

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 York plays a vital role in supporting jobs in the state. U.S. subsidiaries of foreign firms now employ 378,000 workers in New York.⁹

- New York has proven to be an attractive location for international employers, ranking 2nd 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 5.2% of New York's private-sector workforce.
- New York ranks 13th in the country in the share of its workforce supported by U.S. subsidiaries.
- U.S. subsidiaries support 50,600 manufacturing jobs in New York. 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 9% of manufacturing jobs in New York are supported by U.S. subsidiaries.

Examples of Recent Foreign Investments in New York:¹⁰

- April 2008 - Volvo (Sweden) is investing in the city of Plattsburgh in the automotive OEM sector in a manufacturing project, creating 400 jobs. The manufacturer of buses, Nova Bus, has announced the construction of a new plant in Plattsburgh, which could employ, in the long run, more 400 people.
- January 2008 - Plastisol BV (Netherlands) is investing \$1.90 Mn in the city of Groton in the plastics sector in a manufacturing project, creating 35 jobs.
- September 2007 - Fage Dairy Industry (Greece) is investing \$70 Mn in the city of Johnstown (in the food sector) in a manufacturing project, creating 90 jobs. Fage USA is to build its first stateside manufacturing facility in New York. The plant will manufacture up to 50,000 tons of specialty yogurt each year.

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 York" 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/>.