

DID YOU KNOW

Over 80% of U.S. Manufacturers' Investment Takes Place Right Here in America?

Many individuals appear to believe that U.S. manufacturers are hurrying to shut factories in the United States in a "race to the bottom" to invest in low-wage countries.

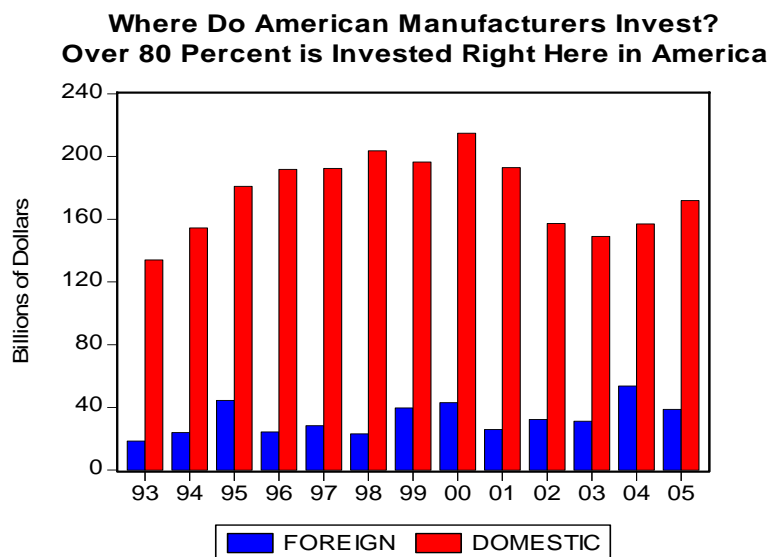
But that is not what the facts show. The truth is that U.S. manufacturers invested about \$170 billion in factories and equipment in the United States in 2005 (latest data) while their foreign direct investment outflows to the rest of the world were only \$39 billion.

That means 82% was invested here in America. Moreover, this proportion hasn't really changed over the past decade.

And the vast bulk of foreign direct investment goes to high wage countries – 90% in fact. Fully 71% of U.S. manufacturers' foreign direct investment in 2005 went to high-wage Europe. *What kind of a race to the bottom is that?*

Moreover, Commerce Dept. data show that 90% of what U.S. multinationals produce overseas is consumed overseas – only 10% is shipped back to the United States.

American manufacturing is under a lot of pressure, and faces unprecedented competitive challenges. We have a huge manufactured goods deficit. The NAM wants to get that deficit down. But if we are going to succeed, we have to address real causes and workable solutions – not popular fiction.



Source: U.S. Department of Commerce; Census Bureau Annual Capital Expenditure Reports, BEA Foreign Direct Investment Reports, and BEA Gross Domestic Product data.