

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 Rhode Island plays a vital role in supporting jobs in the state. U.S. subsidiaries of foreign firms now employ 22,900 workers in Rhode Island - an increase of 3.2% over five years.⁹

- In fact, the relative portion of jobs in the state supplied by U.S. subsidiaries remains significant. They provide the livelihood for 5.3% of Rhode Island's private-sector workforce.
- Rhode Island ranks 11th in the country in the share of its workforce supported by U.S. subsidiaries.
- U.S. subsidiaries support 3,100 manufacturing jobs in Rhode Island. 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 6% of manufacturing jobs in Rhode Island are supported by U.S. subsidiaries.

Examples of Recent Foreign Investments in Rhode Island:¹⁰

- February 2008 - Vicem Yachts (Turkey) is investing in the city of Newport in the non-automotive transport OEM sector in a sales and support project.
- January 2007 - Polyrack Tech-Group (Germany) is investing in the city of Cumberland in the electronic components sector in a headquarters project. Polyrack North American Corp, a company that offers electronic packaging systems, microcomputer packaging systems, plastics technology and surface finishing, has announced plans to construct the North American headquarters in Cumberland, Rhode Island.
- November 2006 - IntelligenceFocus (Italy) is investing in the city of Providence in the software & IT services sector in a headquarters project. IntelligenceFocus (IF), headquartered in Turin, Italy, announced that the company has opened offices in the United States as the first step of an aggressive global expansion. The U.S. headquarters are based in Providence, Rhode Island.

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 Rhode Island" 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/>.