April 2, 2010

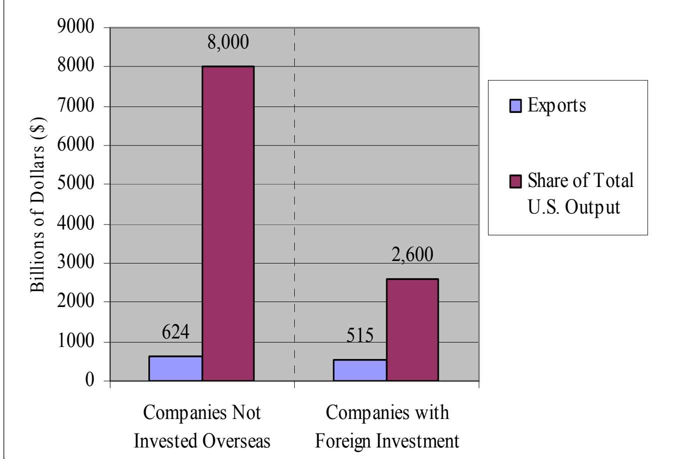
Trade and American **Competitiveness** Coalition

Reaching the World's Consumers Requires the United States to Invest Abroad

With 95 percent of the world's consumers *beyond* our borders and nearly 87 percent of economic growth expected to occur *outside* the United States in the next five years, America needs to do a better job of reaching the world's consumers if we want to grow our economy, our exports, our businesses and our jobs.

How can America better reach the world's consumers? A big part of the answer is ***U.S. investment abroad***, which enables America's businesses to meet face-to-face with the world's consumers, sell goods and services directly, and develop new products and services that will be successful in foreign markets.

U.S. Foreign Investment is a Magnet for U.S. Exports*



Comparison of Exports of U.S. Companies with Foreign Investment and U.S. Companies Not Invested Overseas to their Overall Output: 2007

U.S. companies that invest overseas play a disproportionate role in exporting goods and services beyond our borders. These companies generate nearly half of total U.S. goods exports, while only accounting for about a quarter of total U.S. private-sector output:

Myth Buster: U.S. investment overseas is largely about reaching foreign customers, ***not*** about outsourcing for re-sale back to the United States as some claim. Of the $4.7 trillion in sales made by foreign affiliates, less than $500 billion (or 10.5 percent) of all sales is made back into the United States.

Foreign Affiliates of U.S. Companies Are a Multiplier of Opportunity*

The foreign-invested affiliates of U.S. companies generate more than half of the total revenue of U.S. globally engaged companies, with less than 21 percent of their total employment. The lion's share of activities by U.S. globally engaged companies remains in the United States, with the U.S. parents accounting for 74.1 percent of capital investment and 85.1 percent of research and development.

*Data from calendar year 2007

INCREASED EXPORTS = MORE U.S. JOBS
and opening new markets is the key to increasing American exports.

The Trade and American Competitiveness Coalition is made up of U.S. business enterprises that support policies and legislation that will enhance U.S. competitiveness in the international economy to promote growth and prosperity for America's businesses, workers and consumers.