

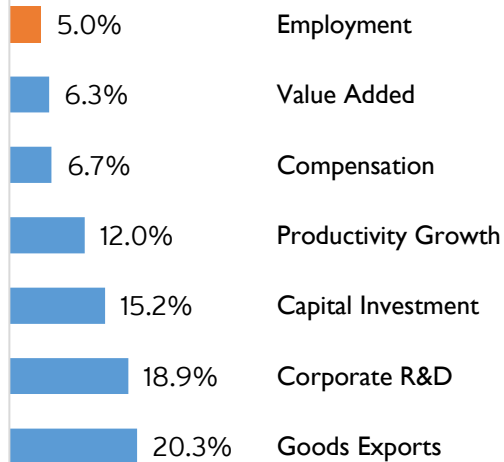
# FDI *IN* San Diego, CA

## WHAT IS FDI?

FDI occurs when a foreign company invests in a U.S. business enterprise either by opening a new operation or through a merger or acquisition. The foreign company must hold a majority stake in the U.S. operation for it to be considered "foreign-owned."

## WHY DOES FDI MATTER?

FDI matters because the U.S. operations of foreign firms contribute inordinately to the economy. While accounting for only 5 percent of private sector employment, FDI accounts for:



FDI also facilitates the spread of new knowledge, technologies, and ideas--flows critical to innovation and competitiveness in the global economy. But the magnitude and nature of FDI differ from place to place.

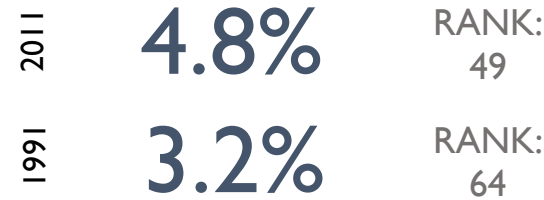
These profiles analyze how the characteristics of foreign-owned establishments (FOEs) and the jobs within them vary across U.S. states and metro areas.

## OVERALL TREND

### JOBS IN FOREIGN-OWNED ESTABLISHMENTS (FOEs)

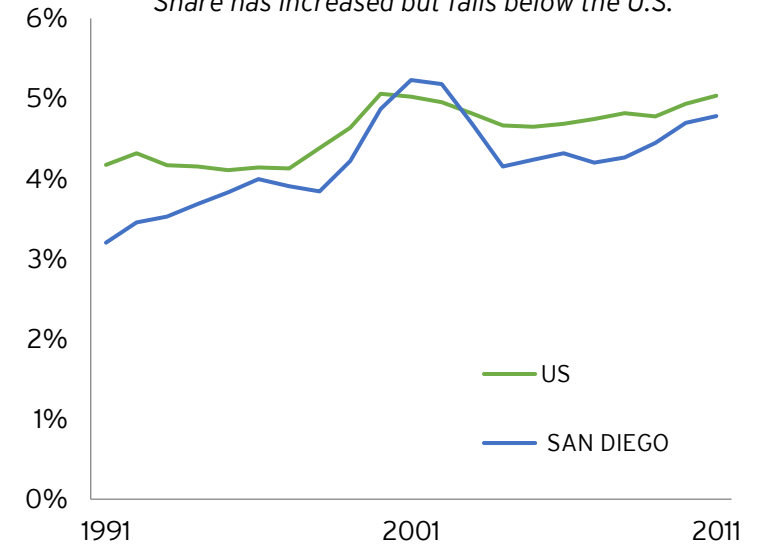


### SHARE OF TOTAL PRIVATE EMPLOYMENT IN FOES



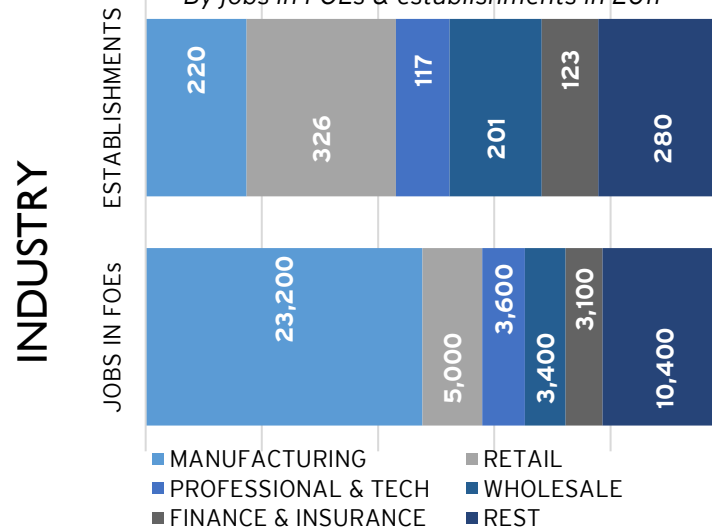
### SHARE OF TOTAL PRIVATE EMPLOYMENT IN FOES

Share has increased but falls below the U.S.



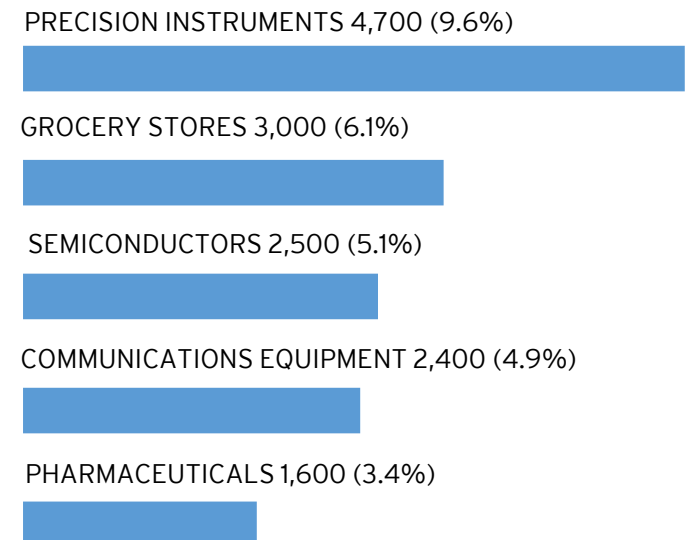
## DISTRIBUTION OF ESTABLISHMENTS & JOBS ACROSS SECTORS

By jobs in FOEs & establishments in 2011



## TOP FIVE INDUSTRIES

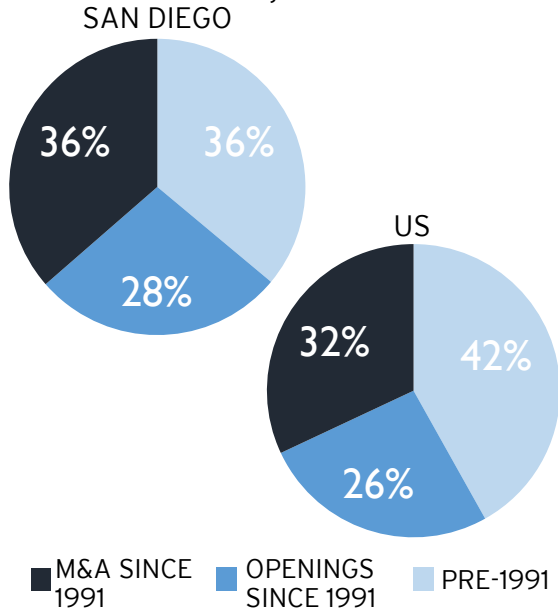
By jobs in FOEs (pct of total FOE jobs) in 2011



### SHARE OF JOBS IN FOEs BY MODE OF ENTRY

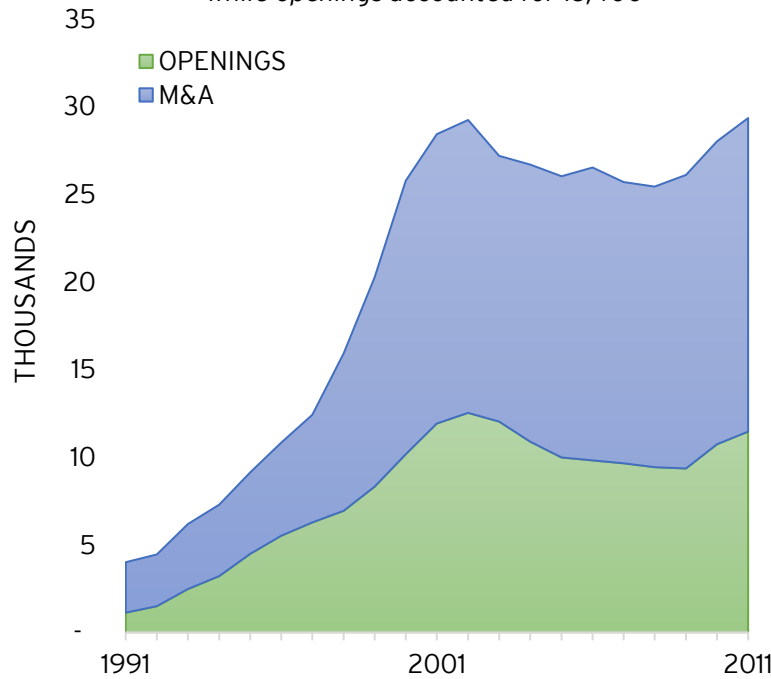
FOEs that entered foreign ownership via M&A after 1991 accounted for the largest share of jobs in 2011

MODE OF ENTRY



### NUMBER OF JOBS IN FOEs OPENING AFTER OR ACQUIRED SINCE 1991

By 2011 M&A accounted for 17,700 jobs in FOEs while openings accounted for 13,400



### TERMINOLOGY

**FDI:** Foreign-direct investment

**Foreign-Owned Establishments (FOEs):**

Single places of business belonging to a foreign-parent company; e.g. a factory, warehouse, store, or office

**Openings:** New physical place of business, includes new construction (greenfield) and new occupancy of existing space

**M&As:** Mergers and acquisitions

**City-Region:** Subnational administrative division such as a state, province, or prefecture, titled by its largest metro

### NOTES

- Metro profiles rank the largest 100 metropolitan areas by population
- State profiles rank across all states plus the District of Columbia
- All changes in reported jobs in foreign-owned establishments include both net jobs created or lost *plus transfers of existing jobs from US to foreign-ownership through M&As*, thus it is possible for the number of jobs under foreign-ownership to increase without net job creation taking place

- The mode of entry of all establishments that arrived prior to 1991 is unknown, which is the first year in the database

- Methodological details of this database are described in an accompanying appendix available on the report website

- Data source: Brookings analysis of the National Establishment Time Series, Bureau of Economic Analysis Financial & Operating statistics, Dun & Bradstreet, and Moody's Analytics data

### TOP FIVE SOURCE CITY-REGIONS

By jobs in FOEs (pct of total FOE jobs) in 2011

TOKYO, JAPAN 6,300 (13%)



LONDON, ENGLAND 5,900 (12.1%)



PARIS, FRANCE 3,800 (7.9%)



CAMBRIDGE, ENGLAND 2,500 (5.1%)



STOCKHOLM, SWEDEN 1,600 (3.2%)



GLOBAL SOURCE

### TOP FIVE SOURCE COUNTRIES

By jobs in FOEs (pct of total FOE jobs) in 2011

ENGLAND 11,900 (24.3%)



JAPAN 8,700 (17.9%)



SWITZERLAND 4,700 (9.6%)



FRANCE 4,000 (8.3%)



GERMANY 3,000 (6.1%)



### MORE INFORMATION

REPORT: "FDI in U.S. Metro Areas: The Geography of Jobs in Foreign-Owned Establishments"

WEB: [BROOKINGS.EDU/METROFDI](http://BROOKINGS.EDU/METROFDI)

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