

**Foreign Direct Investment (FDI) in the United States** contributes to productivity growth, generates U.S. exports, and creates high-paying jobs for American workers.

- **Foreign Direct Investment Creates New Jobs:** U.S. affiliates of foreign companies (majority owned) employ over 5 million U.S. workers, or 4.4% of private industry employment.<sup>2</sup>
- **Foreign Direct Investment Brings in R&D:** Affiliates of foreign companies spent nearly \$32 billion on research and development and \$121 billion on plants and equipment in 2005.<sup>5</sup>
- **Foreign Direct Investment Increases U.S. Exports:** Approximately 19% (\$169.2 billion) of all U.S. exports came from U.S. subsidiaries of foreign companies in 2005.<sup>6</sup>
- **Foreign Direct Investment Boosts Wages:** Foreign companies support an annual U.S. payroll of \$335.9 billion, with average annual compensation per employee of over \$66,000.<sup>7</sup> On average, U.S. subsidiaries of foreign firms pay 25 percent higher wages and salaries than that of domestically owned companies.<sup>8</sup>

**Foreign Direct Investment in Maryland** plays a vital role in supporting jobs in the state. U.S. subsidiaries of foreign firms now employ 102,700 workers in Maryland.<sup>9</sup>

- Maryland has proven to be an attractive location for international employers, ranking 17th in the United States in the number of employees supported by U.S. subsidiaries.
- In fact, the relative portion of jobs in the state supplied by U.S. subsidiaries remains significant. They provide the livelihood for nearly 5% of Maryland's private-sector workforce.
- Maryland ranks 17th in the country in the share of its workforce supported by U.S. subsidiaries.
- U.S. subsidiaries support 17,900 manufacturing jobs in Maryland. Manufacturing companies tend to have a strong "multiplier" effect on the economy—stimulating a substantial amount of activity and jobs in other sectors through their demand for inputs from other suppliers.
- Almost 13% of manufacturing jobs in Maryland are supported by U.S. subsidiaries.

### **Examples of Recent Foreign Investments in Maryland:**<sup>10</sup>

- September 2007 - Deutsche Post (Germany) is investing \$1.60 Mn in the city of Baltimore in the transportation sector in a logistics project, creating 30 jobs. DHL's previous operations at the Baltimore/Washington International Airport have been enhanced with the opening of a new, \$1.6 million on-airport facility. The new 18,663 sq.ft. facility will also handle additional routes and features additional load positions to accommodate more vehicles and volumes of freight.
- April 2007 - Intel-iguard (UK) is investing in the city of Rockville in the software & IT services sector in a sales, marketing & support project, creating 30 jobs.
- November 2006 - BP (UK) is investing \$70 Mn in the city of Frederick in the alternative/renewable energy sector in a manufacturing project, creating 70 jobs.

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<sup>1</sup> UNCTAD "Foreign Direct Investment Database"; <sup>2</sup> Bureau of Economic Analysis, "Foreign Direct Investment in the U.S.: Financial and Operating Data"; <sup>3</sup> U.S. Department of the Treasury "Fact Sheet: An open Economy is Vital to U.S. Prosperity," May 2007 [www.treas.gov/press/releases/hp395.htm](http://www.treas.gov/press/releases/hp395.htm); <sup>4</sup> Bureau of Economic Analysis "Foreign Direct Investment in the U.S.: Financial and Operating Data"; <sup>5</sup> Ibid; <sup>6</sup> Ibid; <sup>7</sup> Ibid; <sup>8</sup> Bureau of Economic Analysis, "Foreign Direct Investment in the U.S.: Financial and Operating Data"; <sup>9</sup> Language and data for "Foreign Direct Investment in Maryland" taken from Organization for International Investment "Insourcing Jobs by State" (2008). <sup>10</sup> Language and data taken from OCO Monitor, April 2008, <http://www.ocomonitor.com/>.