Non-US Investment Heroes: Foreign Companies Betting on America

progressive policy institute
ppi

BY DIANA G. CAREW

JULY 2013

Foreign Direct Investment (FDI)—investment in the United States by foreign-based companies—has yet to recover to pre-recessionary levels. In 2011, FDI remained 25 percent below 2008 levels, and preliminary 2012 figures suggest an even further drop.

PPI's leading "Non-U.S. Investment Heroes" are Norway's Statoil for energy, Japan's Honda for auto manufacturing, and South Korea's Samsung for industrial manufacturing.

Indeed, almost 6 years after the Great Recession began, the U.S. continues to wallow in an investment drought.[1] Such weak investment—both from U.S. and non-U.S. based companies—is almost certainly a key factor behind today's slow-growth economy.

Investment is a critical part of any high-growth strategy. It is the building block for innovation and economic growth. Investment that increases U.S. production—of goods, services, and data—creates high-skill, globally competitive jobs and raises incomes.

This report highlights several important facts about the U.S. economy as it relates to investment. First, energy is one of the fastest growing areas for foreign investment in America, just as it is for U.S.-based company investment. Official data shows foreign direct investment in "petroleum"—oil and gas extraction, refining, and distribution—more than doubled from 2008 to 2011.

Second, our research shows the U.S. continues to be an important platform for non-U.S. automobile manufacturers. Strong U.S. investment by foreign auto manufacturers to upgrade and expand existing production lines show the U.S. market continues to be an important part of their business model. Moreover, these companies typically owned and manufactured several brands that catered to different demographics.

Finally, relatively low U.S. investment by foreign-based non-automobile industrial manufacturing companies suggests the greatly heralded manufacturing renaissance may not be as robust as some believe. Our research companies in this sector engaged in relatively little U.S. investment activity, in some cases even showing previous U.S. investments were unsuccessful. Such lackluster investment condi-

tions should be considered by policymakers on federal and state levels designing pro-investment growth strategies.

For this report, PPI considered three categories of investment: energy, automobile, and non-automobile industrial manufacturing. We chose these categories because of their importance to facilitating broader growth in the U.S. economy. For each category we ranked the top four foreign-based companies by their U.S. capital expenditures in 2011[2], calculating these estimates using publicly available financial reports.

This report is part of our "Investment Heroes" series, and follows from our 2012 report "U.S. Investment Heroes: Who's Betting on America's Future?" that ranked U.S.-based companies by their 2011 U.S. capital expenditures.

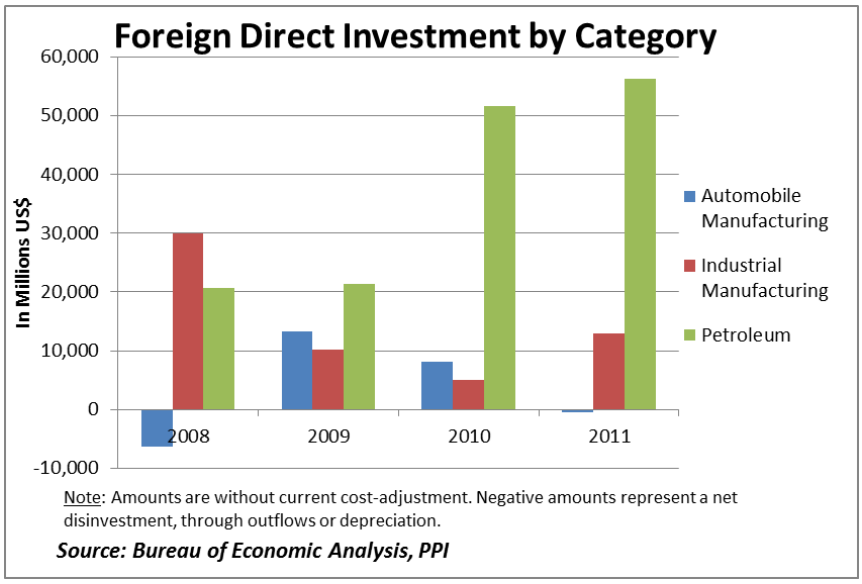
Overall, PPI's leading "Non-U.S. Investment Heroes" are Norway's Statoil for energy, Japan's Honda for auto manufacturing, and South Korea's Samsung for industrial manufacturing. Samsung's new processing chip production line for Apple's iPhone and iPad was the driving factor behind its $3.5 billion U.S. investment in 2011. Statoil invested $10.3 billion in U.S. oil and gas exploration, including a $4.4 billion acquisition, while Honda invested $4.1 billion in maintaining its ongoing operations.

Foreign Direct Investment in America

The economic benefits of foreign investment into the U.S. are well-documented. A 2011 study by the Commerce Department found jobs supported by foreign direct investment (FDI)—jobs where the employers are U.S. affiliates of foreign-based companies—pay up to 30 percent more than non-FDI supported jobs.[3] Moreover, the 2 million FDI-supported U.S. jobs in manufacturing were found to be less affected by the overall decline in U.S. manufacturing employment.

As the chart below shows, FDI across the three categories considered for this report—energy, automobile, and industrial manufacturing—varied significantly over 2008-2011. Over this period, petroleum related investment, including oil and gas extraction, refining, and distribution, more than doubled while U.S. investment in automobile and industrial generally fell.

In the case of negative values, the total outflows were greater than the inflows. In other words, disinvestment—through depreciation or transfer of assets—was greater than new incoming investment.



Foreign direct investment in energy is one of the fastest growing areas of foreign investment into the U.S. Official numbers show investment in petroleum production and related activities more than doubled from 2008 to 2011 in nominal terms. Much of this rapid increase is likely due to the boom in low cost natural gas, along with the continued oil exploration in the gulf coast and other sites in the continental United States. Indeed, official data shows the largest gains were in oil and gas extraction and petroleum wholesale distribution[4], particularly in integrated petroleum extraction and refining.[5]

Relative to FDI in petroleum, investment in automobile and industrial manufacturing was significantly less. While foreign investment in U.S. manufacturing comprises the largest sector share of FDI, constituting about 40 percent of total FDI in 2011, almost half was in pharmaceuticals and medicines.[6] The falling investment totals over 2008–2011 in automobile and industrial manufacturing could be related to U.S. and global factors, for example, changes in U.S. consumer demand after the recession or supply disruptions caused by the 2011 earthquake and tsunami in Japan.

Foreign direct investment in energy is one of the fastest growing areas of foreign investment into the U.S.

We must note that FDI figures for these categories are the net total, and do not reflect investment at the individual company level. So a slightly negative FDI in automobile manufacturing simply means that for the entire sector, there was more disinvestment than new investment. However, that says nothing about the potential amount of new investment in that year by an individual automobile manufacturer.

The amount foreign-based businesses invest each year is quite sensitive to national and global market conditions. Total FDI has yet to recover from its pre-recessionary peak, with 2011 FDI remaining 25 percent below a $310 billion peak in 2008. Moreover, preliminary figures suggest foreign investment in the U.S.

shrank to just $175 billion in 2012—a full 44 percent below its 2008 high. Given that Europe accounts for about 60 percent of FDI into the U.S., it's quite possible the ongoing Eurozone crisis is a factor in this latest downturn.

The FDI estimates used here capture new spending by foreign-based entities into the U.S. This could include new "greenfield" investments, where a property is built and developed, or it could include "brownfield" investments that are acquisitions of existing U.S. facilities. Funding can come from company equity, reinvested earnings, or intercompany debt.[7]

Non-US Investment Heroes

To find out which foreign-based companies were "Non-U.S. Investment Heroes" in energy, automobile, and industrial manufacturing, PPI used publicly available financial reports to estimate the U.S. expenditures. We started with Fortune's list of the Global 500 and divided the companies up by sector. In some cases companies explicitly reported U.S. capital expenditures. More frequently, we used reported total capital expenditures and assets by geographical location to estimate what share of the company's capital expenditures was in the U.S. This involved a series of detailed calculations and assumptions. A more complete methodology can be found later in this report. It is necessary to note that due to differences in fiscal year reporting, we used FY11 reports for some companies, while for others we used the FY12 report.

We divided our list into these three categories for two reasons: (1) to highlight areas of importance for investment in the U.S. economy, and (2) to maintain consistency in our methodology, since foreign companies follow varying accounting standards. Companies in the same sector were more likely to report capital expenditure and geographical asset information consistent with each other.

Our list of "Non-U.S. Investment Heroes" only considers Global 500 companies in each of these three sectors. This is in contrast to our U.S. Investment Heroes list, which looked at top investing companies across all sectors. A company's absence from the list therefore does not mean it didn't invest in the U.S. in 2011, or invest significantly. It only means it was not a top company in one of our chosen categories.

However, just as with our list of "U.S. Investment Heroes," PPI dubs these companies "Non-U.S. Investment Heroes" to make a key point: the U.S. economy is at its best in terms of growth and jobs creation when companies and workers are partners with the same objectives. Investment in America's productive capacity and new employment opportunities for American workers is vital to our economy's health and so deserves to be acknowledged.

This is not to say that all of the companies on these lists are paragons of corporate virtue. As large corporations, many are doubtless involved in all manner of dis-

putes. This report assesses them on the sole but critically important dimension of investment in the U.S. economy.

We would also like to be clear that the estimates included in this report are simply that—estimates based on PPI calculations. We made many underlying assumptions that could impact the final number. For example, some companies on the list provide little geographical information on the location of their assets, in which case we used evidence on U.S. operations from or about the company. In other cases, the information available included assets other than plant, property, and equipment, which could skew our estimates if these additional assets were large. We want to be clear that the numbers expressed here are PPI's estimates using the best information available. The actual number could be significantly higher or lower.

PPI considered three categories of investment: energy, automobile, and non-automobile industrial manufacturing.

Non-US Energy Investment Heroes

The 2011 list of Non-U.S. Energy Investment Heroes consists of major multinational companies that have expansive worldwide operations. The list below shows the top four foreign-based energy companies by level of U.S. investment in 2011.

Investment Heroes: Top 4 Foreign Energy Companies by U.S. Capital Expenditures

Rank	Company	Estimated U.S. Capital Expenditures ($bns)
1	Statoil	**10.3**
2	BP	**8.9**
3	Shell	**6.4**
4	Total	**4.0**
Total		**29.6**

Source: PPI calculations based on company financial reports & filings for 2011. Totals do not include R&D, only capital expenditures in plants, property, and equipment. Totals also include company acquisitions.

Converted into U.S. $ using annual averages from the IRS.

At the top of our Non-U.S. Energy Investment Heroes list is Statoil, a relatively lesser known Norwegian-based oil company, followed by BP, Royal Dutch Shell, and France's Total. The top ranking of Statoil may be surprising, but it is worth noting that $4.4 billion of their total $10.3 billion investment in 2011 resulted from the acquisition of U.S.-based Brigham Exploration Company. This acquisition made Statoil's total capital expenditures much higher than in previous years. According to its annual report, the purpose of this acquisition was to increase Statoil's supply of easily extractable oil to supplement current output.

In spite of recent legal difficulties over the Deepwater Horizon oil spill, 2011 was a year of strong investment in the U.S. from BP, which ranks second. BP continued to expand its presence in the Gulf of Mexico, announcing the drilling of a successful appraisal well which expanded its Mad Dog oilfield and bidding on 15 addi-

tional blocks being leased by the Bureau of Ocean Energy Management, of which it was awarded 11 blocks. In addition, BP reported drilling 148 new wells across the continental U.S. in 2011. Finally, BP has focused its alternative energy wind power investments in the U.S., deploying new wind farms in Colorado and Texas. According to BP's 2011 Annual Report, new wind farms in Kansas and Pennsylvania are also under construction. Those wind farms have since been completed.

Similar to the other companies on the list, Shell spent much of its $6.4 billion U.S. investment to increase its extraction and refinery of petroleum in the U.S. According to Shell's annual report, this includes extraction sites in the Gulf of Mexico, California, Pennsylvania, and Alaska. Shell's strong investment presence in the U.S. in 2011 was explicitly mentioned in a 2012 report from the Congressional Research Service, saying "the Netherlands and the United Kingdom accounted for the bulk of foreign investments in the U.S. petroleum sector, reflecting investments by two giant companies: Royal Dutch Shell and British Petroleum."[8]

U.S. investment by Total reflects an industry trend to convert heavy crude oil into a lighter, cleaner fuel that meets stricter environmental standards. In 2011 the French company finished much of the development of their deep-conversion unit in Port Arthur, Texas. This refinery converts heavy crude into a lighter fuel through a process called "coking." According to Total's website, its Port Arthur refinery was scheduled to have a capacity of 12 million barrels annually in 2011, which consists of 23 individual refining units.[9]

Automobile Investment Heroes

The 2011 list of Non-U.S. Automobile Investment Heroes consists of four car companies that have had a familiar and expansive U.S. presence for many years. The list below shows the top four foreign-based automobile companies by level of U.S. investment in 2011.

Investment Heroes: Top 4 Foreign Automobile Companies by U.S. Capital Expenditures

Rank	Company	Estimated U.S. Capital Expenditures ($bns)
1	Honda	**4.1**
2	Toyota	**3.4**
3	Nissan	**3.3**
4	BMW	**0.6**
Total		**11.4**

Source: PPI calculations based on company financial reports & filings for 2011. Totals include capital expenditures in plants, property, and equipment. Totals also include company acquisitions.

Converted into U.S. $ using annual averages from the IRS.

The success of these foreign car manufacturers in the U.S. market can likely be attributed to their diversified portfolios—that is, they have multiple lines that cater to different segments of the population. For example, many of the model collections manufactured by these companies are known for their small or compact nature, with interchangeable parts, and are generally low-cost. Meanwhile, three of the companies on this also list offer a higher quality "luxury" product. For example, Toyota owns Lexus, Honda owns Acura, and BMW is a well-established luxury brand. Finally, many of the makes and models produced by these companies have a characteristic that is increasingly important to U.S. consumers, high fuel efficiency.

Honda, the top non-U.S. automobile investor, is also the largest foreign-based producer of automobiles in the U.S.[10] According to press releases, the company invested $4.1 billion in 2011 on plant expansions in Ohio, North Carolina, and Alabama. In Ohio, Honda invested in two projects—one, the addition of a third transmission production assembly line, and another to increase capacity for casting of aluminum transmission cases.[11] In Alabama, Honda increased production of vehicles and engines. While in North Carolina, Honda Aircraft Company built a new HondaJet aircraft maintenance facility. The company states that the increase in automobile production capacity reflects the recovery from the 2010 disruption in supply from the Japanese earthquake.

The success of these foreign car manufacturers in the U.S. market can likely be attributed to their diversified portfolios.

Toyota, the second largest company on the list, invested in new production capacity at several of its 10 U.S. manufacturing locations in 2011. Specifically, Toyota press releases from 2011 reveal it increased its production capacity of 6-speed transmissions at its Buffalo, W.Va., plant,[12] and built a new Toyota Corolla production line in Blue Spring, Miss.[13] Although production also suffered as a result of the earthquake, by late 2011 all production lines were reported to be fully operational in addition to the expanded capacity.[14]

Nissan also made some new investments in 2011 in addition to maintaining its existing operations. The biggest investment was for the construction of a new production facility for electric vehicle batteries in Smyrna, Tenn. The plant was estimated to cost $1.7 billion, and the batteries produced will be for Nissan's LEAF zero-emissions vehicle. This investment was supported by the U.S. Government's Advanced Technology Vehicles Manufacturing Loan Program.[15]

German-based BMW, the final company on our list, made a significant investment in expanding the capacity of its Spartanburg, S.C., plant. In a press release the company announced it would invest $900 million in the existing facility through 2014, to expand production of the BMW "X" series to 350,000 vehicles annually.[16] In 2011 the company also jointly invested in a carbon fiber production facility in Washington state, which will be used to make light-weight reinforced plastics for the BMW "i" series.[17]

Industrial Manufacturing Investment Heroes

The 2011 list of Non-U.S. Industrial Manufacturing Investment Heroes shows some surprising results. The list below shows the top four foreign-based industrial manufacturers by level of U.S. investment in 2011. As the list makes clear, foreign investment in U.S. industrial manufacturing has the weakest individual company investment out of the three categories PPI considered, based on PPI calculations. We must note, however, that the complexity of these companies also increases the possibility that actual U.S. investment will diverge from our estimates.

Investment Heroes: Top 4 Foreign Industrial Manufacturing Companies by U.S. Capital Expenditures

Rank	Company	Estimated U.S. Capital Expenditures ($bns)
1	Samsung	**3.5**
2	ThyssenKrupp	**1.3**
3	Canon	**0.8**
4	Robert Bosch	**0.3**
Total		**5.9**

Source: PPI calculations based on company financial reports & filings for 2011. Totals do not include R&D, only capital expenditures in plants, property, and equipment. Totals also include company acquisitions.

Converted into U.S. $ using annual averages from the IRS.

Samsung, the top industrial manufacturer on our list, invested $3.5 billion in 2011—more than three times as much in the U.S. than the other companies on the list. While Samsung is also a fierce competitor, this investment was almost completely due to the addition of a new processing chip production line for Apple's iPhone 4S and iPad 2 at its Austin, Texas manufacturing plant. [18] Clearly the rising demand for Apple smart devices was a big favor behind Samsung's decision to make this investment. It's also worth noting this plant is currently Samsung's only production facility in the U.S.

The majority of ThyssenKrupp's U.S. investment in 2011 was related to the earlier construction of a new carbon steel and stainless steel processing facility in Alabama. The project was initiated in 2007 and sought to increase steel production in the Americas for American-based customers.[19] The plan consisted of a plant in Brazil to make unfinished steel slabs, which were then shipped to the Alabama plant to process the steel into high-grade sheets for automakers. However, the project did not perform as expected, due to supply and demand factors, and recently ThyssenKrupp put its Alabama plant up for sale.[20]

Canon broke ground in 2010 on its new Americas headquarters in Melville, N.Y.[21] Construction continued throughout 2011, with the final facility expected to be over 700,000 square feet. This worldwide digital imaging manufacturer has an

expansive U.S. presence and has only two other global headquarters, in London and Tokyo.

The final company on the list, German-based Robert Bosch[22], expanded the capacity of its industrial technology production in Charlotte, N.C. According to a company statement, the new logistics center will concentrate the manufacturing of linear motion and factory automation products. Also in 2011 the company began a five-year expansion of its hydraulic manufacturing facility in Fountain Inn, S.C., and invested in its Kentwood, Mich., automobile technology manufacturing facility.[23]

Methodology

For this paper, we ranked the top non-U.S. based investors across three categories—energy, automobile, and non-auto industrial manufacturers. We derived these lists using a sector approach so that we could employ consistent methodology across each group. Unlike U.S. companies, which are required to file standardized annual financial statements to the Securities and Exchange Commission, there is not a uniform approach across foreign-based companies in how they report financial information. However, companies in the same sector tended to follow consistent reporting practices, facilitating the ability to make relative comparisons.

To get the universe of companies that were considered for each category, we started with Fortune's 2012 list of the Global 500 companies. We removed U.S. based companies, along with financial and insurance companies since their reporting metrics are completely different from non-financial companies, and because for this paper we were focused on investment in plants, property, and equipment. We then assigned an industry to each remaining company based on the company's primary line of business. To arrive at the final lists we simply took companies that fell within each allotted category designation.

Foreign investment in U.S. industrial manufacturing has the weakest individual company investment out of the three categories.

Our estimate of capital expenditures includes investment in plant, property, and equipment, whether it is new investment or investment through acquisition. We include acquisition investment here because it is new spending by foreign-based companies on U.S. based plant, property, and equipment. We did not include acquisitions in our U.S. Investment Heroes list because a U.S. acquisition there is considered a financial transfer, as opposed to new financial inflows.

For the energy companies on our list, our methodology was relatively straightforward as most of these companies self-report capital expenditures by country or region in their annual reports. We would like to point out that this investment does include upstream and downstream exploration and refining process investment, but it does not include R&D.

For both the automobile and non-auto industrial manufacturers, we started with the gross capital expenditures amount listed in each company's publicly available

annual report. We then used other publicly available information on geographical location of non-current assets in 2010 and 2011, to determine what share of an increase in total non-current assets were in the U.S. We then applied this share to the company's gross capital expenditures to obtain U.S. capital expenditure in 2011.

We acknowledge that non-current assets may include assets other than plant, property, and equipment, such as intangibles, and that this could distort the U.S. share we applied to gross capital expenditures. In cases where long-lived assets were available, we used those estimates; however, in most cases a breakout of long-lived assets was not available. In cases where we used net long-lived assets, we first added in depreciation in proportion to the 2010 distribution of assets before assessing the annual change.

In the few cases where detailed geographical asset distributions were not publicly available, we used geographical information that was publicly available to obtain the share of U.S. capital expenditure. For example, we looked at the size and location of subsidiaries that engaged in production, and U.S. market presence, and anecdotal evidence on U.S. operations from or about the company. These cases mainly fell in the category of non-auto industrial manufacturers; a category we want to make clear included many assumptions on the size of U.S. productive assets.

We would like to be clear that the estimates included in this report are simply PPI's estimates using the best information available. The actual number could be significantly higher or lower.

Policy Implications & Conclusion

Foreign Direct Investment (FDI) in America can provide valuable insight on areas of current and future high-growth within the U.S. economy. That's because foreign companies are more likely to invest in areas of perceived strength, where there will likely be a positive return on investment. This is evidenced by the fact that jobs supported by FDI tend to be higher skill and pay significantly more on average—sectors where the U.S. experiences strong growth tend to also be sectors that are highly productive.

That's why PPI developed a list of "Non-U.S. Investment Heroes" for three categories of companies—energy, auto manufacturing, and industrial manufacturing—to shed light on which companies are willing to bet on for America's future. The purpose of these lists is to provide tangible evidence as to which foreign investors in these categories see America as a high-growth economic opportunity.

The specific investments by the 12 companies highlighted in this paper created and supported thousands of jobs, according to official company documents. These jobs were generated both directly and indirectly, as a result of expanding production capacity and building new facilities. Putting aside any non-investment con-

troversy that surrounds any company included in this report, the jobs created and supported by these companies are a tremendous benefit to the U.S. economy and should not be ignored or taken for granted.

Policymakers would be well-suited to follow patterns in FDI, because better information on these areas of economic importance will drive better economic policies.

Moreover, our research uncovers the important reality that energy companies are a relatively large, and fast growing, source of foreign investment in America. U.S. investment by the top non-U.S. energy companies was almost three times higher than for the top non-U.S. automobile companies, and almost five times higher than the top non-automobile industrial manufacturers in 2011. As the boom in low-cost natural gas and search for energy closer to home continues, energy investment in America is likely to keep rising. Indeed it's generally agreed that low-cost access to energy is a critical part of a high-growth strategy.

Current and anticipated consumer demand appears to be the main driving factor behind U.S. investment from non-U.S. automobile and industrial manufacturers. For example, PPI's list of non-U.S. automobile investment heroes consists of companies that offer a diversified product line that caters to different segments of the driving population. Most of the car manufacturers on our list have a heavy U.S. presence in low-cost cars and in high-end cars. On our non-U.S. industrial manufacturer list, Samsung's dominance is completely due to the heavy demand for Apple's iPhone and iPad products. It's also why Samsung is slated to invest $4 billion more to expand and convert its Texas processor chip production line in 2013.[24]

Policymakers would be well-suited to follow patterns of these three categories in FDI, because better information on these areas of economic importance will drive better economic policies. New investment is more likely to be in areas where the US is globally competitive and highly productive.

For example, PPI's research suggests foreign investment in non-auto industrial manufacturing is relatively low. Policies that target investment in industrial manufacturing—a critical sector for a high-growth strategy—will boost U.S. industrial production and create the middle to high-skill jobs that our economy needs more of. Such a push could be accomplished by targeted outreach from SelectUSA,[25] the federal government's chief investment attraction program established in 2011 by Executive Order 13577.[26] It could also be encouraged through legislation that enables responsible regulatory reform, through a mechanism like PPI's proposed Regulatory Improvement Commission (RIC).

The fact that FDI is sensitive to current events outside our control makes it even more important that the U.S. maintain the best investment climate it can to facilitate investment, especially when there are periods of economic or financial instability. Such policies begin with understanding—and acknowledging—which companies find America to be a worthwhile investment. PPI's lists of Non-U.S. Investment Heroes are a good first step.

Endnotes

[1] Diana G. Carew and Michael Mandel, "U.S. Investment Heroes," Progressive Policy Institute, July 2012: http://progressivepolicy.org/wp-content/uploads/2012/07/07.2012-Mandel_Carew_Investment-Heroes_Whos-Betting-on-Americas-Future.pdf.

[2] In this report we used the fiscal year statement that captured the majority of calendar year 2011. For some companies, we used the annual report ending in December 31, 2011 (FY11). For others, we used the annual report ending in March 31, 2012 (FY12). In a few cases, we used the annual report ending September 30, 2011 (FY11). For the remainder of this report, we refer to our estimates as "2011."

[3] David Payne and Fenwick Yu, "Foreign Direct Investment in the United States," Department of Commerce, June 2011: http://www.esa.doc.gov/sites/default/files/reports/documents/fdiesaissuebriefno2061411final.pdf.

[4] Bureau of Economic Analysis, Survey of Current Business, September 2012: http://www.bea.gov/scb/pdf/2012/09%20September/0912_fdius.pdf.

[5] Environmental Protection Agency, Definition of Petroleum Refining: http://www.epa.gov/ttnchie1/ap42/ch05/final/c05s01.pdf.

[6] Organization for International Investment, "Foreign Direct Investment in the United States," March 2012: http://www.ofii.org/docs/FDIUS_3_14_12.pdf.

[7] Bureau of Economic Analysis, Survey of Current Business "US International Transactions, Fourth Quarter and Year 2011," April 2012: http://www.bea.gov/scb/pdf/2012/04%20April/0412_itaq%20text.pdf.

[8] James Jackson, "Foreign Direct Investment in the United States: An Economic Analysis," Congressional Research Service, October 2012: http://www.fas.org/sgp/crs/misc/RS21857.pdf.

[9] Total, "Making Crude Oil Lighter through Coking at the Port Arthur Refinery": http://www.total.com/en/our-energies/oil/processing/projects-and-achievements/port-arthur-940868.html.

[10] Cars.com, "Which Foreign Owned Carmakers Build the Most in America," July 2012: http://blogs.cars.com/kickingtires/2012/04/which-foreign-owned-carmakers-build-the-most-in-america.html.

[11] Honda News, "Honda Transmission Mfg. Invests Additional $50 Million to Expand Ohio Aluminum Casting Operations," September 2011: http://www.hondainamerica.com/news/honda-transmission-mfg-invests-additional-50-million-expand-ohio-aluminum-casting-operations-1.

[12] Toyota USA Newsroom, "Toyota Adding U.S. Transmission Capacity," February 2011: http://pressroom.toyota.com/releases/toyota+transmission+capacity.htm.

[13] Toyota USA Newsroom, "Toyota Begins Corolla Production in Mississippi," November 2011: http://pressroom.toyota.com/releases/toyota+begins+corolla+production+mississippi.htm.

[14] Alan Ohnsman, "Toyota Says Parts Woes 'Behind Us,' Raising U.S. Engine Output," Bloomberg Businessweek, September 23, 2011: http://www.businessweek.com/news/2011-09-13/toyota-says-parts-woes-behind-us-raising-u-s-engine-output.html.

[15] Nissan News, "Nissan Progresses Construction on Electric Vehicle Battery Plant in Tennessee," January 2011: http://nissannews.com/en-US/nissan/usa/channels/Facilities/releases/8cde756b-2007-48ed-a21e-336fd608566c?page=4.

[16] BMW Group, "BMW Group Expands U.S. Plant in South Carolina," January 2012: http://www.bmwusa.com/standard/content/experience/newsfeed/post/2012/01/12/BMW-Group-expands-US-plant-in-South-Carolina.aspx.

[17] BMW Group, "The Carbon Age Begins—BMW Group/SGL Group Joint Venture Opens New Moses Lake Plant," September 2011: http://www.bmwusa.com/standard/content/experience/newsfeed/post/2011/09/01/The-Carbon-Age-Begins.aspx.

[18] Poornima Gupta, "Exclusive: Made in Texas: Apple's A5 iPhone Chip," Reuters, December 16, 2011: http://www.reuters.com/article/2011/12/16/us-apple-samsung-idUSTRE7BF0D420111216.

[19] ThyssenKrupp Steel USA, Company Overview: http://www.thyssenkruppsteelusa.com/Company%20Overview.html.

[20] Reuters, "ArcelorMittal Bids $1.5 Billion for Alabama Steel Plant," January 16, 2013: http://online.wsj.com/article/SB10001424127887323468604578245983776104880.html.

[21] Canon USA, "Canon USA Announces New Headquarters in Melville, N.Y.," May 2010: http://www.the-digital-picture.com/Press-Release/New-Canon-USA-Headquarters.aspx & "Wondering How Canon USA's New Headquarters Construction is Progressing?," May 2011: http://www.the-digital-picture.com/News/News-Post.aspx?News=839.

[22] Note that if our list was longer, our methodology shows several companies clustered close to Robert Bosch.

[23] Bosch North America, "Bosch Continues to Grow in North America," May 2012: http://www.bosch-press.com/tbwebdb/bosch-usa/en-US/PressText.cfm?CFID=15705359&CFTOKEN=4b1f1b23d62e7437-3EA0D3E7-9A96-A170-9E93217CFE1BD286&id=498.

[24] Jun Yang, "Samsung to Spend $4 Billion to Boost Texas Chip Output," Bloomberg, August 21, 2012: http://www.bloomberg.com/news/2012-08-21/samsung-to-spend-4-billion-to-boost-texas-chip-output.html.

[25] SelectUSA, Department of Commerce: http://selectusa.commerce.gov/.

[26] The White House, "Executive Order 13577—SelectUSA Initiative," June 15, 2011: http://www.whitehouse.gov/the-press-office/2011/06/15/executive-order-selectusa-initiative.

About the Author

Diana G. Carew is an economist at the Progressive Policy Institute.

Acknowledgement

We would like to thank Lenny Donadio for his valuable research assistance.

About the Progressive Policy Institute

The Progressive Policy Institute (PPI) is an independent research institution that seeks to define and promote a new progressive politics in the 21st century. Through research and policy analysis, PPI challenges the status quo and advocates for radical policy solutions.