

VOLUME 2/2014:

State-By-State and
Country-By-Country

CENTER FOR TRANSATLANTIC RELATIONS JOHNS HOPKINS UNIVERSITY | PAUL H. NITZE SCHOOL OF ADVANCED INTERNATIONAL STUDIES



**DANIEL S. HAMILTON
AND JOSEPH P. QUINLAN**

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THE
**TRANSATLANTIC
ECONOMY 2014**

Annual Survey of Jobs, Trade and Investment
between the United States and Europe



TRANS-ATLANTIC
BUSINESS COUNCIL



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Preface and Acknowledgements

This annual survey offers the most up-to-date picture of the dense economic relationship binding European countries to America's 50 states. The survey consists of two volumes. Volume One offers Headline Trends for the transatlantic economy, and updates with the latest facts and figures our basic framework for understanding the deeply integrated transatlantic economy via 'eight ties that bind.' Volume Two provides the most up-to-date information on European-sourced jobs, trade and investment with the 50 U.S. states, and U.S.-sourced jobs, trade and investment with the 28 member states of the European Union, as well as Norway, Switzerland and Turkey.

This annual survey complements our other writings in which we use both geographic and sectoral lenses to examine the deep integration of the transatlantic economy, and the role of the U.S. and Europe in the global economy, with particular focus on how globalization affects American and European consumers, workers, companies, and governments. In our other new publication, *Atlantic Rising: Changing Commercial Dynamics in the Atlantic Basin* (2014), we and fellow authors explore the new connections being forged among the four Atlantic continents in terms of energy, goods, services, and investment, and present a host of often counterintuitive conclusions.

We also are providing regular analyses of the Transatlantic Trade and Investment Partnership, or TTIP, currently being negotiated between the United States and the European Union via the Center's Transatlantic Partnership Forum.

We would like to thank Lisa Mendelow, James Medaglio, Andrew Vasylyuk and Dylan Meola for their assistance in producing this study.

We are grateful for generous support of our annual survey from the American Chamber of Commerce to the European Union and its member companies; and the Transatlantic Business Council and its member companies.

The views expressed here are our own, and do not necessarily represent those of any sponsor or institution. Other views and data sources have been cited, and are appreciated.

Daniel S. Hamilton
Joseph P. Quinlan

EUROPEAN COMMERCE AND THE 50 U.S. STATES: A State-by-State Comparison

During the depths of the U.S.-triggered Great Recession of 2008-09, the fashionable consensus was that America's best days were behind it, that excess leverage and lax regulatory policies had finally done in the debt-loving United States. America was in a state of permanent decline, along with the West, while the so-called Rest, led by China, was in a secular ascent.

In his first inaugural address to the nation as President on February 24, 2009, President Barack Obama captured the mood of the moment: "You don't need to hear another list of statistics to know that our economy is in crisis, because you live it every day. It's the worry you wake up with and the source of sleepless nights."

Yes, there were a lot of sleepless nights back then—not only in Seattle but also in Seville, Stuttgart, Sofia, and even Shanghai. To the utter shock of the world, the great financial crisis-cum-global recession of 2008/09 was triggered by the largest and most powerful economy in the world. It was "Made in America," a dubious distinction that left many in Washington, Wall Street and around the world convinced that America's best days were behind it. The crisis shattered America's confidence in itself and the world's confidence in America.

Over-indulgent America, so it was widely thought, was in a secular decline owing to a number of factors: imperial over-reach in the Middle East and the attendant costs of waging war in Iraq and Afghanistan; the rising cost of entitlements (Medicare/Medicaid in particular) juxtaposed against falling federal revenues, rising budget deficits and debilitating political infighting; and overleveraged U.S. households that had become quite comfortable and oblivious to living well beyond their means.

The financial crisis of September 2008, according to many, was nothing more than America's financial comeuppance, with even President Obama referring to America's "day of reckoning" in his State of the Union address. China,

meanwhile, which came through the crisis relatively unscathed, was considered by the consensus as ready and poised to dethrone America, alone with its transatlantic ally, the European Union, as the world's top economic dog.

Comeback Kid

Not for the first time, however, the common narrative and the prevailing consensus surrounding the United States were wide of the mark.

While the current U.S. economy recovery is one of the weakest on record, and a number of structural challenges remain before the country, the mood and optics of the United States are dramatically different from five years ago. Table 1 provides a snapshot of then and now.

Five years ago, U.S. consumer confidence was in the tank. Exports were contracting due to the global recession. Housing starts imploded as the jobless rate soared. Automobile production was stuck in second gear. The federal budget deficit was mushrooming. The economy was in a free fall, with the largest economy in the world contracting at an annualized pace of better than 5% in the first quarter of 2009. China, meanwhile, looked unstoppable.

Today, U.S. consumer confidence—hoisted by an improving stock market, a rebound in housing prices and improving job figures—is running at a five-year high. U.S. exports are booming; the housing market has exploded in many parts of the country. Although confronting many challenges, the U.S. jobs market continues to heal, with the current level of U.S. unemployment—6.7%—well off its peak of 10%. The U.S. automobile industry has roared back to life, while the federal budget has shrunk dramatically. China, in contrast, is struggling to find a new growth mix.

As a result, the U.S. economy has emerged as one of the fastest growing and dynamic in the world over the past few years, with U.S. real GDP expanding by an estimated 2% in 2013. In the final quarter of 2013, the economy advanced at

TABLE 1: THEN AND NOW

Rank	1/30/09	12/31/13
S&P 500*	825.88	1,848.36
Dow Jones Industrial Average*	8,000.86	16,576.66
U.S. Real GDP Growth**	-5.4%	3.5% - 4.0%
U.S. Unemployment Rate	7.8%	6.7%
U.S. Net Employment Gain/Loss (Total nonfarm payrolls)	-794,000	74,000
U.S. Housing Starts (SAAR)	490,000	999,000
U.S. Light Vehicle Retail Sales (Million units, SAAR)	9.6	16.4
U.S. Consumer Confidence (Conference Board)	37.4	78.1
U.S. Exports (G&S, Bil. \$)	125.3	194.9
4-Week Avg. U.S. Oil Production (Thousand barrels per day, Month-end)	5,062	7,996
U.S. Federal Budget Deficit (Bil. \$)***	-1,413	-680
% of GDP	-10.1%	-4.1%
Fed Balance Sheet (Bil. \$)	1,929	4,033
% of GDP	13.1%	24.8%
10-Year Treasury Yield*	2.8%	3.0%
Gold (\$ per ounce)*	927.3	1,202.3
Trade-Weighted U.S. Dollar (Jan. 1997 = 100)*	110.9	102.1

Data as of January 17, 2014. Monthly data unless otherwise specified.

*Data are daily.

**Real growth (for Q1 2009) versus Q4 2013 estimate.

***Data for fiscal year 2009 and 2013.

Sources: Bloomberg; U.S. Census Bureau; Haver Analytics; Bureau of Economic Analysis; Federal Reserve; Office of Management and Budget; Bureau of Labor Statistics; Autodata; Energy Information Administration.

an annualized pace of 3.2% following a 4.1% pace of growth in the third quarter. Over the second half of 2013, the economy expanded at its strongest level in roughly a decade—stunning many in the U.S. and around the world.

In the span of five years, how did the United States go from doghouse to top dog?

America's comeback rests on many pillars, but two stand out. The first was aggressive monetary easing from the U.S. Federal Reserve, coupled with the rapid re-capitalization of U.S. banks. Ultra-easy and unconventional monetary policies helped right-sized a U.S. economy that was on the verge of capsizing five years ago, ultimately helping to boost demand

for houses, autos, and a host of other activities. Aggressive measures to recapitalize the banks, meanwhile, have made the U.S. banking system one of the strongest in the world, in contrast to shakier foundations in Europe and China.

A second pillar of America's comeback is the U.S. energy revolution, which has been a catalyst for new jobs across multiple sectors (transportation, industrials, materials, etc). Over the past five years, while Washington dithered, Wall Street worried, and the doom mongers pronounced the decline of America, the U.S. energy sector staged a revolution that has stunned many at home and abroad.

The ingredients of the revolution were three-fold: (1) pro-market policies at the state and local level; (2) revolutionary technologies involving horizontal drilling and hydraulic fracturing, and (3) good old American entrepreneurship/risk-taking. After mixing the three together, the United States is on its way to becoming the largest natural gas and oil producer in the world. The energy revolution has improved America's terms of trade, sparked a U.S. manufacturing renaissance and added to household incomes via lower energy costs. It has also made the U.S. among the most attractive places in the world to invest, or a low-cost destination, spurring new investment from around the world.

Due in part to falling energy costs, the United States again leads the world in attracting foreign direct investment. In 2013 the United States accounted for nearly 11% or \$159 billion of total global foreign direct investment (FDI) inflows of \$1.46 trillion, according to figures from the United Nations. In terms of absolute value, this is a 5% decline from 2012 levels (\$168 billion) but the U.S. global position remains strong.

In fact, notwithstanding last year's drop, America's FDI inflows in 2013 were still greater than the combined inflows to China and India (\$155 billion). China ranked second in FDI inflows last year, while Russia ranked third thanks to a large one-off investment by British Petroleum. Of the top ten FDI recipients, the United Kingdom and Ireland ranked 9th and 10th, respectively.

Since the beginning of this century, cumulative FDI inflows to the United States of \$2.5 trillion have been more than double those flowing to China. FDI in India has been a fraction of what firms have sunk in China or in the United States.

China has attracted its fair share of foreign direct investment since its decisive pivot towards the West in the late 1970s. The nation ranks third globally with total cumulative FDI inflows of \$1.4 trillion over the 1980-

TABLE 2: CUMULATIVE INVESTMENT INFLOWS 1980-2012 RANKINGS

Rank	Country	Cumulative Flows (Billions of U.S. \$)	Percent of World Total
1	United States	3,564.6	16.9%
2	United Kingdom	1,577.6	7.5%
3	China	1,352.8	6.4%
4	Belgium	1,148.7	5.4%
5	France	924.6	4.4%
6	Hong Kong	783.7	3.7%
7	Germany	751.8	3.6%
8	Canada	670.5	3.2%
9	Spain	611.8	2.9%
10	Netherlands	590.1	2.8%

Source: United Nations Conference on Trade and Development (UNCTAD). Data as of January 2014.

2012 period, not all that far behind the United Kingdom but well short of the U.S. cumulative inflows. Only once, however, in 2003, has China ever attracted more FDI in a given year than the United States. In 2003 it was very close, with China FDI inflows totaling \$53.5 billion to America's \$53.1 billion. That's technically a rounding error, but the judges ruled in favor of China.

More notable, however, is that China and Hong Kong, along with Canada, are the only economies outside the transatlantic space ranked among the top ten FDI recipients. Seven of the top ten are part of the transatlantic economy.

That the U.S. was Number One again in 2013 is hardly surprising. The United States remains the perennial favorite of foreign multinationals thanks to multiple factors including:

- » A large and wealthy market, with the U.S. home to nearly 320 million people with a per capita income in excess of \$50,000. With only 5% of the world's population, the U.S. accounts for a staggering 27% of total global consumption expenditures, testimony to the purchasing power of the American consumer. America's economic growth in the second half of 2013 was largely powered by the U.S. consumer.
- » An expanding economy, now in excess of \$16 trillion, with the U.S. economy expanding by roughly 2% in 2013. While that is hardly a gangbuster rate of growth, it was still stronger than growth rates posted in Germany (0.5%), the United Kingdom (0.3%), Japan (1.7%) and even Brazil (1%), and second half growth was much faster than the overall annual pace.

TABLE 3: TOP 20 COUNTRIES WITH THE LARGEST INVENTOR IMMIGRANT COMMUNITIES, 2006-2010

Country	Immigrants	Share of World Total (%)
United States of America	117,244	57.1
Germany	14,547	7.1
Switzerland	12,479	6.1
United Kingdom	9,113	4.4
Netherlands	5,565	2.7
France	5,369	2.6
Singapore	4,334	2.1
Canada	4,107	2.0
Japan	4,092	2.0
China	3,289	1.6
Sweden	3,204	1.6
Belgium	3,173	1.5
Australia	2,441	1.2
Finland	1,969	1.0
Austria	1,905	0.9
Spain	1,590	0.8
Denmark	1,520	0.7
Korea	1,188	0.6
Italy	1,108	0.5
Ireland	1,092	0.5
World	205,446	100

Source: WIPO Statistics Database, October 2013.

- » A hyper-competitive economy, with the United States moving up two spots in the most recent Global Competitiveness report, from 7th to 5th place.
- » A strong innovative, risk-taking corporate culture, underpinned by world class universities, a strong capacity and culture for entrepreneurship, and a dense web of university-industry collaboration in R&D.
- » A repository of skilled, flexible and productive labor, with the United States home to one of the most productive labor forces in the world and a magnet for foreign skilled labor. According to data from the World Intellectual Property Organization, the U.S. attracted the majority of immigrant inventors over the 2006-2010 period, accounting for 57.1% of the total. Trailing the U.S. were a handful of European nations—Germany, Switzerland, the UK, the Netherlands and France. Together North America and Europe accounted for 92.5% of immigrant inventors during this period.
- » A climate that is friendly to business, supported by a transparent rule of law, sophisticated accounting, auditing and reporting standards, and respect for

intellectual property rights, among other things. The U.S. ranked 4th in terms of ease of doing business by the World Bank in 2013.

Europe Leads the Way

Behind the large U.S. FDI numbers stands Europe, the long-time top investor in the United States. Of the \$2.65 trillion invested in the United States in 2012, the last year of available data, 71% was from Europe.

The bulk of the capital was sunk by British firms (with total UK stock amounting to \$487 billion), the Netherlands (\$275 billion), France (\$209 billion), Switzerland (\$204 billion) and Germany (\$199 billion).

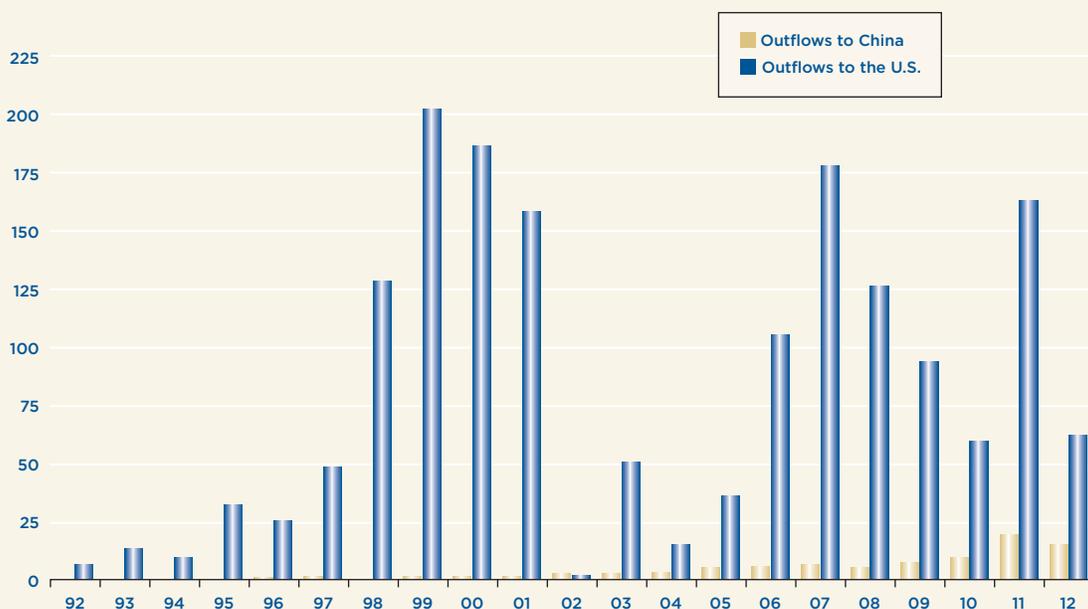
European firms have also increased their presence in China over the past decade. In fact, European FDI in China hit a record €20.1 billion in 2011. That figure was more than double the level of 2009 and eight times larger than 2000 (€2.4 billion). However, Europe’s investment stakes in the United States are much deeper and thicker than they are in China, as Table 4 underscores. Based on data from Eurostat, Europe’s investment flows to the United States in 2012 were some four times larger than comparable flows to China.

On a relative basis, the U.S. is a large and wealthy market, with a more coherent and transparent rule of law and regulatory environment. China is large but poor, with an opaque regulatory landscape. In addition, it is getting harder to operate in China—costs are rising and skilled labor is lacking. China’s wages remain well below the U.S. but the gap is narrowing thanks to wage gains much larger in China than the U.S. over the past decade. Meanwhile, the government continues to restrict market access to foreign firms in a number of sectors. Some firms have picked up and left China, such as Revlon, Best Buy and its German rival, Media Markt.

As Jeffrey Immelt, the CEO of General Electric put it, “China is big but it is hard... other places are equally big, but they are not quite as hard.”¹¹

Against this backdrop, European firms have been more inclined to invest in the United States than in China, a strategy that has paid off handsomely for many. Indeed, many European firms confronting weak demand in the European Union have offset weak sales at home with rising sales and earnings in the United States.

TABLE 4: EUROPEAN UNION FOREIGN DIRECT INVESTMENT OUTFLOWS, U.S. VS. CHINA - (BILLIONS OF EUROS)



Source: Eurostat.
Data as of January 2014.

The European automobile industry is a particularly important example. In the United States, domestic car sales are again approaching peak levels, while in Europe, light vehicle sales of 11.5 million units in 2013 were off some 16% from 13.7 million units sold in 2009. Against this backdrop, the expanding U.S. market has been hugely beneficial for European automakers confronting declining/sluggish sales at home.

For German automaker BMW, light vehicle sales (including imports) in the U.S. increased 4.1% in 2013, while units sold in Europe increased only 1.6%. For Daimler, light vehicle sales in the U.S. jumped 9.5% compared with 5.5% in Europe. Meanwhile, Volkswagen experienced a -1.0% decline in U.S. units sold, but this was less than the -1.4% decline seen in Europe.

As discussed in Volume 1, European foreign affiliates earned an estimated \$120 billion in the United States in 2013, a slight decline from the record-setting amount in 2013 (\$124.6 billion). Through the first nine months of the year, affiliate income earned in the United States amounted to \$89 billion, a 5.4% decline from the same period a year earlier. For the

world, foreign affiliate income earned in the January-September 2013 period was down 3.6% from a year earlier.

Taking the long view, as European companies have built out their U.S. operations over the past decade, they have also increased and enhanced their earnings potential in the largest economy in the world. Although affiliate income slipped slightly in 2013, the estimated total (\$120 billion) was three times greater the level of earnings a decade ago.

As Table 5 shows, more European investment in the U.S. has corresponded to more affiliate earnings (and more trade for that matter). The two metrics, of course, are highly correlated—the greater the earnings, the greater the likelihood of more capital investment, and the more investment, the greater upside potential for income/earnings. The bottom line: Europe’s investment stakes in the U.S. have paid off handsomely over the past few decades, and notably over the past few years, with strong sales/earnings in the U.S. offsetting declining/weak earnings in the European Union. With large swaths of Europe in recession over 2012 and the first half of 2013, the more vibrant and growing U.S. was a critical offset and key source of earnings growth.

TABLE 5: EUROPEAN FOREIGN DIRECT INVESTMENT AND INCOME EARNED IN THE UNITED STATES (BILLIONS OF \$)



Sources: Bureau of Economic Analysis
Data through 2012

**TABLE 6: U.S. RELYING LESS ON FOREIGN OIL FOR DOMESTIC CONSUMPTION
(NET IMPORTS OF CRUDE OIL AND PETROLEUM PRODUCTS AS % OF CONSUMPTION)**

Source: U.S. Energy Information Administration
Annual data through 2012, 2013 data for October.

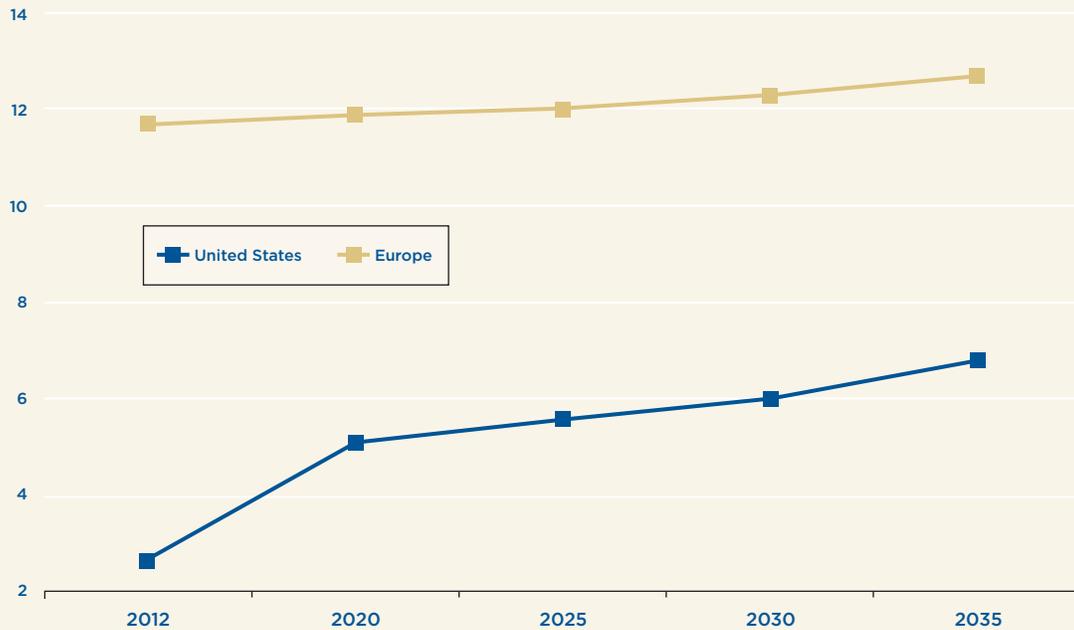
America's Energy Advantage— One More Reason for European Firms to be “Inside” the United States

In our last survey we touched upon the energy upheaval in the United States and the impact on the U.S. economy relative to Europe and the world. Since our last publication, the energy dynamics in America have only become more profound and globally significant, with the United States now on a path to become the world's top natural gas and oil producer by the end of this decade.

Presently, U.S. domestic crude production is greater than net oil imports; thanks to new drilling techniques. The Bakken and Eagle Ford fields are now producing more than one million barrels of oil per day; U.S. crude oil production is now at a twenty-year high; natural gas production has also soared over the past few years; foreign oil as a percent of U.S. domestic consumption is almost back to levels seen in the mid-1980s; U.S. exports of crude oil and petroleum products have roughly doubled since 2008; and according to the latest estimates from the International Energy Agency, U.S. oil production will surpass that of Saudi Arabia by 2020, while U.S. gas production will shortly eclipse Russia, making the U.S. the largest oil and gas producer in the world.

All of the above, as mentioned earlier, has been supported by pro-market policies at the state level; cutting edge innovation and technology; and the risk-taking, entrepreneurial culture of the United States. Not surprisingly, the U.S. energy renaissance generates multiple benefits. America's terms of trade have improved; job growth in the energy patch has been very robust over the past few years, with unemployment in both Texas (6.0%) and North Dakota (2.6%) well below the national average. Lower energy costs mean more income in the pockets of U.S. consumers and lower energy costs for large swaths of U.S. industry, making U.S. manufacturers that much more globally competitive. In industries where energy costs are reasonably high—think materials, plastics, automobiles—the drop in energy prices in the U.S. could influence companies to re-shore some production to the United States. Lower energy costs are boosting employment directly and indirectly; spurring innovation; and generating new tax and royalty revenues at the state and national level.

The energy boom has also fueled rising levels of capital expenditures and infrastructure spending on such things as pipelines, drilling rigs, roads, rail cars and trucks, as well as LNG ports and water treatment facilities. It has also helped the U.S. cut its greenhouse gas emissions. Natural gas emits half as much carbon dioxide as coal. As natural

TABLE 7: NATURAL GAS PRICES: ADVANTAGE AMERICA* - (\$ PER MILLION BTU)

*Projections according to International Energy Agency's New Policies Scenario projections.
Source: International Energy Agency, World Energy Outlook 2012.

gas replaces coal as an energy source for American utilities, businesses and households, carbon emissions from the U.S. energy sector have dropped substantially over the past five years. Europe's energy sector carbon emissions, in contrast, are basically flat.

And relative to Europe, the U.S. energy story does not end with carbon emissions. Recent figures from the European Commission point to the widening gap between energy costs between the U.S. and Europe.² According to the Commission, "between 2005 and 2011, EU manufacturing saw the highest increase in energy costs within subsectors relative to the U.S., China and Japan."

Regarding electricity retail prices, "on average in 2012, across the EU and denominated in Euro, medium-sized industrial consumers in the EU paid before exemptions about 20% more than companies based in China, about 65% more than companies in India and more than twice the price for electricity as companies based in the U.S. and Russia.

"Retail electricity for households: on average European households paid more than twice as much as U.S. households for electricity and comparable prices to Norway, New Zealand and Brazil."

Regarding gas retail prices, "on average and denominated in Euros, in 2012 medium-sized industrial consumers in the EU paid four times as much for gas as industrial consumers in the U.S., Canada, India and Russia and about 12% higher in retail prices than those in China. In the case of households, EU average prices were 2.5 times higher than those faced by households in the U.S. and Canada."

"Retail gas for households: EU average gas prices were 2.5 times higher than those faced by households in the U.S. and Canada."

"Between 2008 and 2012 European industrial consumers faced a 10% increase in real terms in electricity prices; in the U.S. there was a 10% decrease in real terms."

"The divergence in the evolution paths is even greater when it comes to industrial price for natural gas. Industrial gas prices indices show that users in Canada and the U.S. are now benefiting from prices comparable in real terms to those in the mid-90s (in the case of the U.S.)."

In short, divergent energy trends in the U.S. and Europe have only widened over the past year and threaten to tilt the competitive playing field more in favor to the United States. Plunging U.S. energy costs have placed many European

firms at a competitive disadvantage relative to U.S. firms. The divergence in transatlantic energy is significant. Natural gas prices in the United States—roughly \$3.7 per million metric Btu (mmBtu) in 2013—were well below those of Germany (\$11.2 mmBtu) and Japan (\$17.3 mmBtu). With more and more low-cost natural gas fueling U.S. power plants and utilities, electricity prices in the U.S. have plummeted to the point where costs in the U.S. are half as cheap as costs in Europe. Whereas in the United States the cost is under \$70 per megawatt hour (MWh), in the UK it reaches \$135 and in Germany \$150.³

This represents a huge cost advantage to firms located in the United States. It also acts as a magnet for foreign investors, with many companies in Europe increasingly viewing the U.S. as a low-cost base by which to operate relative to Europe. Energy costs can account for more than half of the production costs of chemical companies, for example, and relatively cheap U.S. energy prices have unleashed a surge new investments in the U.S. chemical industry. The American Chemistry Council predicts a 45% rise in U.S. chemical exports over the next five years.⁴

In the end, America's energy boom presents both risks and rewards to the transatlantic partnership. The energy divide could spur more investment from Europe to the United States. Conversely, the greater the divergence in energy pricing across the Atlantic, the more Europe's competitive attractiveness declines. Given deep transatlantic economic integration, that is not positive for either party.

Competitive Wages and Productivity

Another factor has lured European firms to America: favorable manufacturing costs relative to many parts of Europe. As Table 8 underscores, U.S. manufacturing costs in 2012, the last year of available data, were lower than in many European countries. U.S. hourly compensation costs totaled \$35.67 in 2012, well below similar rates in Norway, Switzerland, Belgium, Sweden and a host of other nations. U.S. wage costs in 2012 were 78% of those in Germany.

What's more, U.S. productivity levels continue to outpace many in Europe, reflecting America's global leadership in innovation, R&D, IT-driven production systems and world-class universities. U.S. firms were also more aggressive in shedding labor and cutting costs in the aftermath of the 2008/09 recession, helping to boost earnings and labor productivity again in 2012. The U.S. ranked fifth in terms of productivity levels among OECD member states in 2012.

All of the above highlights the fact that the U.S. ranks as among the most attractive places in the world to do business. As one of the most productive economies in the

world, with less than 5% of the global population, the U.S. produces over one-fifth of global output.

That said, there are many different economies within the United States. At the state level, there are significant differences, for example, between the economy of California and Mississippi. The former is among the largest and wealthiest in the nation, the latter among the poorest.

Against this backdrop, Europe's investment position in the United States varies state by state, and is always in the constant state of flux. Corporate Europe's investment position in the U.S. is dynamic, not static. In any given year, European firms either increase or decrease their corporate stakes in the U.S. based on prevailing business conditions, shifting competitive dynamics, ever-changing tax incentives, fluctuating regulatory winds or changing long-term strategic goals.

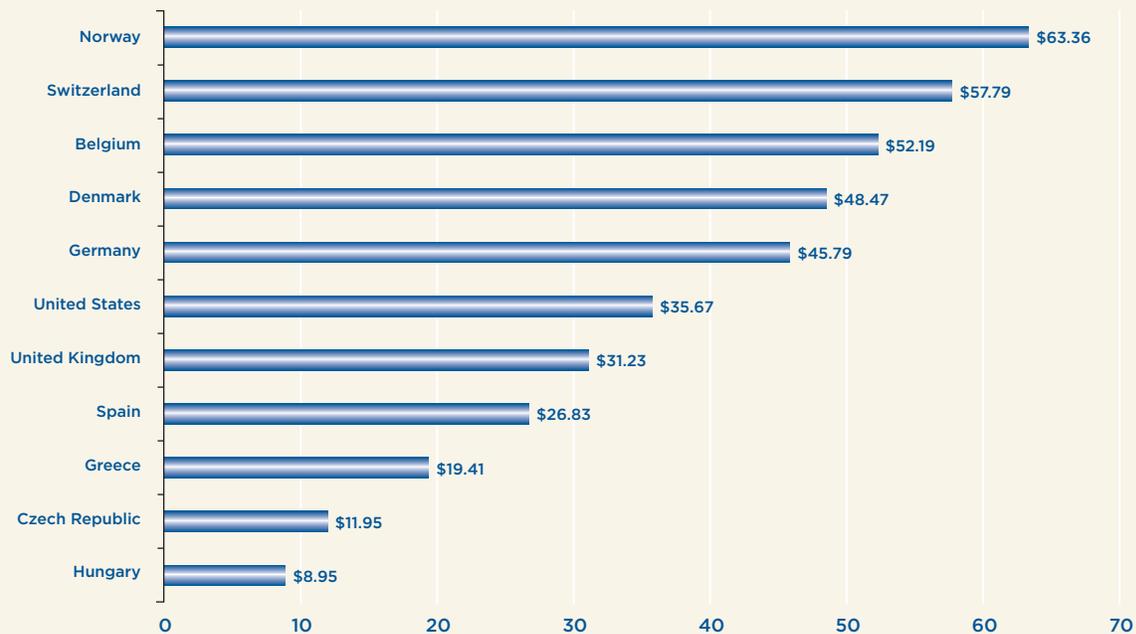
Highlighting this trend, while many European banks and financial firms continue to pare back their operations in the U.S., European auto companies and energy firms have done the opposite by expanding their U.S. presence, either through mergers and acquisitions (M&A) or greenfield investments. The latter has been the preferred route of European automobile manufacturers, who have become well embedded in such states as Alabama (Daimler), South Carolina (BMW) and Tennessee (Volkswagen).

In terms of European M&A deals in the United States, the value of total deals tallied \$69 billion in 2013, down over 20% from the prior year and well off the peak of 2007, when deal activity topped \$336 billion. U.S. deal activity in Europe, on the other hand, was larger, totaling \$111 billion in 2013. By sector, the largest European deals concluded in the U.S. were in the communications and pharmaceuticals sector.

In general, European investment is widespread across the United States and by industry. European firms can be found in all fifty states, and in all sectors of the economy, in manufacturing and service activities alike.

Europe is Top Source of Onshored Jobs in America

This means that the employment impact of European firms is quite significant—notably at a time when the U.S. unemployment rate remains stubbornly high. Table 9 provides a snapshot of state employment provided directly by European affiliates on the ground in the United States. As a footnote, the figures include only investment from German, French, British, Dutch and Swiss firms and therefore are incomplete; in addition, the data is only up until 2011. We suspect that over the past two years,

TABLE 8: HOURLY COMPENSATION COSTS IN MANUFACTURING - (U.S. \$)

Source: Bureau of Labor Statistics
Data for 2012

hiring among foreign affiliates in the U.S. has been rather “lumpy”—or reflective of the company-and industry-specifics mentioned above. Some European operations in the U.S. have been hiring over the past few years, while others have been paring their work force.

It is important to note that these exhibits underestimate considerably the true impact on U.S. jobs of America’s commercial ties to Europe. For one thing, jobs tied to exports or imports are not included. Second, many other jobs are created indirectly through supplier or distribution networks and other related activities.

Since California, New York and Texas are among the largest state economies in the U.S., it is little wonder that employment among European affiliates is the highest in these three states. Of the trio, California and New York registered employment gains in 2011, while affiliate employment in Texas was basically flat. This was also true in Pennsylvania, while Illinois saw sizable gains in employment in 2011.

In general, after paring their U.S. labor force following the 2008-09 recession, European affiliates have increased the number of American workers on their payrolls as the U.S. economy has improved. All of the states listed have seen

employment gains between 2011 and 2009, with affiliate employment in South Carolina rising nearly 15%; the rise in part reflects the thriving automobile sector of the state, which pivots around Germany’s marquee firm, BMW.

In California, affiliate employment jumped nearly 6% between 2011 and 2009, with roughly 300,000 Californian workers on the payrolls of European affiliates in 2011. That is not an overly large number, but the figures do take on added significance considering the state’s unemployment rate of 8.3% in December 2013—well above the national average. In addition, there is more to this number. If one adds California jobs reliant on trade with Europe, as well as the many thousands of jobs generated indirectly through distributors, three-party vendors, and supplier of European firms in the state, the figure is much higher. We estimate that 800,000-900,000 state jobs are related to California’s commercial ties to Europe.

In general, the presence of European affiliates in many states and communities across the United States has made the U.S. jobless picture “less bad” and even helped drive down the figure over the past year. The more Europeans affiliates become embedded in local communities around the country, the more they generate jobs and incomes for U.S. workers, greater sales for local suppliers and businesses,

TABLE 9: RANKING OF TOP 20 STATES BY JOBS SUPPORTED DIRECTLY BY EUROPEAN* INVESTMENT (THOUSANDS OF EMPLOYEES)

U.S. State	2009	2010	2011
California	282.4	295.0	298.8
New York	229.4	236.7	237.9
Texas	207.6	226.8	226.4
Pennsylvania	162.4	167.0	167.5
Illinois	138.8	138.9	145.5
New Jersey	135.6	136.9	142.6
Massachusetts	112.1	117.1	120.6
Florida	110.6	117.3	118.2
Ohio	106.8	104.9	107.9
North Carolina	89.1	91.8	91.6
Georgia	85.5	88.1	89.3
Virginia	71.0	73.8	78.8
Michigan	68.2	69.2	72.9
Connecticut	63.9	67.0	68.3
Indiana	67.9	68.3	67.8
Maryland	62.7	62.1	64.2
South Carolina	53.4	56.6	61.2
Tennessee	50.0	53.4	57.2
Missouri	45.5	44.6	47.1
Washington	44.1	44.5	45.6

Source: Bureau of Economic Analysis

*European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom. Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries. We estimate that this statistical change underestimates the number of U.S. jobs directly generated by European FDI by at least 300,000.

extra tax revenues for local communities, and more capital investment and R&D for the United States.

In addition, deep investment ties with Europe generate additional American exports. U.S. affiliates of foreign firms generated an estimated 21% of America's exports in 2012, with European firms lending a helping hand. Indeed, more than half of these exports were generated by European companies based in the U.S., with these firms generating products and services that are not only sold in the U.S. but also exported from America to countries all over the world.

Every U.S. state maintains cross-border ties with Europe. Indeed, Europe is a key export market for many U.S. states, a role that helps to create and generate economic at home. That said, however, the recent strength of the euro, combined with Europe's recession, has slowed the pace of export growth to America's transatlantic partner. In the aggregate, U.S. exports to the European Union fell 1.0% in the first eleven months of 2013, to \$241 billion. U.S. imports from the EU, meanwhile, climbed 1.2% over the same period,

TABLE 10: RANKING OF TOP 20 U.S. STATES TOTAL GOODS EXPORTS TO EUROPE, BY VALUE (BILLIONS OF \$)

U.S. State	2000	2012	% Change from 2011	% Change from 2000
Texas	12.3	36.3	-2%	195%
California	27.9	30.0	2%	8%
New York	15.3	26.6	-1%	73%
Florida	3.9	15.3	2%	294%
Louisiana	3.3	13.5	23%	312%
Illinois	7.3	13.1	0%	79%
New Jersey	6.4	12.1	-4%	90%
Washington	13.1	11.3	-9%	-14%
Pennsylvania	4.7	9.9	-6%	112%
Ohio	5.0	9.9	1%	96%
Massachusetts	8.0	9.7	-12%	21%
Indiana	3.1	9.4	13%	201%
Georgia	4.0	7.9	4%	98%
South Carolina	2.8	7.7	-5%	177%
Utah	1.3	7.5	-9%	456%
Michigan	5.0	6.4	5%	26%
Connecticut	3.5	6.2	-7%	79%
North Carolina	4.6	6.2	3%	34%
Tennessee	2.7	5.9	-1%	120%
Alabama	2.5	5.3	5%	115%
U.S. Total	187.4	329.2	0.2%	76%

Source: Foreign Trade Division, U.S. Census Bureau

leaving the U.S. with a \$114 billion trade deficit with EU. The trade deficit has widened each year since 2009.

U.S. exports to Europe by state varied in 2013; Hawaii, Kentucky and New Mexico posted large year-over-year gains, while Utah, Nevada and Florida posted large declines. Exports from Texas were down nearly 4% but in the context of soaring energy exports from Texas to Europe over the past few years, with petroleum and coal exports topping \$11 billion in 2012. That is more than ten times the level of exports in 2005 and reflects Texas' surging energy production.

Table 10 ranks the top 20 state exporters to Europe, with Texas ranked number one in 2012, followed by California and New York.

Notwithstanding the tough export environment presented by Europe, it's important to highlight that even in the face of weak market demand across the Atlantic, 45 of the 50 U.S. states export more to Europe than to China.

TABLE 11: U.S. STATE EXPORTS TO EUROPE AND CHINA, 2013* (MILLIONS OF \$)

U.S. State	Europe	China	U.S. State	Europe	China
Alabama	3,767	1,550	Montana	213	64
Alaska	798	938	Nebraska	789	435
Arizona	2,676	804	Nevada	2,398	458
Arkansas	1,246	419	New Hampshire	824	195
California	23,831	11,820	New Jersey	9,361	1,104
Colorado	1,382	572	New Mexico	259	76
Connecticut	5,008	669	New York	22,502	3,893
Delaware	1,732	333	North Carolina	4,893	2,075
Florida	8,116	902	North Dakota	257	16
Georgia	6,570	2,716	Ohio	7,392	2,305
Hawaii	39	53	Oklahoma	855	338
Idaho	327	323	Oregon	1,558	2,402
Illinois	8,748	3,216	Pennsylvania	8,084	2,287
Indiana	6,688	990	Rhode Island	569	69
Iowa	1,942	424	South Carolina	5,533	3,523
Kansas	1,418	827	South Dakota	87	38
Kentucky	4,343	934	Tennessee	4,632	1,736
Louisiana	9,740	3,709	Texas	26,432	6,927
Maine	315	179	Utah	2,398	1,120
Maryland	2,286	424	Vermont	247	396
Massachusetts	7,060	1,458	Virginia	3,624	1,230
Michigan	4,677	2,780	Washington	9,984	10,756
Minnesota	3,582	1,358	West Virginia	2,815	453
Mississippi	1,453	498	Wisconsin	3,040	1,228
Missouri	1,718	635	Wyoming	71	14

*Data through September 2013

Source: U.S. Census Bureau, Foreign Trade Division

This is made evident from Table 11, which compares U.S. state exports to all of Europe versus China. The figures are for the first nine months of 2013. The figures are telling—Only Alaska, Hawaii, Washington, Oregon, and Vermont exported more to China than Europe last year.

For the rest of the Union, Europe remains a key export market and by a wide margin relative to China. For instance, exports from Florida, New Jersey and Rhode Island to Europe in the first nine months of 2013 were roughly 8 times larger than their exports to China; Connecticut exported 7 times more to Europe than to China. Indiana and West Virginia exported 6 times more; New York, Maryland, Delaware, Nevada and Wyoming 5 times more; and Iowa, Kentucky, Massachusetts, New Hampshire over 4 times

more. Texas, the leading U.S. state exporter to Europe, sent more than 3 times as many goods to Europe than to China in 2013, as did 7 other states, including Arizona and New Mexico, Ohio, Pennsylvania and Virginia. The Pacific coast state of California exported twice as much to Europe as to China, as did 14 other states ranging from Illinois, Michigan and Colorado to North Carolina, Wisconsin and Tennessee.

By destination, Germany was the top European export market for 18 U.S. states in 2012. The United Kingdom ranked second and was the top European export market for 11 states. The Netherlands and Belgium tied for third as the top European destination for 7 states each. The following charts trace European-related jobs, trade and investment for each of the 50 U.S. states.

Endnotes

1. See *The Economist*, “China Loses its allure,” January 25, 2014
2. See the European Commission, *Energy prices and costs in Europe*, 2014.
3. International Energy Agency, *Key World Energy Statistics 2013*.
4. Ed Crooks, “Shale gas boom set to lift US chemicals exports,” *Financial Times*, December 10, 2013.



Alabama & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Alabama supported 34,700 jobs in 2011.

Sources of Employment within Alabama, 2011

Country	Employment
Japan	13,900
Germany	11,200
United Kingdom	10,600
Canada	8,700
France	6,200

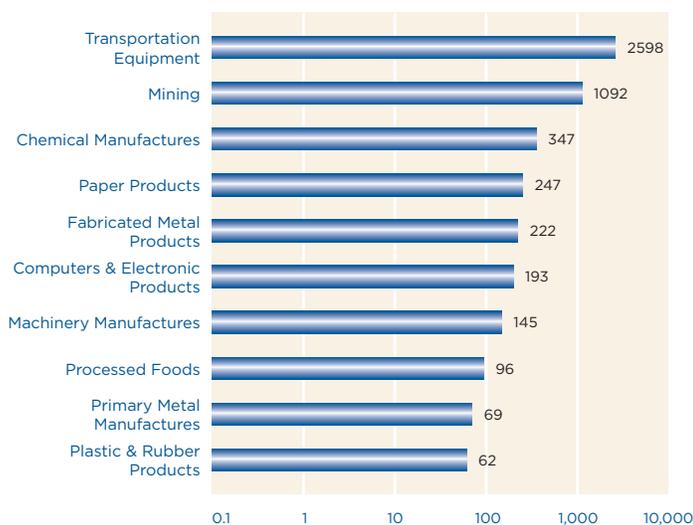
Trade

In 2012, Europe purchased \$5.3 billion worth of goods from Alabama. 49% of total exports represented transportation equipment, reflecting the state's linkages with European auto manufacturers.

Top European Export Markets, 2011

Country	Exports (\$ Millions)
Germany	2,547
United Kingdom	693
France	411
Belgium	254
Netherlands	242

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
 Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Alaska & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Alaska supported 5,300 jobs in 2011.

Sources of Employment within Alaska, 2011

Country	Employment
United Kingdom	4,300
Canada	2,900
Japan	2,600
France	400
Germany	300

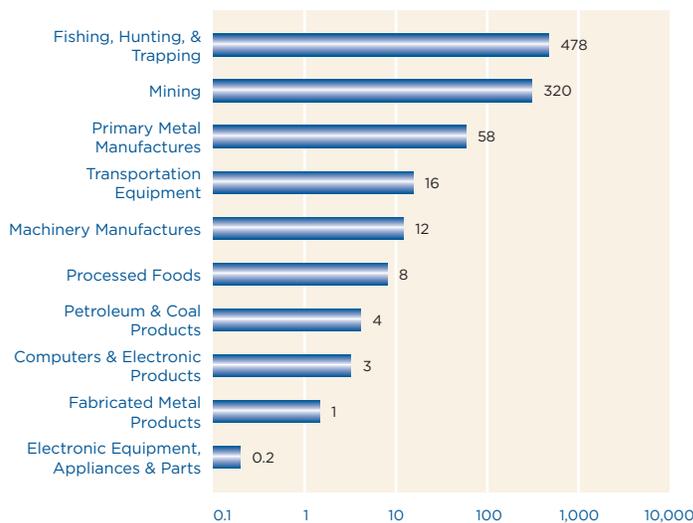
Trade

In 2012, Europe purchased \$902 million worth of goods from Alaska. The bulk of exports consists of primary commodities.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Germany	274
Spain	151
Netherlands	121
Belgium	59
Switzerland	58

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
 Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Arizona & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Arizona supported 38,800 jobs in 2011.

Sources of Employment within Arizona, 2011

Country	Employment
Canada	15,000
United Kingdom	12,800
France	7,800
Switzerland	7,200
Germany	6,600

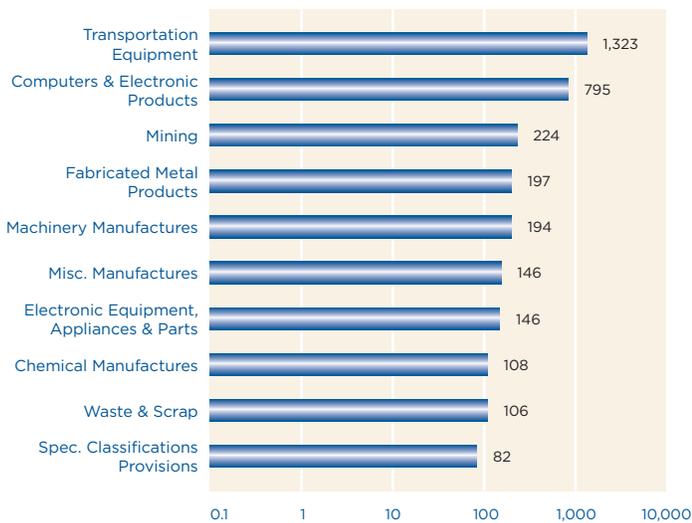
Trade

In 2012, Europe purchased \$3.5 billion worth of goods from Arizona. 38% of the state's exports consists of transportation equipment.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
United Kingdom	915
Germany	679
France	492
Netherlands	351
Italy	198

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Arkansas & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Arkansas supported 16,000 jobs in 2011.

Sources of Employment within Arkansas, 2011

Country	Employment
France	4,900
Japan	4,300
United Kingdom	4,100
Switzerland	2,800
Germany	2,300

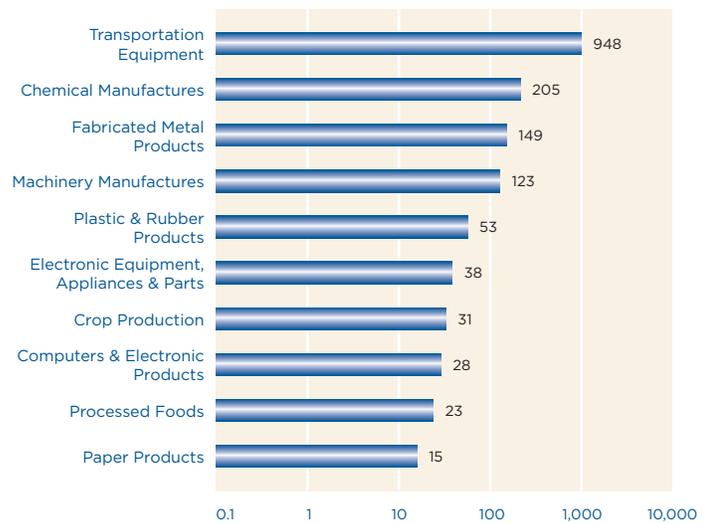
Trade

In 2012, Europe purchased \$1.7 billion worth of goods from Arkansas. Transportation equipment was the top export to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
France	365
United Kingdom	204
Belgium	198
Germany	160
Switzerland	157

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



California & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in California supported 298,800 jobs in 2011.

Sources of Employment within California, 2011

Country	Employment
Japan	111,800
United Kingdom	84,400
France	67,900
Switzerland	62,700
Germany	57,500

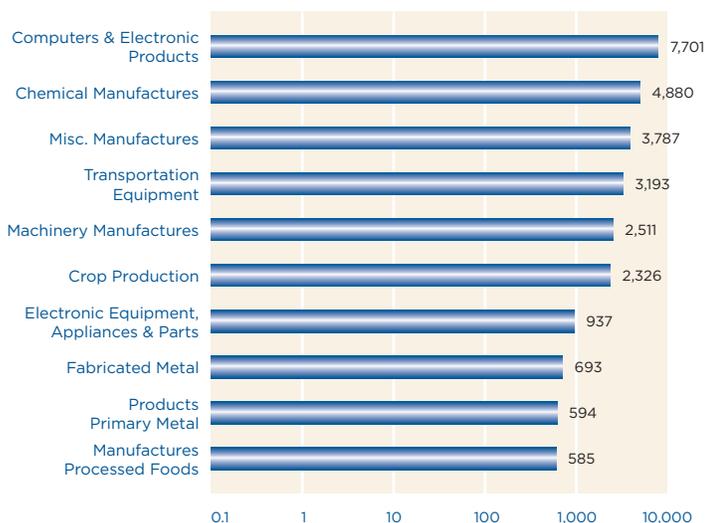
Trade

In 2012, Europe purchased \$30 billion worth of goods from California. 26% of Californian exports to Europe consist of high-tech goods.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Germany	4,979
Netherlands	4,344
United Kingdom	4,343
Belgium	2,765
France	2,660

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Colorado & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Colorado supported 37,800 jobs in 2011.

Sources of Employment within Colorado, 2011

Country	Employment
United Kingdom	14,000
Canada	9,800
Japan	7,100
France	7,000
Switzerland	6,400

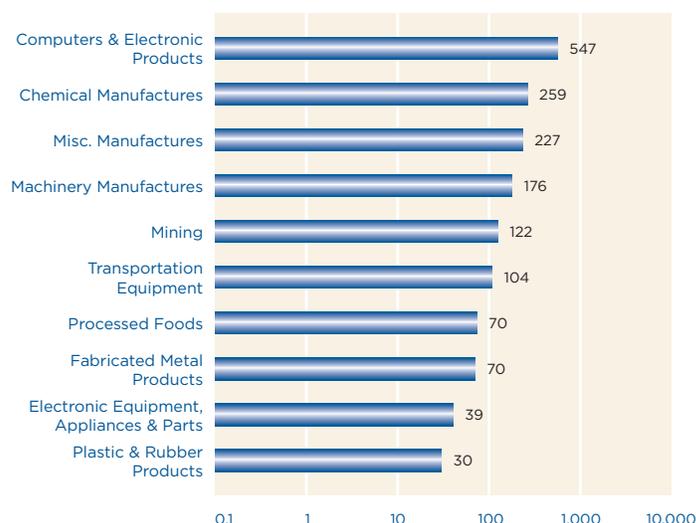
Trade

In 2012, Europe purchased \$1.7 billion worth of goods from Colorado. One-third of the state's exports consists of high-tech goods like computers & electronic products.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Germany	282
Netherlands	280
Switzerland	245
United Kingdom	205
France	155

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Connecticut & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Connecticut supported 68,300 jobs in 2011.

Sources of Employment within Connecticut, 2011

Country	Employment
Netherlands	22,000
United Kingdom	18,600
Germany	10,900
France	9,100
Switzerland	7,700

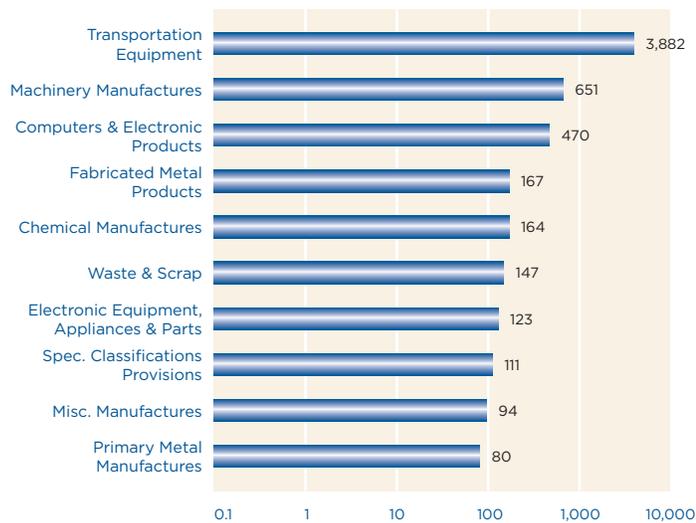
Trade

In 2012, Europe purchased \$6.2 billion worth of goods from Connecticut. Exports are heavily skewed towards transportation equipment.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
France	1,907
Germany	1,497
United Kingdom	636
Netherlands	517
Turkey	319

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Delaware & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Delaware supported 18,700 jobs in 2011.

Sources of Employment within Delaware, 2011

Country	Employment
United Kingdom	9,100
Switzerland	3,000
Germany	2,600
Netherlands	2,400
Canada	1,700

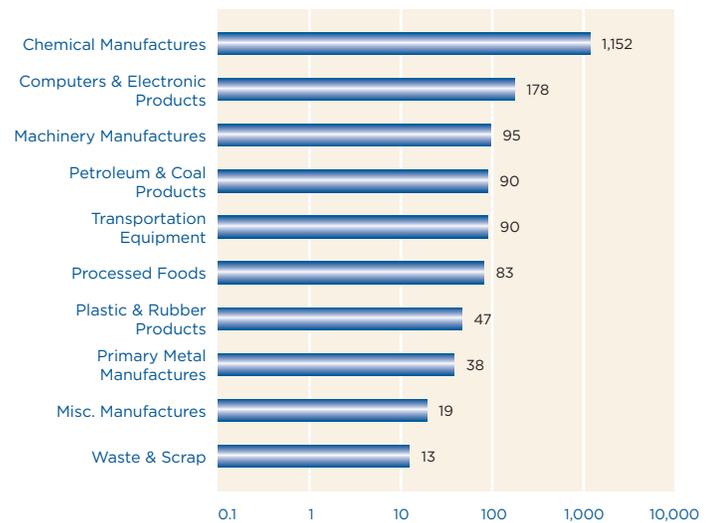
Trade

In 2012, Europe purchased \$1.9 billion worth of goods from Delaware. Chemicals are Delaware's primary export to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
United Kingdom	755
Germany	303
Netherlands	271
Belgium	186
France	70

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Florida & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Florida supported 118,200 jobs in 2011.

Sources of Employment within Florida, 2011

Country	Employment
United Kingdom	43,100
Canada	30,200
Japan	21,900
Switzerland	20,900
Germany	20,700

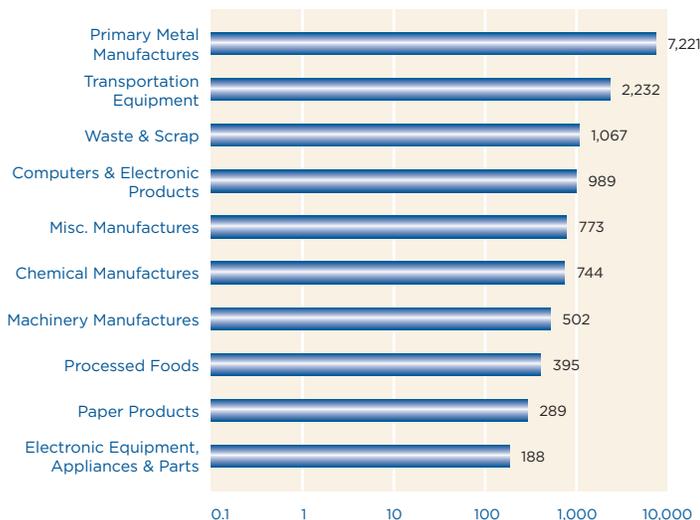
Trade

In 2012, Europe purchased \$15.3 billion worth of goods from Florida. Primary metal manufactures account for 47% of total exports to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Switzerland	8,217
Germany	1,440
United Kingdom	1,158
Netherlands	895
France	607

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Georgia & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Georgia supported 89,300 jobs in 2011.

Sources of Employment within Georgia, 2011

Country	Employment
Japan	26,300
United Kingdom	23,500
Germany	21,200
Netherlands	18,400
Canada	17,600

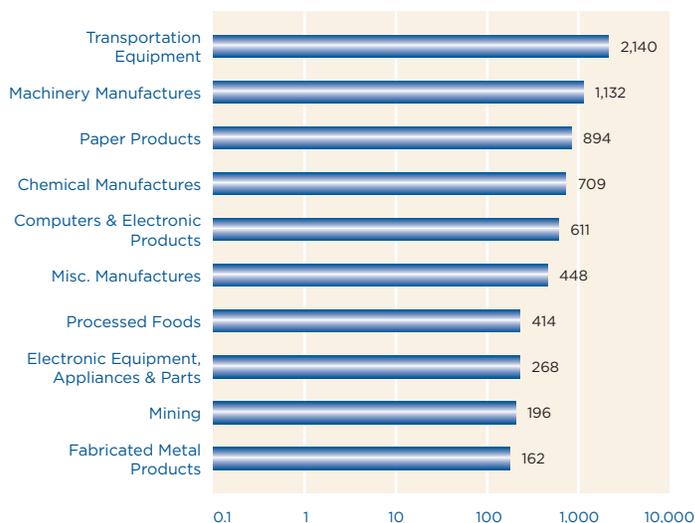
Trade

In 2012, Europe purchased \$7.9 billion worth of goods from Georgia. Exports are broadly diversified among such exports as transportation equipment, machinery and paper products.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
United Kingdom	1,130
Germany	1,017
Belgium	719
Turkey	687
Netherlands	654

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Hawaii & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Hawaii supported 9,000 jobs in 2011.

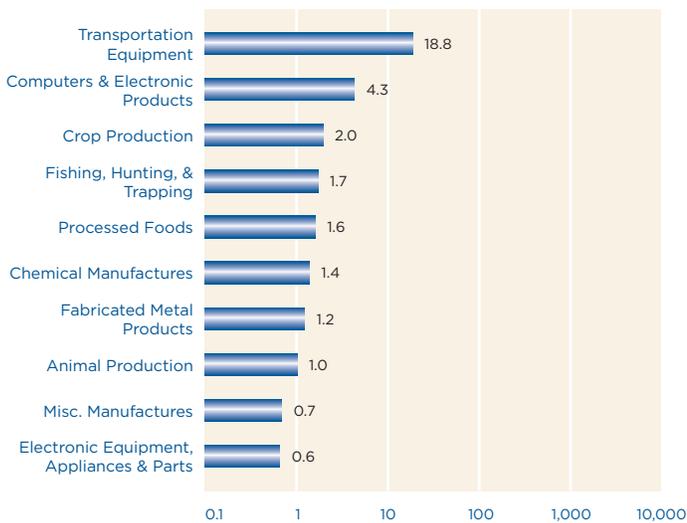
Sources of Employment within Hawaii, 2011	
Country	Employment
Japan	12,600
France	4,400
United Kingdom	2,200
Switzerland	1,000
Canada	1,000

Trade

In 2012, Europe purchased \$36 million worth of goods from Hawaii. Transportation equipment accounts for 53% of total exports.

Top European Export Markets, 2012	
Country	Exports (\$ Millions)
Netherlands	17
Germany	5
United Kingdom	4
Switzerland	2
France	2

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Idaho & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Idaho supported 7,400 jobs in 2011.

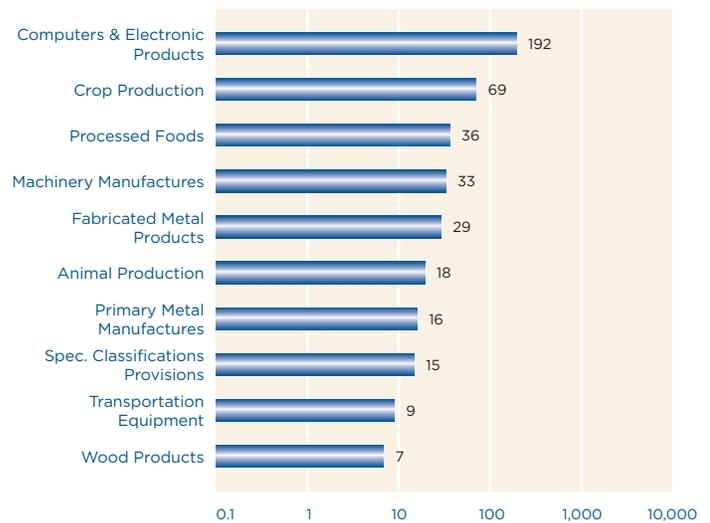
Sources of Employment within Idaho, 2011	
Country	Employment
France	2,500
Canada	2,200
United Kingdom	2,200
Germany	1,400
Switzerland	1,100

Trade

In 2012, Europe purchased \$450 million worth of goods from Idaho. Exports are mostly concentrated in computers & electronic products.

Top European Export Markets, 2012	
Country	Exports (\$ Millions)
France	140
United Kingdom	78
Netherlands	71
Germany	31
Italy	26

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Illinois & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Illinois supported 145,500 jobs in 2011.

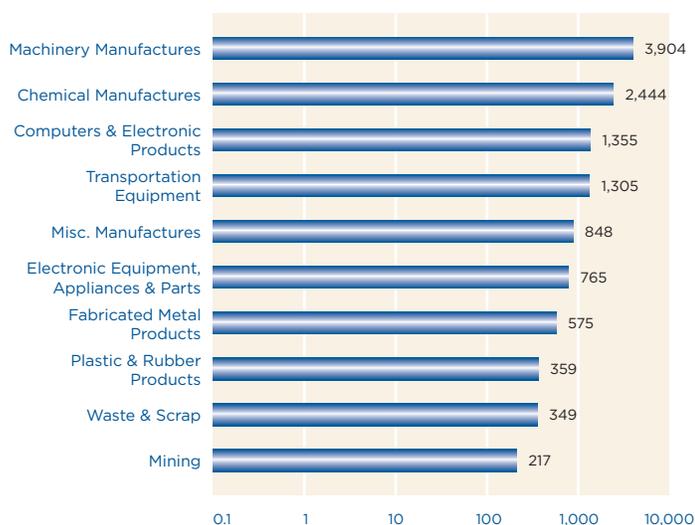
Sources of Employment within Illinois, 2011	
Country	Employment
United Kingdom	51,800
Japan	35,200
Germany	33,500
France	26,600
Canada	23,500

Trade

In 2012, Europe purchased \$13.1 billion worth of goods from Illinois. Machinery and chemicals are key exports, followed by computers and electronic products and transportation equipment.

Top European Export Markets, 2012	
Country	Exports (\$ Millions)
Germany	2,662
United Kingdom	2,047
Belgium	1,891
France	1,300
Netherlands	1,245

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
 Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Indiana & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Indiana supported 67,800 jobs in 2011.

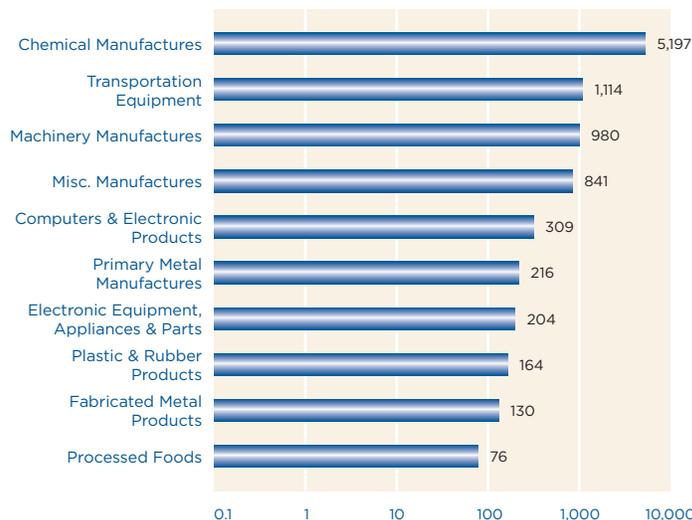
Sources of Employment within Indiana, 2011	
Country	Employment
Japan	38,000
United Kingdom	31,000
Canada	14,800
Germany	13,700
France	10,600

Trade

In 2012, Europe purchased \$9.4 billion worth of goods from Indiana. Exports are heavily skewed toward chemicals.

Top European Export Markets, 2012	
Country	Exports (\$ Millions)
Germany	2,156
France	1,767
United Kingdom	1,199
Spain	826
Netherlands	788

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
 Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Iowa & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Iowa supported 25,500 jobs in 2011.

Sources of Employment within Iowa, 2011

Country	Employment
United Kingdom	8,500
Netherlands	6,100
Japan	5,200
Germany	4,400
Canada	4,200

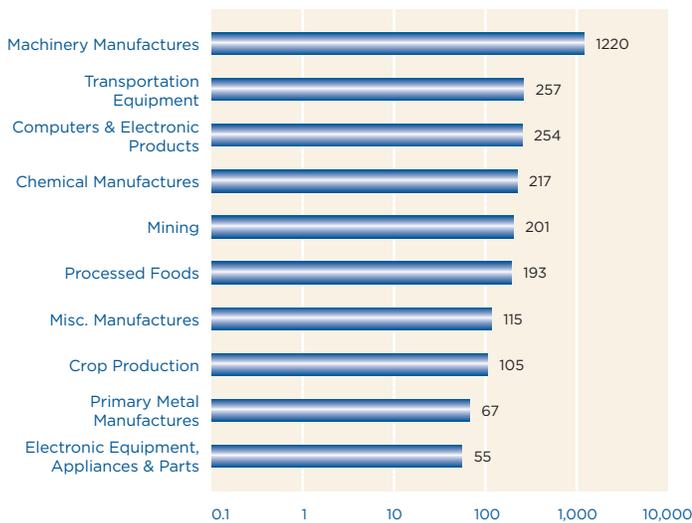
Trade

In 2012, Europe purchased \$2.9 billion worth of goods from Iowa. Machinery manufactures account for 43% of total exports.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Germany	659
United Kingdom	376
France	340
Netherlands	230
Ukraine	132

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Kansas & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Kansas supported 26,000 jobs in 2011.

Sources of Employment within Kansas, 2011

Country	Employment
Canada	17,600
United Kingdom	6,800
Switzerland	6,400
Germany	5,500
Netherlands	3,700

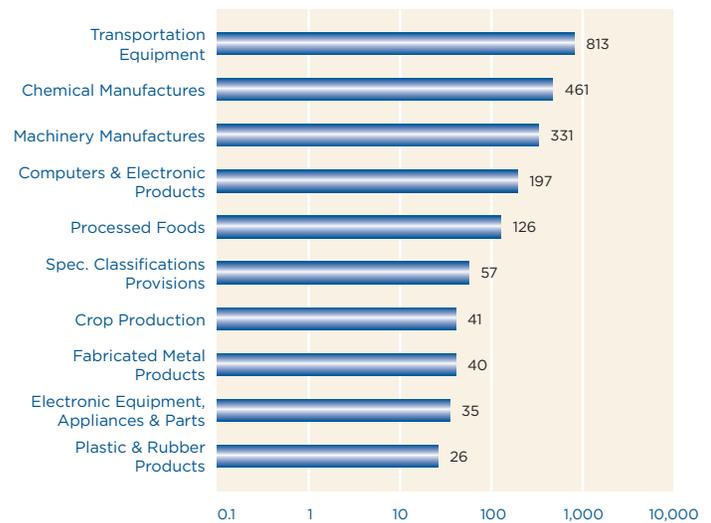
Trade

In 2012, Europe purchased \$2.2 billion worth of goods from Kansas. 37% of the state's exports consists of transportation equipment.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
United Kingdom	524
Germany	366
France	205
Ireland	160
Italy	128

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
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Kentucky & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Kentucky supported 34,700 jobs in 2011.

Sources of Employment within Kentucky, 2011

Country	Employment
Japan	30,700
United Kingdom	10,600
Canada	9,500
Germany	9,100
Switzerland	5,900

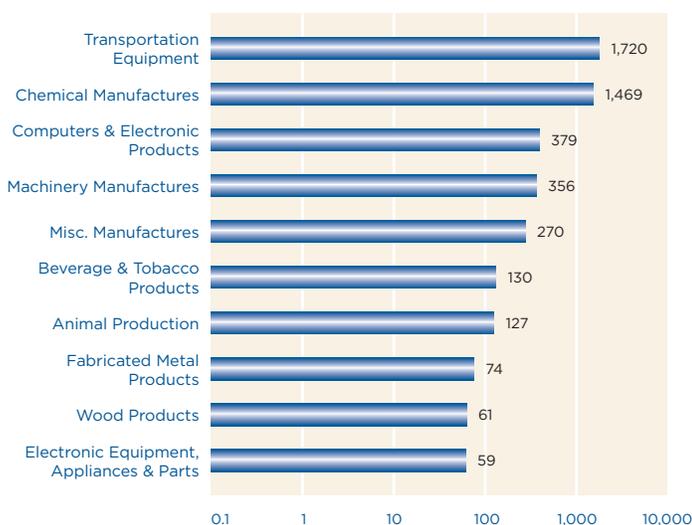
Trade

In 2012, Europe purchased \$4.9 billion worth of goods from Kentucky. Reflecting the large presence of automobile manufacturers in the state, Kentucky's top export to Europe is transportation equipment.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
United Kingdom	1,521
Germany	651
Netherlands	588
Belgium	481
France	433

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
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Louisiana & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Louisiana supported 33,900 jobs in 2011.

Sources of Employment within Louisiana, 2011

Country	Employment
United Kingdom	12,000
France	6,700
Netherlands	5,700
Canada	5,100
Germany	4,900

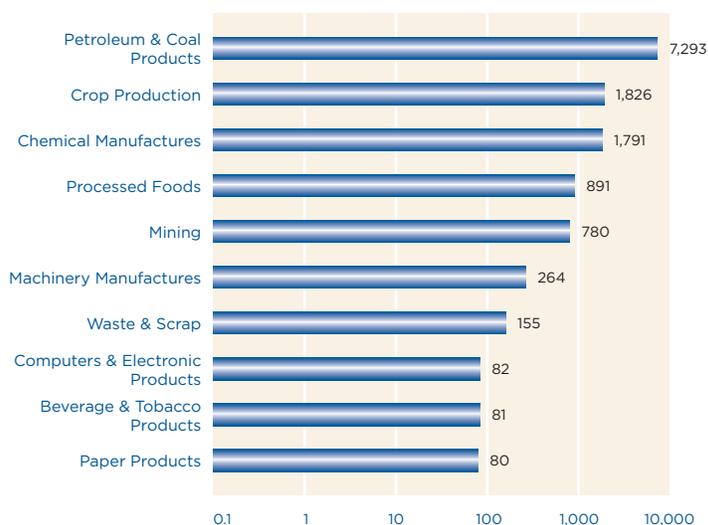
Trade

In 2012, Europe purchased \$13.5 billion worth of goods from Louisiana. The state's exports consist of a mix of petroleum & coal products, agricultural products and chemicals.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Netherlands	3,408
Germany	1,329
United Kingdom	1,200
Turkey	1,146
France	1,119

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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Maine & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Maine supported 6,800 jobs in 2011.

Sources of Employment within Maine, 2011

Country	Employment
Canada	7,500
Switzerland	2,000
United Kingdom	2,000
Germany	1,900
Japan	1,000

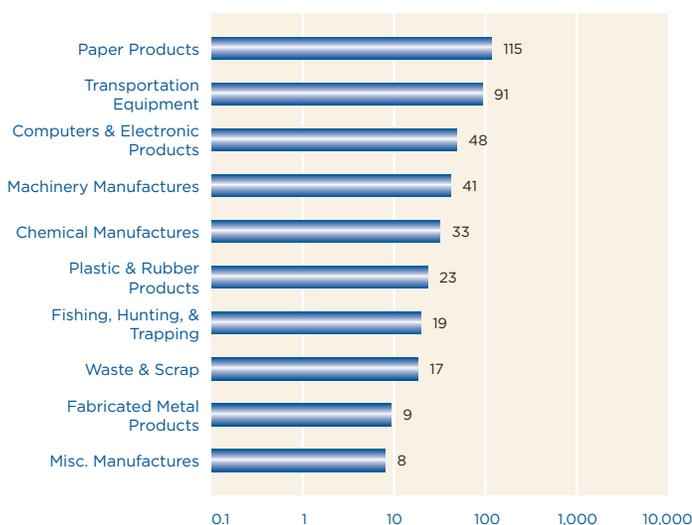
Trade

In 2012, Europe purchased \$443 million worth of goods from Maine. Paper products and transportation equipment are the state's top exports to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Belgium	65
Turkey	60
United Kingdom	58
Netherlands	57
Germany	50

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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Maryland & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Maryland supported 64,200 jobs in 2011.

Sources of Employment within Maryland, 2011

Country	Employment
Netherlands	22,800
United Kingdom	18,300
France	9,500
Canada	8,300
Switzerland	7,000

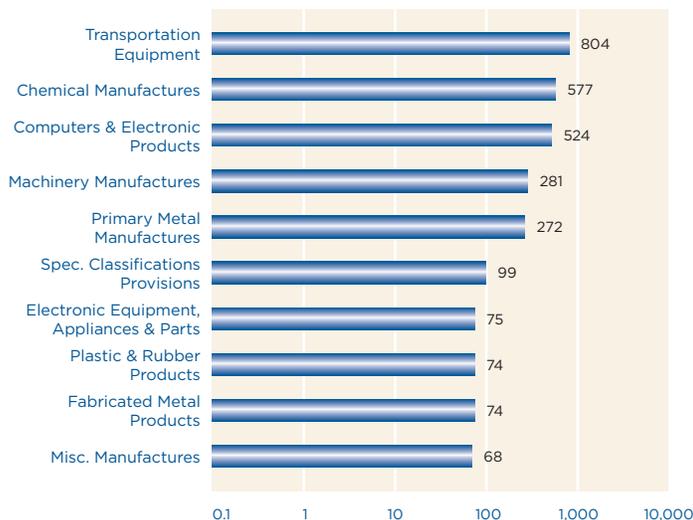
Trade

In 2012, Europe purchased \$3.1 billion worth of goods from Maryland. Top exports are transportation equipment, chemicals and computers.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
United Kingdom	573
Belgium	465
Netherlands	331
Germany	299
France	277

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
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Massachusetts & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Massachusetts supported 120,600 jobs in 2011.

Sources of Employment within Massachusetts, 2011

Country	Employment
United Kingdom	38,700
Netherlands	33,200
France	18,000
Germany	18,000
Canada	17,900

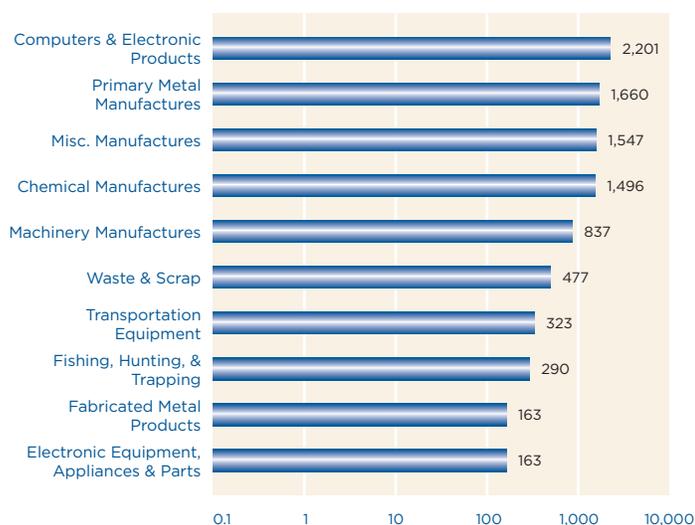
Trade

In 2012, Europe purchased \$9.7 billion worth of goods from Massachusetts. Computers & electronic products and primary metal manufactures account for 23% and 17% of exports respectively.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
United Kingdom	2,589
Germany	1,803
Netherlands	1,076
Belgium	715
France	666

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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Michigan & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Michigan supported 72,900 jobs in 2011.

Sources of Employment within Michigan, 2011

Country	Employment
Germany	27,100
Canada	24,700
Japan	24,500
United Kingdom	20,100
France	12,300

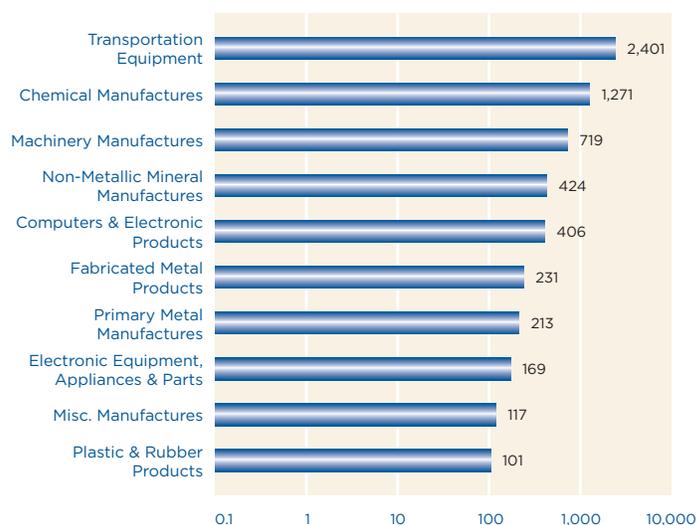
Trade

In 2012, Europe purchased \$6.4 billion worth of goods from Michigan. Not surprisingly, transportation equipment makes up 38% of Michigan's exports to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Germany	1,982
Belgium	712
United Kingdom	710
France	633
Italy	362

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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Minnesota & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Minnesota supported 42,200 jobs in 2011.

Sources of Employment within Minnesota, 2011

Country	Employment
Canada	19,900
United Kingdom	14,900
Germany	9,800
France	7,400
Japan	6,300

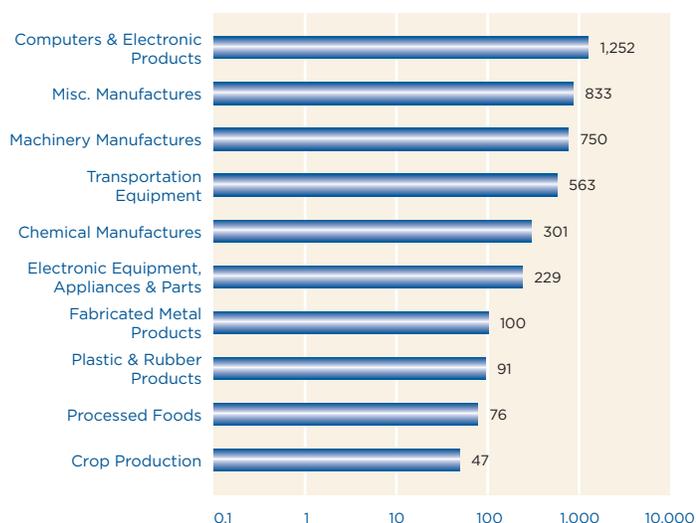
Trade

In 2012, Europe purchased \$4.5 billion worth of goods from Minnesota. Computers & electronic products account for 28% of Minnesota's exports to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Germany	728
Belgium	641
United Kingdom	511
Netherlands	444
France	353

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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Mississippi & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Mississippi supported 12,200 jobs in 2011.

Sources of Employment within Mississippi, 2011

Country	Employment
Japan	5,800
United Kingdom	3,600
Germany	3,100
Canada	2,500
Netherlands	2,200

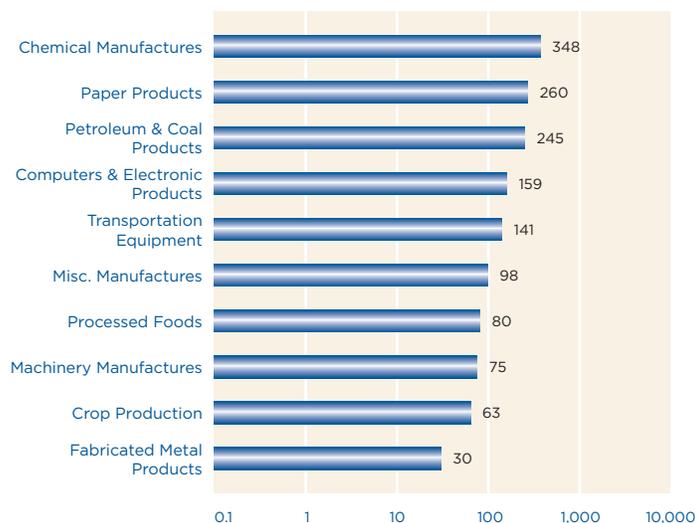
Trade

In 2012, Europe purchased \$1.6 billion worth of goods from Mississippi. Chemicals, paper products and petroleum & coal products rank as the top exports to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Belgium	333
Netherlands	247
United Kingdom	205
Germany	173
Turkey	88

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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Missouri & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Missouri supported 47,100 jobs in 2011.

Sources of Employment within Missouri, 2011

Country	Employment
United Kingdom	18,000
Germany	10,000
Canada	8,100
Switzerland	8,000
Japan	8,000

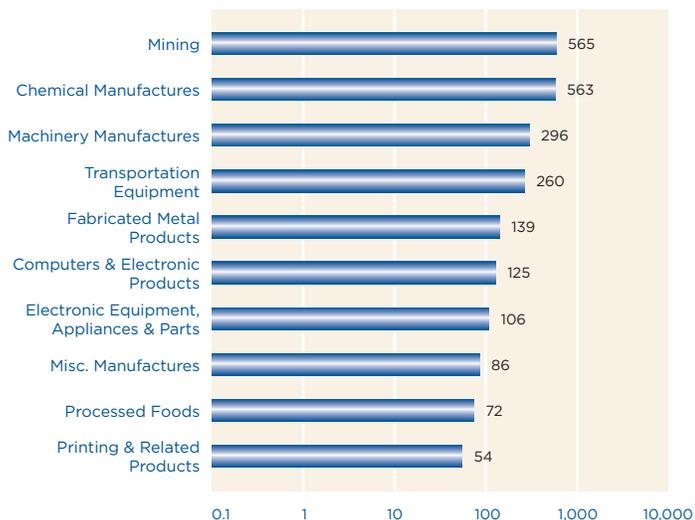
Trade

In 2012, Europe purchased \$2.6 billion worth of goods from Missouri. Top exports to Europe from Missouri are minerals and ores and chemicals.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Belgium	394
United Kingdom	351
Netherlands	306
Germany	256
France	225

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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Montana & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Montana supported 2,400 jobs in 2011.

Sources of Employment within Montana, 2011

Country	Employment
United Kingdom	1,400
Canada	900
France	700
Japan	400
Netherlands	200

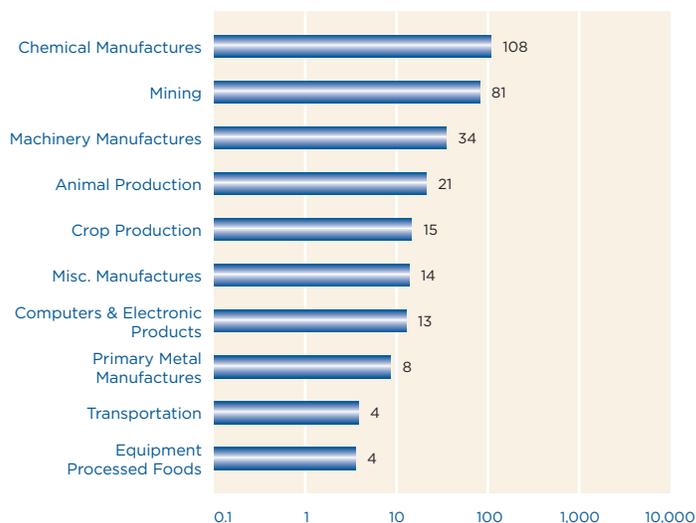
Trade

In 2012, Europe purchased \$309 million worth of goods from Montana. Exports are relatively small and skewed towards chemical manufactures and minerals and ores.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Belgium	83
Switzerland	73
Germany	38
United Kingdom	20
Netherlands	17

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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Nebraska & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Nebraska supported 9,300 jobs in 2011.

Sources of Employment within Nebraska, 2011

Country	Employment
Japan	3,700
United Kingdom	3,100
France	2,700
Canada	2,200
Switzerland	2,100

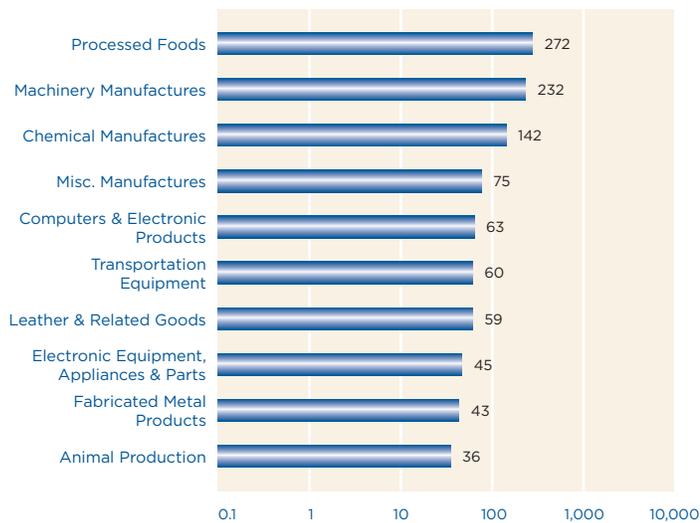
Trade

In 2012, Europe purchased \$1.1 billion worth of goods from Nebraska. Top exports are processed foods, machinery and chemicals.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Netherlands	183
Germany	147
Italy	102
Belgium	97
France	74

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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Nevada & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Nevada supported 20,000 jobs in 2011.

Sources of Employment within Nevada, 2011

Country	Employment
Canada	9,700
Germany	6,600
United Kingdom	6,200
France	3,600
Switzerland	2,200

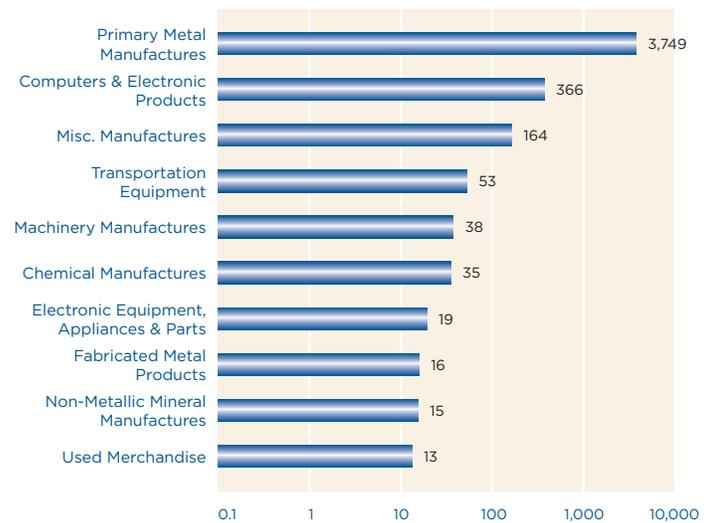
Trade

In 2012, Europe purchased \$4.5 billion worth of goods from Nevada. Primary metal manufactures account for 83% of total exports.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Switzerland	3,777
United Kingdom	162
Germany	116
Belgium	91
France	73

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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New Hampshire & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in New Hampshire supported 20,000 jobs in 2011.

Sources of Employment within New Hampshire, 2011

Country	Employment
United Kingdom	10,300
Canada	4,500
Japan	4,000
France	3,600
Germany	2,500

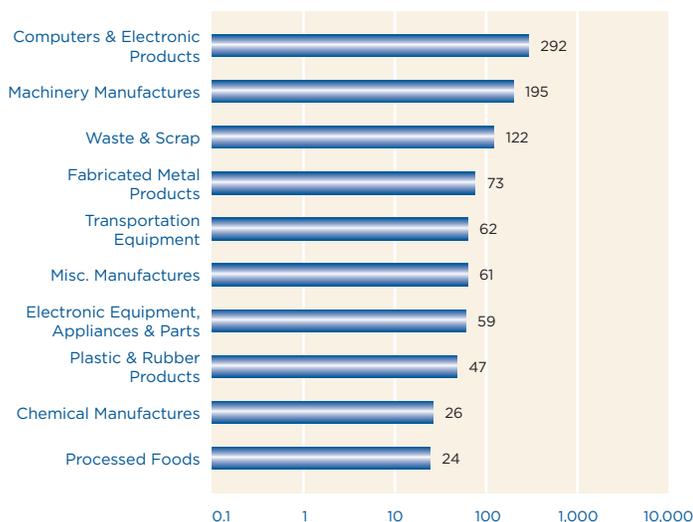
Trade

In 2012, Europe purchased \$1 billion worth of goods from New Hampshire. Computers and machinery are the top exports to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Germany	224
Netherlands	163
United Kingdom	143
France	102
Turkey	88

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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New Jersey & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in New Jersey supported 142,600 jobs in 2011.

Sources of Employment within New Jersey, 2011

Country	Employment
United Kingdom	38,300
Switzerland	34,100
France	29,700
Japan	24,300
Germany	22,900

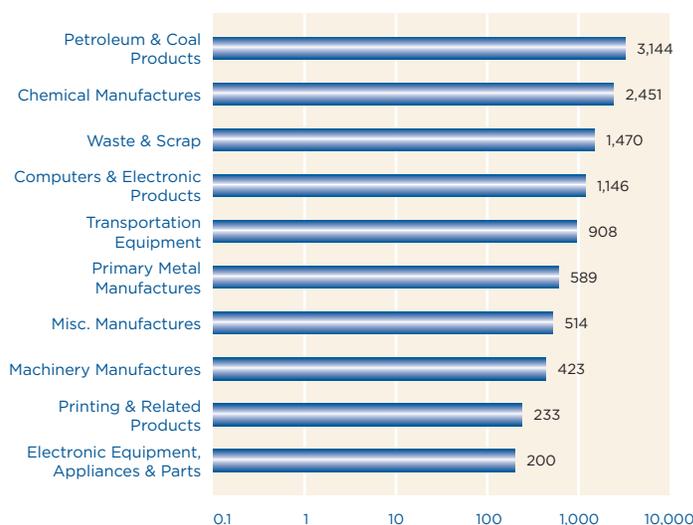
Trade

In 2012, Europe purchased \$12.1 billion worth of goods from New Jersey. Top exports consist of petroleum and coal products, chemicals and waste & scrap.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Netherlands	2,088
United Kingdom	1,848
Germany	1,326
Belgium	1,174
Turkey	802

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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New Mexico & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in New Mexico supported 7,600 jobs in 2011.

Sources of Employment within New Mexico, 2011

Country	Employment
Canada	3,700
Germany	2,600
United Kingdom	2,500
France	1,500
Japan	1,200

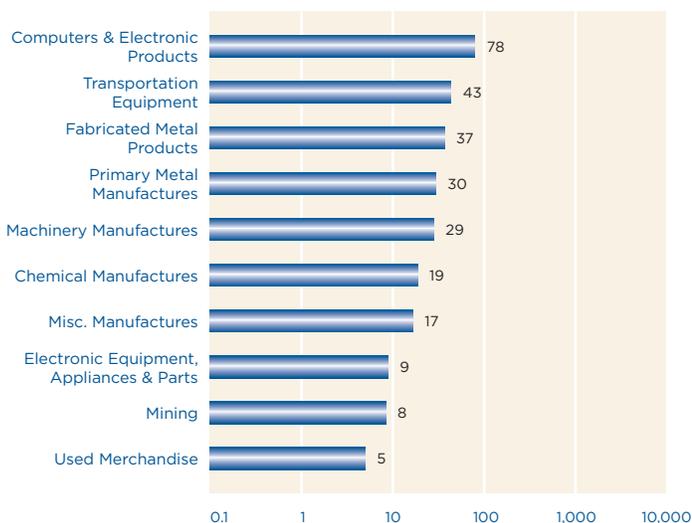
Trade

In 2012, Europe purchased \$287 million worth of goods from New Mexico. Exports are relatively small and are skewed toward computers and related goods.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Germany	73
United Kingdom	50
France	20
Netherlands	18
Ireland	18

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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New York & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in New York supported 237,900 jobs in 2011.

Sources of Employment within New York, 2011

Country	Employment
United Kingdom	88,100
France	52,100
Switzerland	38,300
Canada	37,600
Germany	33,400

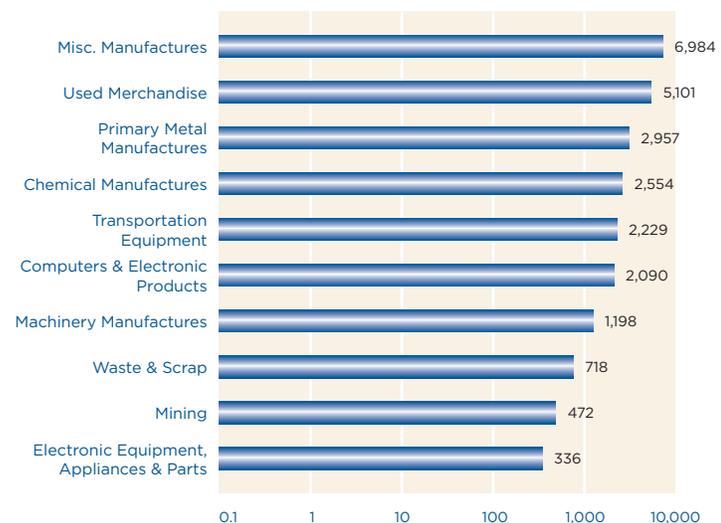
Trade

In 2012, Europe purchased \$26.6 billion worth of goods from New York. Miscellaneous manufactures, used merchandise and primary metal manufactures are the top exports to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
United Kingdom	6,548
Switzerland	6,482
Belgium	2,665
Germany	2,300
France	1,796

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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North Carolina & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in North Carolina supported 91,600 jobs in 2011.

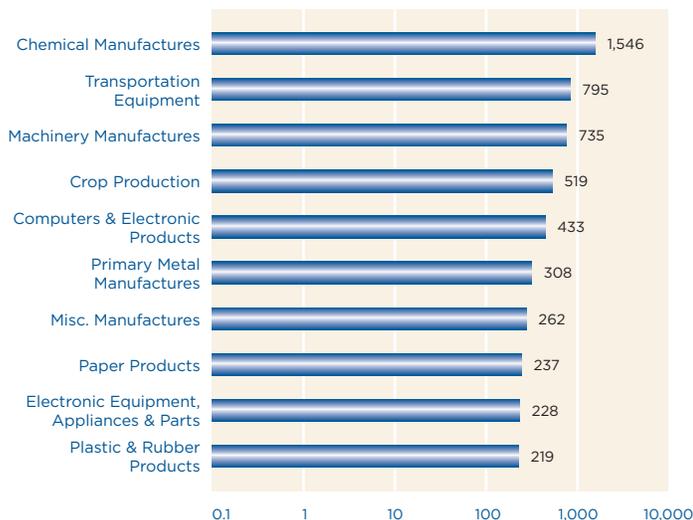
Sources of Employment within North Carolina, 2011	
Country	Employment
United Kingdom	27,200
Germany	26,600
Switzerland	18,700
Japan	17,300
Canada	14,700

Trade

In 2012, Europe purchased \$6.2 billion worth of goods from North Carolina. Chemical manufactures account for a quarter of total exports to Europe.

Top European Export Markets, 2012	
Country	Exports (\$ Millions)
Germany	1,042
United Kingdom	955
France	856
Belgium	707
Netherlands	679

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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North Dakota & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in North Dakota supported 3,400 jobs in 2011.

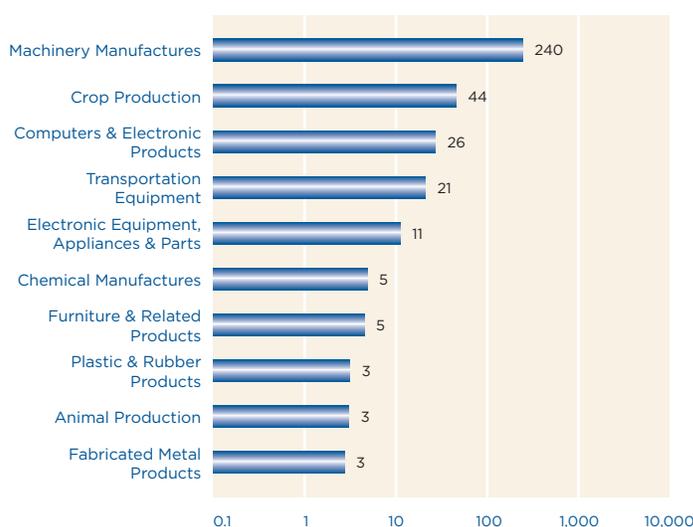
Sources of Employment within North Dakota, 2011	
Country	Employment
Canada	2,000
Netherlands	900
United Kingdom	800
France	700
Switzerland	700

Trade

In 2012, Europe purchased \$368 million worth of goods from North Dakota. 65% of the state's exports consists of machinery manufactures.

Top European Export Markets, 2012	
Country	Exports (\$ Millions)
Belgium	77
Germany	51
Czech Republic	34
United Kingdom	30
Italy	17

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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Ohio & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Ohio supported 107,900 jobs in 2011.

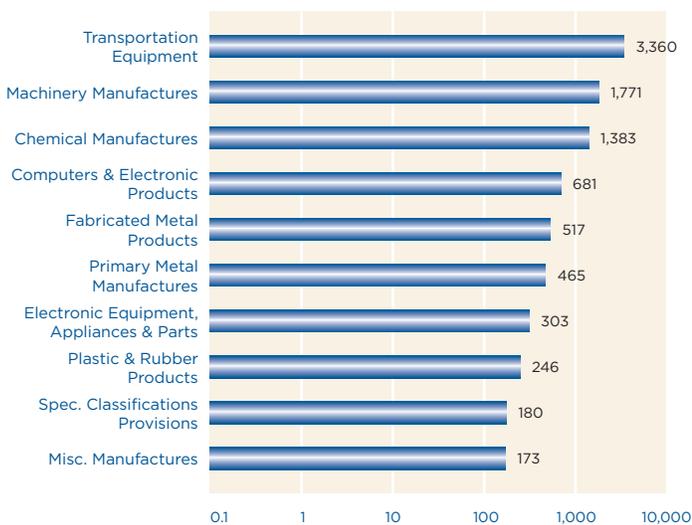
Sources of Employment within Ohio, 2011	
Country	Employment
Japan	51,400
United Kingdom	36,700
Germany	30,900
Canada	18,800
Switzerland	17,000

Trade

In 2012, Europe purchased \$9.9 billion worth of goods from Ohio. Transportation equipment, machinery and chemicals are the state's top exports to Europe.

Top European Export Markets, 2012	
Country	Exports (\$ Millions)
France	2,671
United Kingdom	1,460
Germany	1,416
Netherlands	810
Belgium	496

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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Oklahoma & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Oklahoma supported 19,000 jobs in 2011.

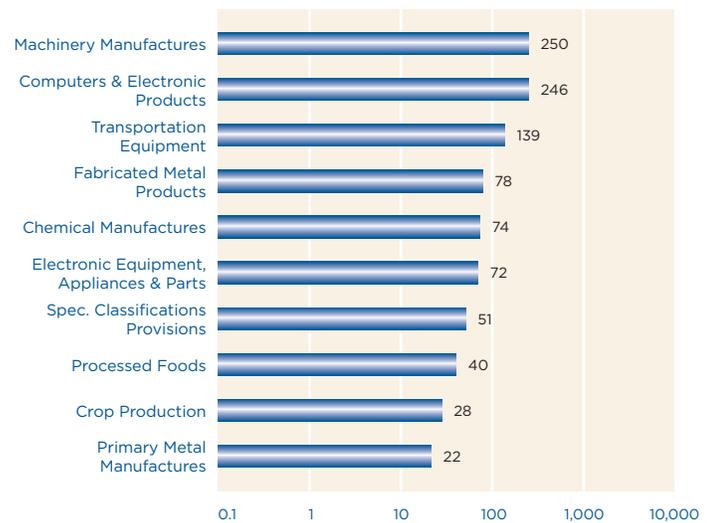
Sources of Employment within Oklahoma, 2011	
Country	Employment
Canada	6,400
France	6,200
United Kingdom	5,000
Switzerland	3,600
Germany	2,700

Trade

In 2012, Europe purchased \$1 billion worth of goods from Oklahoma. Top exports include machinery, computers and transportation equipment.

Top European Export Markets, 2012	
Country	Exports (\$ Millions)
Germany	207
United Kingdom	146
Netherlands	115
Belgium	91
France	65

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

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Oregon & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Oregon supported 25,900 jobs in 2011.

Sources of Employment within Oregon, 2011

Country	Employment
United Kingdom	8,400
Germany	8,200
Japan	5,300
Canada	4,500
Switzerland	4,300

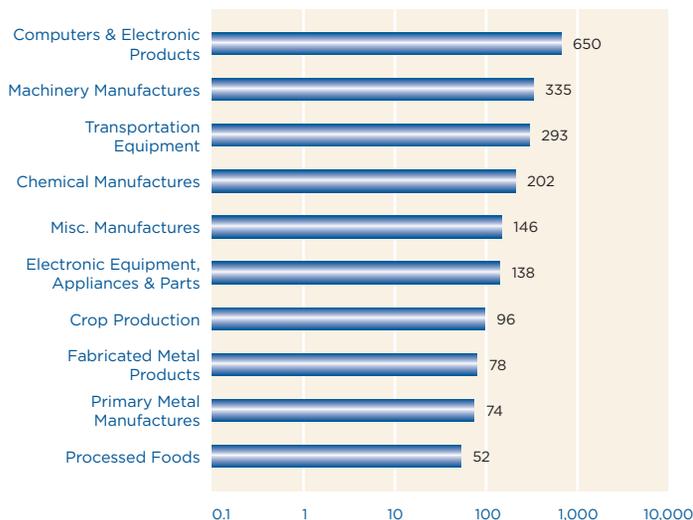
Trade

In 2012, Europe purchased \$2.2 billion worth of goods from Oregon. 29% of Oregon's exports to Europe consist of computers and related products.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Germany	433
United Kingdom	385
France	201
Netherlands	198
Switzerland	120

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Pennsylvania & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Pennsylvania supported 167,500 jobs in 2011.

Sources of Employment within Pennsylvania, 2011

Country	Employment
United Kingdom	53,600
Netherlands	38,300
Germany	34,300
France	22,200
Japan	21,400

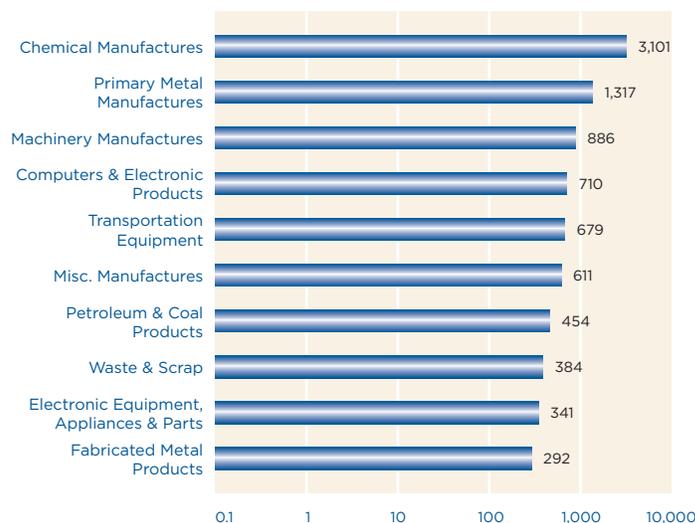
Trade

In 2012, Europe purchased \$9.9 billion worth of goods from Pennsylvania. Exports are relatively diverse, ranging from chemicals and primary metals to machinery and computers and electronic products.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Germany	1,822
United Kingdom	1,514
Netherlands	1,268
Ireland	941
Belgium	850

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Rhode Island & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Rhode Island supported 14,700 jobs in 2011.

Sources of Employment within Rhode Island, 2011

Country	Employment
United Kingdom	9,500
France	3,300
Japan	1,300
Switzerland	1,000
Germany	900

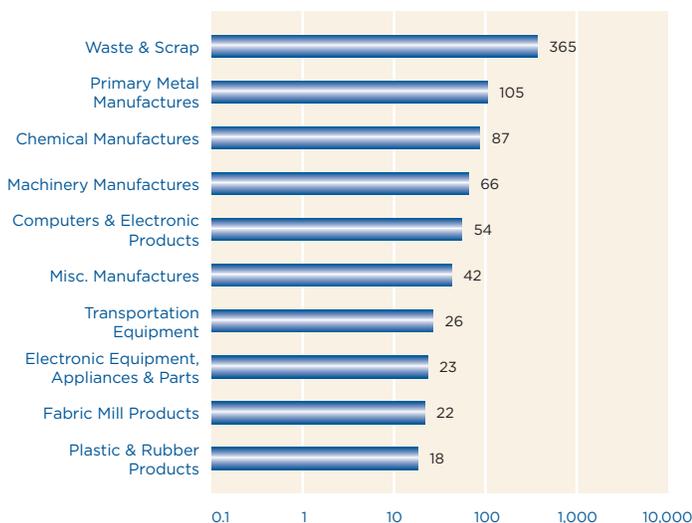
Trade

In 2012, Europe purchased \$844 million worth of goods from Rhode Island. Waste & scrap and primary metal manufactures account for 43% and 12% of exports, respectively.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Turkey	198
Germany	192
Italy	132
United Kingdom	93
France	71

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



South Carolina & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in South Carolina supported 61,200 jobs in 2011.

Sources of Employment within South Carolina, 2011

Country	Employment
Germany	21,900
France	17,300
Japan	14,300
United Kingdom	11,500
Canada	7,600

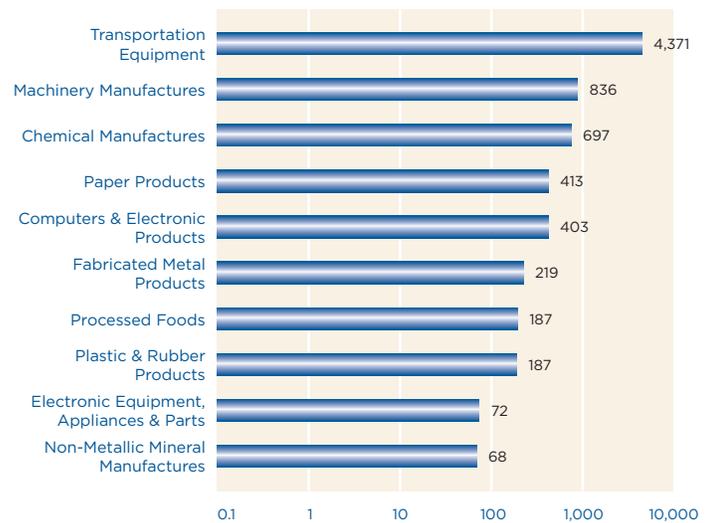
Trade

In 2012, Europe purchased \$7.7 billion worth of goods from South Carolina. 57% of the state's exports consist of transportation equipment.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Germany	3,747
United Kingdom	1,352
Belgium	412
France	404
Netherlands	373

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



South Dakota & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in South Dakota supported 3,500 jobs in 2011.

Sources of Employment within South Dakota, 2011

Country	Employment
Canada	2,900
United Kingdom	1,500
France	1,000
Germany	400
Japan	400

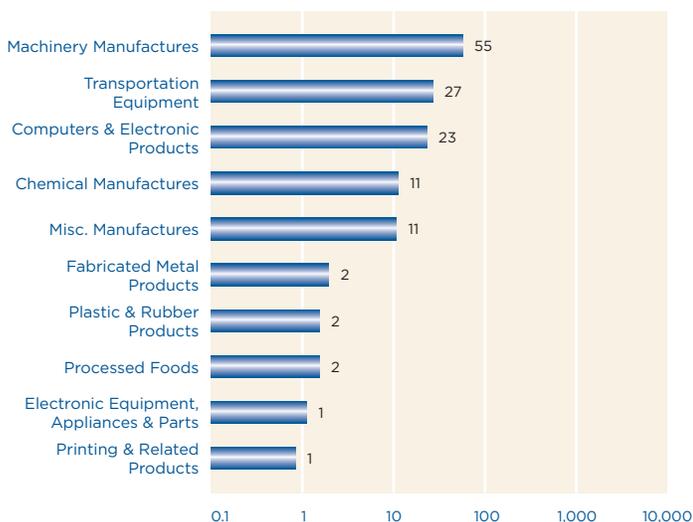
Trade

In 2012, Europe purchased \$137 million worth of goods from South Dakota. Machinery manufactures are the state's top export to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Belgium	44
United Kingdom	28
Germany	13
Italy	10
France	9

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Tennessee & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Tennessee supported 57,200 jobs in 2011.

Sources of Employment within Tennessee, 2011

Country	Employment
Japan	32,300
United Kingdom	19,600
Germany	14,500
France	9,600
Netherlands	9,300

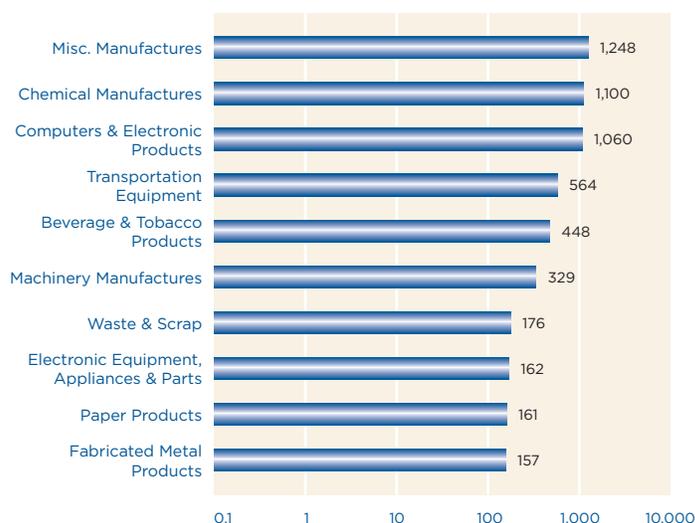
Trade

In 2012, Europe purchased \$5.9 billion worth of goods from Tennessee. Miscellaneous and chemical manufactures as well as computers & electronic products make up the bulk of exports.

Top European Export Markets, 2012

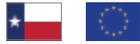
Country	Exports (\$ Millions)
Belgium	1,295
Netherlands	919
United Kingdom	898
Germany	792
Italy	364

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Texas & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

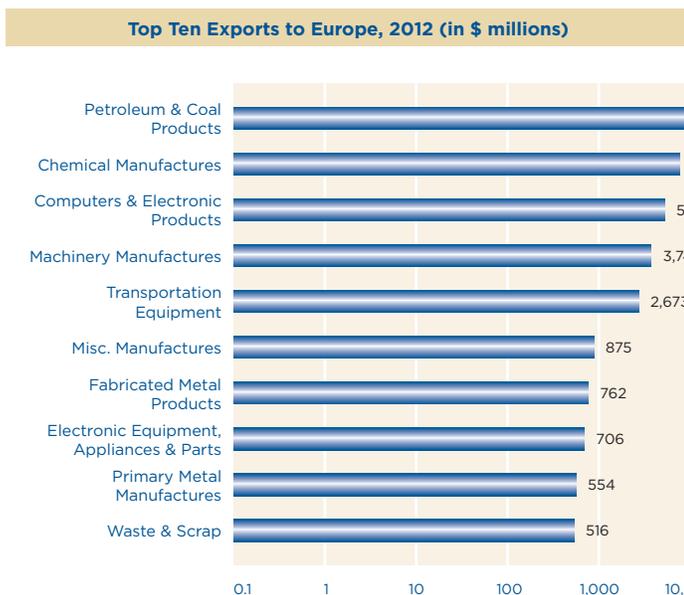
European* investment in Texas supported 226,400 jobs in 2011.

Sources of Employment within Texas, 2011	
Country	Employment
United Kingdom	71,600
France	40,700
Switzerland	38,500
Netherlands	38,100
Canada	37,900

Trade

In 2012, Europe purchased \$36.3 billion worth of goods from Texas. Exports are relatively diverse ranging across petroleum, chemicals, computers and machinery manufactures.

Top European Export Markets, 2012	
Country	Exports (\$ Millions)
Netherlands	9,612
Belgium	4,321
United Kingdom	4,235
France	3,827
Germany	2,607



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Utah & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

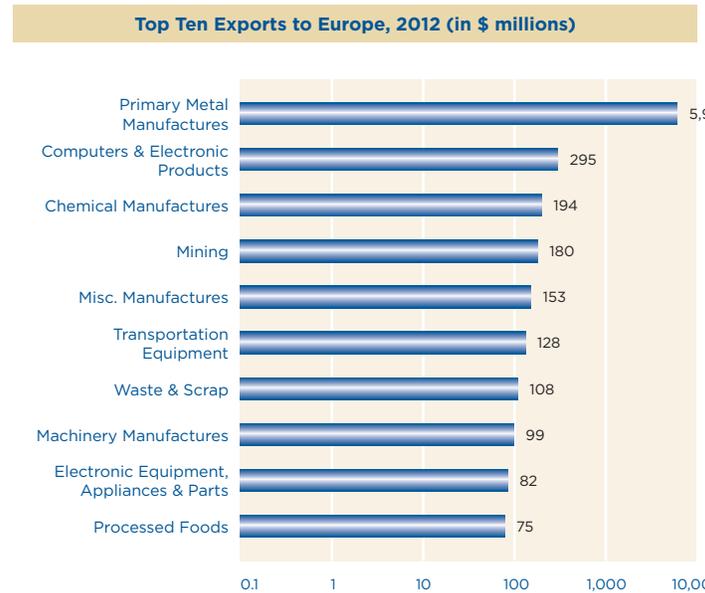
European* investment in Utah supported 18,000 jobs in 2011.

Sources of Employment within Utah, 2011	
Country	Employment
United Kingdom	5,900
France	3,400
Germany	3,300
Switzerland	3,200
Japan	2,600

Trade

In 2012, Europe purchased \$7.5 billion worth of goods from Utah. Primary metals dominate the state's exports to Europe.

Top European Export Markets, 2012	
Country	Exports (\$ Millions)
United Kingdom	6,043
Germany	294
Belgium	222
Netherlands	165
Italy	142



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Vermont & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Vermont supported 5,100 jobs in 2011.

Sources of Employment within Vermont, 2011

Country	Employment
Canada	2,200
Switzerland	1,500
United Kingdom	1,300
France	1,000
Netherlands	800

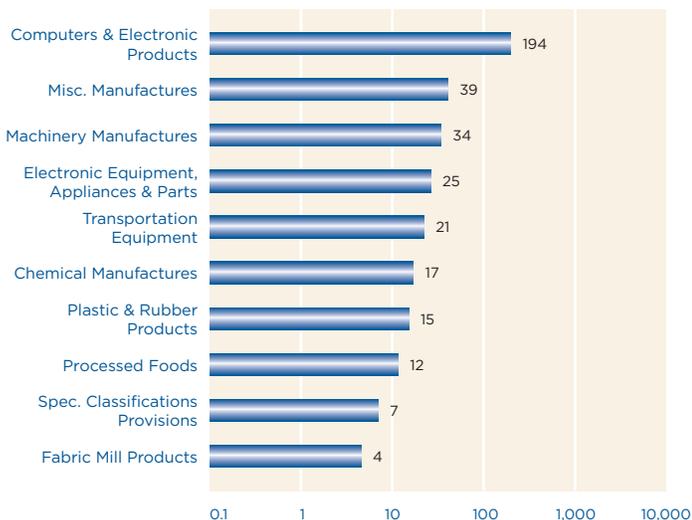
Trade

In 2012, Europe purchased \$395 million worth of goods from Vermont. Computers & electronic products are the top export to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
United Kingdom	57
Germany	55
Sweden	51
Ireland	49
Netherlands	49

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Virginia & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Virginia supported 78,800 jobs in 2011.

Sources of Employment within Virginia, 2011

Country	Employment
United Kingdom	29,400
Netherlands	17,100
Japan	15,200
France	12,100
Germany	11,700

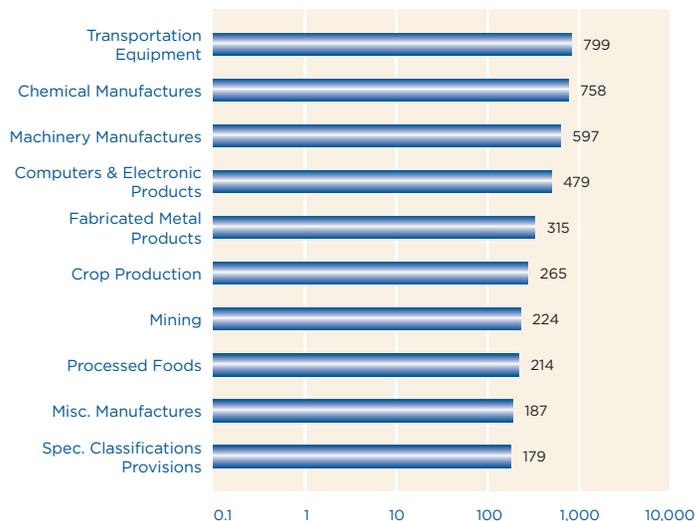
Trade

In 2012, Europe purchased \$5 billion worth of goods from Virginia. Top exports include transportation equipment, chemicals, machinery manufactures and computers & electronic products.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
United Kingdom	1,075
Germany	922
Belgium	386
Netherlands	334
France	309

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Washington & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Washington supported 45,600 jobs in 2011.

Sources of Employment within Washington, 2011

Country	Employment
Germany	15,100
United Kingdom	13,800
Canada	13,400
Japan	12,400
France	7,300

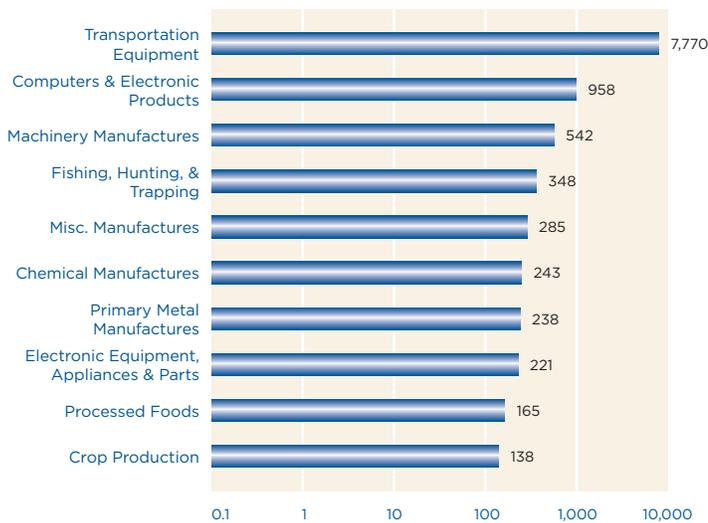
Trade

In 2012, Europe purchased \$11.3 billion worth of goods from Washington. Transportation equipment dominates Washington's exports to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Germany	1,876
United Kingdom	1,610
Ireland	1,012
Netherlands	916
France	883

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



West Virginia & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in West Virginia supported 10,100 jobs in 2011.

Sources of Employment within West Virginia, 2011

Country	Employment
Canada	3,900
United Kingdom	3,800
Japan	2,700
France	2,600
Germany	1,600

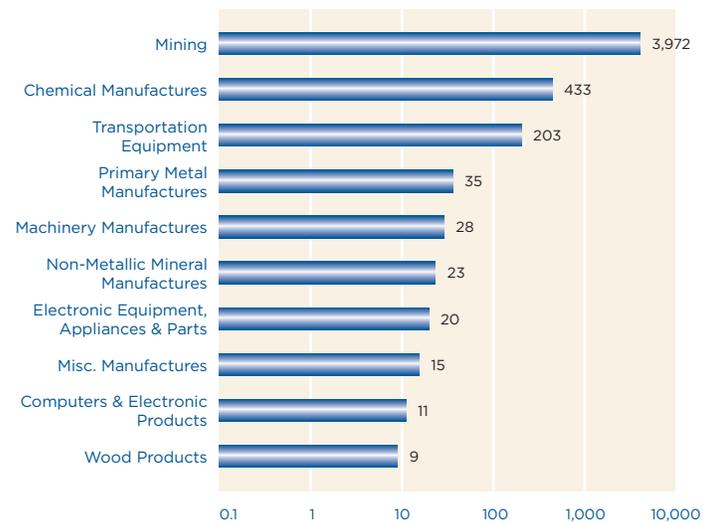
Trade

In 2012, Europe purchased \$4.8 billion worth of goods from West Virginia. Minerals & ores are the state's top export to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Netherlands	953
Italy	727
United Kingdom	548
France	445
Turkey	410

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Wisconsin & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Wisconsin supported 40,300 jobs in 2011.

Sources of Employment within Wisconsin, 2011

Country	Employment
Canada	20,200
United Kingdom	12,000
Germany	10,700
Switzerland	8,000
France	7,000

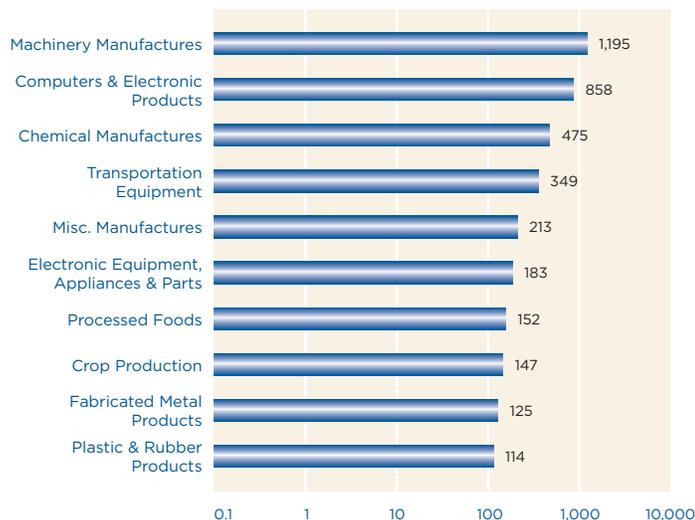
Trade

In 2012, Europe purchased \$4.2 billion worth of goods from Wisconsin. Machinery and computers are the state's top exports to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Germany	715
United Kingdom	615
France	508
Belgium	412
Netherlands	395

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.



Wyoming & Europe

EMPLOYMENT, INVESTMENT AND TRADE LINKAGES

Employment

European* investment in Wyoming supported 3,500 jobs in 2011.

Sources of Employment within Wyoming, 2011

Country	Employment
United Kingdom	1,800
Canada	900
France	800
Switzerland	800
Japan	300

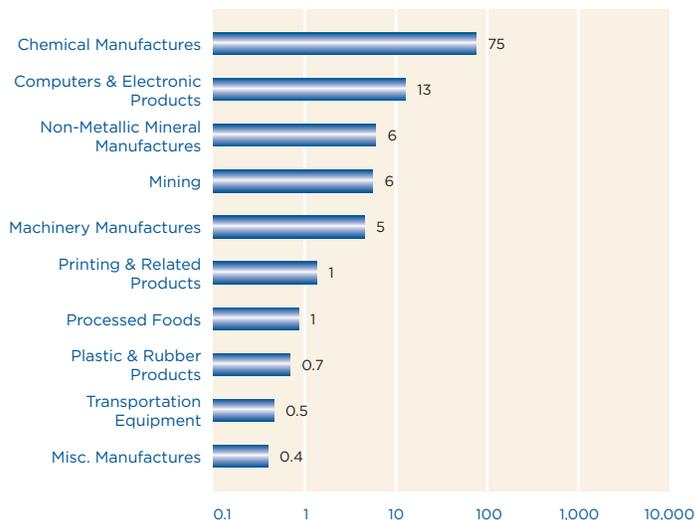
Trade

In 2012, Europe purchased \$109 million worth of goods from Wyoming. By a wide margin, chemicals are the top export to Europe.

Top European Export Markets, 2012

Country	Exports (\$ Millions)
Netherlands	45
United Kingdom	21
Belgium	9
Spain	7
France	6

Top Ten Exports to Europe, 2012 (in \$ millions)



Source: Bureau of Economic Analysis, Foreign Trade Division, U.S. Census Bureau

* European investment includes France, Germany, Netherlands, Switzerland, and the United Kingdom
Due to a need to align resources with current funding levels, the Bureau of Economic Analysis has reduced its coverage to major investing countries.

U.S. COMMERCE AND EUROPE: A Country-by-Country Comparison

The European Union is one of the largest economic entities in the world. The aggregate output of its 28 member states totaled \$16.2 trillion in 2013 (based on purchasing power parity (PPP) basis). To put that number into perspective, the EU's economic output was about \$3 trillion larger than China's last year and nearly 3.5 times larger than India's. Only the United States exceeds the numerical economic heft of the European Union; U.S. output totaled an estimated \$16.7 trillion in 2013.

Due in part to its size, the European Union remains the most attractive foreign destination for U.S. capital. U.S. flows to Europe have ebbed and flowed since the 2008-09 crisis: flows dropped sharply in 2009, rebounded in 2010 and 2011, swooned again in 2012 before recovering in 2013. U.S. FDI flows to Europe totaled \$149 billion in the first nine months of 2013, a 6.7% decline from the same period a year earlier. On a global basis, U.S. FDI outflows fell 5.9% in the January-September period, with outflows generally weak throughout the world.

For all of 2013, we estimate that U.S. FDI flows to Europe totaled \$200 billion, roughly a 6% increase from the levels of 2012.

Why the annual rise after flows declined nearly 7% in the first nine months of 2013? Answer: after a weak first quarter (U.S. outflows to Europe totaled \$34 billion), U.S. flows to Europe picked up strongly in the second quarter (\$60 billion) and the third quarter (\$54.6 billion); the re-acceleration in flows was likely due to Europe's improving economic prospects, with most of the European Union emerging from recession at mid-year. With many U.S. companies reporting better or "less bad" earnings in Europe in the second half of the year, this most likely translated into stronger FDI flows to Europe.

Assuming FDI inflows of roughly \$50 billion in the fourth quarter of 2013, full year flows totaled roughly \$200 billion by our estimates, an improvement from 2012 but still off 12% from the post-crisis peak of \$227 billion achieved in 2011.

The Netherlands (\$47.4 billion), the United Kingdom (\$32.7 billion) and Ireland (\$17.8 billion) were the top three destinations for U.S. firms over the first nine months of 2013. While year-over-year flows to Ireland and the Netherlands rose 7% and 14.6%, respectively, flows to the United Kingdom dropped by over 21%. Notwithstanding this decline, the trio still accounted for just over 70% of U.S. investment in Europe in the first nine months of last year, underscoring how concentrated U.S. investment in Europe has become over the past few years.

On a year-over-year basis, U.S. FDI flows to Germany declined 103% and were down 30% to France. However, while both nations experienced sharp declines in U.S. inflows in the first quarter of 2013, flows ticked up in the second and third quarters. Again, we suspect that as the economic climate improved in Europe over the second half of 2013, so did the confidence of U.S. firms, triggering more modest amounts of investment in various nations. Another point to highlight: FDI flows are very "lumpy"—or can be exceeding large one quarter and then down the next, making for sharp year-over-year comparisons.

Against this backdrop, U.S. FDI flows to Poland soared 103% in the first nine months of 2013; U.S. investment to the Czech Republic rose 14.3%, while soaring 152% to Denmark. U.S. investment to Finland rose nearly 30% over the period.

In the recession-weary, debt-laden euro zone members of the south—Italy, Spain, Greece and Portugal—U.S. FDI flows rose sharply to Italy and were slightly positive to Spain, but were negative (i.e., meaning firms continued to draw down assets) in Greece and Portugal. Disinvestment flows from Greece—minus \$2 million—were much improved from the prior years; this follows massive disinvestments from the country since 2009. U.S. firms also disinvested some \$17 million in Portugal. This uneven pattern of U.S. investment flows to Europe speaks volumes to the uneven pace of real growth in Europe, and to the region's disparate levels of competitive endowments, all which influences how and where U.S. firms invest in Europe.

Like the United States, whose economic activity is diverse and dispersed, and driven by different impulses from the various 50 states, economic activity in the European Union is just as distinct and differentiated across the continent.

Just as the economic fortunes of California are vastly different from those of Mississippi—and such distinctions influencing where European companies invest in the U.S.—so the economic climate/mood in Ireland is distinct from the climate in Hungary or Greece. Final demand in Spain, where the jobless rate exceeds 26%, is a great deal weaker than final demand in Austria, where the unemployment rate is under 5%, or Norway, with a 3.3% unemployment rate. Meanwhile, the financial health of Germany, with a current account surplus of 6.9% of GDP, or Switzerland with a 10.9% surplus, is very different from the situation in debt-laden Greece or Portugal.

Beyond the numbers, there are other differentiating features within Europe. For instance, the ease of doing business, according to the latest global rankings from the World Bank, varies across Europe; Denmark (ranked 5th in the world) took the top spot among EU members in the latest survey, with Norway and the United Kingdom also scoring well. In contrast, the rankings of the Netherlands (ranked 28th), Switzerland (29th), and Austria (30th), were less than stellar for a variety of reasons. Even worse: Spain, ranked 52nd, Hungary (54th), Italy (65th) and Greece (72nd). Many Balkan states ranked even worse than Greece.

Closely related to the “ease of doing business” is global competitiveness. Again, the picture in Europe is highly diverse, which influences where American firms decide to invest in Europe. In the latest rankings of global competitiveness from the World Economic Forum, six European nations were ranked among the top ten, and seven more among the top thirty. Switzerland ranked first, Finland ranked 3rd, Germany 4th, Sweden 6th, the Netherlands 8th, and the United Kingdom 10th, to round out the top ten. The United States ranked 5th, moving up two notches from the previous survey.

Meanwhile Norway ranked 11th, Denmark 15th, Austria 16th, Belgium 17th, Luxembourg 22nd, France 23rd, and Ireland 28th. That said, the spread between Number One Switzerland and floundering Greece (96th) speaks volumes about the divergent competitive landscape of Europe.

Simply put, when it comes to institutions, infrastructure and the macro-environment of Europe, the backdrop is hardly homogenous but rather heterogeneous. When it comes to human capital, educational levels, health care, labor market efficiencies, financial market development,

innovation capabilities, universities, corporate tax policies—all of these metrics of competitiveness differ by country and region, and exert a powerful influence on how and why U.S. firms invest in Europe.

U.S. firms are always rethinking and reconfiguring their European operations, a dynamic highlighted in Table 1. The figures in the table represent cumulative U.S. FDI inflows to specific countries in each decade, and the corresponding percent share of each nation’s total U.S. investment in Europe. Denmark, for example, has attracted a greater share of U.S. FDI this decade (1.2%) than the two prior decades. Conversely, Belgium’s share has declined this decade, to 1.6%, down from a share of 2.6% in the 1990s and 3.5% over the 2000-09 time frame. Part of this decline reflects the industrial consolidation of U.S. firms across Europe, with higher-cost Belgium losing out to lower costs in Poland, Czech Republic and other locales.

Besides Belgium, other nations that have experienced a decline in their share of U.S. investment include core economies like France and Germany. France’s share of U.S. FDI amounts to just 1.4% this decade, down from a share of 3.7% over 2000-09 and 6.2% over the 1990s. Germany’s share of U.S. FDI in Europe has dropped from 6.8% over the 1990s, to 5.2% last decade, to just 2.7% thus far this decade. Some of these figures need to be taken with a grain of salt, since some U.S. investment in countries neighboring Germany, for instance the Netherlands, Luxembourg or Belgium, finds its way ultimately to Germany.

Italy, Spain and Switzerland have also experienced declines in U.S. investments as a share of the European total. Spain’s share this decade has plummeted to just 0.3%, a decline that reflects the nation’s challenging economic environment and the emergence of alternative lower-cost destinations.

What about the apparent winners—or the nations that have seen their share of U.S. investment rise this decade? The most notable gain has come from Ireland, whose share of U.S. investment has jumped 2.4 percentage points thus far this decade, to 12.4% versus a share of 10% over 2000-09 and just 4.6% over the 1990s. Ireland trails only the Netherlands and the United Kingdom when it comes to attracting the most U.S. investment. The Netherlands share this decade is 29.4%, while the UK’s take is roughly 20% of the total. As noted in Table 2, Luxembourg has also attracted a large share of U.S. FDI this decade, but virtually all of this capital is related more to finance (portfolio flows) than investment in plant and equipment, which is investment intended for the real economy.

TABLE 1: U.S. FDI IN EUROPE: THE LONG VIEW (MILLIONS OF \$, (-) INFLOWS)

	1990-1999		2000-2009		2010-3Q2013	
	\$ Aggregate Total	% of Total	\$ Aggregate Total	% of Total	\$ Aggregate Total	% of Total
EUROPE	465,337		1,149,810		740,264	
Austria	2,908	0.6%	501	0.0%	6,569	0.9%
Belgium	12,028	2.6%	40,120	3.5%	11,759	1.6%
Czech Republic	42	0.0%	1,941	0.2%	2,533	0.3%
Denmark	2,798	0.6%	5,782	0.5%	8,893	1.2%
Finland	1,485	0.3%	1,598	0.1%	-148	0.0%
France	29,063	6.2%	42,963	3.7%	10,228	1.4%
Germany	31,817	6.8%	60,363	5.2%	19,689	2.7%
Greece	413	0.1%	943	0.1%	-545	-0.1%
Hungary	375	0.1%	1,376	0.1%	356	0.0%
Ireland	21,369	4.6%	115,085	10.0%	92,015	12.4%
Italy	13,825	3.0%	26,462	2.3%	8,048	1.1%
Luxembourg	14,246	3.1%	107,512	9.4%	160,610	21.7%
Netherlands	70,770	15.2%	295,889	25.7%	217,634	29.4%
Norway	4,198	0.9%	5,118	0.4%	17,801	2.4%
Poland	931	0.2%	4,699	0.4%	237	0.0%
Portugal	1,993	0.4%	2,212	0.2%	163	0.0%
Russia	1,555	0.1%	11,289	1.0%	-2,300	-0.3%
Spain	11,745	2.5%	28,371	2.5%	1,883	0.3%
Sweden	10,783	2.3%	2,472	0.2%	-5,150	-0.7%
Switzerland	32,485	7.0%	97,869	8.5%	32,226	4.4%
Turkey	1,741	0.4%	5,994	0.5%	5,578	0.8%
United Kingdom	175,219	37.7%	237,906	20.7%	145,425	19.6%
Other Europe	11,948	2.6%	16,471	1.4%	6,762	0.9%

Source: Bureau of Economic Analysis

Although the European Union is a large and wealthy market overall, it is interesting to note that U.S. investment in the region is becoming remarkably concentrated in three countries: the United Kingdom, the Netherlands and Ireland. The trio combined accounted for 70.5% of U.S. flows to the European Union in the first nine months of 2013; since 2000, they have accounted for 79% of the total U.S. FDI to the European Union. Over the 1990s, their share was nearly two-thirds, or 63% of total U.S. FDI to the EU.

All of the above reflects the role each country plays as a strategic beachhead to the European Union for U.S. multinationals hoping to penetrate the EU in a competitive and cost-effective manner. Among the threesome, however,

America's preference has shifted from the United Kingdom to the Netherlands and Ireland over the past decade. During the 1990s, for instance, the United Kingdom was Corporate America's overwhelming favorite destination, accounting for nearly 38% of total U.S. foreign investment in Europe. Over the same period, the Netherlands attracted just 15% of the total and Ireland less than 5%. Since 2000, the tide has turned against the UK and could turn even more against the UK if the nation's debate about leaving the European Union becomes serious and gains traction.

The UK has traditionally served as an export platform for U.S. affiliates to the European mainland, although the introduction of the euro, the Single Market and EU

TABLE 2: TOP 20 U.S. AFFILIATE SALES ABROAD BY DESTINATION* (MILLIONS OF \$)

Rank	1982		1990		2000		2011	
	Country	Value	Country	Value	Country	Value	Country	Value
1	United Kingdom	33,500	United Kingdom	51,350	United Kingdom	94,712	Ireland	237,707
2	Switzerland	27,712	Canada	46,933	Canada	94,296	Singapore	235,544
3	Canada	25,169	Germany	41,853	Germany	69,522	Switzerland	225,660
4	Germany	19,117	Switzerland	38,937	Netherlands	67,852	United Kingdom	209,393
5	Netherlands	15,224	Netherlands	33,285	Singapore	56,961	Canada	163,021
6	Belgium	11,924	France	24,782	Switzerland	56,562	Netherlands	124,490
7	Singapore	11,579	Belgium	21,359	Ireland	51,139	Germany	121,810
8	France	11,255	Singapore	15,074	Mexico	37,407	Belgium	89,625
9	Indonesia	8,289	Hong Kong	9,951	France	35,797	France	69,468
10	Hong Kong	4,474	Italy	9,562	Belgium	32,010	Mexico	66,372
11	Italy	3,993	Ireland	9,469	Hong Kong	22,470	Hong Kong	58,437
12	Australia	3,710	Spain	7,179	Malaysia	16,013	China	50,955
13	Ireland	2,842	Japan	7,066	Sweden	15,736	Brazil	40,909
14	United Arab Emirates	2,610	Australia	6,336	Italy	14,370	Australia	40,470
15	Brazil	2,325	Mexico	5,869	Spain	12,928	Norway	35,291
16	Japan	2,248	Indonesia	5,431	Japan	11,845	Italy	28,914
17	Malaysia	2,046	Brazil	3,803	Australia	9,370	Spain	28,326
18	Panama	1,662	Norway	3,565	Brazil	8,987	Japan	26,443
19	Spain	1,635	Malaysia	3,559	China	7,831	Malaysia	24,486
20	Mexico	1,158	Nigeria	2,641	Norway	6,238	Korea	21,170
	All Country Total	252,274	All Country Total	398,873	All Country Total	857,907	All Country Total	2,340,599

Source: Bureau of Economic Analysis

*Destination = 3rd Market + Sales to U.S. for majority-owned foreign affiliates.

enlargement have enticed more U.S. firms to invest directly in the continent itself. The extension of EU production networks and commercial infrastructures throughout a larger pan-continental Single Market has shifted the center of gravity in Europe eastward within the EU, with Brussels playing an important role in economic policies and decision-making. The Netherlands, meanwhile, remains a key export platform and pan-regional distribution hub for U.S. firms, evident by the fact that roughly 60% of total U.S. foreign affiliate sales in the Netherlands are exports, with the bulk to other EU members.

The export-propensity of U.S. foreign affiliates in Ireland is even greater—roughly three-fourths of U.S. foreign affiliate sales in Ireland are destined for foreign markets.

As Table 2 highlights, Ireland serves as a strategic beachhead to the rest of the world for U.S. multinationals, with most of these exports destined for the UK and the rest of the European Union. As a world class export platform, Ireland's progression over the past few decades has been

nothing short of remarkable. In 1982, for example, affiliate exports from Ireland totaled just \$2.8 billion, with the nation ranked 13th in the world, well behind the UK and many other European nations. At the time, the spread between the United Kingdom (\$33.5 billion) and Ireland (\$2.8 billion) was sizable.

By 1990, Ireland had moved up the ranks, to 11th place, still well behind the United Kingdom. The country moved up to 7th place by 2000, a rise underpinned by rising American investment in Ireland and the nation's success in creating one of the most investment-friendly environments in the world—including a focused industrial policy to create specialized industrialized clusters; fiscal incentives that included land grants, R&D grants and financing for new machinery and equipment; an emphasis on increasing the education and skill set of the Irish workforce; a favorable tax regime; and a strategic focus on developing high value-added activities within industries like electronics, computer software, medical instruments, pharmaceuticals and finance. The nation's success in attracting high value-

added firms in such sectors as life sciences and information technology has also been critical in turning Ireland into one of the most favored destinations in the world for Corporate America. Indeed, very few companies have been as successful in attracting capital from Amazon, Facebook, Google, Pfizer and other firms well positioned to thrive in the future.

Thanks to these policies, the industrial capacity of U.S. affiliates in Ireland surged between 2000 and 2011, as did exports of U.S. foreign affiliates. Between 2000 and 2011, U.S. affiliate exports jumped almost five-fold to nearly \$240 billion, and Ireland has emerged as the number one export platform in the world for Corporate America. According to the latest statistics, Ireland has put even more space and distance as an export platform between itself and the UK, as well as low-cost locales like Mexico, Hong Kong and China.

Moreover, U.S. firms have stuck with Ireland even though Ireland suffered through a catastrophic banking and property bust. The nation has subsequently emerged from recession and has returned to the global capital markets. By undergoing painful internal adjustments, the nation's export competitiveness has been restored and now ranks as among the best in Europe. Problems remain, but with the help of U.S. FDI, the country is back on a growth track.

Interestingly, of the top ten export platforms for U.S. multinationals in the world, seven out of ten are located in Europe, a trend that reflects the intense cross-border trade and investment linkages of the European Union and the strategic way in which U.S. firms leverage their European supply chains. U.S. affiliate exports from Ireland were around 3.5 times larger than U.S. affiliate exports from Mexico, despite strong NAFTA linkages between the U.S. and Mexico. Meanwhile, U.S. affiliate exports from China were roughly one-fifth of those from Ireland.

Looking East—How Central and Eastern Europe Fits into the Equation

As we have highlighted in previous publications, the European Union is an unusual blend of developed market economies (the EU-15) and developing markets (the EU-13), and when fused, the two halves offer some of the best commercial opportunities in the world to U.S. firms.¹ The latter grouping, for clarification, includes those eastern and central European nations that have joined the EU since 2004.

This hybrid market structure—tying and binding together developed and developing Europe—has been hugely

beneficial to those U.S. firms embedded in the European Union. EU enlargement has meant not only the geographic extension of Europe but also the enlargement of market opportunities, and the wherewithal to serve more markets and leverage more Europe's resources. To the latter point, roughly 14% of corporate America's European workforce is now based in central and eastern Europe, up from virtually zero a few decades ago. Affiliate employment in the region expanded at an annual rate of 8.7% between 2000-2010, versus a meager 0.8% rate in western Europe.

While the share of U.S. investment in many eastern European countries remains small, the percentages mask the ever-expanding presence of American firms in Europe's eastern periphery. Poland, for instance, is one of the largest consumer markets in Europe and has weathered the financial crisis better than others in Europe. The nation has attracted nearly \$5 billion in U.S. foreign direct investment since 2000, twice the level of Portugal. According to the most recent figures, there are more Polish manufacturing workers employed by U.S. affiliates (100,100) than manufacturing workers employed by affiliates in Spain (86,300), Ireland (52,200), or even Japan (77,000). Reflecting rising U.S. investment to Poland, the Czech Republic, Slovakia and Hungary, U.S. affiliates now employ roughly 230,000 manufacturing workers on a cumulative basis, greater than U.S. affiliates in France (roughly 200,000) and well in excess of comparable levels in Italy (96,800), India (148,600), South Korea (57,200), Thailand (103,700) and all of Africa (91,800). These figures do not include rising employment levels in other parts of central and eastern Europe, but U.S. affiliates have also been busy building out their presence in Slovenia, Croatia, Bulgaria, Romania and the Baltic states of Estonia, Latvia and Lithuania.

Turkey and Russia—two large and strategically important nations—have also seen large U.S. investment inflows since the start of the century. U.S. inflows to Turkey have totaled \$11.6 billion since 2000, while flows to Russia have amounted to \$9 billion. Russia's accession to the World Trade Organization has triggered more U.S. investment, although doing business in Russia, and Turkey for that matter, remains difficult and challenging.

In general, U.S. firms have become more interested and active in central and eastern Europe over the past two decades, a trend supported by the region's relatively untapped and underdeveloped markets, relatively low wages, and continued integration (formally and informally) with the European Union. These factors have converged over the past decade to attract more U.S. FDI.

How Small EU Countries Can Attract the Big Dollars of Multinationals

As full-fledged members of the European Union (EU), countries like Croatia, Slovenia, Latvia and Estonia, to name just a few, are now part of an economic entity that is among the most attractive in the world to multinationals, notably U.S. firms. Owing to the EU's size and wealth, American firms have sunk over \$1.3 trillion into the European Union since 2000. No other region of the world is as important to Corporate America as the European Union, and no other foreign investors are as important to the European Union as American companies.

Whether small states in the EU attract their fair share of U.S. investment in the future, however, is far from assured. Just being part of a wealthy and affluent economic bloc is not enough. There's more heavy lifting ahead. In particular, whether in Lithuania or Croatia, governments need to get the basics right to create a proper investment climate, or multinationals will take their capital elsewhere.

Getting “the basics right” means creating the appropriate environment for foreign investors. Multinationals gravitate towards nations where there is a strong rule of law, respect for intellectual property rights, and clear enforcement and resolution procedures regarding contracts.

Multinationals also like predictability—they crave macroeconomic stability; they demand reliable sources of energy and credit; they prefer stable tax regimes; and they favor transparency when it comes to government spending and policy making. Foreign firms are notably keen on strong and efficient government institutions—the latter make better business partners and are better at fostering trust and confidence between the private and public sectors.

Multinationals also favor countries with a first-class infrastructure. The basics—roads, rails, ports, airports and internet readiness—are hugely important to multinationals since foreign direct investment is nearly always dependent on the movement of goods, capital, data and people. And speaking of people, the better educated the labor force and the healthier the population base, the better positioned a country is to attract the capital of multinationals. A flexible and efficient labor force, a strong local supplier base, strong and independent universities—these are also considered “basics” by many foreign multinationals.

A flexible and efficient labor force, a strong local supplier base, strong and independent universities—these are also considered “basics” by many foreign multinationals.

In the end, countries like Slovakia, Slovenia, Romania and others must present a bundle or package of attributes to multinationals; there is not one factor, in other words, that determines foreign direct investment, but rather multiple variables.

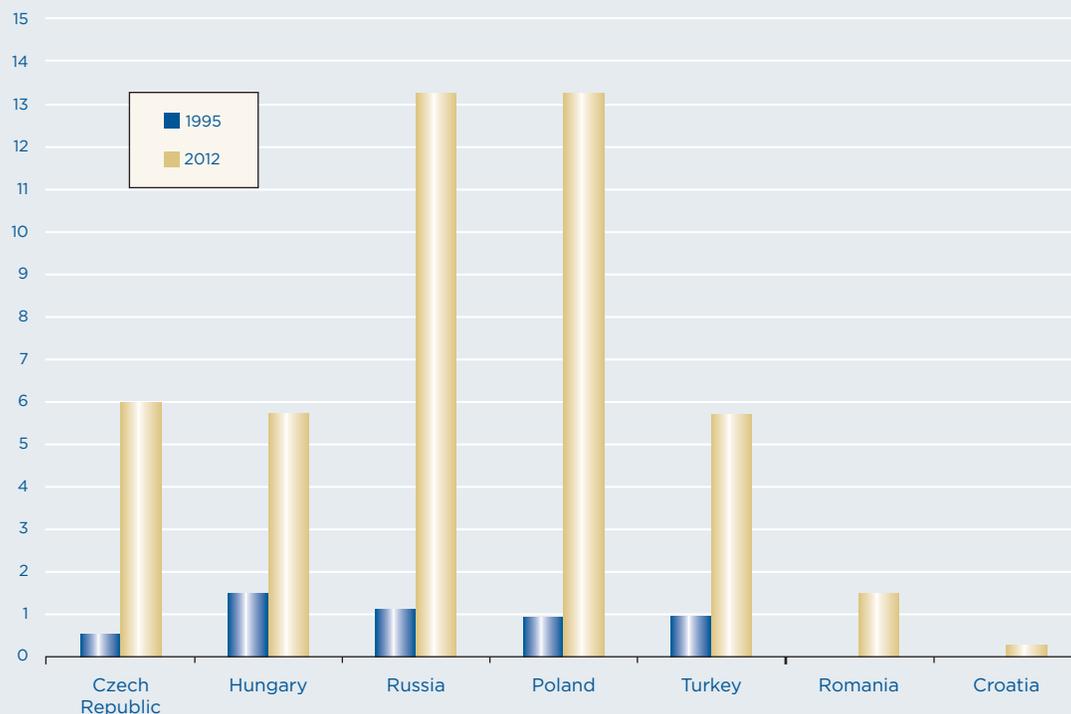
These states—albeit small in size—must also think big. They should learn from other small nations who have attracted massive amounts of capital. Ireland and Singapore immediately come to mind.

Both countries have punched well above their weight when it comes to attracting foreign direct investment. The Irish population is on par with that of Croatia; Ireland is among the most favored destinations in the world for U.S. foreign direct investment. Indeed, U.S. investment in Ireland on a historic cost basis is greater than U.S. in Germany and France combined.

How did the Irish do it? They got the basics right—a low and predictable tax regime, an English-speaking skilled labor force, massive investments in human and physical capital, and a transparent rule of law governing property, intellectual property rights and related activities. Singapore has also adopted similar policies and has been hugely successful in attracting foreign direct investment.

The key message for smaller EU member states hoping to capture more investment dollars from U.S. firms is that being small should not prevent a country from thinking big. And smaller firms should not be afraid to copy or intimidate the success of other nations.

But first things first—the immediate task for many states in the EU’s periphery is to get the fundamentals right. Nations must lay the proper foundation for foreign investors. Being part of the European Union is no guarantee that U.S. firms are about to beat a path to anyone’s door. Policy makers need to be more aggressive about attracting the foreign investment of multinationals. The challenges are formidable but the payoffs are substantial. Small countries need to be bold and think big.

TABLE 3: CORPORATE AMERICA'S GROWING INVESTMENT ROOTS IN EUROPE'S PERIPHERY (BILLIONS OF \$)

Source: Bureau of Economic Analysis
Based on a historic cost basis

As evident from Table 3, U.S. investments in central and eastern Europe today are dramatically different from the mid-1990s. The figures reflect U.S. FDI on a historic cost basis, or the stock of U.S. investment per country. The story is one of growth. From a very low base in 1995, U.S. investment stock in the eastern reaches of Europe has expanded greatly over the past few decades. U.S. investment stock in Poland, for instance, rose from just \$1 billion in 1995 to over \$14 trillion in 2012. That figure is larger than America's investment position in Indonesia, one of the largest and most populous nations in all of Asia.

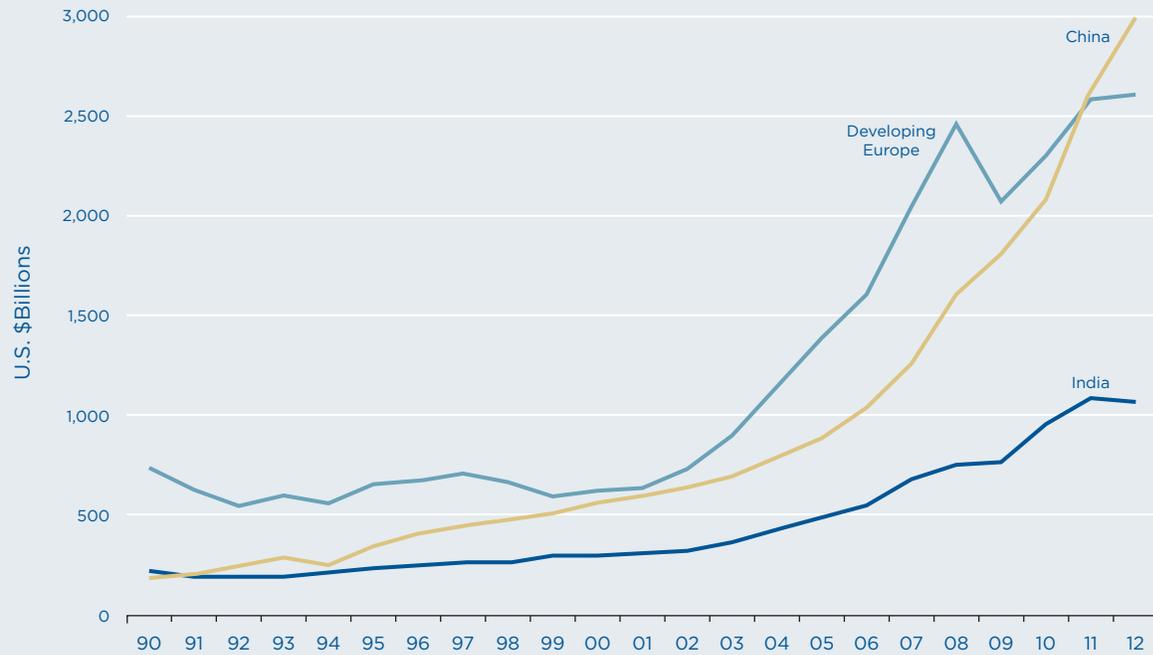
Russia has also seen a significant surge in U.S. investment over the past decade, with U.S. FDI stock topping \$14 billion, a massive increase from the levels of 1995. U.S. investment stock in the Czech Republic was \$6.4 billion in 2012, slightly greater than America's investment presence in the Philippines.

The strategic thrust of U.S. firms reflects many variables, including gaining access to eastern Europe's highly trained labor force in technology and life sciences and tapping into the region's new wave of consumerism. And speaking of consumerism—as measured by personal consumption

expenditures—the art and science of consumption has soared over the past decade in Europe's periphery, creating entire new markets for U.S. goods and services.

Thanks to many variables—greater employment, rising incomes, and most of all, pent up demand for western goods and services after decades of denial—personal consumption in central and eastern Europe doubled between 1990 and 2005 and then nearly doubled again in 2012, when expenditures totaled an impressive \$2.6 trillion. During the 1990s, consumption was more or less flat-lined as countries emerged from the Soviet bloc, underwent significant transitions and many workers felt more compelled to save than spend. Beginning in the early part of this century, however, the mood shifted; more jobs and income, and the availability of more goods and services, have sparked one of the world's strongest consumer growth stories.

Table 4 provides some more perspective on this dynamic. Amazingly, consumers in developing Europe nearly spend as much as consumers in China, a fact rarely reported or talked about, and which runs contrary to the common narrative that China is the largest market in the world

TABLE 4: THE CHINA NEXT DOOR: PERSONAL CONSUMPTION IN DEVELOPING EUROPE VERSUS CHINA AND INDIA

Source: United Nations

for virtually everything. That may be true in many cases, but consumption levels in developing Europe are just as dynamic and outsized. To this point, the combined personal consumption expenditures in developing Europe (Russia included) of \$2.6 trillion were not all that far behind personal consumption expenditures in China of \$3 trillion in 2012. Consumers in Europe's periphery easily outspend those in India, as the table makes clear.

This is another way of saying that consumption is serious business in central and eastern Europe, accounting for roughly 58% of the region's GDP in 2012. That compares to a figure of 45% in more trade-dependent Asia and less than 40% in China.

Rising levels of consumer spending, in turn, has translated into ever-rising sales revenues for U.S. foreign affiliates. Combined U.S. foreign affiliate sales in Poland, Hungary and the Czech Republic surged roughly 270% between 2000 and 2011, rising from \$21 billion to \$77.6 billion. The latter figure, incidentally, was roughly one-third larger than affiliate sales in India, home to over 1.2 billion people versus a total population of roughly 60 million in Poland, the Czech Republic and Hungary. What U.S. affiliates income of \$732 million in Poland in 2012 was well above levels reported in the more developed markets of Finland, Portugal, Spain and Sweden.

Think of it this way—for U.S. firms embedded in the European Union, the region's expanding periphery to the east is akin to having a China next door. EU enlargement has been hugely beneficial and profitable to U.S. multinationals, not only by expanding the European Single Market but by giving European-based U.S. foreign affiliates preferential market access and treatment in the east.

Why Europe Still Matters

Despite the shift in some investment and production to the periphery—with some nations losing and others gaining U.S. investment—the region itself remains the favorite destination of U.S. multinationals. Indeed, thus far this decade, Europe's global share of U.S. FDI has actually increased, to 56.2% of the total, up from a share of 55.9% over the 2000-09 period.

In reality, however, Corporate America's preference for Europe is even larger than the aggregate numbers suggest. When U.S. FDI flows to Caribbean off-shore financial centers are subtracted from the total, Europe's share of U.S. investment climbs to nearly two-thirds of the total. That figure is up from a share of 61.2% over the 2000-09 and 57.6% over the 1990s.

This runs counter to the prevailing narrative that when it comes to investing overseas, Corporate America is prone

TABLE 5: CUMULATIVE U.S. FDI OUTFLOWS (MILLIONS OF \$)

	All Countries	Europe	Europe as a % of World
1950-1959	20,363	3,997	19.6%
1960-1969	40,634	16,220	39.9%
1970-1979	122,721	57,937	47.2%
1980-1989	171,880	94,743	55.1%
1990-1999	869,489	465,336	53.5%
2000-2009	2,056,009	1,149,810	55.9%
2010Q1-2013Q3	1,316,547	740,264	56.2%

Source: Bureau of Economic Analysis

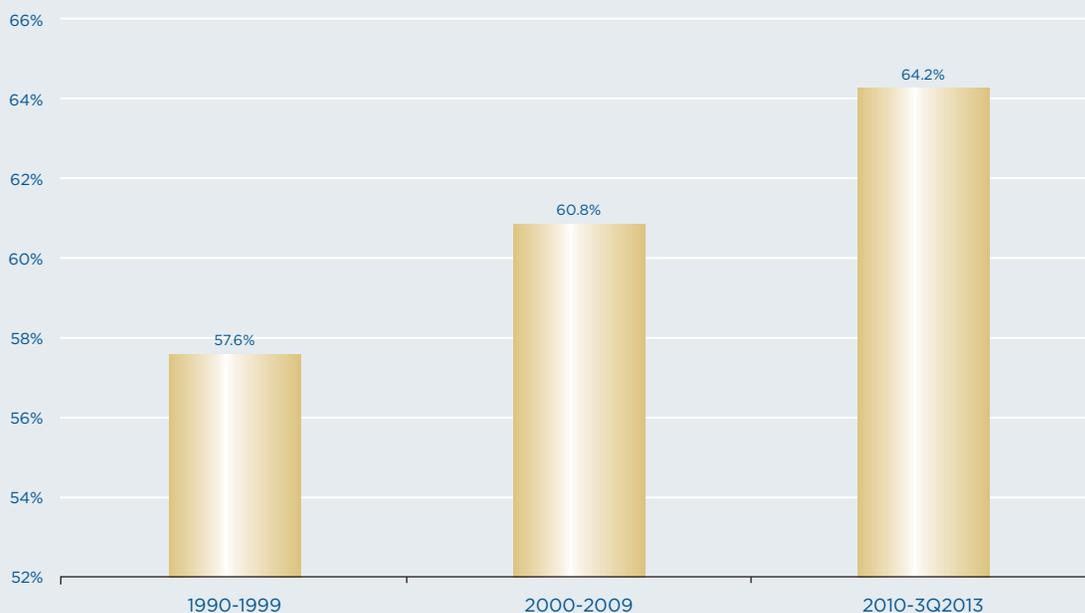
to favor the low-cost nations of Latin America, Asia, and other parts of the developing nations. Reality is different for a host of structural and cyclical reasons.

Structurally, investing in the emerging markets remains difficult, with indigenous barriers to growth (a poorly developed infrastructure, lack of human capital, corruption, etc), as well as policy headwinds (i.e., foreign exchange controls, tax preferences for local firms) reducing the overall attractiveness of these markets

to multinationals. Cyclically, growth in the emerging markets has downshifted, with China now confronting a more secular downturn in growth as the nation shifts away from export and investment-led growth and moves toward more consumption-led growth. This will take time.

Meanwhile, growth in the rest of the BRICs—Brazil, India and Russia—has been rather disappointing over the past few years, with all three nations confronting significant structural headwinds to growth. Early in 2014, it is the developed nations, led by the United States, but with the support of Canada and Japan, and the European Union to a lesser degree, leading the world in terms of economic growth. For both cyclical and structural factors, developing nations remain a tough sell for U.S. firms. Conversely, with Europe healing and possessing many key attributes desired by U.S. companies, it is little surprise that America's FDI focus remains on Europe.

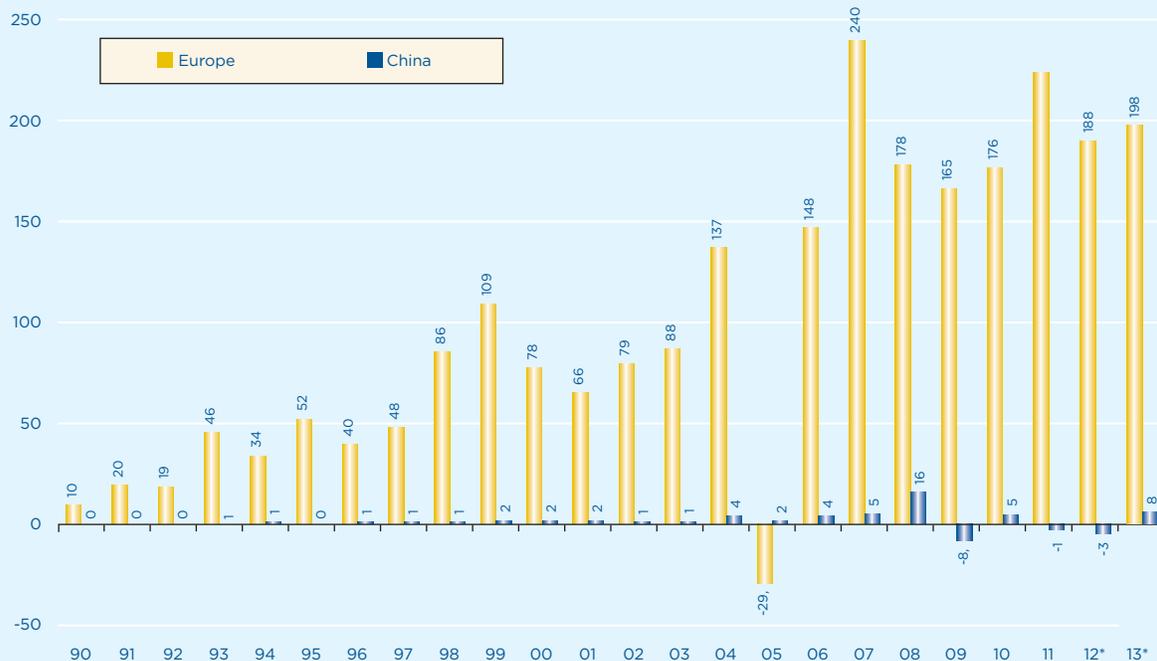
Supportive of this trend are Europe's multiple attractions, all but forgotten during the crisis-filled years. They include the following:

TABLE 6: U.S. FDI FLOWS TO EUROPE* (% OF WORLD TOTAL)

*Excluding Caribbean and Other Western Hemisphere

Source: Bureau of Economic Analysis

Data as of January 2014.

TABLE 7: U.S. FOREIGN DIRECT INVESTMENT FLOWS TO CHINA VS. EUROPE - BILLIONS OF \$

Source: Bureau of Economic Analysis.

*Data through 3Q2013. Data annualized for full year estimate.

First, Europe is too big to ignore. What started out decades ago as a loosely configured market of six countries (Belgium, France, West Germany, Italy, Luxembourg, and the Netherlands) is now an economic behemoth of 28 countries, with more states in the queue.

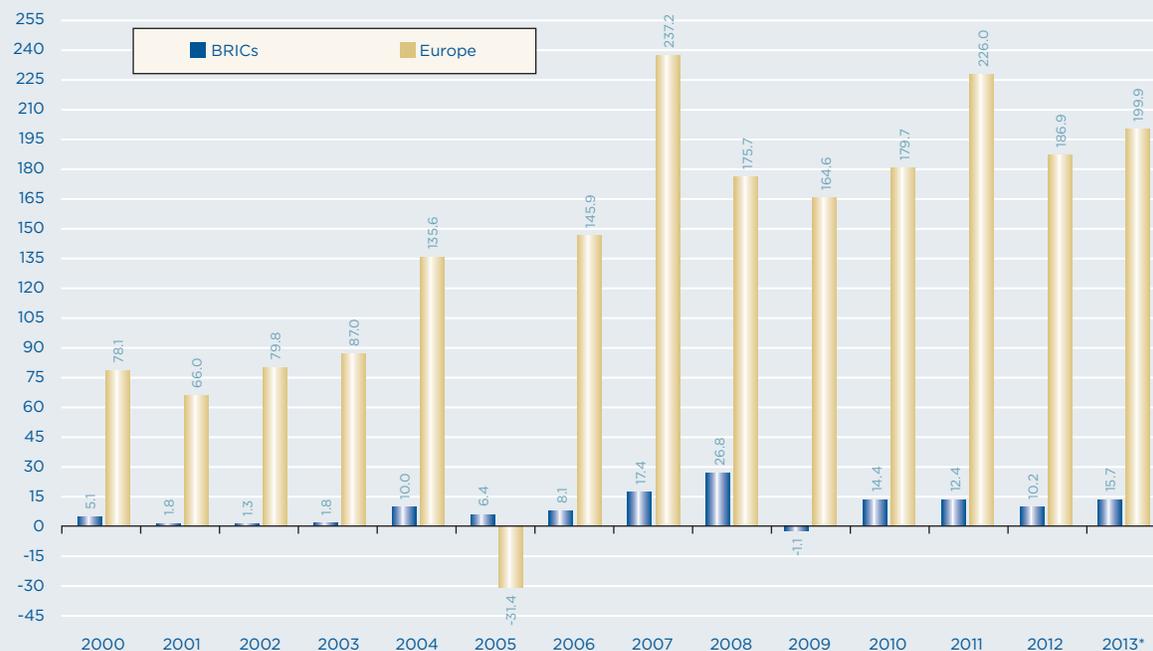
As measured on a purchasing power parity basis, the EU's economy (plus Norway, Iceland and Switzerland) remains slightly larger than America's, with the cohort's share of world GDP, according to estimates from the International Monetary Fund, totaling 19.6% in 2013 versus 19.4% for the U.S. What's more, this grouping was some 26% larger than China in 2013 and more than 240% greater than India. Over the medium term, Europe will remain one of the largest economic entities in the world, notwithstanding the rise of China, India and other key markets.

In addition to being large, Europe is wealthy, a key fact that differentiates Europe from most developing nations. It is Europe's size *and* wealth that sets the region apart from most places in the world. In fact, of the 25 wealthiest countries in the world, 15 are European. Based on GDP per capita, Europe stands out. Over-hyped markets such as China, India, and Russia, in contrast, remain relatively poor, notably India, with a per capita income of just \$1,509.

Wealth drives consumption, and the European Union accounted for roughly 23% of global personal consumption expenditures in 2012, a share slightly lower than America's but well above China's share (7.1%) and that of India (2.5%). Gaining access to wealthy consumers is among the primary reasons why U.S. companies invest overseas, hence the continued attraction of wealthy Europe to U.S. multinationals.

Another attraction to U.S. companies is that many European economies rank among the most competitive in the world, as we highlighted earlier. In terms of global competitiveness, Europe ranks very strongly. The same holds true in other related rankings. Europe, for instance, is no slouch when it comes to innovation and knowledge-based activities. Based on the Innovation Union Scoreboard for 2013, Switzerland, Denmark, Sweden, Finland and Germany rank as innovation leaders in Europe.

Since innovation is derived from R&D expenditures, it is hardly surprising that European firms rank as among the world's R&D leaders. On an aggregate basis, European-based firms account for roughly 25% of total global R&D, behind America's one-third share but well ahead of the global share R&D spending in Japan (11/12%), China (13/14%) and India (2/3%).

TABLE 8: U.S. FOREIGN DIRECT INVESTMENT OUTFLOWS TO THE BRICS VS. EUROPE¹ - (BILLIONS OF \$)

Source: Bureau of Economic Analysis

¹ Europe does not include flows to Russia

* Data through 3Q2013. Data annualized for full year estimate.

Innovation requires talent, and by this metric Europe again fares well. Indeed, the region leads the world in producing science and engineering graduates. According to the latest data from the National Science Board, the EU accounted for 18% of global natural science graduates. America's share was 10% of the total. The EU's share of global engineering degrees (17%) was even more impressive relative to America's—the latter accounted for just 4% of global engineering degrees.

Given all of the above, it is little wonder that U.S. firms continue to show a strong preference for some European countries versus low-cost nations like India, China, Brazil and others. To this point, it is worth highlighting the following fact: in 2012, the last year of complete data, the developed nations (led by Europe) accounted for 77% of total U.S. FDI outflows, whereas developing countries accounted for only 23%. U.S. FDI flows to Brazil, China and India all posted significant declines last year due to a variety of reasons, including slower real growth, falling real

demand, the erection of investment barriers, and falling affiliate income.

Corporate America has sunk billions into China, but some perspective is in order. China's share of U.S. FDI outflows in this century is actually quite small, just 1.2% of the total. Many European nations—Belgium, France, Germany, Ireland, the Netherlands, and the United Kingdom—have all attracted more U.S. capital over the same period.

China not only trails many European nations in terms of U.S. investment, it does so by a wide margin. For instance, between 2000 and the third quarter of 2013 U.S. FDI in Ireland was nearly six times larger than U.S. investment in China. American investment in the Netherlands was almost 14 times larger, and the amount of U.S. capital sunk in the United Kingdom was over 10 times larger than U.S. investment in China.

In fact, since the start of this century U.S. firms have invested more in the Netherlands (\$513 billion) and the

United Kingdom (\$383 billion) alone than in South and Central America, the Middle East and Africa combined (\$341 billion).

Relative to the other BRIC nations, the story is basically the same. U.S. cumulative investment in Brazil since 2000 (\$52.6 billion) is roughly one-quarter U.S. investment in Ireland. While Russia has attracted \$9 billion of U.S. FDI since 2000, that pales in comparison to what U.S. firms sank in smaller European markets like Denmark (\$14.7 billion) and Norway (\$22.9 billion).

Then there is India—one of the largest economies in Asia and the world. U.S. FDI in India totaled \$27.7 billion between 2000 and the third quarter of 2013, a paltry 0.9% of total U.S. FDI worldwide and less than U.S. investment in Italy (\$34.5 billion) over the same period.

On a combined and cumulative basis, U.S. FDI flows to the BRICs have totaled \$126 billion since the start of this century. That is a sizable sum but just a fraction of total U.S. investment in the European Big Three—the Netherlands, the United Kingdom and Ireland. This trio has garnered nearly \$1.1 trillion in U.S. FDI since the start of this century, or nearly 9 times larger the amount of U.S. investment to the BRICs. U.S. investment in the Netherlands alone is about 4 times larger, and U.S. investment in the UK 3 times larger, than U.S. investment in all of the BRICs.

Looked at from a longer term basis, or on a historic cost basis, the U.S. investment position in Europe was roughly 14 times larger than in the BRICs in 2012. In general, U.S. investment stock in Europe (\$2.5 trillion) was nearly 4 times larger than corporate America's investment position in all of Asia at the end of 2012.

On a historic cost basis, U.S. stakes in Ireland (\$204 billion) are greater than total capital sunk in South America (\$171 billion). There is more U.S. investment in Germany (\$121 billion) than in all of Central America, including Mexico (\$113 billion). U.S. investment in Switzerland (\$130 billion) is more than double all of U.S. FDI in Africa (\$61 billion). U.S. investment stakes in the Netherlands and the United Kingdom, \$645 billion and \$598 billion, respectively, are each roughly 10 times the level of U.S. investment in OPEC (\$63 billion).

We continue to highlight these figures since the media hype about the rise of China, India and the Rest tends to ignore or obscure the basic fact that at the end of the day, the global thrust of Corporate America remains focused on Europe. The following pages outline U.S.-sourced jobs, trade and investment for each of the 28 members of the European Union. Norway, Switzerland and Turkey are also included.

Endnotes

1. See Joseph Quinlan, *The Case for Investing in Europe 2013*. Brussels: American Chamber of Commerce to the EU, 2013.



Austria & the United States

INVESTMENT AND TRADE FIGURES

Investment

Not surprisingly, America's direct investment position in Austria exceeds Austria's investment stakes in the U.S. American affiliates created more than 3,000 additional jobs in Austria between 2011 and 2012 and employed three times more workers in Austria than Austrian firms employed in the United States.

Austria - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Austria	Austria in U.S.
Foreign Direct Investment*	15.6	5.2
Total Assets of Affiliates	40.3	8.3
Foreign Affiliate Sales	22.3	6.8
Value Added of Affiliates	5.1	1.5
Affiliate Employees	43,935	14,104

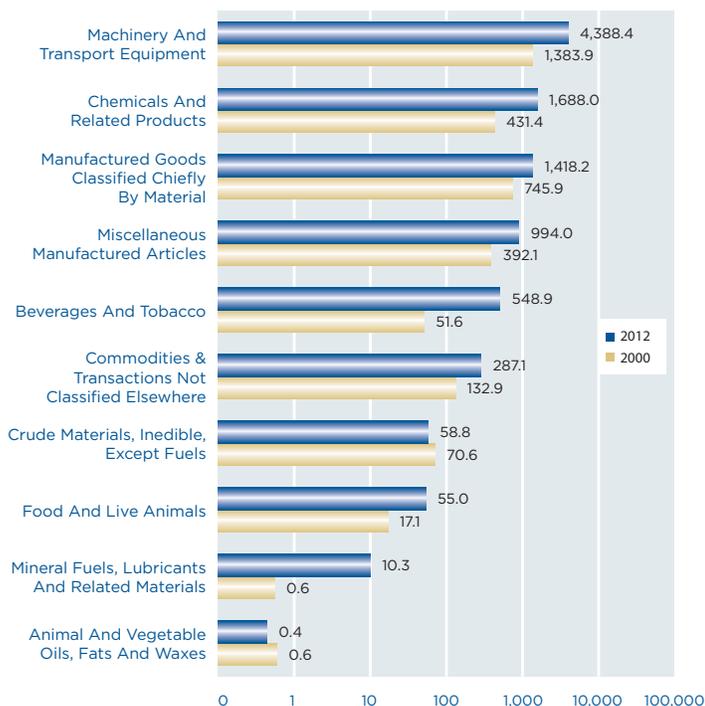
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

The U.S. received \$7.1 billion, or 4.4% of the total goods Austria exported to the world in 2012, but the share going to the U.S. rises to 15.4% of the global total after excluding intra-EU trade, down from a high of 22.6% in 2004, but higher than in 2010. Imports of U.S. goods constituted \$3.3 billion, or 1.9% of the total amount Austria imported from the world in 2012 and 8.2% when intra-EU imports were removed from the global total, well below its share of 20.6% in 2000.

Top Ten U.S. Imports from Austria, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Belgium & the United States

INVESTMENT AND TRADE FIGURES

Investment

U.S. direct investments in Belgium are increasingly made in the finance and insurance service sector and the manufacturing sector, though the latter is much larger in terms of jobs supported. Belgian affiliates employed 22% more workers in the U.S. than U.S. affiliates in Belgium, according to estimates. However, value added by U.S. affiliates in Belgium totaled an estimated \$25.5 billion in 2012, 42% more than that of Belgium's affiliates in the United States. Over 15,800 new jobs were created by U.S. companies in Belgium and Belgian affiliates in the U.S. between 2011 and 2012.

Belgium - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Belgium	Belgium in U.S.
Foreign Direct Investment*	53.8	88.7
Total Assets of Affiliates	368.6	155.4
Foreign Affiliate Sales	154.2	59.9
Value Added of Affiliates	25.5	17.9
Affiliate Employees	135,857	165,946

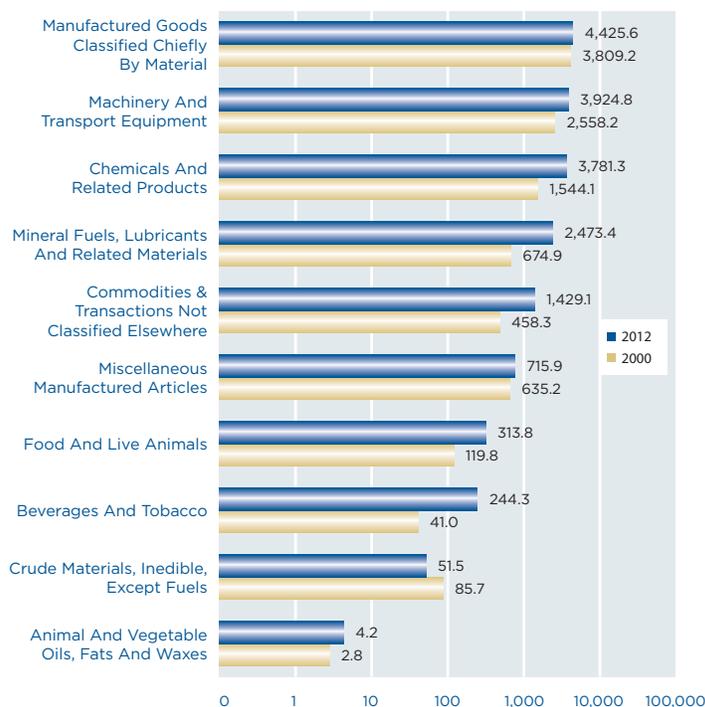
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

The U.S. accounted for 5.3%, or \$22.7 billion, of total exports from Belgium in 2012. The share of total exports rises to 19.1% when intra-EU trade is excluded, down from a high of 31.8% in 2002 but up from 2010. Manufactured goods, machinery and transport equipment, and chemicals lead the way as the top export categories. Regarding imports, the U.S. supplied 6.1% of total Belgian imports in 2012 but the share more than triples to 19.2% after omitting intra-EU trade.

Top Ten U.S. Imports from Belgium, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Bulgaria & the United States

INVESTMENT AND TRADE FIGURES

Investment

America's investment base in Bulgaria is rather small, with assets totaling just \$3.2 billion in 2012, according to estimates. U.S. affiliates in Bulgaria employed an estimated 4,998 workers in 2012, placing Bulgaria 6th among the EU12 in terms of employment.

Bulgaria - U.S. Global Linkages, 2012** (\$ billions)		
	U.S. in Bulgaria	Bulgaria in U.S.
Foreign Direct Investment*	-	-
Total Assets of Affiliates	3.2	-
Foreign Affiliate Sales	1.2	-
Value Added of Affiliates	0.6	-
Affiliate Employees	4,998	0.0

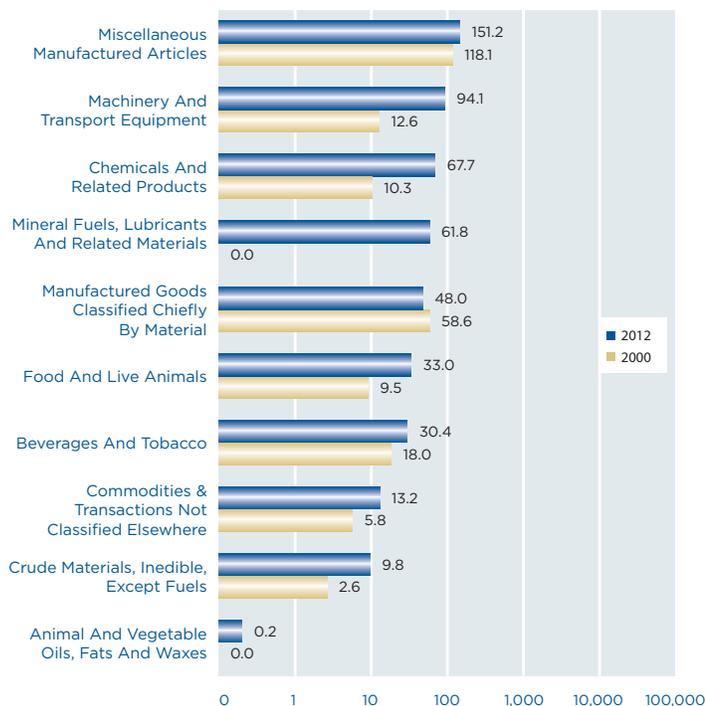
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

The U.S. accounted for just 1.7% of Bulgaria's total exports in 2012; the percentage rises to just 4.1% when intra-EU trade is excluded from the total, down from a high of 14.4% in 2001. Imports from the U.S. are rather small, totaling just \$217 million in 2012, only 1.6% of Bulgaria's extra-EU imports.

Top Ten U.S. Imports from Bulgaria, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Croatia & the United States

INVESTMENT AND TRADE FIGURES

Investment

U.S. firms have a small investment base in Croatia, with just \$150 million of foreign direct investment and \$640 million of assets in 2012. U.S. affiliates in Croatia employed an estimated 2,288 workers in 2012.

Croatia - U.S. Global Linkages, 2012** (\$ billions)		
	U.S. in Croatia	Croatia in U.S.
Foreign Direct Investment*	0.15	0.01
Total Assets of Affiliates	0.64	0.005
Foreign Affiliate Sales	0.65	-
Value Added of Affiliates	0.17	0.005
Affiliate Employees	2,288	-

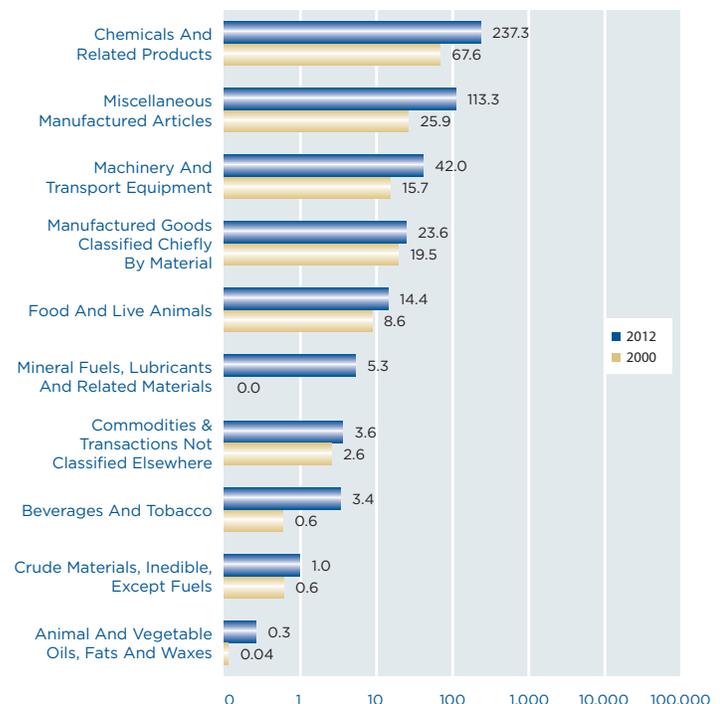
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

The U.S. received \$426 million, or just 3.6% of the total goods Croatia exported to the world in 2012, 8.6% excluding intra-EU trade. Croatia's main exports consist of chemicals and related products and miscellaneous manufactured articles. Imports of U.S. goods totaled \$464 million, or 2.2% of the total amount Croatia imported from the world in 2012 and 6.0% when intra-EU imports were removed from the global total.

Top Ten U.S. Imports from Croatia, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Cyprus & the United States

INVESTMENT AND TRADE FIGURES

Investment

Given the the country's small market, the nation has not attracted much U.S. foreign direct investment relatively, but it is currently six times larger at \$1.5 billion compared to investment levels seen in 2005. Cyprus's FDI in the U.S. totaled \$2.3 billion in 2012, despite a small asset base of just \$55 million.

Cyprus - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Cyprus	Cyprus in U.S.
Foreign Direct Investment*	1.5	2.3
Total Assets of Affiliates	8.8	0.055
Foreign Affiliate Sales	1.7	0.01
Value Added of Affiliates	0.6	-0.014
Affiliate Employees	1,515	-

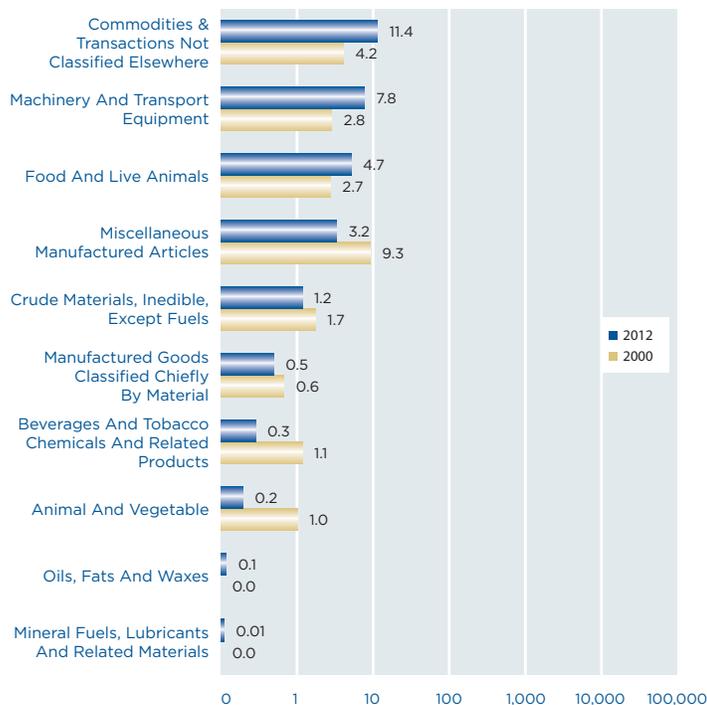
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

While Cyprus is an insignificant supplier of goods to the United States, with exports registering just \$59 million in 2012, the U.S. share of Cyprus's extra-EU exports more than doubled year-over-year to 7.2%, nearly reaching its previous record of 7.5% in 1999. However, Cyprus's imports from the U.S. were cut in half in 2012, totaling just \$91 million, 1.2% of Cyprus' total imports from the world..

Top Ten U.S. Imports from Cyprus, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Czech Republic & the United States

INVESTMENT AND TRADE FIGURES

Investment

America's investment base in the Czech Republic has increased five-fold over the past decade, from a small base. U.S. foreign direct investment totaled \$6.4 billion on a historic cost basis in 2012. Value added by U.S.-owned affiliates totaled an estimated \$6.1 billion. Estimated affiliate employment in the Czech Republic is among the highest in Eastern Europe, with American firms employing an estimated 90,792 workers in 2012, and created over 17,000 new jobs in the Czech Republic in 2012. The Czech Republic's investment in the U.S., in contrast, remains still rather small.

Czech Republic - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Czech Republic	Czech Republic in U.S.
Foreign Direct Investment*	6.4	-0.2
Total Assets of Affiliates	30.7	0.004
Foreign Affiliate Sales	19.6	0.010
Value Added of Affiliates	6.1	0.001
Affiliate Employees	90,792	-

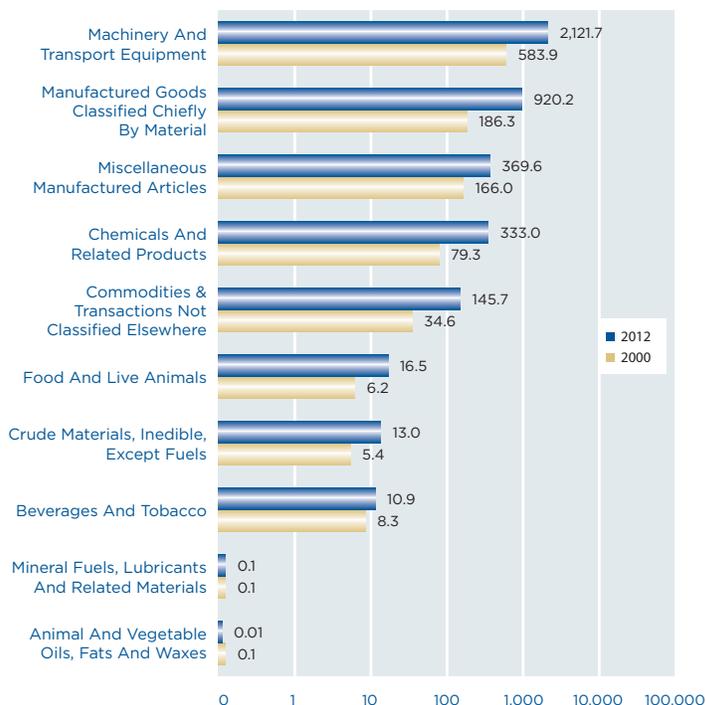
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

U.S. imports from the Czech Republic reached a new high of \$3.4 billion in 2012, an annual increase of roughly 14% from 2011, accounting for 12.1% of Czech's extra-EU exports. U.S. imports consist of transportation equipment, machinery and electronic products. Despite a decline in total Czech imports in 2012, imports from the U.S. increased by 6.7% to \$2.0 billion in 2012, or 5.6% of Czech's extra-EU imports.

Top Ten U.S. Imports from Czech Republic, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Denmark & the United States

INVESTMENT AND TRADE FIGURES

Investment

Bilateral investment between the U.S. and Denmark favored Denmark in 2012 with the U.S. investing over \$6 billion more in Denmark than what Denmark invested in the United States. Affiliate sales in the U.S. market were an estimated \$19.0 billion in 2012 while U.S. affiliate sales in Denmark were \$22.7 billion. The affiliate employment balance favors Denmark, with U.S. affiliates in Denmark employing 9% more than Danish affiliates in the U.S., according to estimates. Danish companies created roughly 6,600 jobs in the United States in 2012.

Denmark - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Denmark	Denmark in U.S.
Foreign Direct Investment*	15.1	8.8
Total Assets of Affiliates	64.3	22.2
Foreign Affiliate Sales	22.7	19.0
Value Added of Affiliates	10.4	3.8
Affiliate Employees	32,742	30,087

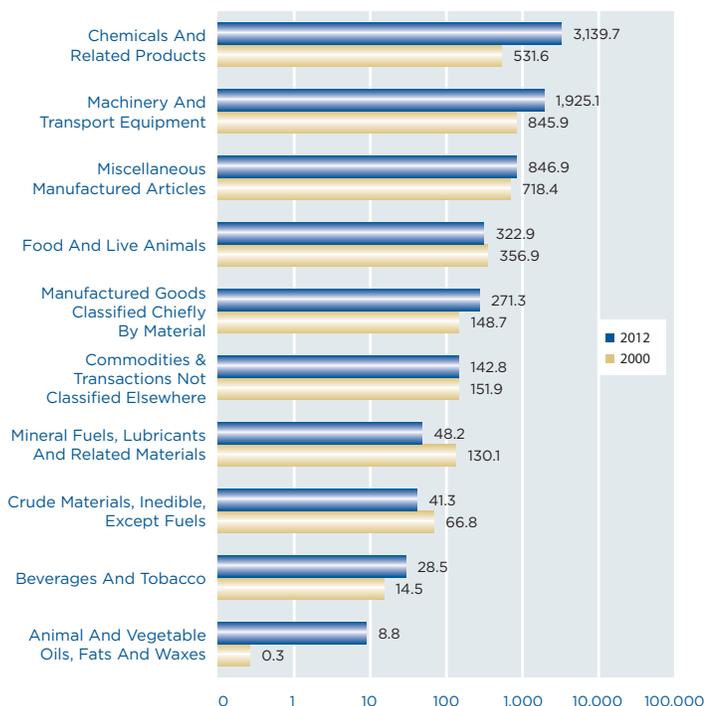
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Exports from Denmark to the U.S. totaled \$6.0 billion in 2011 or 5.5% of Denmark's global total. Excluding intra-EU trade, the share of exports to the U.S. rose to 17.2%. Danish imports from the U.S. totaled \$2.5 billion the same year, 2.6% of the global total and 9.4% excluding intra-EU trade. Chemicals, machinery and transportation equipment, and misc. manufactured articles dominated U.S. imports from the country.

Top Ten U.S. Imports from Denmark, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Estonia & the United States

INVESTMENT AND TRADE FIGURES

Investment

America's direct investment base in Estonia is one of the smallest of the EU12 countries - just \$58 million of stock in 2012. U.S. affiliates are employing a growing number of people in Estonia, 2,929 in 2012, placing Estonia 8th among the EU12 in terms of employment. U.S. investment in the country looks set to continue to increase.

Estonia - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Estonia	Estonia in U.S.
Foreign Direct Investment*	0.06	-0.009
Total Assets of Affiliates	0.44	0.001
Foreign Affiliate Sales	0.61	-
Value Added of Affiliates	0.25	-0.001
Affiliate Employees	2,929	-

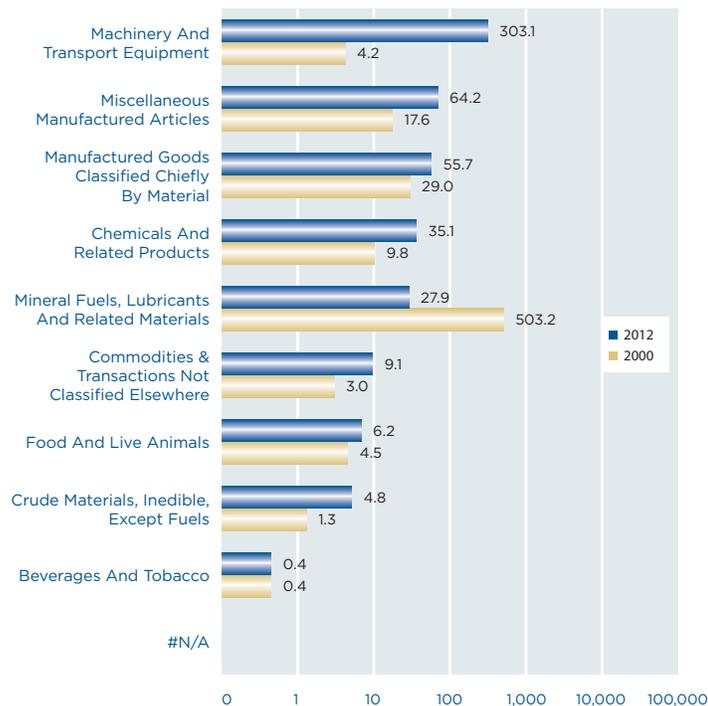
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

U.S. imports from Estonia fell to \$459 million in 2012, just 3.0% of total imports, but this share more than triples to 9.7% when excluding intra-EU trade. Mineral fuels, lubricants and related materials accounted for roughly 70% of U.S. imports from Estonia in 2005 at \$357 million, but have plummeted to \$27.9 million in 2012. Meanwhile, U.S. imports of machinery and transportation equipment rose by roughly \$300 million from 2000 to 2012. Estonia imports very little from the U.S. - only 0.7% of total imports and 4.3% excluding intra-EU imports.

Top Ten U.S. Imports from Estonia, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Finland & the United States

INVESTMENT AND TRADE FIGURES

Investment

The direct investment balance favors the United States, with Finnish investment in the U.S. totaling \$7.2 billion in 2012 versus just \$2.0 billion of U.S. investment in Finland. The affiliate employment balance also favors the U.S. by an estimated 5,903 jobs.

Finland - U.S. Global Linkages, 2012** (\$ billions)		
	U.S. in Finland	Finland in U.S.
Foreign Direct Investment*	2.0	7.2
Total Assets of Affiliates	17.4	54.3
Foreign Affiliate Sales	12.4	15.1
Value Added of Affiliates	3.6	4.2
Affiliate Employees	21,424	27,327

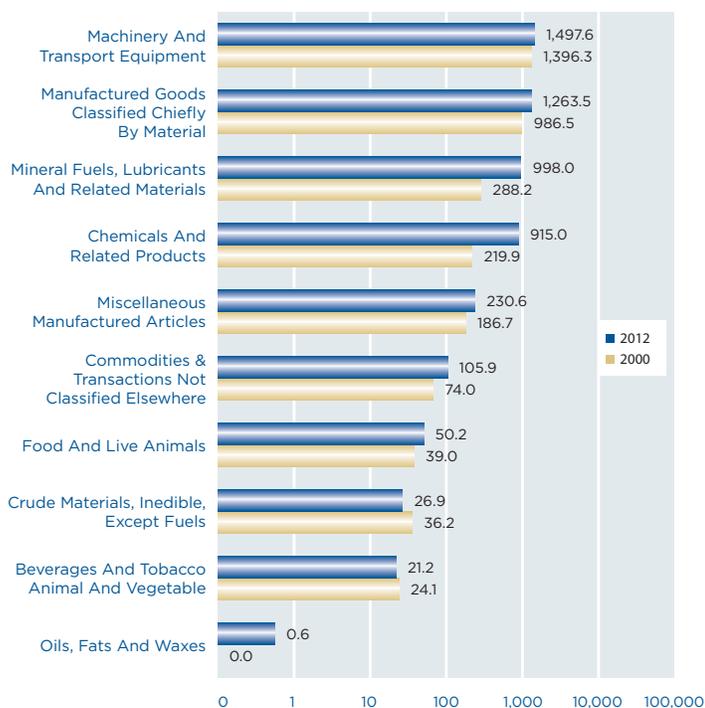
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

The U.S. received \$4.5 billion, or 6.2% of the total goods Finland exported to the world in 2012, but the share going to the U.S. rises to 13.4% of the global total after excluding intra-EU trade. Imports of U.S. goods in 2012 constituted \$1.6 billion, or 2.1% of the total amount imported from the world and 5.8% when intra-EU imports are removed from the global total, down from a high of nearly 22% in 1998.

Top Ten U.S. Imports from Finland, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



France & the United States

INVESTMENT AND TRADE FIGURES

Investment

The direct investment balance favors the U.S., with U.S. investment in France (\$82.6 billion) just 40% of total French investment in the U.S. in 2012 (\$209.1 billion). The U.S. is a significant market for French firms, with U.S. affiliates of French firms recording an estimated \$280 billion in sales during 2012. U.S. and French affiliates combined employed over 1 million workers, with the employment balance favoring France by 61,217 jobs, according to 2012 estimates. U.S. companies cut over 40,000 jobs in France in 2012, however, while French firms added 42,000 new jobs in the United States.

France - U.S. Global Linkages, 2012** (\$ billions)		
	U.S. in France	France in U.S.
Foreign Direct Investment*	82.6	209.1
Total Assets of Affiliates	379.6	1,240.4
Foreign Affiliate Sales	237.9	279.5
Value Added of Affiliates	58.4	64.1
Affiliate Employees	470,000	531,217

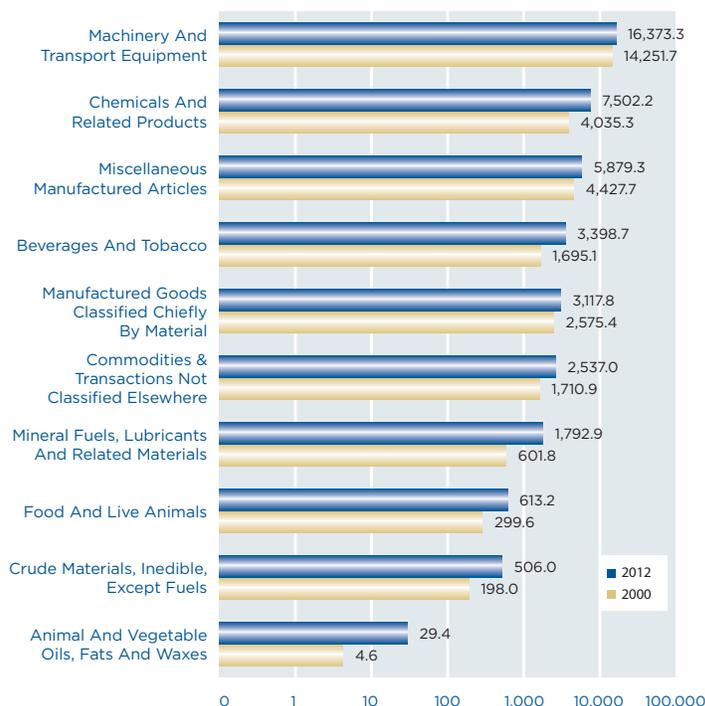
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

The U.S. accounted for 5.6% of total exports from France in 2012, but a share of 14.1% of total exports when intra-EU trade is excluded. Products exported to the U.S. ran the gamut, from heavy machinery and transportation equipment to chemicals and agricultural products. Regarding imports, the U.S. supplied 3.9% of total imports by France in 2012, though the share rises to 12.3% after excluding intra-EU trade, well below its 25.2% share in 1999.

Top Ten U.S. Imports from France, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Germany & the United States

INVESTMENT AND TRADE FIGURES

Investment

The investment balance favors the U.S., with U.S. investment in Germany totaling \$121.2 billion in 2012, 64% less than Germany's \$199 billion investment in U.S. However, Germany's asset base in the U.S. was more than double America's total asset base in Germany in 2012, although the value added by U.S. affiliates operating in Germany (\$101.5 billion) exceeded that of German affiliates in the United States, according to estimates. The employment picture is balanced, with affiliates of both countries employing a combined total of over 1.2 million workers, according to 2012 estimates. U.S. companies created 58,800 new jobs in Germany in 2012, and German companies generated about 11,000 new jobs in the United States.

Germany - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Germany	Germany in U.S.
Foreign Direct Investment*	121.2	199.0
Total Assets of Affiliates	721.0	1,541.5
Foreign Affiliate Sales	384.5	411.1
Value Added of Affiliates	101.5	87.3
Affiliate Employees	644,844	600,483

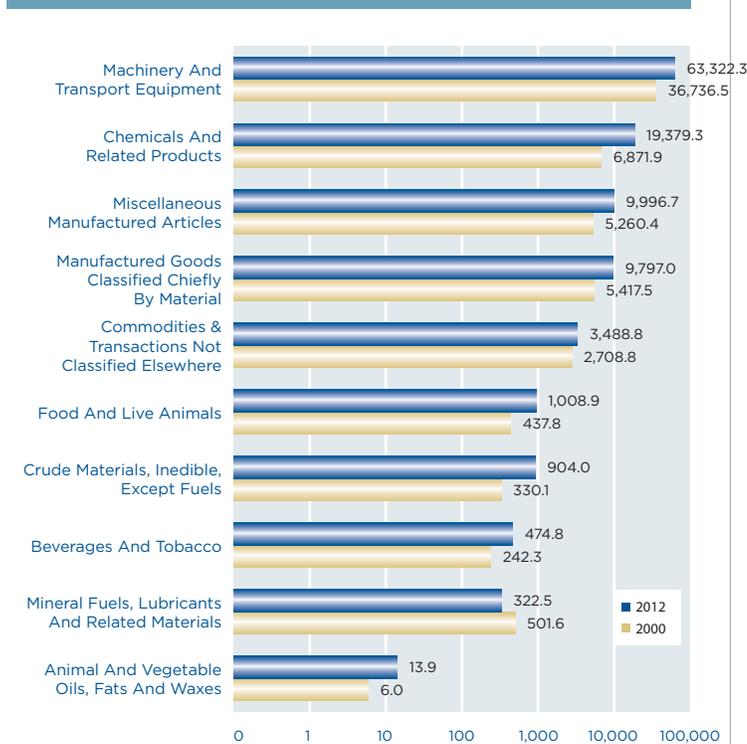
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Germany is the largest European exporter to the U.S. Despite overall exports falling 5.1% in 2012, exports to the U.S. climbed 6.6% to \$83.2 billion in the same year. The U.S. accounted for 6.3% of total German exports, and 16.1% when excluding intra-EU trade flows. Imports from the U.S. into Germany registered \$42.0 billion—that equates to 3.6% of total German imports or 10.2% excluding intra-EU trade. Roughly 60% of U.S. imports from Germany consist of machinery and transportation equipment and chemicals.

Top Ten U.S. Imports from Germany, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Greece & the United States

INVESTMENT AND TRADE FIGURES

Investment

The investment balance clearly favors Greece, with America's investment position totaling \$1.0 billion in 2012, according to estimates. On the contrary, Greece had a negative investment position of \$265 million in the U.S. The U.S. asset base in Greece is roughly five times that of Greece's assets in the U.S. However, estimated U.S. affiliate sales of just \$7.4 billion in 2012 ranked among the lowest in the EU.

Greece - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Greece	Greece in U.S.
Foreign Direct Investment*	1.0	-0.3
Total Assets of Affiliates	10.6	2.2
Foreign Affiliate Sales	7.4	0.8
Value Added of Affiliates	3.2	0.1
Affiliate Employees	18,079	-

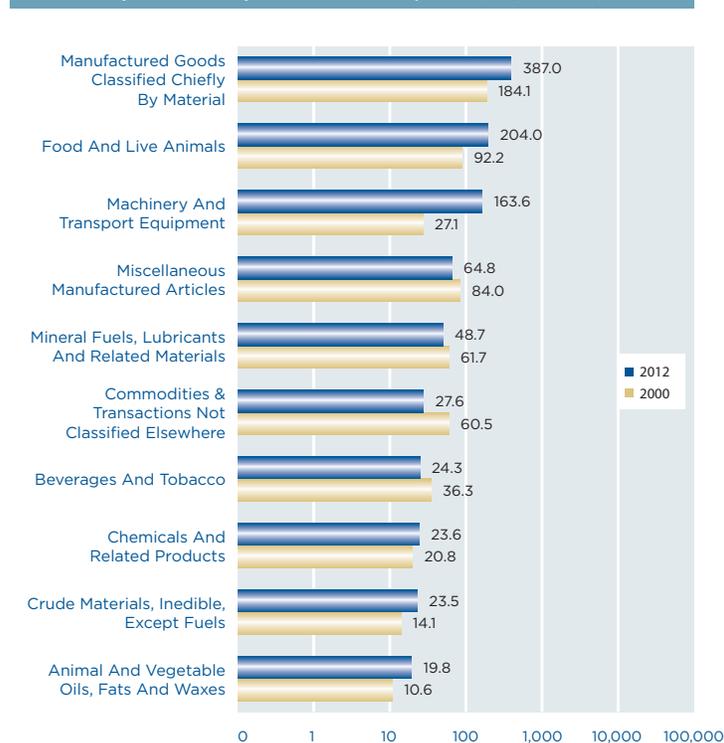
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Greek exports to the U.S. nearly doubled from 2010 to 2011 reaching a high of \$1.7 billion; however, they plunged nearly 43% to \$1.2 billion in 2012. Imports from the U.S. plunged over 40% to \$585 million, the lowest level in over a decade, according to estimates. The U.S. accounted for 3.4% of total exports, and 6.1% excluding intra-EU exports. Greece's imports from the U.S. were an abysmal 0.9% of total imports from the world in 2012 and just 1.7% excluding intra-EU imports.

Top Ten U.S. Imports from Greece, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Hungary & the United States

INVESTMENT AND TRADE FIGURES

Investment

America's investment base in Hungary is among the largest in Central Europe, with U.S. foreign direct investment totaling \$6.0 billion on a historic-cost basis in 2012, near its peak investment position of \$6.5 billion in 2007. Value added by U.S.-owned affiliates totaled an estimated \$4.9 billion. Estimated affiliate employment in Hungary ranked third among EU12 countries. Hungarian investment in the U.S. was \$20.3 billion in 2012, far below its peak of \$70.7 billion in 2009.

Hungary - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Hungary	Hungary in U.S.
Foreign Direct Investment*	6.0	20.3
Total Assets of Affiliates	43.8	-
Foreign Affiliate Sales	20.1	-
Value Added of Affiliates	4.9	-
Affiliate Employees	65,104	500

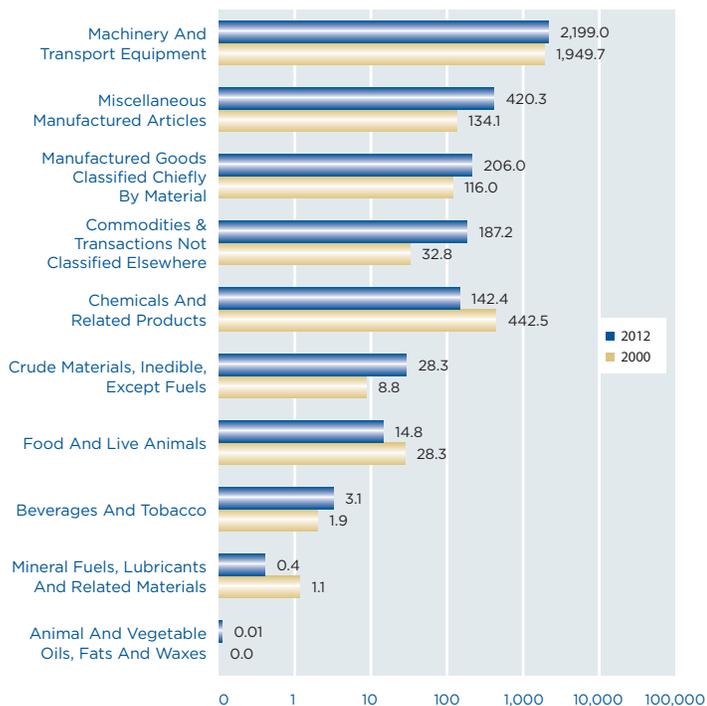
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Despite a decline in overall Hungarian exports, the U.S. share of Hungary's exports rose 3.1% to \$1.9 billion in 2012. The bulk of imports consists of machinery and transport equipment, manufactured parts and components, as well as chemicals and related products. Hungary bought \$1.2 billion worth of U.S. goods in 2012, just 4.3% of the country's extra-EU imports.

Top Ten U.S. Imports from Hungary, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Ireland & the United States

INVESTMENT AND TRADE FIGURES

Investment

The investment balance favors Ireland, with U.S. investment in Ireland totaling some \$203.8 billion in 2012 versus \$24.9 billion of Ireland's investment in the U.S. Value added by U.S. affiliates totaled an estimated \$104.8 billion in 2012. Affiliate employment favored the United States, with Ireland's affiliates employing over 70,000 more employees than affiliates of U.S. firms, according to estimates. Irish companies in the U.S. generated roughly 42,000 new jobs in 2012.

Ireland - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Ireland	Ireland in U.S.
Foreign Direct Investment*	203.8	24.9
Total Assets of Affiliates	1,077.7	204.9
Foreign Affiliate Sales	346.6	62.2
Value Added of Affiliates	104.8	23.9
Affiliate Employees	103,320	175,000

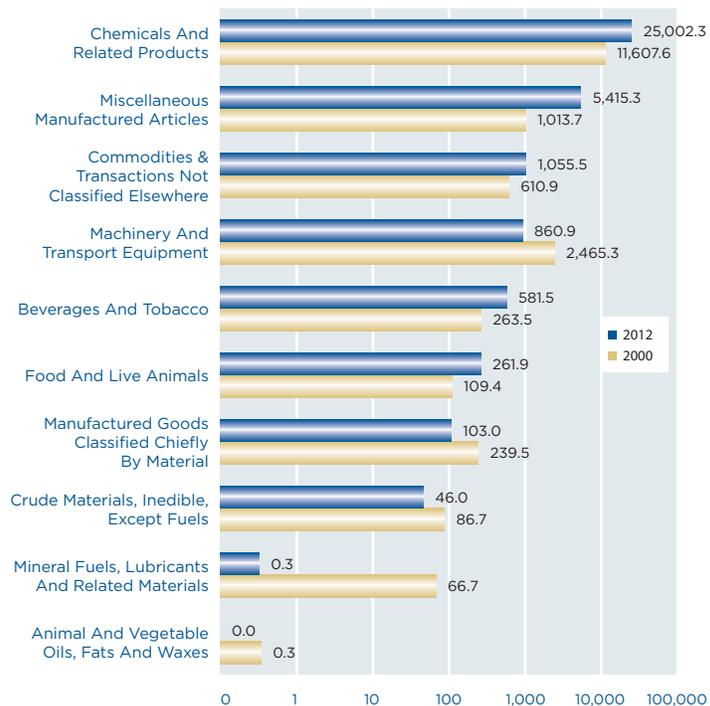
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Cross-border trade between the two countries saw a significant decline this past year, as Ireland struggled from a property bubble, fiscal austerity and a dangerously high 14%-15% unemployment rate. However, the U.S. continues to be a key trade partner for Ireland; the U.S. accounted for 47.0% of Ireland's extra-EU exports and 39.6% of its extra-EU imports in 2012. Three-quarters of U.S. imports from Ireland consists of chemicals and related products.

Top Ten U.S. Imports from Ireland, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Italy & the United States

INVESTMENT AND TRADE FIGURES

Investment

The investment balance is relatively even, with Italy having the edge in most categories. U.S. investment in Italy was just \$3.5 billion higher than Italian investment in the U.S. in 2012. U.S. investment was mostly concentrated in manufacturing, wholesale trade, information, and finance. Value added by U.S. affiliates in Italy was roughly twice that of value added by Italian affiliates in the U.S., according to 2012 estimates. With U.S. foreign affiliates employing an estimated 207,800 workers in 2012, the employment balance clearly favors Italy. U.S. companies shed about 9,000 jobs in Italy, while Italian companies generated roughly 43,000 new jobs in America.

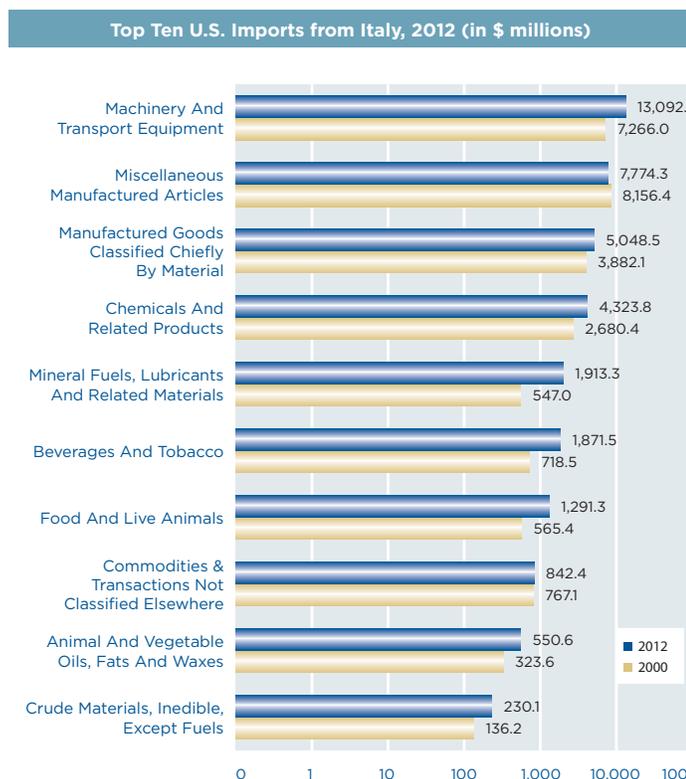
Italy - U.S. Global Linkages, 2012** (\$ billions)		
	U.S. in Italy	Italy in U.S.
Foreign Direct Investment*	26.8	23.3
Total Assets of Affiliates	169.5	144.0
Foreign Affiliate Sales	125.9	95.0
Value Added of Affiliates	33.3	17.2
Affiliate Employees	207,800	126,856

* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

The U.S. accounted for 6.6% of total exports from Italy in 2012, and 14.6% of total exports after excluding intra-EU trade. Machinery, transportation goods, and chemicals and related products were the top exports to the U.S. Regarding imports, the U.S. supplied 3.2% of total imports by Italy in 2012, although the share rises to 74% after accounting for intra-EU imports.



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Latvia & the United States

INVESTMENT AND TRADE FIGURES

Investment

The small country of roughly 2 million people has yet to attract significant foreign direct investment from the United States. U.S. FDI in Latvia was just \$13 million in 2012, according to estimates. However, investment linkages are expected to gradually expand over the next decade. U.S. affiliates supported 800 jobs, the lowest among EU12 countries, according to 2012 estimates.

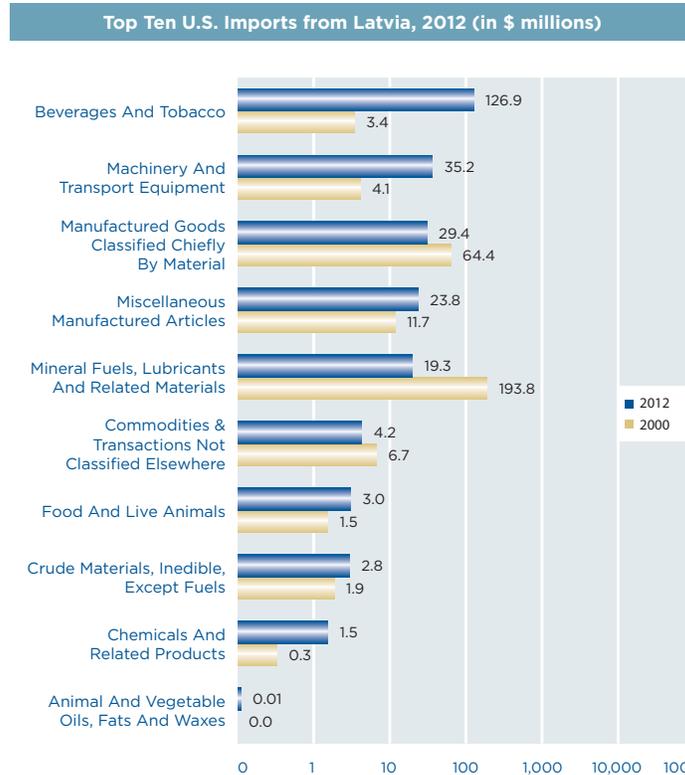
Latvia - U.S. Global Linkages, 2012** (\$ billions)		
	U.S. in Latvia	Latvia in U.S.
Foreign Direct Investment*	0.01	-
Total Assets of Affiliates	0.23	-
Foreign Affiliate Sales	0.22	-
Value Added of Affiliates	0.20	-
Affiliate Employees	800	-

* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

U.S. imports from Latvia have increased steadily over the past decade, with beverages and tobacco imports accounting for over half of the total. The U.S. imported over \$120 million worth of goods from Latvia in 2012, just 2.5% of extra-EU exports. The U.S. is a small supplier to Latvia as well, Latvia imported \$119 million of U.S. goods in 2012, just 3.3% of Latvia's extra-EU imports.



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Lithuania & the United States

INVESTMENT AND TRADE FIGURES

Investment

Lithuania has yet to attract significant levels of U.S. foreign direct investment, however, as the Baltic states develop and become more integrated into the greater European market, U.S. investment flows are expected to increase. U.S. affiliates employed 2,000 workers in Lithuania in 2012, according to estimates.

Lithuania - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Lithuania	Lithuania in U.S.
Foreign Direct Investment*	-	-0.001
Total Assets of Affiliates	0.4	0.001
Foreign Affiliate Sales	0.4	-
Value Added of Affiliates	0.2	-
Affiliate Employees	2,000	-

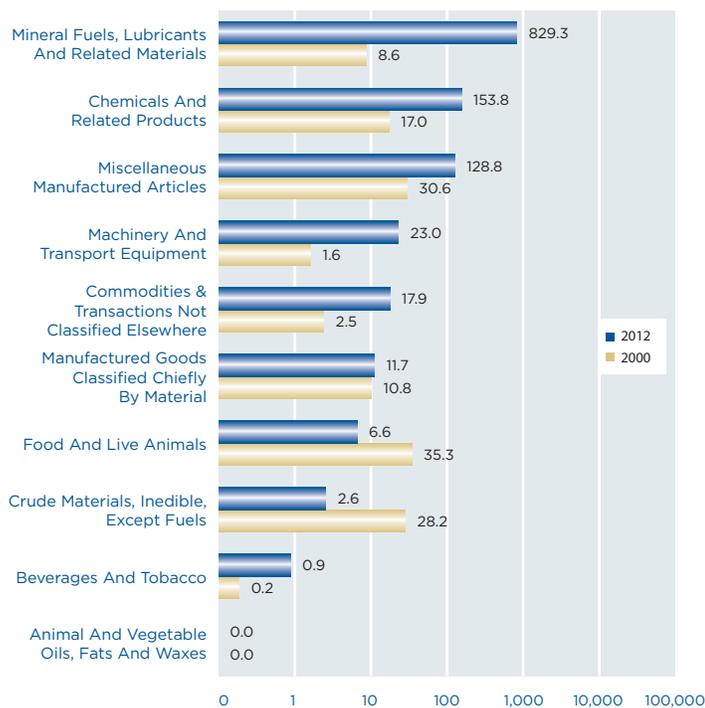
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Bilateral trade has grown steadily over the years, with U.S. imports of Lithuanian goods peaking at \$761 million in 2008 on the eve of the world financial crisis. Cross-border trade between these two countries has taken a hit in recent years. Although Lithuania's overall exports increased by over 6% in 2012, Lithuanian exports to the U.S. fell by 39% to \$438 million, just 3.9% of the country's extra-EU exports. Mineral fuels and chemicals are the country's top exports to the U.S. Lithuanian imports from the U.S. fell by 15.4% to \$232 million in 2012, or only 1.7% of the country's extra-EU imports.

Top Ten U.S. Imports from Lithuania, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Luxembourg & the United States

INVESTMENT AND TRADE FIGURES

Investment

Investment between the U.S. and Luxembourg is skewed in favor of Luxembourg. The bulk of bilateral investment flows remain in financial services and related industries. Estimated U.S. affiliate sales in Luxembourg were roughly three times that of Luxembourg affiliates in the U.S. The employee balance favors the U.S. with more than double the amount of affiliate employees, according to 2012 estimates.

Luxembourg - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Luxembourg	Luxembourg in U.S.
Foreign Direct Investment*	383.6	202.3
Total Assets of Affiliates	1,493.8	30.9
Foreign Affiliate Sales	36.1	12.4
Value Added of Affiliates	4.1	3.5
Affiliate Employees	14,000	38,000

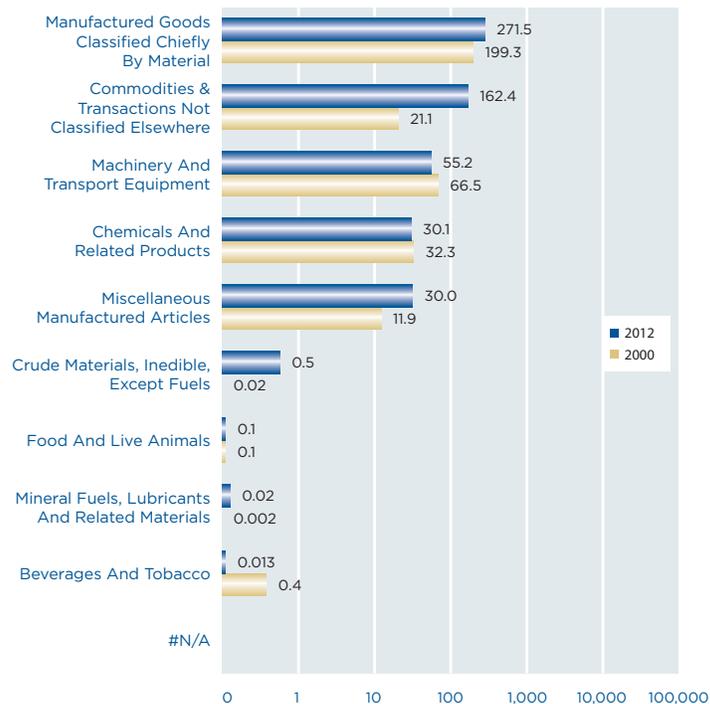
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Luxembourg's exports to the U.S. fell to 401 million in 2012, or 9.5% of extra-EU exports. Manufactured goods make up over half of U.S. imports from Luxembourg. Imports from the U.S. surged 51.9% to a record \$2.3 billion, 8.3% of the country's total imports and a staggering 36% of extra-EU imports.

Top Ten U.S. Imports from Luxembourg, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Malta & the United States

INVESTMENT AND TRADE FIGURES

Investment

Despite the country's tiny population (just 428,000 people), Malta has attracted a relatively large amount of foreign direct investment from the U.S. The country received \$1.4 billion in U.S. investment in 2012 as well as jobs for roughly 1,700 workers, according to estimates.

Malta - U.S. Global Linkages, 2012** (\$ billions)		
	U.S. in Malta	Malta in U.S.
Foreign Direct Investment*	1.4	0.025
Total Assets of Affiliates	7.5	0.010
Foreign Affiliate Sales	0.8	-
Value Added of Affiliates	0.1	0.001
Affiliate Employees	1,700	500

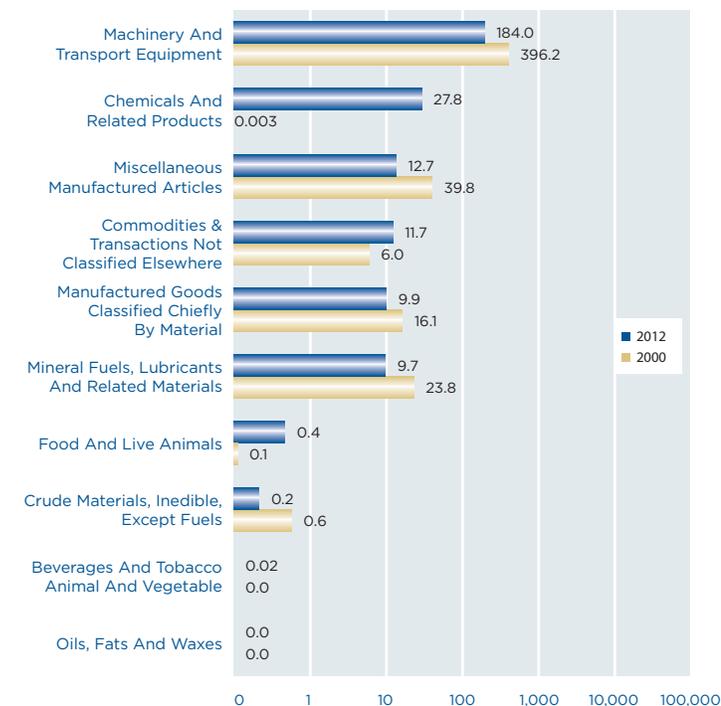
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Trade between the two countries remains rather small. U.S. imports from Malta in 2012 were primarily concentrated in machinery and transport equipment followed by chemicals, which have increased from under \$3,000 in 2000 to \$27.8 million in 2012. Malta's imports from the U.S. totalled \$117 million in 2012, 1.8% of total imports and 8.1% excluding intra-EU imports.

Top Ten U.S. Imports from Malta, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Netherlands & the United States

INVESTMENT AND TRADE FIGURES

Investment

America's investment stake in the Netherlands is over twice the amount of Dutch investment in the U.S. The U.S. is a prime foreign destination for Dutch firms, who recorded an estimated \$374.1 billion in affiliate sales in the U.S. during 2012. The employment balance clearly favors the U.S. with the gap widening to over 176,000 jobs, according to estimates. U.S. firms added over 13,000 new jobs to the Dutch economy in 2012, while Dutch companies generated about 54,000 new jobs in the United States.

Netherlands - U.S. Global Linkages, 2012** (\$ billions)		
	U.S. in Netherlands	Netherlands in U.S.
Foreign Direct Investment*	645.1	274.9
Total Assets of Affiliates	1,950.7	1,044.5
Foreign Affiliate Sales	248.9	374.1
Value Added of Affiliates	37.9	51.3
Affiliate Employees	228,866	405,000

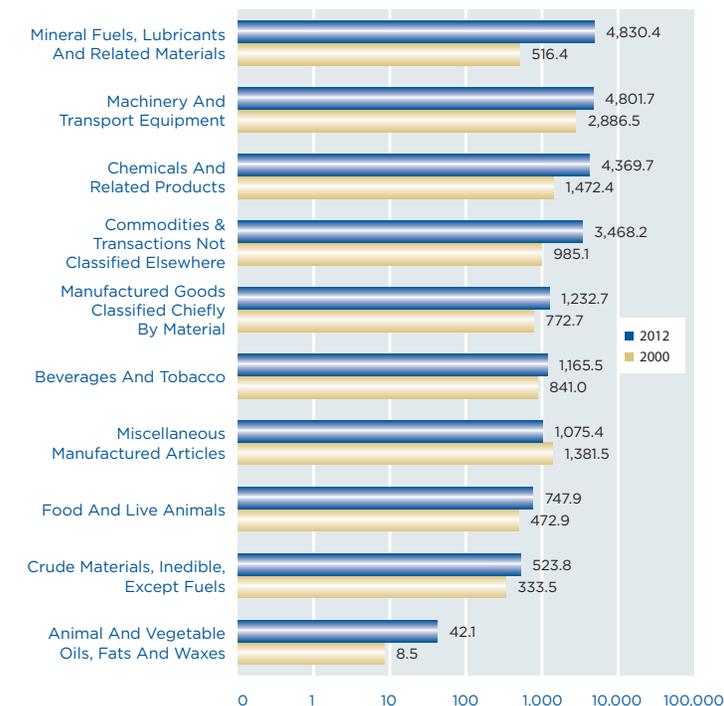
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

The U.S. accounted for 3.6% of total exports from the Netherlands in 2012, and a share of 16.0% of total exports when intra-EU trade is excluded. Top Dutch exports were diversified across several capital-intensive industries. The U.S. supplied 6.1% of total imports by the Netherlands in 2012, but the share rises to 11.1% after accounting for intra-EU trade.

Top Ten U.S. Imports from Netherlands, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Norway & the United States

INVESTMENT AND TRADE FIGURES

Investment

The investment balance favors Norway, with U.S. direct investment totaling \$38.8 billion in 2012, more than double the amount of Norwegian direct investment in the U.S. The employment balance is heavily skewed in favor of Norway, with U.S. foreign affiliates employing over 42,000 Norwegian workers, or more than five times the number of U.S. jobs provided by Norwegian affiliates, according to 2012 estimates.

Norway - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Norway	Norway in U.S.
Foreign Direct Investment*	38.8	16.4
Total Assets of Affiliates	124.8	61.7
Foreign Affiliate Sales	65.0	20.9
Value Added of Affiliates	33.0	2.8
Affiliate Employees	42,126	8,000

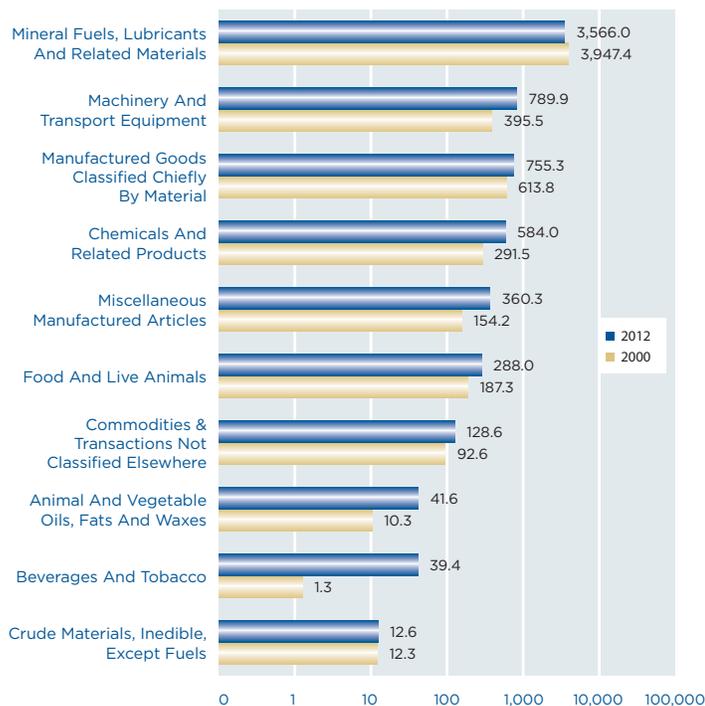
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Norwegian exports to the U.S. totaled \$8.1 billion in 2012, and were skewed toward mineral fuels (i.e. petroleum products). The U.S. accounted for just 5.0% of total Norwegian exports, but made up nearly 27% of Norway's exports after excluding Norway's trade with the EU. Imports from the U.S. into Norway totaled \$4.7 billion—that equates to 5.4% of total Norwegian imports or 15.1% excluding trade with the EU.

Top Ten U.S. Imports from Norway, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Poland & the United States

INVESTMENT AND TRADE FIGURES

Investment

As one of the largest markets in Central Europe, Poland has attracted significant sums of market-seeking U.S. foreign direct investment. U.S. FDI in Poland was \$14.2 billion in 2012, the highest level since 2007. At \$61.3 billion, the U.S. asset base in Poland is significantly larger than America's asset base in small developed countries such as Finland, Portugal, Greece or Austria, according to 2012 estimates. The estimated U.S. affiliate work force of roughly 160,000 workers ranks number one among EU12 countries, and by a wide margin. Polish affiliates in the U.S. have yet to make significant investments in the country.

Poland - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Poland	Poland in U.S.
Foreign Direct Investment*	14.2	-
Total Assets of Affiliates	61.3	-
Foreign Affiliate Sales	43.4	0.025
Value Added of Affiliates	12.6	0.007
Affiliate Employees	159,018	100

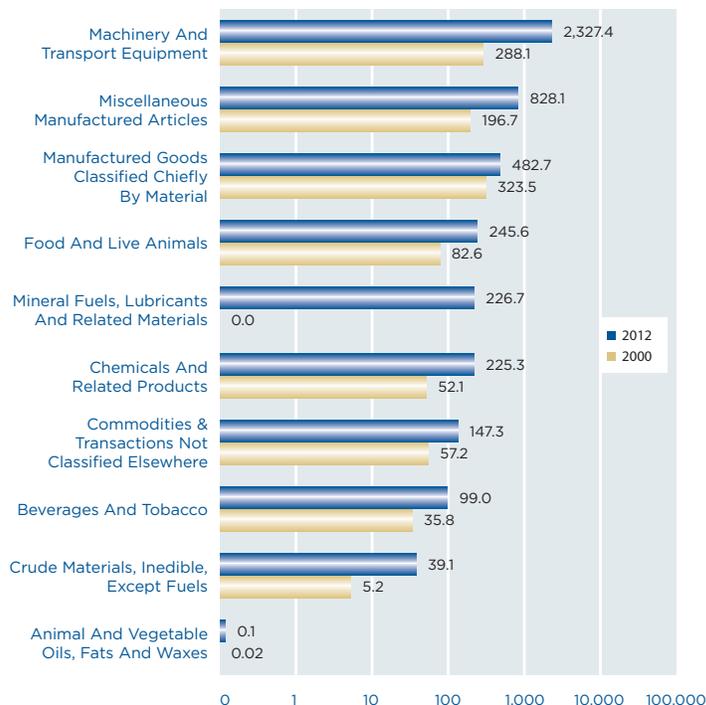
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Poland's exports to the U.S. have increased sharply over the past few years, more than doubling from \$1 billion in 2000 to over \$2 billion in 2006 and reaching its high of \$2.9 billion in 2011. In 2012, U.S. imports from Poland fell to \$2.7 billion, representing 7.0% of Poland's extra-EU exports. Imports run the gamut - from heavy machinery, to chemicals, to agricultural products. Although Poland's total imports fell by over 6% in 2012, imports from the U.S. increased by roughly 6% to \$2.5 billion in 2012, accounting for 4.5% of extra-EU trade.

Top Ten U.S. Imports from Poland, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Portugal & the United States

INVESTMENT AND TRADE FIGURES

Investment

The investment balance is heavily favored towards Portugal. U.S. direct investment in Portugal totaled \$2.4 billion in 2012, largely concentrated in manufacturing, wholesale trade and finance and insurance. U.S. affiliates employed an estimated 30,600 Portuguese workers in 2012, compared to Portugal's affiliate employment of just 600 Americans. Portugal's direct investment in the U.S. reached a high of \$390 million in 2011.

Portugal - U.S. Global Linkages, 2012** (\$ billions)		
	U.S. in Portugal	Portugal in U.S.
Foreign Direct Investment*	2.4	-
Total Assets of Affiliates	46.3	12.0
Foreign Affiliate Sales	12.1	0.65
Value Added of Affiliates	2.7	0.34
Affiliate Employees	30,591	600

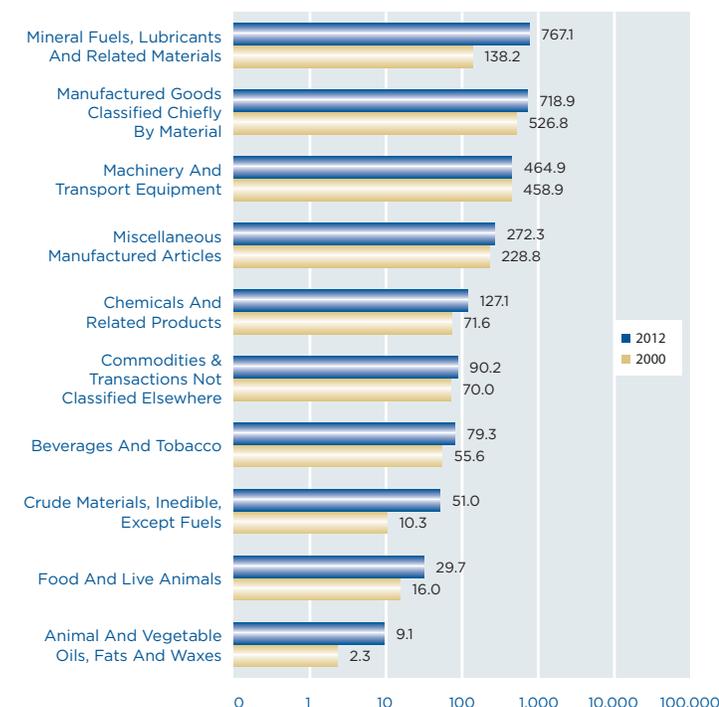
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Portuguese exports to the U.S. increased by 20% in 2012 to \$2.3 billion, or 13.3% of extra-EU trade. Portugal's imports from the U.S. fell 28% in 2012 to \$1.0 billion, or 1.4% of total imports from the world and 5.2% excluding intra-EU imports, a significantly lower share than the 13% average in the 1990s.

Top Ten U.S. Imports from Portugal, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Romania & the United States

INVESTMENT AND TRADE FIGURES

Investment

America's asset base in Romania is rather small, with assets totaling an estimated \$8.3 billion in 2012. U.S. affiliates employed an estimated 44,000 employees in 2012, placing Romania 4th among the EU12 countries in terms of jobs supported.

Romania - U.S. Global Linkages, 2012** (\$ billions)		
	U.S. in Romania	Romania in U.S.
Foreign Direct Investment*	1.6	0.012
Total Assets of Affiliates	8.3	0.001
Foreign Affiliate Sales	7.7	-
Value Added of Affiliates	2.1	0.001
Affiliate Employees	43,992	200

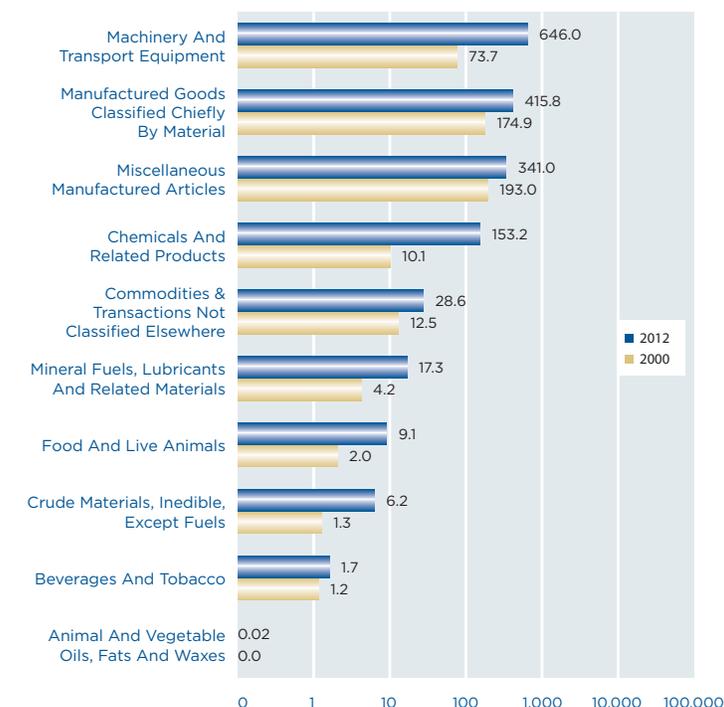
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Romania's exports to the U.S. totaled over \$1 billion in 2012, representing just 1.8% of total world exports and 6.3% of extra-EU trade. U.S. imports from Romania included machinery, transport equipment, and a variety of manufactured goods. Although the U.S. is a rather small supplier to Romania, Romania's imports from the U.S. increased by nearly 20% in 2012 to \$1.0 billion. However, the U.S. accounted for just 1.4% of the nation's total imports and 5.5% excluding intra-EU trade.

Top Ten U.S. Imports from Romania, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Slovakia & the United States

INVESTMENT AND TRADE FIGURES

Investment

America's asset base in Slovakia is small but expanding — total assets of U.S. affiliates amounted to \$8.7 billion in 2012, while foreign affiliate sales reached \$9.3 billion, according to estimates. Centered in the heart of Eastern Europe, the nation is well positioned to capture U.S. investment in areas such as distribution, transportation, wholesale trade and other service-like activities. U.S. affiliates employed 35,904 workers in 2012, the 5th largest U.S. affiliate work force among the EU12 countries, according to estimates.

Slovakia - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Slovakia	Slovakia in U.S.
Foreign Direct Investment*	-	0.016
Total Assets of Affiliates	8.7	0.001
Foreign Affiliate Sales	9.3	0.001
Value Added of Affiliates	2.0	-0.001
Affiliate Employees	35,904	-

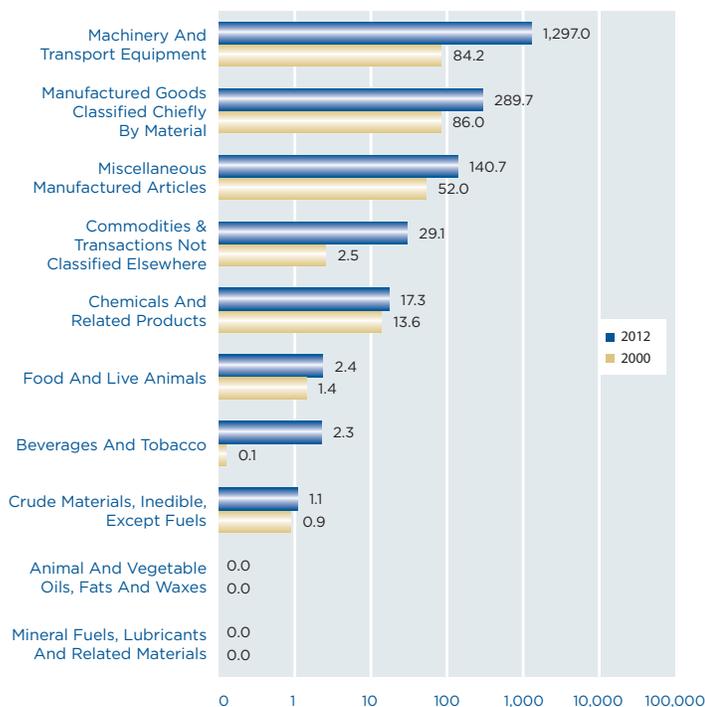
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

In 2012, Slovakia's exports to the U.S. registered \$724 million, an increase of 36.7 percent from 2011 but still well below its 2007 high of \$1.4 billion. Imports from the U.S. were \$372 million in 2012.

Top Ten U.S. Imports from Slovakia, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Slovenia & the United States

INVESTMENT AND TRADE FIGURES

Investment

Slovenia has experienced a gradual rise in U.S. foreign investment over the past few years. Total assets of affiliates reached a record \$1.1 billion in 2012, according to estimates. U.S. affiliates employed 4,700 workers in 2012, placing Slovenia 7th out of the EU12 countries in terms of employment, according to estimates. The country is expected to emerge as a bridge to the Balkan states over the next decade.

Slovenia - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Slovenia	Slovenia in U.S.
Foreign Direct Investment*	-	0.018
Total Assets of Affiliates	1.1	-
Foreign Affiliate Sales	1.1	0.002
Value Added of Affiliates	0.6	-
Affiliate Employees	4,700	-

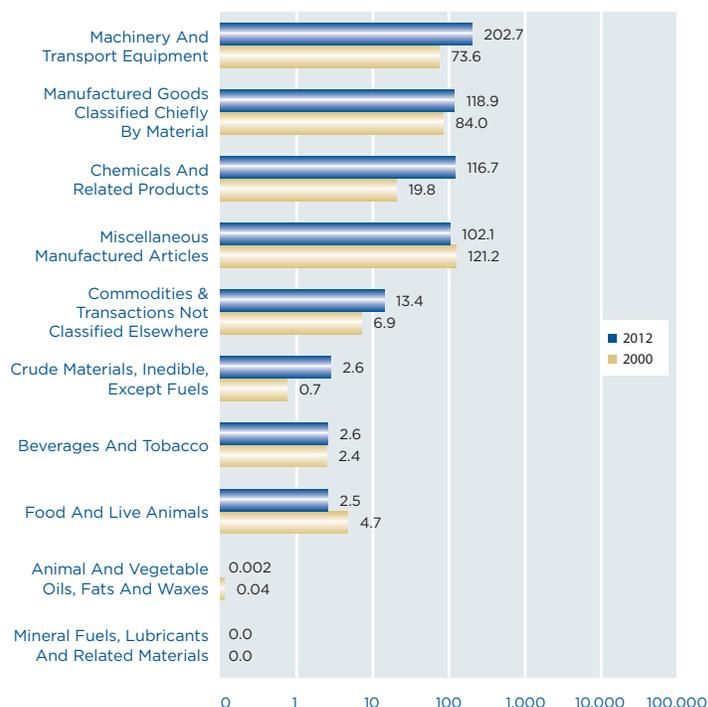
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Exports from Slovenia to the U.S. totaled \$427 million in 2012, down slightly from \$450 million in 2011. U.S. imports from Slovenia included machinery and transport equipment, chemicals, and various other manufactured goods. Slovenia imported only 1.2% of the country's total imports from the U.S. or 3.8% excluding intra-EU trade in 2012.

Top Ten U.S. Imports from Slovenia, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Spain & the United States

INVESTMENT AND TRADE FIGURES

Investment

In 2012, the investment balance shifted in favor of the U.S., as Spain's economy was squeezed by a severe recession and resulting austerity measures. U.S. direct investment in Spain plunged 35.4% to \$31.4 billion in 2012, the lowest level since 2001. On the contrary, the U.S., originally not a strategic priority to Spanish firms, has seen foreign direct investment stock grow 10-fold over the last decade. Spanish investment in the U.S. has increased every year since 2002. The majority of 2012 investments were made in depository institutions. Estimates show the employment balance is skewed in favor of Spain, by a ratio of roughly 2:1. Despite lower U.S. FDI, American companies created about 7,000 new jobs in Spain in 2012, while Spanish companies generated about 10,000 new jobs in the United States.

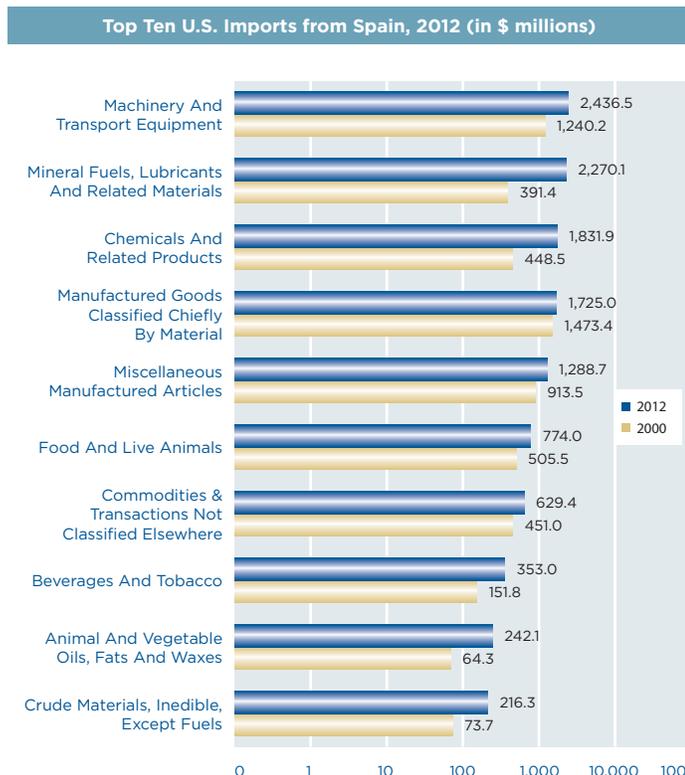
Spain - U.S. Global Linkages, 2012** (\$ billions)		
	U.S. in Spain	Spain in U.S.
Foreign Direct Investment*	31.4	47.4
Total Assets of Affiliates	169.2	317.7
Foreign Affiliate Sales	95.4	46.1
Value Added of Affiliates	18.9	8.9
Affiliate Employees	177,457	85,000

* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

The U.S. received \$10.4 billion worth of goods, or 3.6% of total exports from Spain in 2012, but a share of 9.8% of total exports when intra-EU trade is excluded. The U.S. supplied only 2.9% of total imports by Spain in 2012, although the share rises to 6.3% after accounting for intra-EU trade.



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Sweden & the United States

INVESTMENT AND TRADE FIGURES

Investment

The investment balance favors the U.S., with Swedish direct investment in the U.S. totaling \$42.4 billion, while U.S. firms invested \$24.5 billion in Sweden in 2012. However, Sweden's value added of affiliates exceeded that of U.S. affiliates. The employment balance is heavily in favor of the United States by a 3:1 ratio, according to 2012 estimates. While U.S. companies generated about 3,000 additional jobs in Sweden in 2012, Swedish companies created about 14,000 additional jobs in the United States.

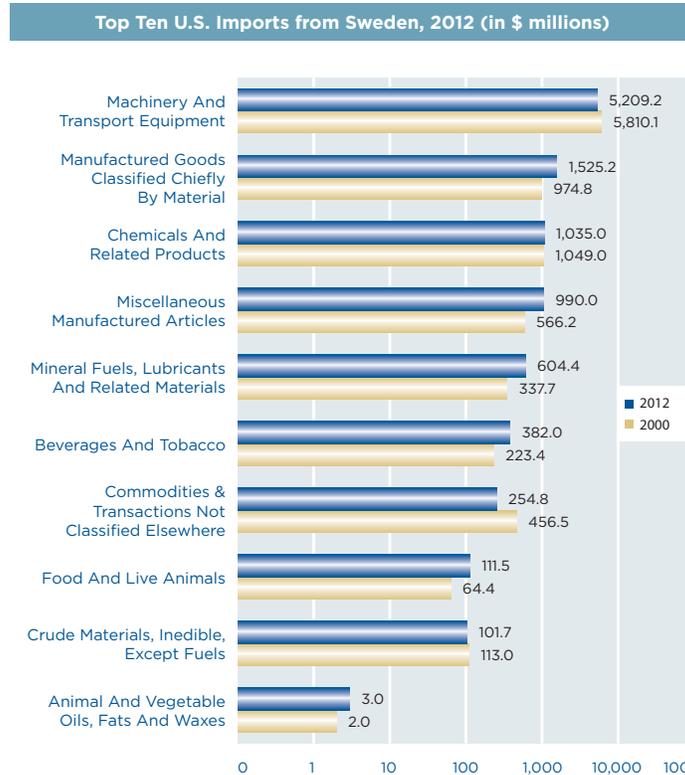
Sweden - U.S. Global Linkages, 2012** (\$ billions)		
	U.S. in Sweden	Sweden in U.S.
Foreign Direct Investment*	24.5	42.4
Total Assets of Affiliates	128.6	123.1
Foreign Affiliate Sales	38.3	61.8
Value Added of Affiliates	7.9	17.4
Affiliate Employees	66,606	196,000

* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

U.S. imports from Sweden amounted to \$9.8 billion in 2012, accounting for 5.5% of Sweden's global total and 13.6% of the total excluding intra-EU trade. Swedish imports totaled \$5.2 billion from the U.S., accounting for 3.2% of Sweden's total imports in 2012, although the share rises to 10.1% excluding intra-EU imports.



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Switzerland & the United States

INVESTMENT AND TRADE FIGURES

Investment

The investment balance favors the U.S.—direct investment in Switzerland totaled \$130.3 billion in 2012 versus \$204 billion of Swiss investment in the U.S. Switzerland has one of the largest asset bases in the U.S. of any nation at \$1.5 trillion (mainly in services like insurance and financial services), according to 2012 estimates. Estimates show the employment balance significantly favors the United States. American companies created about 5,000 new jobs in Switzerland in 2012, while Swiss companies employed an additional 40,000 people in the United States.

Switzerland - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Switzerland	Switzerland in U.S.
Foreign Direct Investment*	130.3	204.0
Total Assets of Affiliates	660.7	1,470.3
Foreign Affiliate Sales	316.6	216.9
Value Added of Affiliates	41.3	64.4
Affiliate Employees	94,554	457,011

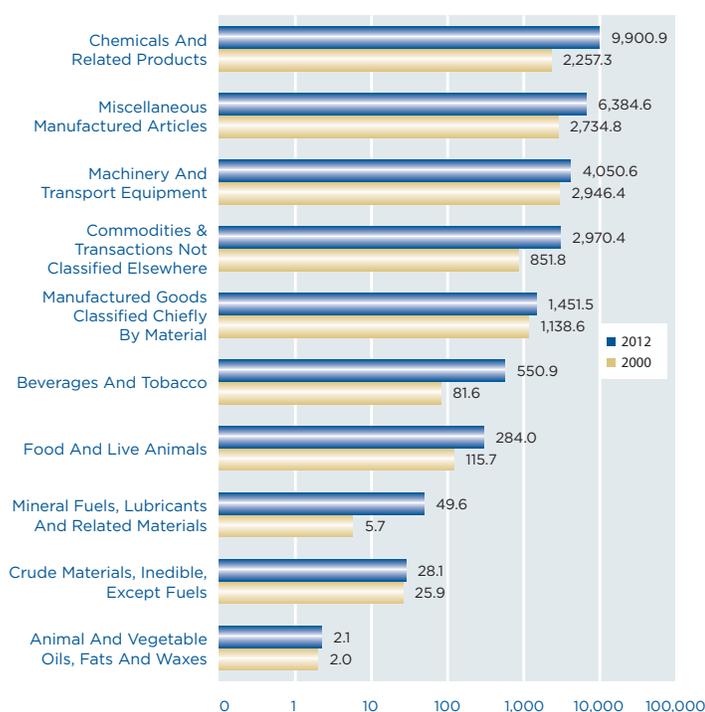
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Although Switzerland's total exports fell 3.8% in 2012, exports to the U.S. increased 4.3%, hitting a record \$25.1 billion, representing 11.1% of total exports, and 25.1% when taken as a share of exports to regions outside the EU. In the same year, Switzerland imported American goods worth \$11.2 billion, also a record, 5.7% of the global total, yet when imports from the EU were excluded, U.S. goods comprised 22.3% of Swiss imports.

Top Ten U.S. Imports from Switzerland, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



Turkey & the United States

INVESTMENT AND TRADE FIGURES

Investment

The investment balance favors Turkey— the U.S. had \$6 billion of foreign direct investment in Turkey in 2012 vs. Turkey's \$655 million investment in the U.S. According to 2012 estimates, affiliates of U.S. multinationals had assets of \$20.6 billion in Turkey compared to Turkey's affiliate asset base of only \$2.4 billion. In 2012, U.S. affiliates employed a record 46,384 workers in Turkey, according to estimates.

Turkey - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in Turkey	Turkey in U.S.
Foreign Direct Investment*	6.0	0.7
Total Assets of Affiliates	20.6	2.4
Foreign Affiliate Sales	24.5	0.5
Value Added of Affiliates	8.3	0.2
Affiliate Employees	46,384	-

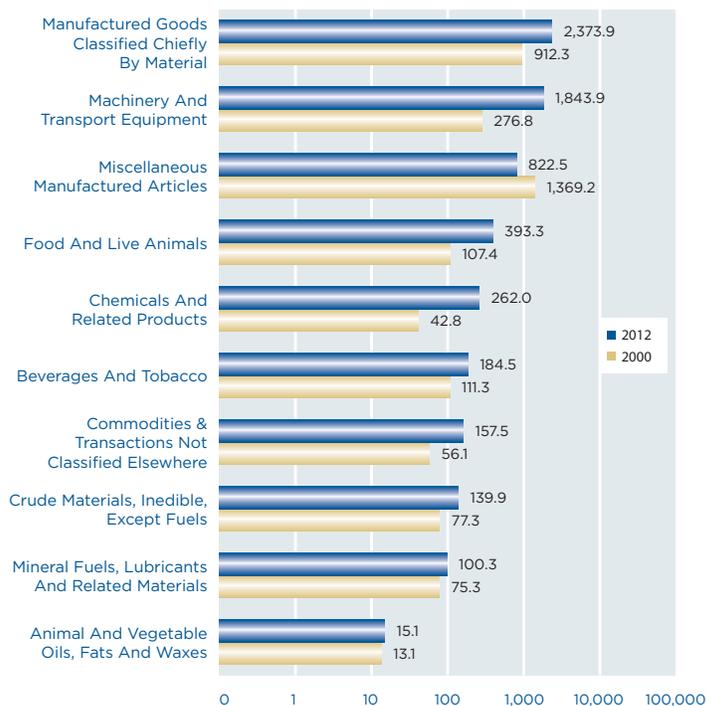
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Turkey's exports to the U.S. totaled \$5.6 billion in 2012, 3.7% of total exports and 6.0% when exports to the EU are excluded. Top exports to the U.S. include manufactured goods and machinery and transport equipment. Turkish imports from the U.S. had increased nearly five-fold over the last decade, reaching a high of \$16.0 billion in 2011, but fell to \$14.1 billion in 2012, accounting for 9.5% of imports excluding intra-EU trade.

Top Ten U.S. Imports from Turkey, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information



United Kingdom & the United States

INVESTMENT AND TRADE FIGURES

Investment

The U.S.-U.K. investment balance is fairly even, however the U.S. had a larger net cross-border impact in 2012. U.S. foreign direct investment in the United Kingdom jumped 15.9% to a record 597.8 billion in 2012. The UK's foreign direct investment in the U.S. also hit a new high in 2012. Estimated sales of American and British affiliates totaled more than \$1.2 trillion in 2012. According to estimates, U.S. affiliates employed over 1.3 million workers in the UK in 2012, a boost of 106,000 new jobs. UK affiliates employed roughly 986,000 people in the United States, an increase of 85,000 jobs.

United Kingdom - U.S. Global Linkages, 2012** (\$ billions)

	U.S. in United Kingdom	United Kingdom in U.S.
Foreign Direct Investment*	597.8	486.8
Total Assets of Affiliates	5,149.5	2,236.8
Foreign Affiliate Sales	694.9	521.3
Value Added of Affiliates	171.3	127.6
Affiliate Employees	1,315,335	985,958

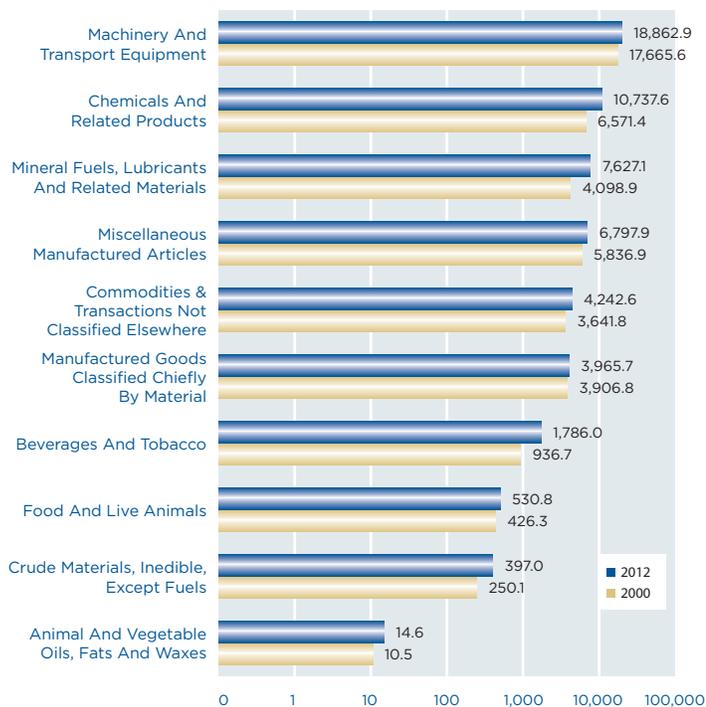
* Based on a historic-cost basis.

**Assets, sales, value added and employees data are estimates. All data are for majority-owned bank and nonbank affiliates.

Trade

Bilateral trade flows are strong between the UK and the United States. UK exports to the U.S. totaled \$45.3 billion in 2012, 10.5% of total UK exports and 22.6% when intra-EU exports are excluded. Top exports to the U.S. include heavy machinery and chemical products. The U.S. was similarly a key supplier to the UK in 2012, with \$43.6 billion in imports from the U.S., accounting for 13.1% of imports excluding intra-EU trade.

Top Ten U.S. Imports from United Kingdom, 2012 (in \$ millions)



Source: Bureau of Economic Analysis; International Monetary Fund; Office of Trade and Industry Information

Notes on Terms, Data and Sources

EMPLOYMENT, INVESTMENT, AND TRADE LINKAGES FOR THE 50 U.S. STATES AND EUROPE

Data for investment as well as investment-related jobs are from the U.S. Commerce Department's Bureau of Economic Analysis. Investment data measure gross property, plant, and equipment of affiliates. Europe includes Belgium, France, Germany, Italy, Netherlands, Sweden, Switzerland, and the United Kingdom. Trade data are from the International Trade Administration's Office of Trade and Industry Information at the U.S. Commerce Department. Europe includes Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Cyprus, Denmark, Estonia, Faeroe Islands, Finland, France, Germany, Georgia, Gibraltar, Greece, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malta, Moldova, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russia, San Marino, Serbia, Slovakia, Slovenia, Spain, Svalbard, Sweden, Switzerland, Tajikistan, Turkey, Ukraine, United Kingdom, Vatican City. The top ten exports to Europe bar chart employs a logarithmic scale to facilitate cross state comparisons.

INVESTMENT AND TRADE FOR THE EU 28, NORWAY, SWITZERLAND, TURKEY AND THE U.S.

Investment data are from the Bureau of Economic Analysis. Trade data are from the IMF Trade Statistics. Data for the top ten U.S. imports bar charts are from the Office of Trade and Industry Information of the International Trade Administration. They employ logarithmic scales to facilitate cross-country comparisons.

TERMS

Throughout this report, the term "EU" refers to all 28 member states of the European Union. The term EU15 refers to the older EU member states: the United Kingdom, Ireland, Belgium, Luxembourg, the Netherlands, Austria, Spain, Italy, Greece, France, Germany, Portugal, Sweden, Finland, and Denmark. The term EU12 refers to the newer EU member states: Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Malta, Cyprus, Romania and Bulgaria. EU12 data does not include Croatia, which on July 1, 2013 became the 28th member state of the European Union.

In addition to the above, the term "Europe" in this report refers to the following: all 28 members of the European Union plus Russia, Turkey, Switzerland, Albania, Andorra, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Gibraltar, Greenland, Iceland, Kazakhstan, Kyrgyzstan, Macedonia, Malta, Moldova, Monaco, Montenegro, Serbia, Tajikistan, Turkmenistan, Union of Soviet Socialist Republics, Uzbekistan.

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DANIEL S. HAMILTON and **JOSEPH P. QUINLAN** have been producing *The Transatlantic Economy* annual survey since 2004. They have authored and edited a series of award-winning books and articles on the modern transatlantic economy, including *Atlantic Rising: Changing Commercial Dynamics in the Atlantic Basin* (2014); *Germany and Globalization* (2009); *France and Globalization* (2009); *Globalization and Europe: Prospering in a New Whirled Order* (2008); *Sleeping Giant: Awakening the Transatlantic Services Economy* (2007); *Protecting Our Prosperity: Ensuring Both National Security and the Benefits of Foreign Investment in the United States* (2006); *Deep Integration: How Transatlantic Markets are Leading Globalization* (2005); and *Partners in Prosperity: The Changing Geography of the Transatlantic Economy* (2004). Together they were recipients of the 2007 Transatlantic Leadership Award by the European-American Business Council and the 2006 Transatlantic Business Award by the American Chamber of Commerce to the European Union.

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THE TRANSATLANTIC ECONOMY 2014

Annual Survey of Jobs, Trade and Investment
between the United States and Europe

DANIEL S. HAMILTON AND JOSEPH P. QUINLAN

The Transatlantic Economy 2014 annual survey offers the most up-to-date set of facts and figures describing the deep economic integration binding Europe and the United States. It documents European-sourced jobs, trade and investment in each of the 50 U.S. states, and U.S.-sourced jobs, trade and investment in each member state of the European Union and other European countries. It reviews key headline trends and helps readers understand the distinctive nature of transatlantic economic relations.

Key sectors of the transatlantic economy are integrating as never before. The Transatlantic Trade and Investment Partnership currently being negotiated across the Atlantic could transform the U.S.-European relationship. Europeans and Americans have become so intertwined that they are literally in each other's business. These linkages underpin a multi-trillion dollar economy that generates millions of jobs on both sides of the Atlantic. **The Transatlantic Economy 2014** offers a clear picture of the 'deep integration' forces shaping the U.S.-European economic relationship today; shows how these interdependencies have shifted in recent years; and explains how decision-makers can address the accompanying opportunities and challenges.

In the context of today's debates about jobs, competitiveness, financial crisis, changing economic fortunes and rising powers, **The Transatlantic Economy 2014** provides key insights about the United States and Europe in the global economy, with often counterintuitive connections with important implications for policymakers, business leaders, and local officials.

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