

STRATEGIC OBJECTIVE 1.3

**Increase high-impact inward foreign direct investment into the United States
(EDA, ESA, ITA)**

For the last 10 years of available data (2002-2012), the United States has been the world's largest recipient of foreign direct investment. Every day, foreign companies establish new operations in the United States or provide additional capital to existing businesses. The United States has an attractive investment climate as the world's largest consumer market, with skilled and productive workers, a highly innovative culture, a strong and effective legal system, a predictable regulatory environment, and low cost energy. In addition, the Nation's strong commitment to environmental protection adds sustainability to U.S. assets. To remain a premier investment destination, the United States must continue to nurture and build upon these strengths, fostering the conditions necessary to attract business production back to the United States (reshoring) or locate facilities within the United States rather than in other countries.

Foreign direct investment in the United States contributes significantly to U.S. economic growth and prosperity. In 2011, value added by majority-owned U.S. affiliates of foreign companies accounted for 4.7 percent of total U.S. private output. These firms employed 5.6 million people in the United States, or 5.1 percent of private-sector employment. The United States competes with countries that have aggressive national programs to encourage businesses to move to or expand within their own borders. In response to this competition, President Obama announced a federal *SelectUSA* initiative in 2011. Led by the Department, *SelectUSA*, involves multiple Department bureaus, includes other federal agencies, and works alongside U.S. states and localities to advocate aggressively for the United States as a premier investment destination. This coordinated federal effort assures the global investment community that **America is open for business**. The Department's advocacy efforts are also backed up by capacity building grants that help communities create an economic ecosystem in which the private sector can leverage regional and community assets to promote foreign investment.

KEY STRATEGIES

Lead coordinated investment promotion (ITA). Investment teams will develop country and industry-specific strategies in 32 economies with substantial potential for investments in the United States. ITA will lead the development of the strategies and create single points of contact for categories of investors. U.S. missions around the world and offices in the United States will expand outreach to prospective investors, host or participate in in-country or regional events to encourage investment, and leverage local business connections to promote investment in the United States. Research will identify high-potential sectors, and industry and investment experts will engage potential foreign investors in those sectors. This direct engagement will also be supported and complemented by more robust online marketing and training efforts.

Provide tailored investment assistance to investors (ESA, ITA). ITA will enhance its outreach efforts and proactively engage the foreign investment community to identify the information and services they need to invest in the United States. This input will be used to develop clear, complete, and consistent information for potential foreign investors. The input will also be used to address unnecessary obstacles to investment. *SelectUSA* will provide a formal ombudsman service for businesses investment.

Provide coordinated support to states and localities to attract investment (EDA, ITA). ITA and EDA will amplify their support to regional, state, and local economic development organizations to attract investment. The Department will help coordinate these efforts and provide platforms and opportunities for local efforts to connect with potential foreign investors. The Department, through ITA, will also provide economic development organizations with information on foreign direct investment trends, effective global outreach methods, and marketing strategies to promote U.S. locations to foreign investors. These services will be provided on a geographically neutral basis. Furthermore, EDA will help

regions and communities by providing grants to develop and implement place-based strategies to leverage regional assets and build overall capacity to expand foreign direct investment.

Advocate globally for the United States as a destination for investment (ITA). For the first time, the U.S. government will advocate systematically to

business leaders to locate production and investment in the United States. This tactic is often employed by competitor nations looking to attract investment. The Department, through *SelectUSA*, will coordinate actions by top federal officials, including the President, to increase investment by foreign business in the United States. When these businesses “select USA,” new U.S. jobs and investment result.

STRATEGIC OBJECTIVE 1.3 PERFORMANCE INDICATORS	
Future Indicators <i>(the outcomes that we will strive to measure in the future)</i>	<ul style="list-style-type: none"> ● Number of U.S. jobs supported as a result of inward investment facilitated by the Department (ITA) ● Dollar value of inward investment successes facilitated by the Department (ITA) ● Percentage of clients that achieved their investment objectives (ITA)
Key Indicators <i>(the outcomes that we can measure now)</i>	<ul style="list-style-type: none"> ● Number of investment clients assisted by the Department (ITA) ● Recipient estimated number of jobs and dollar amount of private investment generated as a result of grants that support inward investment (EDA)
Supporting Indicators <i>(other measures that have an impact on our target outcomes)</i>	<ul style="list-style-type: none"> ● Number of ombudsman cases facilitated by the Department (ITA)

For additional details on these performance indicators, see Appendix A in the full version of Commerce’s FY 2014 - 2018 Strategic Plan.