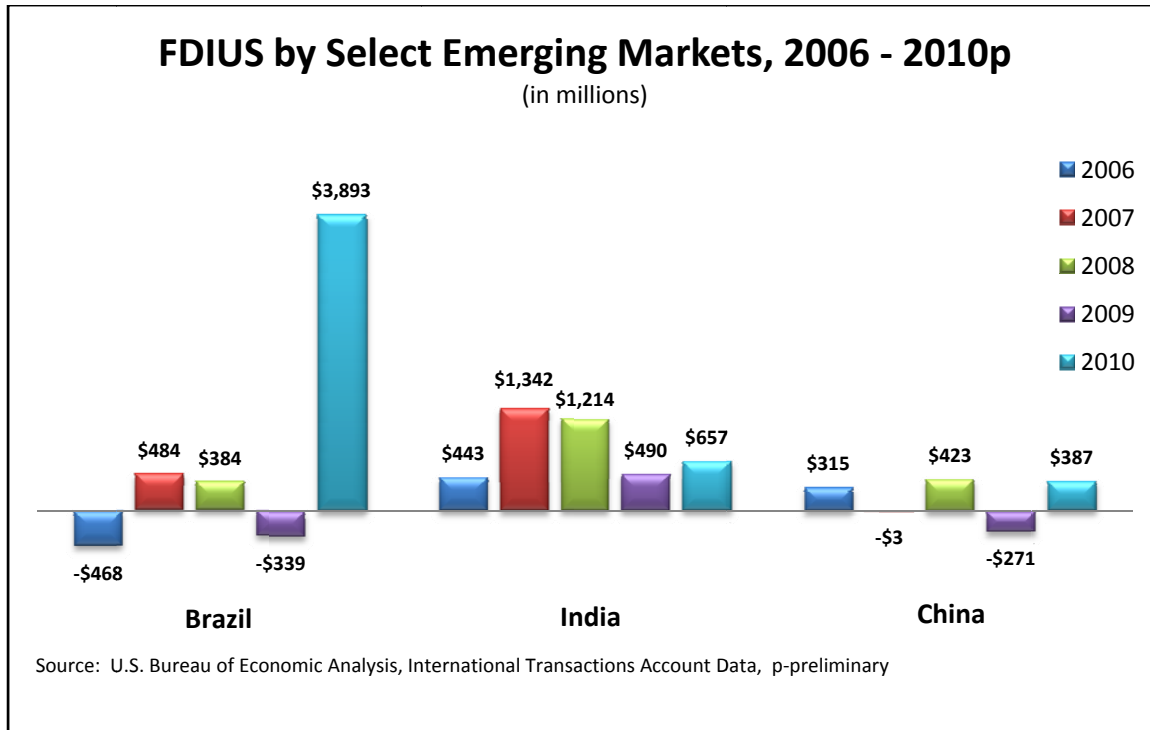
<b>Foreign Direct Investment by Leading Countries</b>				
<b>2009 and 2010*</b>				
<b>(in millions of dollars)</b>				
<b>Rank</b>	<b>Country</b>	<b>2009</b>	<b>2010*</b>	<b>% Change</b>
	<b>World</b>	<b>\$134,707</b>	<b>\$194,464</b>	<b>44%</b>
1	Switzerland	\$8,638	\$35,584	312%
2	United Kingdom	\$12,632	\$31,034	146%
3	Japan	\$4,373	\$21,222	385%
4	France	\$24,046	\$20,659	-14%
5	Germany	\$16,210	\$19,939	23%
6	Luxembourg	\$12,422	\$11,199	-10%
7	Netherlands	\$5,416	\$11,065	104%
8	Canada	\$25,813	\$9,370	-64%
9	Ireland	\$1,283	\$6,043	371%
10	Sweden	\$3,198	\$5,989	87%
11	Belgium	\$14,564	\$5,649	-61%
12	Brazil	-\$339	\$3,893	n/a
13	Spain	-\$3,328	\$2,805	n/a
14	Denmark	\$653	\$2,375	264%
15	Australia	\$6,732	\$2,193	-67%
16	U.K. Islands, Caribbean	-\$1,649	\$2,004	n/a
17	South Korea	-\$255	\$1,567	n/a
18	Singapore	-\$123	\$1,355	n/a
19	Taiwan	\$431	\$894	107%
20	Austria	\$108	\$863	699%

\*2010 data are preliminary  
Source: Bureau of Economic Analysis, U.S. International Transactions Accounts

- Not only was Switzerland the largest investor in the United States last year, its increase in investment from 2009 was one of the largest at 312 percent.
- Third ranked Japan also more than quadrupled its investment in the United States from 2009 to 2010 from \$4.4 billion to \$21.2 billion.
- Ireland, ranked ninth, also increased its investment in the United States significantly – more than 370 percent – between 2009 and 2010.



- Investment inflows from large emerging markets like India, Brazil, and China all saw increases over the past year. Brazil was the largest emerging market investor at \$3.9 billion in 2010. In fact, this was the largest FDIUS inflow over the past five years among these three emerging markets.
- Investment inflows from India have been positive over the past five years, peaking at \$1.3 billion in 2007.
- Foreign direct investment into the United States from China totaled \$387 million in 2010, after a disinvestment of \$271 million in 2009.
- Disinvestment, or net negative financial inflows, occurs when flows from U.S. affiliates to their parent companies are greater than flows from parents to affiliates. Net negative flows may be due to reductions of equity (selloffs) in their affiliates by parents, distributions of earnings by affiliates to their parents, or net loan payments from affiliates to parents.



## Foreign Direct Investment by Region

Europe was the largest direct investor in the United States, representing 73 percent of foreign direct investment last year. Asia and Pacific and Latin America and Other Western Hemisphere countries comprised 15 percent and 5 percent, respectively, of total foreign direct investment in the United States in 2010.

Foreign Direct Investment by Select Region, 2010*		
(in millions of dollars)		
Region	2010*	Percent of Total Foreign Direct Investment
<b>World</b>	<b>\$194,464</b>	
Europe	\$141,674	73%
European Union (27)	\$106,158	55%
Asia and Pacific	\$28,674	15%
Latin America & Other Western Hemisphere	\$9,528	5%
Africa	\$911	0.5%
Middle East	-\$437	n/a

\* 2010 data are preliminary  
Source: Bureau of Economic Analysis, International Transaction Accounts

## Foreign Direct Investment by Industry

Preliminary 2010 data show that manufacturing was the leading sector measured by foreign direct investment in the United States.

- Foreign investment in the U.S. manufacturing industry totaled \$78.3 billion in 2010, up significantly from \$48.1 billion in 2009, an increase of 63 percent.
- Wholesale trade also attracted foreign direct investment in 2010 at \$39.0 billion, up by more than 200 percent from \$12.9 billion in 2009.
- The preliminary 2009 statistics also indicate that professional, scientific, and technical services was the fastest growing sector between 2009 and 2010 at 289 percent.

<b>FDIUS by Industry 2009-2010*</b> (in millions of dollars)			
<b>Industry</b>	<b>2009</b>	<b>2010*</b>	<b>2009-10 % change</b>
Manufacturing	\$48,136	\$78,345	63%
Wholesale Trade	\$12,853	\$39,052	204%
Finance (excluding depository institutions) and Insurance	\$24,188	\$17,743	-27%
Information	-\$10,874	\$9,618	n/a
Depository Institutions	\$8,999	\$8,708	-3%
Professional, scientific, and technical services	\$1,531	\$5,959	289%
Real Estate and Rental and Leasing	\$625	\$929	49%
Retail Trade	\$4,805	\$709	-85%
Other Industries	\$39,621	\$28,657	-28%

\*2010 data are preliminary  
Source: U.S. Bureau of Economic Analysis

Within the manufacturing sector, nearly 40 percent of the \$78.3 billion in foreign direct investment was in chemicals in 2010 (\$30.3 billion), followed by a 19 percent share in food at \$15.1 billion.

**Foreign Direct Investment in the U.S. Manufacturing Industry**  
**2009-2010\***  
(in millions of dollars)

	<b>2009</b>	<b>2010*</b>	<b>2009-10 % change</b>
<b>Manufacturing Total</b>	\$48,136	\$78,345	63%
Chemicals	\$14,137	\$30,285	114%
Food	-\$4,356	\$15,123	n/a
Transportation Equipment	\$12,789	\$4,214	-67%
Computers & Electronic Products	-\$4,232	\$2,972	n/a
Electrical Equipment, Appliances, & Components	\$3,261	\$1,197	-63%
Machinery	\$6,627	\$1,123	-83%
Primary & Fabricated Metals	\$2,939	\$1,083	-63%
Other Manufacturing	\$16,971	\$22,348	32%

\*2009 data are preliminary  
Source: U.S. Bureau of Economic Analysis