International Economic Development Task Force Meeting

Sunday, March 3, 2019
1:00PM – 2:30PM
SelectUSA is the only U.S. federal-level program dedicated to facilitating and promoting high impact foreign direct investment (FDI) in the United States. FDI contributes to U.S. competitiveness by driving economic growth, job creation, innovation, and exports – which advances the overarching goal of free, fair and reciprocal trade.

SelectUSA began as the Invest in America initiative in 2007 under the Bush Administration; and the program was furthered by Executive Order 13577 in 2011 to solidify the current authorities, mission and tools to attract and retain FDI.

SelectUSA serves investors and companies with existing operations in the U.S. or planning to enter the U.S. market; and economic development organizations (EDOs) at the state, regional, local levels.

Historically and until December 14, 2018, SelectUSA focused its efforts on attracting exclusively foreign direct investment. The same EO 13577 provide for facilitation of domestic business investment activities tied to economic development. The scope of this new work is to offer traditional SelectUSA services to U.S. firms that might be contemplating expansion domestically/internationally or returning to the United States.

SelectUSA has assisted thousands of clients, including EDOs, domestic firms, and international companies, facilitating over $47.8 billion in client-verified investment, creating and/or retaining tens of thousands of U.S. jobs across the United States.

FY 2018 numbers:

SelectUSA assisted more than 6,800 clients from 53 U.S. states and territories and 91 global markets. These clients announced 449 greenfield investment projects in 49 U.S. states and territories, which was 27.3% of all announced greenfield projects in the United States.
Services

- **Counseling, customized research, and data reports** to help firms inform their decisions
- Assistance to firms in understanding and navigating the federal regulations affecting their industry and their specific business plans
- Connections between firms and local leaders and EDOs that can provide on-the-ground assistance to the firm
- High-level US government advocacy services
- Global platforms for promoting the United States as the premier investment destination
Expansions

• Though businesses have access to USG federal resources and information, both U.S. and foreign firms often don’t know how to leverage appropriate services and programs to help them invest, re-invest, or expand in the United States.

• By including expansion, reshoring, and retention activity, SelectUSA can support the creation of more quality jobs.

• According to fDi Markets, investment projects that are expansions supported an average 118 jobs while new investment projects only supported an average 84 jobs.

• Dedicating resources to attracting both new and additional existing investment builds a robust pipeline to fuel positive economic growth.
U.S. Firms Case Example

**Background**
For over 180 years, a specialty engineered materials company has served customers and partners around the globe and manufactures products in the U.S., China, Japan, Korea, Germany. Today, COMPANY A is composed of three business segments: Connectivity Solutions, Material Solutions and Power Solutions.

**Decision**
In 2016, COMPANY A announced that it would move its headquarters from the NE to SW. The company has purchased an additional facility along a tech corridor that is expected to create 100 new jobs. The company plans to start upgrading the facilities and equipment immediately, to have the site ready for commercial production in 2019. Company A currently employs 500 people at its locations. The new operation will produce components and systems for its Connectivity Solutions business segment, which is projecting significant growth in key markets that include 5G and Advanced Driver Assistance Systems.

**SelectUSA Impact**
Company A considered China and Malaysia (one of which had existing operations) or staying home in its current US location. Local EDO requested from SUSA comparisons of costs in all three to bolster its argument that the company should expand at home and not abroad. SelectUSA counseling and services occurred in July 2018.
Investment Advisory Council

• Advises Secretary on government policies and programs that affect businesses engaging in FDI, the expansion of domestic operations, or the transferring of operations to the U.S. from overseas

• Increasing to **40 members** to **include U.S.-majority owned companies**

• Two-year term (April 2018 - April 2020)

• Awaiting final clearances and will post in Federal Register Notice imminently
Investment Summit

2018 SELECTUSA INVESTMENT SUMMIT
BY THE NUMBERS

The SelectUSA Investment Summit is the highest-profile event dedicated to promoting foreign direct investment (FDI) in the United States. Featuring senior government officials, C-Suite business executives, and other thought leaders, each Summit focuses on a timely theme related to the U.S. investment climate, industry trends, and new opportunities.

PARTICIPANTS

More than

3,000 Total Attendees
350+ Service Providers
300+ U.S. Government Officials
250+ Speakers, Media, and Staff

PARTICIPANTS ALSO INCLUDE:
Over 1,200 International Registrants
From 66 Markets

THE TOP 10 MARKETS REPRESENTED

Taiwan: 125
China: 100
Japan: 97
India: 91
Romania: 43
Switzerland: 42
Korea: 36
Germany: 35
Israel: 31
Brazil: 31

More than 700 EDO Representatives
From 51 U.S. States and Territories
Including 47 Official State EDO Exhibitors

USG PAVILION
23 U.S. Government Programs and Agencies
WHY TRADE MATTERS
FOR U.S. COUNTIES

MAX BOUCHET | MAREK GOOTMAN
BROOKINGS INSTITUTION
NACo LEGISLATIVE CONFERENCE | 03/03/2019

@MaxDavidBouchet
@MarekGootman
Strengthen the international economic connections and competitiveness of metropolitan areas, resulting in more sustained growth and higher-quality jobs.
The Global Cities Initiative network extends to over 40 U.S./int’l cities:

**IN THE U.S.**
- Atlanta
- Baltimore
- Charleston
- Chicago
- Columbus
- Des Moines
- Fresno
- Greenville-Spartanburg (Upstate SC)
- Houston
- Indianapolis
- Jacksonville
- Kansas City
- Los Angeles
- Louisville-Lexington
- Milwaukee
- Minneapolis-St. Paul
- Philadelphia
- Phoenix
- Portland
- Richmond
- Sacramento
- Salt Lake
- San Antonio
- San Diego
- Seattle
- St. Louis
- Syracuse
- Tampa Bay
- Washington, DC
- Wichita
- Youngstown-Erie (OH-PA Stateline)

**INTERNATIONAL**
- Auckland
- London
- Stockholm
- Barcelona
- Mexico City
- Tel Aviv
- Canadian GCC
- Paris
- Tijuana
- Johannesburg
- Santiago
- Toronto
Drivers of Economic Competitiveness

**Traded Sectors**
- Advanced Industries
  - Exports
  - Foreign Direct Investment

**Innovation**
- Patents
- Scientific Research
- Venture Capital
- R&D

**Talent**
- Working-age Population
- Educational Attainment
  - Foreign Talent
  - STEM Workforce

**Infrastructure**
- Digital Connectivity
  - Land Use
  - Freight
  - Global Aviation Connectivity

**Governance**
- Efficiency
- Fragmentation
- Business Environment
- Private Sector Role
Cross-Border Flows of Goods, Services, Capital

1980: $3 trillion
2000: $12 trillion
2014: $30 trillion

39% of global GDP

The Middle Market is defined as companies with annual revenues between $10 million and $1 billion

Source: Brookings, National Association for the Middle Market, “Accelerating Exports in the Middle Market,” 2014

Companies reporting revenue increases

- Exporting: 76%
- Non-exporting: 64%

Companies that added employees

- Exporting: 51%
- Non-exporting: 39%

Companies projected revenue growth following year

- Exporting: 6.6%
- Non-exporting: 5.2%
U.S. COMMUNITIES HAVE DIFFERENT LEVELS OF EXPOSURE TO TRADE

Export volume and intensity of U.S. metropolitan areas, 2015

Source: Brookings analysis of data from Census, BEA, Moody’s Analytics, BLS, NAFSA, IRS, EIA, and Sabre
Source: Brookings, Which US communities are most affected by Chinese, EU, and NAFTA retaliatory tariffs?, October, 2018
INTEGRATION IN CORE ECONOMIC DEVELOPMENT
- Business Retention & Expansion (training)
- Dedicated Lead Generator Staff
- Activity Coordination
- Data-Driven New Market Exploration
- Industry Sector Targeting
- Services Emphasis
- Metro-to-Metro Trade Partnerships

ORGANIZATIONAL CHANGE
- Customer-Driven versus Service Providers
- Performance Metric Alignment

MENTORING
- Companies Sharing Technical Expertise
- Trade Mission Support / Supply Chain Entry

UNIVERSITY & INFRASTRUCTURE ROLES
- Student / Faculty Business Engagement
- Gateway Market Presence

CULTURE CHANGE
- Grant Competitions
- CEO Partners

GLOBAL IDENTITY

CATEGORIES OF ACTION FOR REGIONAL TRADE AND INVESTMENT STRATEGIES
EXAMPLE OF REGIONAL TRADE STRATEGY
MARKET PRIORITIZATION

MEASURE GLOBAL MARKET OPPORTUNITY
Which foreign markets are most active in the sector specialization?

INVESTMENT ACTIVITY | TRADE ACTIVITY | SPECIALIZATION OF THE FOREIGN MARKET

FACTOR IN MARKET ACCESSIBILITY
Which foreign markets are most accessible within the specialization?

COST AND EASE TO DO BUSINESS | CULTURAL AND INSTITUTIONAL TIES
FOCUS SUPPORT ON THE REGION’S HIGHEST VALUE PROPOSITION TO FOREIGN MARKETS

- Nationally Distinctive
- Innovative
- Globally Relevant
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