



SelectUSA: Bringing Home the Bacon

Depository Library Conference
October 18, 2012

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Value of FDI to the U.S. Economy

5.3 million Workers employed by U.S. affiliates of foreign firms in the U.S. in 2010

\$41 billion Amount U.S. affiliates of foreign firms spent on R&D in the U.S. in 2010

\$163 billion Amount U.S. affiliates of foreign firms spent on capital investments in 2010

\$227 billion Size of FDI flows into the U.S. in 2011

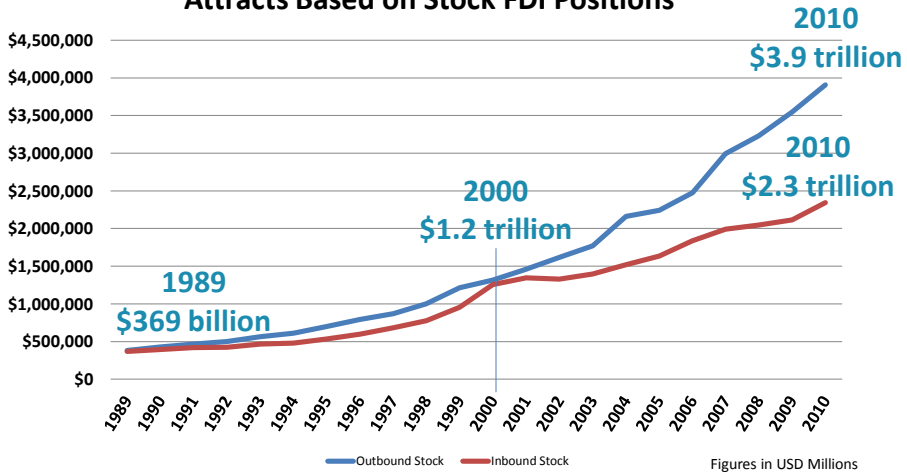
18 % Percent of all U.S. exports come from U.S. subsidiaries of foreign firms in 2010

33 % U.S. affiliates of foreign firms on average paid 33% more than the economy-wide average in 2009



U.S. FDI Trends

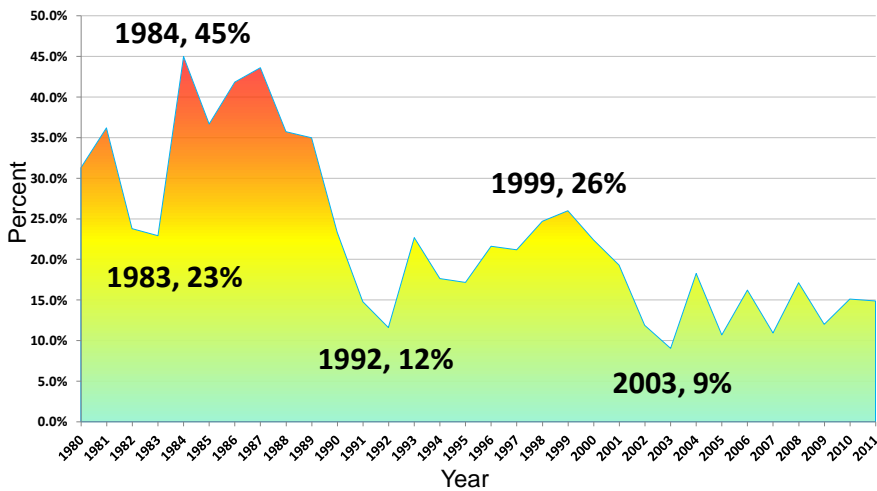
The United States Sends Out More FDI Than It Attracts Based on Stock FDI Positions



Figures in USD Millions
Source: Bureau of Economic Analysis

U.S. FDI Trends

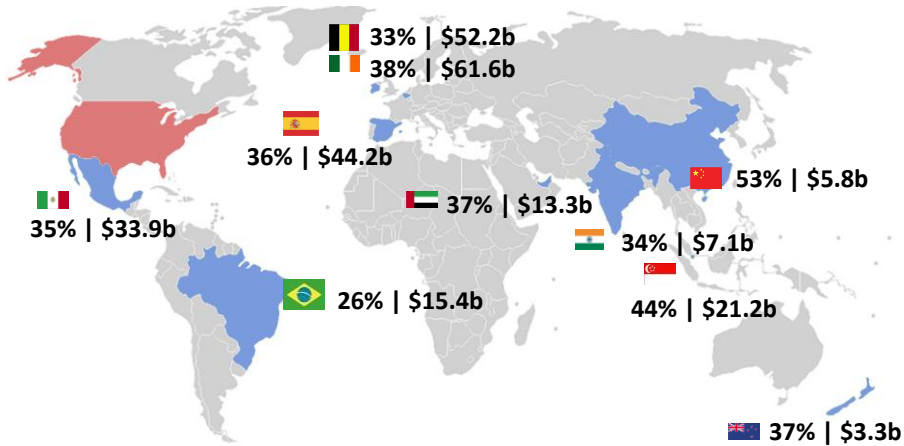
Share of Global FDI Flows Captured by the United States 1980 - 2011



Source: UN Conference on Trade and Development (UNCTAD)

U.S. FDI Trends

Top 10 FDI Growth Markets, 2010



Note: Numbers denote 5 year compound annual growth rate (2005-2010) of the stock FDI position and the total stock of FDI in the United States



Source: Department of Commerce, Bureau of Economic Analysis
FDI by Ultimate Beneficiary Owner

U.S. FDI Trends

Top 10 FDI Growth Markets, 2010

Fastest Growing Sources of FDI in the United States, by Compound Annual Growth Rate (2005-2010)

Rank	Country	Growth Rate	Billion USD
1	China	53%	5.8
2	Singapore	44%	21.3
3	Ireland	38%	61.7
4	New Zealand	37.8%	3.3
5	U.A.E.	37%	2.6
6	Spain	36.9%	44.2
7	Mexico	35%	5.5
8	India	34%	2.3
9	Belgium	33%	2.4
10	Brazil	26%	3.8

Source: Department of Commerce, Bureau of Economic Analysis
FDI by Ultimate Beneficiary Owner



Mainland China & Hong Kong FDI in the U.S.



The U.S. Business Climate

#1 IESE Business School's 2011 Venture Capital and Private Equity Index

France: #17 Germany: #16 UK: #3

#4 World Bank's Ease of Doing Business 2012 ranking

France: #29 Germany: #19 UK: #7

#4 AT Kearney's 2012 FDI Confidence Index

France: # 17 Germany: #5 UK: #8

#5 World Economic Forum's 2011-2012 Global Competitiveness rankings

France: #18 Germany: #6 UK: #10

The U.S. Business Climate

Strategic Market & Free Trade Agreements

Population of U.S. and FTAs is 695 million;
U.S. 42% of Global Consumer Goods Market ¹

Center for Global Innovation and Entrepreneurship

U.S. responsible for 34% of total world R&D expenditures;
average 565,000 new businesses created per month in 2010 ²

Strong Intellectual Property Right Protections

52% of the patents granted in 2011 by the U.S. Patent Office
originated from a foreign country ³

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1. Office of the U.S. Trade Representative; Central Intelligence Agency – The World Factbook; and Credit Suisse survey;
2 National Science Foundation Science and Engineering Indicators 2010;
Kauffman Index of Entrepreneurial Activity 1996-2009;
3. U.S. Patent and Trademark Office



The U.S. Business Climate

A Leader in Higher Education

15 of the top 20 universities in the world.
Compare to Europe, with 4 of the top 20 ⁴

Productive Workforce

U.S. labor productivity grew 2.3% in 2009
(France: -1%, Germany: -2.3%, UK: -2.5%) ⁵

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4. The Times Higher Education Report 2010-2011 (U.K.);
5. OECD Labor Productivity Statistics;
6. U.S. Census Bureau, *Hangzhou city proper



About SelectUSA

SelectUSA was created by an Executive Order of the President of the United States in June 2011.

Vol. 76, No. 118/Monday, June 20, 2011/Presidential Documents 35715

Presidential Documents

Executive Order 13577 of June 15, 2011

Establishment of the SelectUSA Initiative

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to support private-sector job creation and enhance economic growth by encouraging and supporting business investment in the United States, it is hereby ordered as follows:

Section 1. Policy. Business investment in the United States by both domestic and foreign firms, whether in the form of new equipment or facilities or the expansion of existing facilities, is a major engine of economic growth and job creation. In an era of global capital mobility, the United States faces increasing competition for retaining and attracting industries of the future and the jobs they create. My Administration is committed to enhancing the efforts of the United States to win the growing global competition for business investment by leveraging our advantages as the premier business location in the world.

As a place to do business, the United States offers a hardworking, diverse, and educated workforce, strong protection of intellectual property rights, a predictable and transparent legal system, relatively low taxes, highly devel-

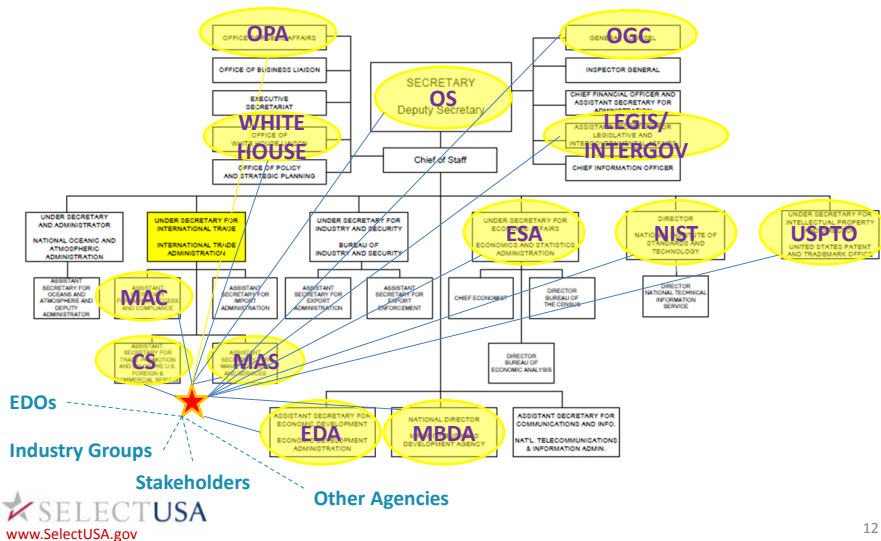
The Executive Order outlines:

1. The Administration's policy on business investment
2. The establishment and functions of the SelectUSA initiative



The Lay of the Commerce Landscape – How SelectUSA fits into the puzzle

U.S. DEPARTMENT OF COMMERCE



SelectUSA: Promoting Investment in the United States

- **SelectUSA Mission:** to facilitate business investment in the United States in order to support job creation, spur economic growth, and promote American competitiveness.
- Primary U.S. government-wide initiative to **promote and facilitate business investment** in the United States
- **Geographically neutral** in the United States

SelectUSA: Promoting Investment in the United States

- Housed in the **International Trade Administration** at the U.S. Department of Commerce
- Leverages **CS-staff in 48 U.S. states**
- Leverages **FSC-staff in 73 markets** around the world (trained 25 FSC posts in 2012)
- Beginning outreach to **109 USEACs** this year

SelectUSA: Promoting Investment in the United States

- Engage in international and domestic business investment
- Conduct Investor Outreach and Educate Investors
- Lead and Coordinate an Interagency Working Group

SelectUSA Can Help

- **Business Solutions:**
help identify federal programs and services available to firms, provide information and establish connections with economic development organizations (EDOs).
- **Ombudsman Assistance:**
address issues or questions involving federal regulations, programs, or activities related to existing, pending, and potential investments.
- **Economic Development Organization Counseling:**
As subject-matter experts, SelectUSA staff can help EDOs successfully recruit and retain investment.
- **Advocacy for U.S. Cities, States and Regions:**
SelectUSA helps level the playing field for U.S. EDOs competing with foreign locations for new foreign direct investment.

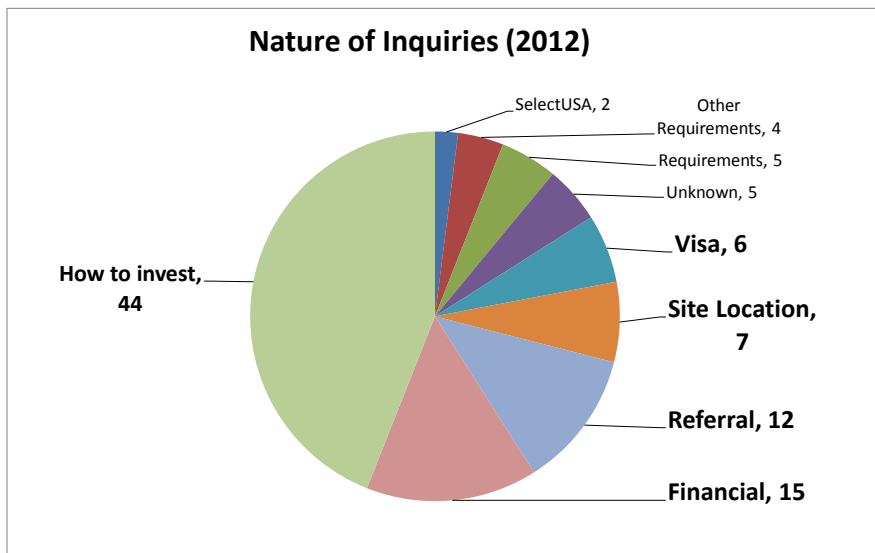
What We Do: Information Assistance



SelectUSA provides actionable information to foreign firms to help them...

- Incorporate a business in the U.S.
- Understand basic U.S. tax and legal concepts
- Learn about incentives available to businesses in the U.S.
- Connect with U.S. state, city, or regional economic development offices to learn about investment opportunities
- Apply for a business-related visa

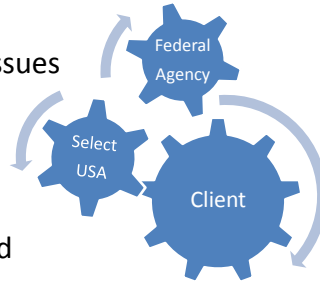
What We Do: Information Assistance



SelectUSA Services: Ombudsman Assistance

SelectUSA works across the federal government on a case-by-case basis to:

- Address foreign investor concerns and issues
- Connect with a federal agency/ office to seek insight into a specific case
- Offer to facilitate direct communication between the relevant federal agency and the client, as appropriate
- Identify federal regulations or processes to U.S. policy makers, that may negatively impact the U.S. business climate



SelectUSA Services: Ombudsman Assistance

The SelectUSA Ombudsman function is considered business sensitive and administered strictly by the SelectUSA HQ.



Help U.S. EDOs in FDI Promotion

Single Location Promotion (SLP)

Tailor-made events developed collaboratively, promoting individual U.S. jurisdictions as FDI destinations.

EXAMPLE



- Promotion event for State of Louisiana (e.g. presentation by FDI practitioners or a match-making reception)
- One-on-one meetings between Louisiana and Chinese government representatives
- Meetings with Chinese companies that Louisiana has identified



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Investment Events



U. S. Commercial Service SelectUSA Road Show in India

Save the date

- December 9: Arun Mumbai
- December 10: Mumbai
- December 11: Mumbai - Travels to Bangalore
- December 12: Bangalore - Travel to Delhi
- December 13: Delhi
- December 14: Back to U.S.

Road Show Stops

Mumbai Mumbai is India's commercial and financial capital. It is the fifth largest city in the world and is largest and richest metropolitan area. Mumbai is synonymous with Bollywood, a multi-billion dollar film industry that is perhaps the country's best known cultural export, as well as being home to the country's vibrant financial services and capital markets. Almost all of Indian and foreign financial services firms are headquartered here, as are India's major regulators, the Reserve Bank of India (RBI), and the securities and exchange board of India (SEBI).

Bangalore Bangalore is the principal administrative, cultural, commercial and industrial center of the Indian state of Karnataka. Bangalore is now home to more than 2,000 high-tech companies, including domestic giants like Infos and Infosys Technologies. Bangalore has become the "Silicon Valley" of India.

New Delhi New Delhi is India's capital city and the most prosperous of India's 28 states. It is also the center for trade, commerce and industry in the northern region. The growth of service industries and the presence of a large, highly skilled English-speaking workforce in New Delhi have attracted many multinational companies. New Delhi's manufacturing industry has also grown remarkably. The city's rich consumer market, coupled with advanced physical infrastructure and a high rate of urbanization, forms its foreign investment strength.

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manjusha@trade.gov

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IMPORTANT NOTICE – SAVE THE DATE

USA INVESTMENT CENTER AT HANNOVER FAIR, APRIL 8-12, 2013



For the third consecutive year, the U.S. Commercial Service's Select USA team will organize the USA Investment Center at the world's largest industrial technology show, the Hannover Fair. The USA Investment Center is a joint initiative of the Federal SelectUSA Program and participating Economic Development Organizations from U.S. states, cities and regions. The USA Investment Center promotes the United States as the premier global business location to over 4000 industry exhibitors and 200,000 trade visitors. It offers EDOs a cost-effective turn key package of meeting space, joint marketing and promotion as well as individualized support to maximize business development and recruitment efforts of U.S. EDOs. Here are just some of the benefits of participation:

- A highly visible and strategic booth location shared with the U.S. Energy Pavilion in hall 13 at the show
- Entry in the official, electronic Exhibitor Catalog for the show
- Inclusion in the attractive, printed SelectUSA Investment Directory, thousands to be distributed at show
- Promotion to industry by the U.S. Commercial Service in U.S. Embassies in Germany and throughout the world
- Your own bilingual trade assistant to help you set up meetings and make connections (optional)
- Meeting space and hospitality
- Assistance with logistics and accommodations



Put your region on the map! A detailed description of the SelectUSA Program at Hannover Fair will be available soon. To obtain further information and to receive updates on this opportunity, please contact:

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SelectUSA.gov – Overview

- About SelectUSA
- Events
- Industry Snapshots
- Intellectual Property
- Incentives (Federal)
- State EDOs
- Manufacturing Extension Partnership
- Other Resources (links to other agencies and guides)
- Signup for Newsletter
- Services
- Testimonials & Successes
- Tools
- Why Select USA?

FUTURE

- Enablers – self help
- Flowcharts
- Glossary
- Downloads
- Inside SelectUSA
- Metrics
- Multilingual
- Personalization – customer
- PSAs
- Reading Room
- Rich tool set
- More US, state & local, and industry resources
- Social Media

SelectUSA.gov – Searchable, Current List of Federal Programs & Incentives



SelectUSA.gov – Other Resources

- **Gateway to Commercial Service Offices**
SelectUSA works with Commercial Service Officers to reach investors in 73 international markets
- **Doing Business in the U.S.**
BusinessUSA, SBA, Insourcing, Federal Laws and Regulations, State Laws & Regulations
- **Private Sector Business Guides**
Respected private sector publications
- **International Trade and Investment**
U.S. Export and Import guidance
- **Protecting Intellectual Property (IP)**
Practical advice for protecting IP both in the U.S. and abroad, including researching and obtaining patents and trademarks, and how to reach enforcement agencies.

Where the Opportunities Grow

- **Cultural differences**
 - Customs and rituals
 - Paradigms and sensitivities
 - Language barriers
 - Work and business ethics
 - Business aggression
 - Communication styles
 - Suspicions and fears
- **We don't all wear cowboy hats**
- **We don't all share the same motivations**



Where the Opportunities Grow

- **Geographic dispersal**
 - Time-shifting
 - Physical distances
 - Communications technologies
- **Global awareness**
 - Political differences
 - Economic differences
 - Access mechanisms and resources



Where the Opportunities Grow

Institute of Museum and Library Services

<http://www.ims.gov>

- ***Museums, Libraries, and 21st Century Skills*** initiative
- “... critical role our nation’s museums and libraries play in helping citizens build such 21st century skills as
 - **information, communications and technology literacy,**
 - **critical thinking,**
 - **problem solving,**
 - **creativity,**
 - **civic literacy, and**
 - **global awareness “**



Where the Opportunities Grow

IMLS' 21st Century Skills initiative aligns with the needs of U.S. businesses who may be unprepared to take on international investors.

You are in a unique position to play an active part in revitalizing the American economy by equipping your local businesses with the information and skills required to succeed in a global business environment.



Where the Opportunities Grow

Some ways libraries can help:

- **Identify informational needs of local businesses**
- **Build skills to successfully engage in the international business investment environment**
- **Address cultural, informational, and technical challenges and misunderstandings**
- **Filter and identify quality information and resources.**
- **You tell us.**



Moving forward

- We will be available to talk after this lecture.
- Signup sheet for those interested in an active role
- Be creative.
- Be active.



Thank You

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