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Title: Visas and Foreign Direct Investment  
Supporting U.S. Competitiveness by Facilitating International Travel

**“A free and open international investment regime is vital for a stable and growing economy, both here at home and throughout the world...While my Administration will continue to take every necessary step to protect national security, my Administration recognizes that our prosperity and security are founded on our country’s openness.”**

— President George W. Bush, May 10, 2007

### **Importance of FDI to the United States**

Foreign direct investment plays a major role in the U.S. economy, both as a key driver of the economy and as an important source of innovation, exports, and jobs.<sup>1</sup> Because the U.S. share of global FDI inflows has declined since the late 1990s and the competition to attract FDI has grown more intense, the United States must strive to maintain its ability to attract FDI. One of the more important issues facing those interested in investing in the United States is the timely availability of business-related visas. The United States is the world’s largest recipient of FDI (\$175.4 billion in 2006, almost double that of 10 years earlier). At \$1.789 trillion, the total stock of FDI in the United States in 2006 was equivalent to 13.5 percent of the U.S. gross domestic product. Foreign firms employ more than 5 million U.S. workers through their U.S. affiliates and have created more than 4.5 million indirect jobs. In addition, foreign firms account for 10 percent of U.S. capital investment, 15 percent of annual research and development in the United States, and almost 20 percent of U.S. exports. Additionally, although less than 10 percent of the U.S. overall workforce is employed in manufacturing, 30 percent of the jobs created by foreign firms in the United States are in that sector. Furthermore, in 2005 the average compensation at foreign-owned firms in the United States was more than 30 percent higher than that at private sector firms in the remainder of the U.S. economy. However, the U.S. share of global FDI inflows has fallen since 1999 (Figure 1). This trend reinforces the need for the United States to renew its commitment to open investment and to policies that make the United States attractive to FDI.