

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.²
- **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 2005.⁵
- **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 2005.⁶
- **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 \$66,000.⁷ On average, U.S. subsidiaries of foreign firms pay 25 percent higher wages and salaries than that of domestically owned companies.⁸

Foreign Direct Investment in New Hampshire plays a vital role in supporting jobs in the state. U.S. subsidiaries of foreign firms now employ 34,200 workers in New Hampshire.⁹

- In fact, the relative portion of jobs in the state supplied by U.S. subsidiaries remains significant. They provide the livelihood for 6.1% of New Hampshire's private-sector workforce.
- New Hampshire ranks 5th in the country in the share of its workforce supported by U.S. subsidiaries
- U.S. subsidiaries support 14,800 manufacturing jobs in New Hampshire. 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.
- More than 18% of manufacturing jobs in New Hampshire are supported by U.S. subsidiaries.
- U.S. subsidiaries' employment in New Hampshire is heavily concentrated in manufacturing. Nearly 45% of these jobs are in manufacturing industries.

Examples of Recent Foreign Investments in New Hampshire:¹⁰

- October 2007 - Ice River Springs Water (Canada) is investing in the city of Claremont in the beverages sector in a manufacturing project, creating 50 jobs.
- May 2007 - Manulife (Canada) is investing in the city of Portsmouth in the financial services sector in a sales, marketing & support project, creating 200 jobs. John Hancock Insurance company is planning a move and expansion in Portsmouth.
- February 2006 - Lonza (Switzerland) is investing in the city of Portsmouth in the biotechnology sector in a manufacturing project, creating 300 jobs. Lonza Biologics plans to expand its plant in Portsmouth, New Hampshire. It plans to create 250 to 400 new jobs and to begin construction on another 250,000-square-foot addition to its facility at Pease International Tradeport.

¹ UNCTAD "Foreign Direct Investment Database"; ² Bureau of Economic Analysis, "Foreign Direct Investment in the U.S.: Financial and Operating Data"; ³ 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; ⁴ Bureau of Economic Analysis "Foreign Direct Investment in the U.S.: Financial and Operating Data"; ⁵ Ibid; ⁶ Ibid; ⁷ Ibid; ⁸ Bureau of Economic Analysis, "Foreign Direct Investment in the U.S.: Financial and Operating Data"; ⁹ Language and data for "Foreign Direct Investment in New Hampshire" taken from Organization for International Investment "Insourcing Jobs by State" (2008). ¹⁰ Language and data taken from OCO Monitor, April 2008, <http://www.ocomonitor.com/>.