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Foreign Direct Investment in Indiana

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EXECUTIVE SUMMARY

Foreign direct investment (FDI) is expected to rise globally, with China and India among the top recipients, followed by the United States, according to the 2005 A.T. Kearney FDI Confidence Index. Indiana continues to be a magnet for foreign investment and, with the recent decision by Honda to locate a new plant in Decatur County, Indiana, maintains its strong position as a Midwest leader in the Japanese market for business location.

No single data set captures the full FDI picture, so information for this initial report to the Indiana Economic Development Corporation has been compiled from a variety of government and private sources, including the United Nations Conference on Trade and Development, the Organisation for Economic Co-operation and Development (OECD), the U.S. Bureau of Economic Analysis and the Indiana Chamber of Commerce. These data sources use different ways to measure FDI. However, taken collectively, they all help reveal how Indiana fits into the U.S. and world FDI picture.

After sagging for three years, the FDI environment is improving, with worldwide FDI inflows increasing 2 percent in 2004 to \$648 billion.² However, this is still less than half the amount reached in 2000—a high of \$1.4 trillion. The FDI environment seems poised for more growth next year as countries continue to relax regulatory restrictions, creating conditions more favorable to foreign direct investment.

Worldwide, the largest three recipients of FDI were the United States (\$95.9 billion), the United Kingdom (\$78.4 billion) and China (\$60.6 billion). However, estimates from the OECD for 2005 indicate that the United Kingdom has surpassed the United States to assume the number one spot.

World FDI outflows also increased in 2004 by 18 percent to \$730 billion.³ The top five sources of FDI were the United States, the United Kingdom, Luxembourg, Spain and France.

In 2004, developing countries saw much FDI growth in merger and acquisition activity as well as the construction of new "greenfield" plants and facilities, with inflows increasing by 40 percent to \$233 billion. Two factors played notable roles in improving the global FDI environment in 2004, particularly with respect to developing countries:

- As industries mature and become more competitive, they often turn to developing countries for lower labor and production costs.
- Rising commodity prices have stimulated investments in countries rich in natural resources.

As for specific transnational companies, General Electric had the greatest value of foreign assets, the British company Vodafone Group had the highest percentage of firm assets in foreign investments (93 percent), and the Royal/Dutch Shell Group led all transnationals in the percentage of company employees based in foreign operations (84 percent).

Looking at the relationship between FDI coming into and going out of OECD countries between 1996 and 2005, France, the United Kingdom and Japan are the largest net exporters of FDI. Together they comprise 93 percent of the total cumulative net FDI outflows from all OECD countries. On the other hand, Mexico and the United States received more FDI than they provided.

U.S. employment of majority-owned U.S. affiliates in 2004 was 5.1 million. Even though the number of jobs has declined by 309,000 (or 5.7 percent) since 2002, expenditures for property, plant and equipment by majority-owned U.S. affiliates has remained relatively constant over the last several years.

Indiana Highlights

- Indiana compares favorably with other states in FDI, ranking ninth in the value of property, plant and equipment of majority-owned U.S. affiliates in 2004. From 2002 to 2004 the value of Indiana's property, plant and equipment of majority-owned U.S. affiliates increased by \$2.9 billion, placing it fifth in the nation in dollar-value increase.
- In 2004, the ratio of the gross value of property, plant and equipment of majority-owned U.S. affiliates to Indiana's gross state product was 0.145. While Kentucky's higher ratio indicates that FDI is a more significant component of its economy, the ratio for Indiana is well above the national average and all other Midwestern states.

Jobs in Companies where the Foreign Parent has a 10 Percent Stake or More

- In 2004, 148,300 people in Indiana worked for businesses in which a foreign investor or company had at least a 10 percent stake, as shown in Figure 1.
- Between 1999 and 2004, Indiana affiliates of foreign firms lost jobs at a faster rate than the national average (-10.1 percent versus -7.7 percent, respectively). This is likely attributed to the fact that Indiana's portfolio of U.S. affiliate investment was especially vulnerable during the manufacturing slump. However, Indiana's

affiliate employment has stabilized in recent years while U.S. affiliates altogether shed 362,000 jobs between 2002 and 2004.

Jobs in Companies where the Foreign Parent has a 50 Percent Stake or More

- About 89 percent of Indiana's U.S. affiliate employment is in organizations where the foreign parent company owns at least a 50 percent stake. These businesses, referred to as majority-owned U.S. affiliates, employed 132,500 people in 2004, or 4.2 percent of all private industry employment in Indiana.
- In 2004, majority-owned U.S. affiliates provided 80,800⁵ Hoosier manufacturing jobs, or 61 percent of those employed by majority-owned affiliates. This share, the largest in the nation, shows the degree to which majority-owned affiliate employment is dominated by the manufacturing sector. Majority-owned affiliate manufacturing employment represented about 15.2 percent of total private manufacturing employment in Indiana, which was greater than the national average and half of the Midwestern states.
- At almost 10 percent, majority-owned U.S. affiliate employment in the wholesale trade industry ranked second among Indiana's other sectors.
- Sixty-four percent of Indiana's majority-owned U.S. affiliate employment is controlled by Europe, followed by Asia/Pacific countries (25.5 percent) and Canada (6.7 percent).

- Among individual countries, Japan contributes the most jobs to Indiana (31,600 jobs or slightly less that one-fourth of majority-owned U.S. affiliate jobs). Toyota, Subaru and Aisin are the largest Japanese employers in Indiana.
- The next largest contributor is the United Kingdom with 26,700 jobs. Rolls-Royce Corporation, BP and Dexter Axle are the largest U.K employers in Indiana.
- Germany is a close third, supplying 26,400
 Hoosier jobs. DaimlerChrysler, Bayer and Adidas (doing business as Onfield Apparel Group) are the largest German employers in the state.

This is the first of many reports for Indiana focusing on foreign direct investment. The subjects of quarterly reports will alternate between FDI and exports. Please send any comments about this report to ibrc@iupui.edu. <

Notes

- The A.T. Kearney FDI Confidence Index measures executive enthusiasm for a region's relative attractiveness for foreign direct investment.
- All monetary values in this report are expressed in current U.S. dollars (not adjusted for inflation) unless otherwise indicated.
- 3. World inflows do not match world outflows because of a difference in reporting between countries. For example, one country may include reinvestments in its outflows, but the receiving country may not include those figures in its inflows. This, coupled with the fact that corporate accounting practices and valuation differ across countries, results in unequal inflows and outflows (http://www.unctad.org/TEMPLATES/Page. asp?intltemID=3197&lang=1).
- The greater the ratio, the more significant FDI is to a state economy. The ratio can exceed unity.
- 5. Bureau of Economic Analysis Table III.G.13. Please see note for Table C-1 for an explanation of the differences in FDI employment statistics.

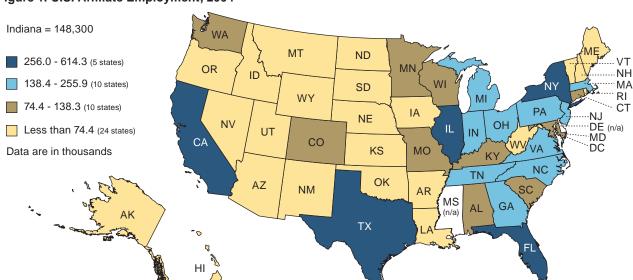


Figure 1: U.S. Affiliate Employment, 2004

Note: Data for Delaware and Mississippi are not available Source: Bureau of Economic Analysis

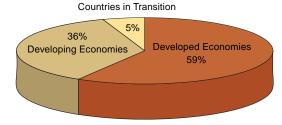
THE GLOBAL FOREIGN DIRECT INVESTMENT ENVIRONMENT

World FDI Inflows and Outflows

The foreign direct investment (FDI) environment is improving after a three year slump, according to the United Nations Conference on Trade and Development (UNCTAD) World Investment Report for 2005. World FDI inflows increased 2 percent in 2004 to \$648 billion, but this is still less than half the amount reached in 2000—a high of \$1.4 trillion. Developed economies continued their downward slide as their share of the world's total FDI inflows fell to 59 percent (see **Figure A-1**), which is a far cry from their 81 percent share in 2000.

The largest three recipients of FDI were the United States (\$95.9 billion), the United Kingdom (\$78.4 billion) and China (\$60.6 billion). Developing countries were the impetus for FDI growth in 2004. FDI inflows into developing economies increased by 40 percent to \$233 billion, continuing the growth seen since 2002; however, this level is 8 percent below the highs experienced in 2000. Comparatively, the FDI inflows for developed countries were down 66 percent from 2000. Figure A-2 shows that FDI inflows comprise a smaller share of gross domestic product (GDP), with the exception of transitioning economies, with each consecutive year since 2000.

Figure A-1: FDI Infows as Percent of World FDI Inflows, 2004



Source: UNCTAD World Investment Report for 2005

The UNCTAD World Investment Report explored many causes for the large increase in FDI to developing countries, all of which played a role in improving the global FDI environment in 2004.

- As industries mature and the environment becomes more competitive, they often turn to developing countries for lower labor and production costs.
- Rising commodity prices have resulted in investments in countries rich in natural resources.
- Greenfield FDI (which typically refers to the construction of new plants or other business facilities) continued to rise.

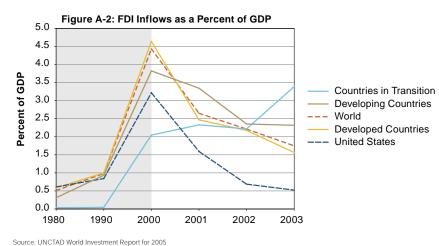
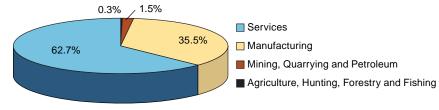


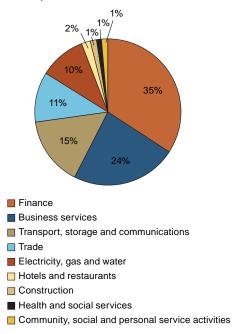
Figure A-3: World FDI Resulting from Mergers and Acquisitions by Sector



Source: UNCTAD World Investment Report for 2005

World FDI
inflows
increased 2
percent in
2004 to \$648
billion, but
this is still
less than half
the amount
reached in
2000—a
high of \$1.4
trillion.

Figure A-4: World FDI Resulting from Mergers and Acquisitions in the Service Industries, 2004



Source: UNCTAD World Investment Report for 2005

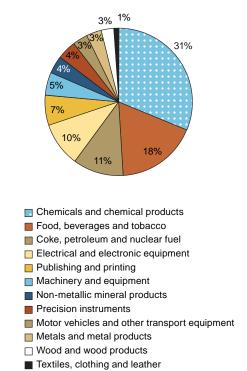
 Cross-border mergers and acquisitions (M&As) were also a cause of the increase in FDI to developing countries.

Mergers and Acquisitions

"The services sector accounted for 63 percent of the total value of cross-border mergers and acquisitions (M&As) in 2004, with financial services responsible for one-third of the value of cross-border M&As in this sector" (see Figures A-3 and A-4). In 2004, there were 5,113 merger and acquisition deals, and the value of those deals increased 28 percent over-the-year to \$381 billion. The manufacturing industry, which only comprised a third of the total value of cross-border M&As, had one industry that stuck out in the total value of its mergers and acquisitions: the chemical and chemical-products industry comprised about a third of the manufacturing sector's total value of M&As (see Figure A-5).

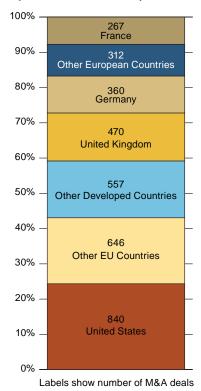
Both developed and developing countries had increases in cross-border M&As over-the-year. Developed economies had almost three-fourths of all deals and 83 percent of the total value of M&As, while developing countries had a growth rate in the total value of M&As that was 1.2 times the rate of developed countries. The European Union alone had almost half of the value of the total number of M&As in 2004 and 2,100 of the 5,100 deals. **Figure A-6** shows

Figure A-5: World FDI Resulting from Mergers and Acquisitions in the Manufacturing Industry, 2004



Source: UNCTAD World Investment Report for 2005

Figure A-6: Percent Distribution of FDI Merger and Acquisition Deals for Developed Countries, 2004



Source: UNCTAD World Investment Report for 2005

The United States had a 69 percent increase in FDI inflows in 2004, but at \$96 billion, it was still a third of the level seen in 2000.

the percent distribution of M&A deals and the actual number of deals for developed countries. The United States accounted for 22 percent of all M&A deals occurring in developed countries.

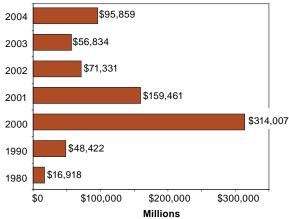
Exporters of FDI

The top five exporters of FDI were the United States, the United Kingdom, Luxembourg, Spain and France. World FDI outflows also increased in 2004 by 18 percent to \$730 billion. Eighty-eight percent of world FDI outflows came from developed economies (see **Figure A-7**). Similar to world FDI inflows, the year 2000 was a benchmark for FDI outflows, with outflows comprising a smaller share of GDP in 2003 (see **Figure A-8**).

FDI Inflows and Outflows for the United States

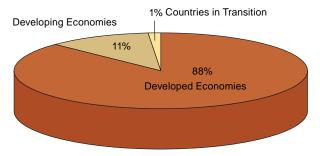
The United States had a 69 percent increase in FDI inflows in 2004 but, at \$96 billion, it was still a third of the level seen in 2000 (see **Figure A-9**). The United States exported FDI in the amount of \$229 billion in 2004—a record high and a 92 percent increase over 2003 (see **Figure A-10**).

Figure A-9: U.S. FDI Inflows from the World



Source: UNCTAD World Investment Report for 2005

Figure A-7: FDI Outflows as Percent of World Outflows, 2004



Source: UNCTAD World Investment Report for 2005

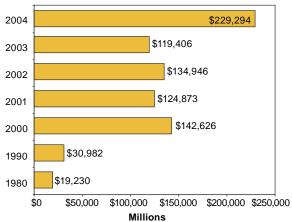
Figure A-8: FDI Outflows as Percent of GDP 5.0 4.5 4.0 Percent of GDP 3.5 3.0 2.5 2.0 1.5 1.0 0.5 0.0 1990 2000 2002 1980 2001 2003 **Developed Countries** World Countries in Transition

Source: UNCTAD World Investment Report for 2005

United States

Developing Countries

Figure A-10: U.S. FDI Outflows to the World



Source: UNCTAD World Investment Report for 2005

The World's Top 10 Non-Financial Transnational Companies

Table 1 looks at the world's top 10 non-financial transnational companies (TNCs) ranked by the value of their foreign assets. General Electric assumed the number one slot—40 percent of its assets are foreign (\$258.9 billion). The top 10 TNCs were in one of the following industries: electrical and electronic equipment, motor vehicles, telecommunications and petroleum exploration, refinery and distribution. Although General Electric had the greatest value of foreign assets, the British company Vodafone Group had the greatest share of foreign assets as a percent of the corporation's total assets (93 percent). Meanwhile, the Royal/Dutch Shell Group had 100,000 foreign employees—84 percent of the total number of employees within the corporation. ❖

Notes

- UNCTAD World Investment Report 2005: Transnational Corporations and the Internationalization of R&D. Available online at www.unctad.org/ Templates/webflyer.asp?docid=6087&intltemID=2527&lang=1.
- Countries in Transition include Southeast Europe and all the former republics of the former USSR, except the Baltic States (which are now members of the European Union).
- UNCTAD World Investment Report 2005: Transnational Corporations and the Internationalization of R&D, p4. Available online at www.unctad.org/ Templates/webflyer.asp?docid=6087&intltemID=2527&lang=1.
- 4. World inflows do not match world outflows because of a difference in reporting betweeen countries. For example, one country may include reinvestments in its outflows, but the receiving country may not include those figures in its inflows. This, coupled with the fact that corporate accounting practices and valuation differ across countries, results in unequal inflows and outflows (http://www.unctad.org/TEMPLATES/Page. asp?intltemID=3197&lang=1).

Table I: The World's Top 10 Non-Financial TNCs, Ranked by Foreign Assets, 2003a

Ranked I	oy:			Home		Ass	sets	Sales		Employment		TNIb	Numbe	r of Affi	liates
Foreign Assets	TNIb	II°	Corporation	Economy	Industry ^d	Foreign	Total	Foreigne	Total	Foreign	Total		Foreign	Total	IIº
1	77	37	General Electric	U.S.	Electrical and Electronic Equipment	258,900	647,483	54,086	134,187	150,000	305,000	43.2	1,068	1,398	76.39
2	7	95	Vodafone Group Plc	U.K.	Telecommunications	243,839 ^f	262,581	50,070	59,893	47,473	60,109	85.1	71	201	35.32
3	72	12	Ford Motor Company	U.S.	Motor Vehicles	173,882 ^f	304,594	60,761	164,196	138,663 (p)	327,531	45.5	524	623	84.11
4	90	65	General Motors	U.S.	Motor Vehicles	154,466 ^f	448,507	51,627	185,524	104,000	294,000	32.5	177	297	59.6
5	10	78	British Petroleum Company Plc	U.K.	Petroleum exploration, refinery and distribution	141,551	177,572	192,875	232,571	86,650	103,700	82.1	60	117	51.28
6	31	41	Exxonmobil Corporation	U.S.	Petroleum exploration, refinery and distribution	116,853 ^f	174,278	166,926	237,054	5,3748 (p)	88,300	66.1	218	294	74.15
7	22	80	Royal Dutch /Shell Group	U.K.	Petroleum exploration, refinery and distribution	112,587 ^f	168,091	129,864	201,728	100,000 (p)	119,000	71.8	454	929	48.87
8	68	94	Toyota Motor Corporation	Japan	Motor Vehicles	94,164 ^f	189,503	87,353	149,179	89,314	264,410	47.3	124	330	37.58
9	16	48	Total	France	Petroleum exploration, refinery and distribution	87,840 ^f	100,989	94,710	118,117	60,931	110,783	74.1	419	602	69.6
10	62	69	France Telecom	France	Telecommunications	81,370 ^f	126,083	21,574	52,202	88,626	218,523	48.8	118	211	55.92

a. All data are based on the companies' annual reports unless otherwise stated.

b. TNI is the abbreviation for "Transnationality Index." The Transnationlity Index is calculated as the average of the following three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment.

c. II is the abbreviation for "Internationalization Index." The Index is calculated as the number of foreign affiliates divided by number of all affiliates (Note: Affiliates counted in this table refer to only majority-owned affiliates).

d. Industry classification for companies follows the United States Standard Industrial Classification as used by the United States Securities and Exchange Commission (SEC).

e. Foreign sales are based on the origin of the sales unless otherwise stated.

f. In a number of cases companies reported only partial foreign assets. In these cases, the ratio of the partial foreign assets to the partial (total) assets was applied to total assets to calculate the total foreign assets. In all cases, the resulting figures have been sent for confirmation to the companies.

Source: UNCTAD/Erasmus University database

OECD COUNTRIES AND FOREIGN DIRECT INVESTMENT

Another source for FDI data is the Organisation for Economic Co-operation and Development (OECD). They issued a report in June 2006 based on estimated 2005 data and found that the global environment for FDI has improved, largely due to the overall health of the global economy. Growing OECD economies, low interest rates, stable exchange rates, strong corporate profits and peaking real estate prices all play significant roles luring investors in OECD countries to look abroad for investment opportunities.¹

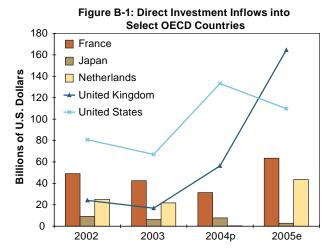
Foreign Direct Investment Inflows

In 2005, the United Kingdom (\$165 billion in inflows) was the largest FDI destination, followed by the United States (\$110 billion) and China (\$72 billion). Note that China is not an OECD member country (see **Table B-1** for a list of OECD member countries, most of which are developed countries, and their GDP growth).

Table B-1: GDP Growth, 1990 to 2003

Ireland 7.7 Korea 5.5 Poland 4.2 Australia 3.8 Norway 3.5 Canada 3.3 United States 3.3 New Zealand 3.2 Turkey 3.1 Mexico 3.0 Finland 2.8 Spain 2.8 Greece 2.7 Netherlands 2.7 United Kingdom 2.7 Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9 Italy 1.6	OECD Member Countries	Average Annual Growth
Poland 4.2 Australia 3.8 Norway 3.5 Canada 3.3 United States 3.3 New Zealand 3.2 Turkey 3.1 Mexico 3.0 Finland 2.8 Spain 2.8 Greece 2.7 Netherlands 2.7 United Kingdom 2.7 Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9		
Australia 3.8 Norway 3.5 Canada 3.3 United States 3.3 New Zealand 3.2 Turkey 3.1 Mexico 3.0 Finland 2.8 Spain 2.8 Greece 2.7 Netherlands 2.7 United Kingdom 2.7 Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	Korea	5.5
Norway 3.5 Canada 3.3 United States 3.3 New Zealand 3.2 Turkey 3.1 Mexico 3.0 Finland 2.8 Spain 2.8 Greece 2.7 Netherlands 2.7 United Kingdom 2.7 Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	Poland	4.2
Canada 3.3 United States 3.3 New Zealand 3.2 Turkey 3.1 Mexico 3.0 Finland 2.8 Spain 2.8 Greece 2.7 Netherlands 2.7 United Kingdom 2.7 Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	Australia	3.8
United States 3.3 New Zealand 3.2 Turkey 3.1 Mexico 3.0 Finland 2.8 Spain 2.8 Greece 2.7 Netherlands 2.7 United Kingdom 2.7 Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	Norway	3.5
New Zealand 3.2 Turkey 3.1 Mexico 3.0 Finland 2.8 Spain 2.8 Greece 2.7 Netherlands 2.7 United Kingdom 2.7 Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	Canada	3.3
Turkey 3.1 Mexico 3.0 Finland 2.8 Spain 2.8 Greece 2.7 Netherlands 2.7 United Kingdom 2.7 Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	United States	3.3
Mexico 3.0 Finland 2.8 Spain 2.8 Greece 2.7 Netherlands 2.7 United Kingdom 2.7 Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	New Zealand	3.2
Finland 2.8 Spain 2.8 Greece 2.7 Netherlands 2.7 United Kingdom 2.7 Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	Turkey	3.1
Spain 2.8 Greece 2.7 Netherlands 2.7 United Kingdom 2.7 Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	Mexico	3.0
Greece 2.7 Netherlands 2.7 United Kingdom 2.7 Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	Finland	2.8
Netherlands 2.7 United Kingdom 2.7 Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	Spain	2.8
United Kingdom 2.7 Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	Greece	2.7
Portugal 2.6 Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	Netherlands	2.7
Slovak Republic 2.5 Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	United Kingdom	2.7
Hungary 2.4 Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9		2.6
Denmark 2.3 Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	Slovak Republic	2.5
Sweden 2.3 Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	Hungary	2.4
Austria 2.1 Belgium/Luxembourg 2.1 France 1.9	Denmark	2.3
Belgium/Luxembourg 2.1 France 1.9	Sweden	2.3
France 1.9		2.1
	Belgium/Luxembourg	2.1
Italy 1.6	France	1.9
	Italy	1.6
Germany 1.5	Germany	1.5
Czech Republic 1.4	Czech Republic	1.4
Japan 1.2	Japan	1.2
Switzerland 1.2	Switzerland	1.2
Iceland n/a		n/a

Source: OECD and World Bank

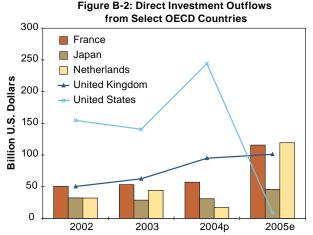


Notes: Data are converted to U.S. dollars using average exchange rates; p: preliminary; e: estimate. Source: OECD international direct investment database.

Direct investment into OECD countries increased to \$622 billion—a 27 percent increase that was four-and-ahalf times the growth rate of 2004 and considerably better than the 19 percent drop that OECD countries experienced in 2003. This increase was largely influenced by the tripling of FDI flows into the United Kingdom and the doubling of FDI into France, but dampened a bit by the reduction of FDI into Japan and the United States (see Figure B-1). According to the June 2006 report, "the rise in FDI in the U.K. was due in part to the restructuring of multinational firms, such as Royal Dutch Shell, and in part due to several large cross-border mergers and acquisitions, such as the takeover of Peninsular & Oriental Steam Navigation Company by Dubai Ports World of the United Arab Emirates for \$8.2 billion. As in previous years, one of the factors underpinning foreign direct investment in France was the acquisition by foreign companies of corporate and residential real estate."

Foreign Direct Investment Outflows

FDI outflows from OECD countries decreased by 8 percent in 2005 to \$716 billion. However, this was largely due to the United States outflows dropping from \$244 billion to \$9 billion as the result of the American Jobs Creation Act of 2004.² Remove the United States from the equation and the OECD would have experienced a 32 percent gain in FDI outflows. The Netherlands, France and the United Kingdom invested the most abroad, surpassing the United States, who has been the most active foreign direct investor in recent years (see **Figure B-2**). The Netherlands had a very large increase in FDI outflows, but this was largely due



Notes: Data are converted to U.S. dollars using average exchange rates; p: preliminary; e: estimate Source: OECD international direct investment database.

to corporate restructuring. France doubled their outward flows. Japan's growth in FDI abroad is of particular interest to Indiana in light of recent trade delegations to the country. Japan's outward FDI increased 48 percent to \$46 billion—six times its 2004 growth rate.

Relationship of Inflows and Outflows

Up to this point, we have analyzed inflows and outflows of FDI separately, but what is the relationship between FDI coming in and going out of these countries? Figure B-3 depicts the cumulative net outflows of FDI (outflows - inflows) for the 1996 to 2005 timeframe for select OECD countries. France, the United Kingdom and Japan are the largest exporters of FDI. Together they comprise 93 percent of the total cumulative net FDI outflows of all OECD countries. On the other hand, Mexico and the United States bring in more FDI than they export. The OECD report found that the United States is an attractive destination for foreign investors because it is viewed as a low risk investment, has had an improving stock market and it is the richest economy in the world, outperforming most other OECD countries in recent years. Certainly the U.S. economy can be considered wealthy, comprising 29 percent of the world's economy (see **Table B-2**). Only Norway (3.1 percent), Mexico (3.1 percent), Australia (3.2 percent), Turkey (3.9 percent), Korea (5.9 percent) and Ireland (6.7 percent) within the OECD had a greater annual average growth rate than the United States (3.0 percent) from 1990 to 2004; New Zealand was the only OECD member to have the same annual growth rate as the United States during that time. However, for those countries with at least 1 percent of world GDP, China (not an OECD member) had the greatest average annual growth rate in the world during this time period—9.6 percent (see Appendix A, Table 1).

Table B-2: Top Ten Gross Domestic Products, 2004

GDP Ranks	Billions of U.S. Dollars	Percent of World Economy
1. United States	11.71	29
2. Japan	4.67	11
3. Germany	2.74	7
4. United Kingdom	2.12	5
5. France	2.05	5
6. Italy	1.68	4
7. China	1.65	4
8. Spain	1.04	3
9. Canada	0.99	2
10. Africa	0.79	2
Top 10	29.6	72

Source: United Nations Statistics Division

The FDI environment seems to have improved over the year and is poised for more growth next year as countries continue to adopt regulatory measures that are favorable to foreign direct investment.

Notes

- Organisation for Economic Co-operation and Development, "FDI into OECD countries jumps 27% in 2005," 28 June 2006. Available online at www. oecd.org/document/39/0,2340,en_2649_34529562_37011943_1_1_1_34529562_00.html.
- 2. The American Jobs Creation Act of 2004 reduces the rate of taxation on U.S. multinational enterprises' qualifying dividends from abroad for a period of one year. Consequently, the 2005 distributions of earnings from foreign affiliates to parents in the United States were elevated, and earnings reinvested in affiliates abroad were reduced by a like amount. For this reason, the reinvested earnings component of U.S. direct investment abroad became sharply negative, particularly in the last quarters of 2005.

Figure B-3: Percent of Total Cumulative Net FDI Outflows from Select OECD Countries, 1996 to 2005

4.4
6.2
10.2
14.5
16.7
23.0
34.7
35.7

Source: OECD international direct investment database

FOREIGN DIRECT INVESTMENT IN THE UNITED STATES AND INDIANA

Investment in the United States

In 2004, Indiana ranked 9th nationally in the value of property, plant and equipment of majority-owned U.S. affiliates, and 14th for employment by these foreign investors. Since there are two sides to FDI—employment and investment—we will first look at employment and then move on to investment dollars. Following that, the focus will shift to the sources of majority-owned foreign investment in Indiana.

Total Employment

In Indiana, 148,300 employees worked for businesses in which a foreign investor or company had at least a

10 percent stake in 2004. These businesses, called U.S. affiliates (see Figure C-1), represent 4.8 percent of total private industry employment in Indiana (see Figure C-2). (It is important to note that there has been a recent shift in the emphasis in how foreign investment is measured, from all U.S. affiliates to majority-owned U.S. affiliates.)1 Indiana's U.S. affiliate share of total jobs surpassed those of the United States and most of the Midwest (see Figure C-3). U.S. affiliate jobs peaked in 2000 for Indiana and most of its neighboring states. Since 2002, employment has stabilized in Indiana while it has continued to shrink in several neighboring states (see Figure C-4).

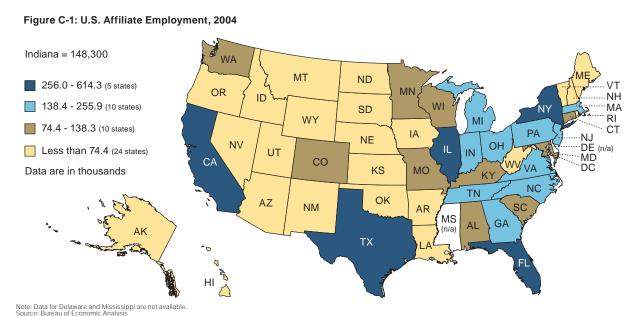
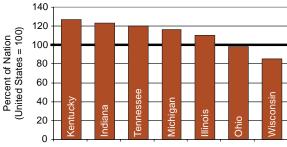


Figure C-2: U.S. Affiliate Employment as a Percent of Total Private Industry Employment, 2004



Figure C-3: Share of Private Industry Jobs by U.S. Affiliates in the Midwest Compared to the Nation, 2004



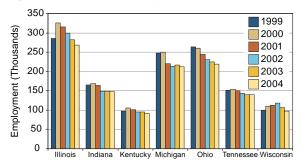
Sources: Bureau of Economic Analysis and Bureau of Labor Statistics

On a percentage basis, Hoosier job loss was greater than for the United States as a whole between 1999 and 2004 (see **Figure C-5**).² This is likely attributed to the fact that Indiana's portfolio of FDI industries was especially vulnerable during the slump in manufacturing output. More recently, from 2003 to 2004, Indiana ranked 16th in the percent change in employment, with a job loss rate that was less than the national average. Only 14 states showed positive job growth for U.S. affiliates in the same period.

Manufacturing Employment

In 2004, U.S. affiliates provided 84,800 Hoosier manufacturing jobs (see **Figure C-6**). U.S. affiliate manufacturing jobs represent 14.5 percent (about one-seventh) of total private manufacturing employment in Indiana (see **Figure C-7**). Indiana's share is larger than the United States and most of the Midwest. As with all types of U.S. affiliate jobs, Kentucky and Tennessee have greater manufacturing shares than Indiana; one-fifth of Kentucky's

Figure C-4: U.S. Affiliate Employment Trends in the Midwest



Source: Bureau of Economic Analysis

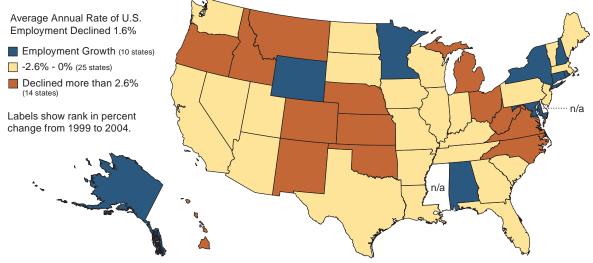
manufacturing jobs are U.S. businesses with some foreign stake (see **Figure C-8**).

Manufacturing jobs represent 57.2 percent of all U.S. affiliate jobs in Indiana, the third highest share in the nation. Illinois' manufacturing sector's share of total affiliate jobs was half as large (28.9 percent). This indicates that FDI is spread more evenly across sectors in Illinois, as most affiliate jobs are outside of manufacturing. For example, affiliate employment in professional, scientific and technical services represents over 5 percent of affiliate employment in Illinois, compared to 0.5 percent in Indiana. **Figure C-9** shows that Midwest affiliate employment, with the exception of Illinois, is strongly biased toward manufacturing.

Investment

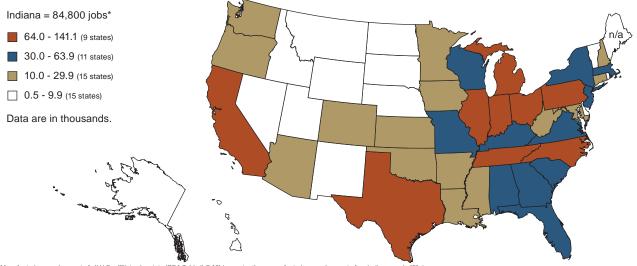
In 2004, the gross value of property, plant and equipment held by U.S. affiliates of foreign investors or companies totaled \$1.2 trillion. Indiana ranked 10th nationally in

Figure C-5: Average Annual Percent Change in U.S. Affiliate Employment, 1999-2004



Note: Data for Delaware and Mississippi are not available Source: Bureau of Economic Analysis

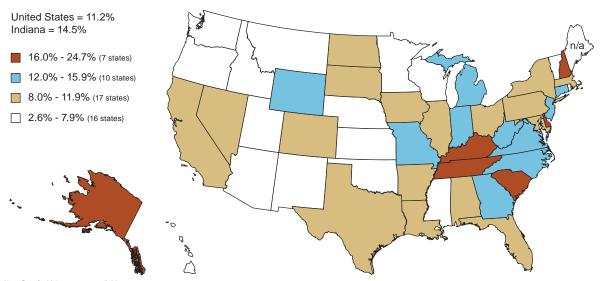
Figure C-6: U.S. Affiliate Manufacturing Employment, 2004



*Manufacturing employment of all U.S. affiliates by state (BEA Table II.G.19) is greater than manufacturing employment of majority-owned affiliates.

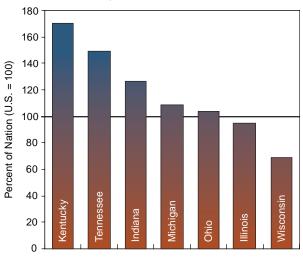
Notes: More than half of the data for Alaska, the District of Columbia, Rhode Island, Vermont, and Wyoming has been estimated. Data for Maine was not available. Source: Bureau of Economic Analysis, manufacturing employment of all U.S. affiliates by state.

Figure C-7: U.S. Affiliate Manufacturing Jobs as a Percent of Total Private Manufacturing Jobs, 2004



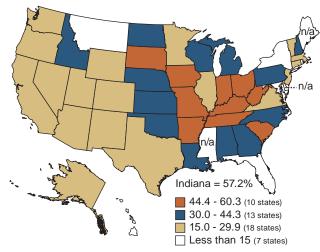
Note: Data for Maine were not available. Sources: Bureau of Economic Analysis and Bureau of Labor Statistics

Figure C-8: Percent of Total Private Manufacturing Jobs in U.S. Affiliates Compared to the Nation, 2004



Sources: Bureau of Economic Analysis, manufacturing employment of all U.S. affiliates by state.

Figure C-9: U.S. Affiliate Jobs: Manufacturing as a Percent of Total, 2004



Note: Data for Mississippi, Delaware, and Maine are not available Source: Bureau of Economic Analysis

gross value of U.S. affiliate property, plant and equipment in 2004. That translates to 2.7 percent of the total foreign investment in the United States in 2004 on a gross value basis. California, Texas and New York combined comprised almost one fourth of foreign investment in the United States.

Gross state product (GSP), the state equivalent of GDP, is a measure of economic output generated by a state. The ratio of FDI in property, plant and equipment to economic output (GSP) can be used to show the relative significance

of foreign investment in a state. As shown in Figure C-10, Indiana's ratio of 0.156 in 2004 was below Kentucky (partly reflecting the smaller overall size of Kentucky's economy) but greater than all other Midwestern states. Figure C-11 shows the change from 2003 to 2004 in the relative significance of FDI to a state's economy. As was the case with the majority of states, GSP increased more quickly than FDI in Indiana.

Commercial property investment in Indiana was only 3.9 percent of the gross book value of affiliates' property,

Figure C-10: Ratio of Foreign Direct Investment to Gross State Product, 2004 0.30 0.25 The greater the number, the more significant FDI is to the state economy. 0.20 0.15 U.S. Average = 0.1070.05 0.00 Nevada Florida Virginia owa District of Columbia California Oklahoma Carolina Tennessee Texas Michigan West Virginia Utah South Carolina **Aaryland** Minnesota Arkansas ennsylvania **Jassachusetts** Colorado New Hampshire New Jersey Montana Vississippi Alabama Kentucky Connecticut Washington New York Wisconsin Rhode Island Missouri North

Notes: Five are states not shown because data are nondisclosable. Alaska's ratio exceeds unity due chiefly to the large investments that U.S. affiliates have made in property, plant and equipment associated with oil and gas extraction. Source: Bureau of Economic Analysis

1% or More (2 states) n/a 0.1% - 0.9% (12 states) n/a No Change (2 states) Decreased (28 states)

Figure C-11: Change in the Ratio of Foreign Direct Investment to Gross State Product, 2003 to 2004

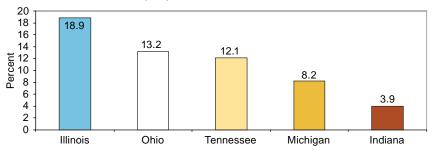
Source: Bureau of Economic Analysis

plant and equipment in 2003, significantly below the national average of 14.4 percent. Figure C-12 shows that other Midwestern states have a significantly greater proportion of FDI invested in commercial property. This reflects Indiana's strong manufacturing base and foreign interests investing in areas such as manufacturing facilities and equipment. Not surprisingly, Hawaii was the top state in attracting foreign investment in commercial property, undoubtedly explained by its proximity to Japan and other Far Eastern countries and the fact that it is a popular vacation destination.

While employment by U.S. affiliates has fallen by 465,300 jobs or 7.7 percent between 1999 and 2004, the gross value of property, plant and equipment has increased by \$168.3 billion, or 15.7 percent. Only 13 states experienced a diminution in the gross value of property, plant and equipment. From 1999 to 2004, Indiana experienced an increase of \$3.6 billion in the gross value of property, plant and equipment and ranked 11th among the states. Indiana's growth of 12.2 percent in FDI was stronger than Illinois, Tennessee, Michigan and Ohio but considerably behind Wisconsin and Kentucky (see Figure C-13).

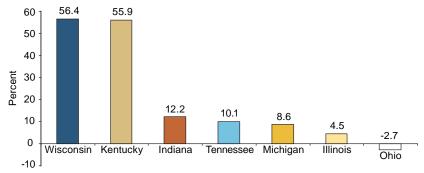
Investment in commercial property was not a contributing factor to the increase in the value of property, plant and equipment of U.S. affiliates in Indiana since 2001. From 1999 to 2001, the value of commercial property in Indiana grew significantly, but has since declined modestly. Despite the more recent decline, however, Indiana did register respectable growth in the value of commercial property from 1999 to 2003 (see **Figure C-14**). The trajectory for the nation as a whole was much different. After falling 7.1 percent from 1999

Figure C-12: Percentage of Gross Value of Property, Plant and Equipment Invested in Commercial Property, 2003



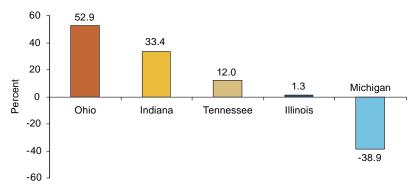
Note: Data for Wisconsin and Kentucky are nondisclosable. Data for 2004 are not available Source: Bureau of Economic Analysis

Figure C-13: Percent Change in the Gross Value of Property, Plant and Equipment for All U.S. Affiliates, 1999 to 2004



Source: Bureau of Economic Analysis

Figure C-14: Percent Change in the Gross Value of Commercial Property, 1999-2003



Note: Data for Wisconsin and Kentuckyare nondisclosable. Data for 2004 are not available. Source: Bureau of Economic Analysis

to 2002, the value of commercial property for the nation recovered in the following years. In 2004, the national gross value of commercial property represented almost 15 percent of all gross investment. This percentage is far greater than Indiana's. In 2003, the last year for which there are commercial investment data for all affiliates operating in Indiana, commercial property was a mere 3.9 percent of the gross value of property, plant and equipment of U.S. affiliates.

Foreign-Controlled Firms

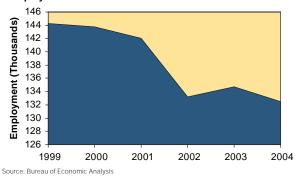
For the United States as a whole, 92 percent of U.S. affiliate employment is majority-owned. Similarly, 89.3 percent of Indiana's affiliate employment is majority-owned by foreign parent companies. The level of U.S. affiliate employment among the states runs the gamut, but no state has majority ownership of U.S. affiliates less than 81 percent.

Although a five-year time frame is often used to show trends, using a five-year time frame in this case is potentially misleading because most states' majority-owned U.S. affiliate employment peaked in 2000 or 2001 and has since declined. **Figure C-15** shows Indiana's majority-owned U.S. affiliate employment trends. Employment for the state was at its peak in 1999, fell in 2000 and did not stabilize until 2003 with the upturn in the economy.

As for manufacturing employment, Indiana's 61 percent earned it the number one slot in the nation for majority-owned U.S. affiliate manufacturing jobs in 2004 as a percentage of all majority-owned affiliate employment.

Figure C-16 shows the extent to which the manufacturing sector contributes to majority-owned U.S. affiliate employment in Indiana. The second largest employment by a single sector was wholesale trade. In the United States, majority-owned U.S. affiliate employment

Figure C-15: Indiana's Majority-Owned U.S. Affiliate Employment



is spread more evenly across industries, although the manufacturing sector is still responsible for the greatest number of jobs (39.9 percent).

Foreign-controlled U.S. businesses in Indiana comprised 4.2 percent of all private industry employment in 2004 (see **Table C-1**). Indiana's share was greater than the nation and greater than Illinois, Ohio and Wisconsin in the Midwest. In 2004, Indiana's share of foreign controlled U.S. business employment in manufacturing was 15.2 percent; this was behind Kentucky, Michigan and Tennessee. Illinois is notable among the Midwestern states for the considerable

Figure C-16: Share of Majority-Owned U.S. Affiliate Employment by Sector, 2004

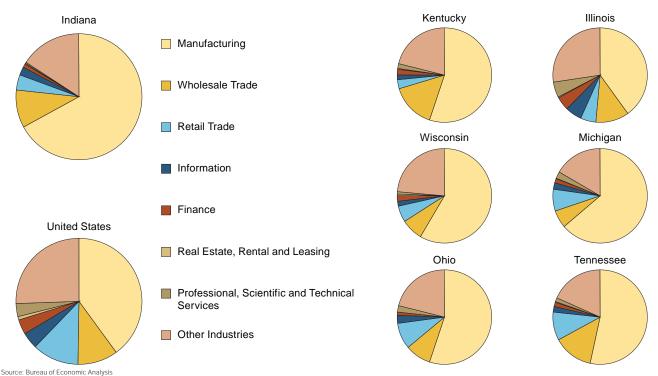


Table C-1: Foreign-Controlled U.S. Affiliate Employment by Sector and as a Percent of Total Private Sector Employment, 2004

	United St	otoc	India	na	Illino	ic	Kentu	oky	Michig	an	Ohio	`	Tennes	500	Wiscor	ncin
	Officed St	ales	IIIula	Па	IIIIIIO	15	Kentu	СКУ	IVIICITIE	all	Offic	,	Termes	366 	VVISCOI	19111
FDI Industry	Majority-Owned Affliate Jobs	Percent of Total Private Industry Jobs	Majority-Owned Affiliate Jobs	Percent of Total Private Industry Jobs	Majority-Owned Affiliate Jobs	Percent of Total Private Industry Jobs	Majority-Owned Affiliate Jobs	Percent of Total Private Industry Jobs	Majority-Owned Affiliate Jobs	Percent of Total Private Industry Jobs	Majority-Owned Affiliate Jobs	Percent of Total Private Industry Jobs	Majority-Owned Affiliate Jobs	Percent of Total Private Industry Jobs	Majority-Owned Affiliate Jobs	Percent of Total Private Industry Jobs
All Industries	5,116,400	3.6	132,500	4.2	235,600	3.7	84,700	4.5	201,000	4.3	203,600	3.5	126,900	4.2	86,900	2.9
Manufacturing	2,039,900	13.7	88,800*	15.2	94,000	13.1	46,700	17.2	127,800	17.8	112,100	13.2	67,700	15.9	50,700	9.7
Wholesale Trade	528,400	8.5	12,800	9.9	27,200	8.4	12,900	16.0	12,100	6.4	17,900	7.1	17,100	12.2	6,400	5.1
Information	220,000	6.2	2,800	5.9	13,200	9.5	1,500	4.5	4,800	6.0	5,800	5.5	2,500	4.3	1,400	2.5
Other Industries	1,303,900	1.7	20,900	1.4	65,000	2.0	17,900	1.8	33,700	1.4	42,900	1.5	23,100	1.5	20,500	1.4
Retail Trade	613,600	3.3	5,200	1.2	12,000	1.6	2,600	1.0	15,100	2.4	18,000	2.4	12,400	3.1	4,800	1.2
Finance	200,700	2.5	1,300	1.0	11,100	2.5	1,600	1.9	2,900	1.3	2,000	0.7	1,700	1.2	1,900	1.1
Professional, Scientific and Technical Services	171,400	1.6	600	0.4	12,200	2.4	1,400	1.5	4,200	1.2	4,600	1.3	1,900	1.1	700	0.5
Real Estate, Rental and Leasing	38,500	0.6	200	0.2	800	0.3	200	0.3	400	0.2	200	0.1	500	0.4	400	0.4

^{*}The estimate for manufacturing employment of majority-owned affiliates by state by industry (BEA Table III.G.7) differs from BEA Table III.G.13. The latter reports only employees on the payrolls of manufacturing plants in the state. Table III.G.7 serves as the source for the above table and reports employment based on the industry classification for the affiliate's operations in the entire United States. Affiliate activity in any particular state may differ from that of its total U.S. operation. While the better estimate of majority-owned manufacturing affiliate employment in Indiana is 80,800, as reported elsewhere in the text, Table III.G.7 is useful for comparing employment by sector across states. Notes: Shaded cells show where states are greater than Indiana. Data may not sum to totals due to rounding. Source: Bureau of Economic Analysis

portion of foreign-controlled U.S. affiliate employment outside the manufacturing sector.

The Origin of FDI

In 2004, 64 percent of Indiana's majority-owned U.S. affiliate employment was attributed to Europe, followed by Asia/Pacific countries (25.5 percent) and finally Canada (6.7 percent). For the United States, 69 percent of majority-owned employment was attributed to Europe, 15 percent

to the Asia/Pacific region and 8 percent to Canada. Focusing on the Midwest, Figure C-17 shows that all of the Midwestern states' majority U.S. affiliate employment is mainly attributed to entities from Europe, Asia/Pacific countries and Canada. Kentucky is notable for having 32 percent of its employment attributed to foreign companies from Asia and the Pacific Basin.

"In terms of individual countries, Japan contributes the most jobs to Indiana (31,600 jobs or almost one-fourth of total majority-owned U.S. affilate jobs). Compared to the nation as a whole, Indiana has considerably stronger ties to Japanese companies."

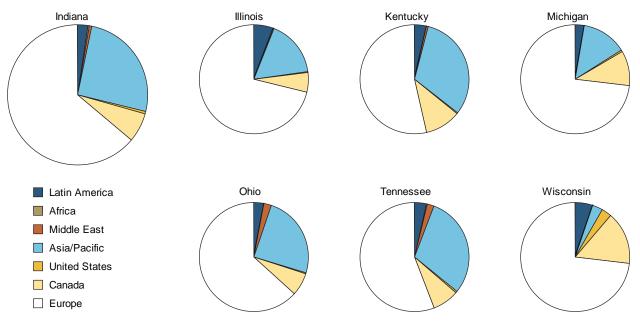
In terms of individual countries, Japan contributes the most jobs to Indiana (31,600 jobs or almost one-fourth of total majority-owned U.S. affiliate jobs). Compared to the nation as a whole, Indiana has considerably stronger ties to Japanese companies. After Japan, the next biggest contributor of majority-owned U.S. affiliate jobs in Indiana is the United Kingdom (26,700 jobs or one-fifth), with Germany very close behind. Indiana has greater proportions of jobs coming from the United Kingdom,

France and Germany relative to the nation, but is less dependent on Europe as a whole (see

Figure C-18). Since the m

Since the manufacturing sector is such a large recipient of foreign direct investment, examining the source of FDI for this particular sector of the economy is of interest. Indiana and the nation received 59.0 percent and 60.3 percent of their

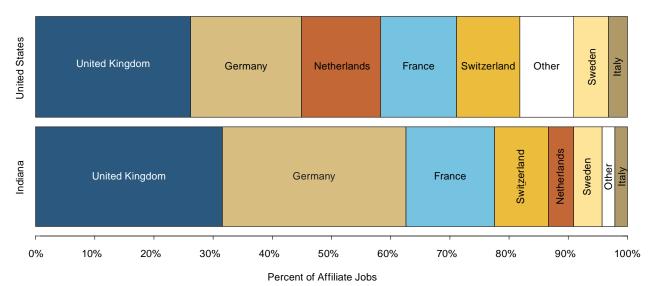
Figure C-17: Majority Affiliate Employment by Source, 2004



Note: Data for Kentucky, Michigan, and Wisconsin were nondisclosable from Africa. Data for Michigan and Wisconsin were nondisclosable from the Middle East. Source: Bureau of Economic Analysis

"The Midwestern states' majority-owned U.S. affiliate employment is mainly coming from Europe, Asia/Pacific countries and Canada."

Figure C-18: Majority U.S. Affiliate Jobs coming from European Parent Companies, 2004



Source: Bureau of Economic Analysis

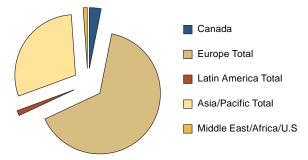
foreign-controlled manufacturing employment from Europe, respectively. The two notable differences between Indiana and the nation are that Indiana has a greater Asia/Pacific share (12.6 percentage points more than the United States), while the United States has larger shares of manufacturing employment coming from Latin America and Canada (see **Figure C-19**). **Figures C-19** through **C-21** present the source of FDI by the country in which the ultimate beneficial owner (UBO) resides. The UBO is the person, or persons, that ultimately owns or controls the U.S. affiliate. The foreign parent is the first link in a U.S. affiliate's ownership chain that has a direct investment in the affiliate. Unlike the foreign parent, the UBO may be located in the United States.

The dollar amount invested shows similar distributions for Indiana and the nation. The majority of investment in the United States and Indiana by foreign parents has primarily come from Europe followed by countries in the Asia and Pacific region. Because the value of FDI originating in Africa and the Middle East is so small—less than 1 percent of the total—the data are not available to the public (see **Figures C-20** and **C-21**).

Conclusion

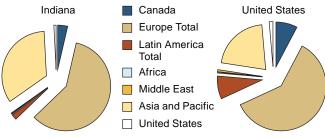
Foreign Direct Investment plays a significant role in the economy of Indiana, well above the average for the nation. FDI in manufacturing is especially important, contributing 57 percent of all affiliate jobs in the state. The nation and Indiana shed manufacturing jobs at about the same percentage rate from 2000 to 2003 and affiliate manufacturing employment followed the national trends. Since 2003, however, Indiana's manufacturing employment has held up relatively well. U.S. affiliate manufacturing employment in Indiana also defied the national trend in 2004. Given that manufacturing employment in Indiana has held up well in recent years, even registering a small

Figure C-20: Indiana's Majority-Owned U.S. Affiliates Foreign Direct Investment by Country of UBO, 2004



Note: Middle East, Africa and the United States' FDI amounts are nondisclosable if listed separately. Source: Bureau of Economic Analysis

Figure C-19: Majority-Owned U.S. Affiliates' Manufacturing Employment by Country of Ultimate Beneficial Owner, 2004



Source: Bureau of Economic Analysis

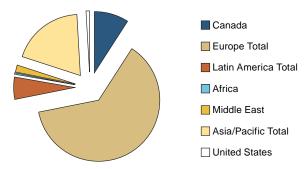
increase from 2003 to 2005 while the nation as a whole continued to lose manufacturing jobs, it is not unreasonable to anticipate that the 2005 estimates for the operations of U.S. affiliates of foreign multinational companies will report that affiliate manufacturing employment in Indiana has also stabilized.

Subsequent reports on Foreign Direct Investment will further explore trends in majority-owned affiliate investment by country of origin and any shifts in the sectors in which foreign participants are investing.

Notes

- 1. There has been a recent shift in the emphasis in how foreign investment is measured, from all (nonbank) U.S. affiliates to majority-owned (nonbank) U.S. affiliates. (The nonbank portion of the title is usually dropped.) Majority-owned refers to foreign parent companies that have at least a 50 percent stake in the operation of the U.S. affiliate. The preferred definition, "majority-owned," is considered a better measure of the penetration of foreign investment. The reader, therefore, should take caution in comparing statistics from one year to another and from one graph to another because of the shift in emphasis in the official statistics and the change in definition in different sections of the text.
- The Bureau of Economic Analysis's time series for manufacturing jobs for all U.S. affiliates extends no further back than 1999. As a result, it was used as the base year for comparison. Majority-owned affiliate data extends only to 2002.
- 3. Data for all U.S. affiliates for Indiana were not disclosed for 2004.

Figure C-21: United States' Majority-Owned U.S. Affiliates Foreign Direct Investment by Country of UBO, 2004



Source: Bureau of Economic Analysis

A CLOSER LOOK AT EUROPEAN AND JAPANESE INVESTMENT IN INDIANA

Foreign companies invested \$30.9 billion and employed 132,500 people in Indiana as of 2004. Even though this information is regularly tracked by the U.S. Bureau of Economic Analysis, it is difficult to determine the exact number of foreign companies operating in the state. Currently, Indiana does not have any official database tracking inflows and outflows of individually identified foreign companies. However, information collected annually by the Indiana Chamber of Commerce has been used for this part of the analysis, along with data from the

According to available data, approximately 500 foreign companies were identified as operating in Indiana (see maps in **Appendix B**). Before going further, note that these data may not reflect the actual number of foreign companies in Indiana due to the complex process in confirming companies' existence and foreign ownership. According to varying anecdotal sources, as many as 700

Figure D-2: European Investment in 2004

Japanese consulate in Chicago.

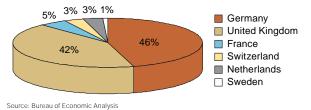
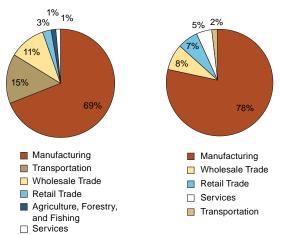


Figure D-3: German Investment Figure D-4: U.K. Investment



Source: Indiana Chamber of Commerce

Source: Indiana Chamber of Commerce

Figure D-1 Major Trends in FDI 2000-2005 Estimated FDI before 2000 4% 2% 5% 3% Manufacturing 5% Wholesale Trade 10% Transportation Retail Trade □ Services 8% 69% Construction 83% Finance. Insurance and Real Estate

Source: Indiana Chamber of Commerce

or 800 foreign facilities may be doing business in Indiana. However, for the purposes of this report, we have relied on the listing compiled by the Indiana Chamber for a snapshot of specific company investment in Indiana. Note that industry groupings in this list are tracked by the Standard Industrial Classification (SIC), and the following discussion uses the 10 SIC industry divisions as a basis for its analysis.

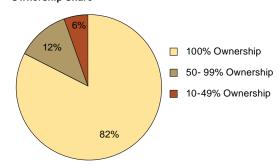
For the past five years (2000 to 2005), manufacturing has been the leading industry division among foreign investors, although more diversification is taking place. Other industry divisions attracting foreign investment are wholesale trade; transportation, communications, electric, gas, and sanitary services; retail trade; and services. A trend noticed during this period is foreign investment into construction industry, with the addition of three construction companies—all of which are owned by Japanese investors (see **Figure D-1**).

European Investment in Indiana

Europe is a leading supplier of foreign investment to the state of Indiana. According to BEA data for 2004, two major European investors were Germany with \$8.7 billion and the United Kingdom with \$8 billion. They are followed by the Netherlands, France, Switzerland and Sweden (see **Figure D-2**).

Manufacturing continues to be the major focus of European investment. From **Figure D-3** and **Figure D-4** we can see that there is slightly more manufacturing from the United Kingdom than from Germany. Two other industry divisions attracting German investment are transportation, communications, electric, gas, and sanitary services, and wholesale trade.

Figure D-5: Business Facilities by Japanese Ownership Share



Source: Consulate General of Japan at Chicago

DaimlerChrysler, Bayer and Adidas (doing business as Onfield Apparel Group) are the leading German companies in number of employees.

U.K. investors tend to invest in manufacturing along with wholesale trade, retail trade and services (see **Figure D-4**). Rolls Royce Corporation, BP Oil Refinery and Dexter Axle are the biggest U.K. companies in Indiana.

Japanese Investment in Indiana

Japan had a total of 218 companies in 2004, according to the Consulate General of Japan at Chicago.² The majority of the plants are 100 percent Japanese-owned and employ from 100 to 500 employees (see **Figures D-5** and **D-6**).

The biggest rise in a number of Japanese companies was seen between 1994 and 1999 when the number grew from 161 to 220 companies. Unfortunately, during 2003 and 2004, the number of companies declined from 228 to

Figure D-7: Number of Japanese Business Facilities by Industry Type

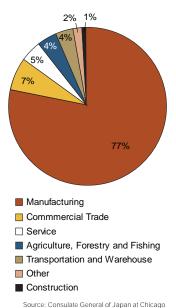
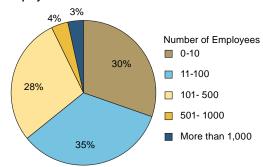


Figure D-6: Japanese Business Facilities by Employment Size



Source: Consulate General of Japan at Chicago

218. However, that number is expected to rise again due to recent announcements from major Japanese auto companies, such as Honda, Toyota and Subaru.

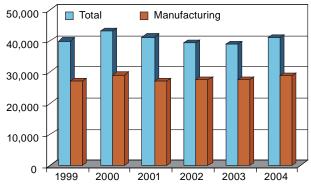
The majority of Japanese facilities are manufacturing facilities, especially in motor vehicles and parts. Other industry divisions attracting investment include services; agriculture, forestry and fishing; and commercial trade (see **Figure D-7**).

Even though the number of Japanese companies decreased, the number of jobs created by Japanese investors remained steady. In 2004, Japanese plants employed 41,200 employees and 28,740 of those were in manufacturing jobs (see **Figure D-8**). This number is also expected to grow due to the expansion and opening of new Japanese plants in Indiana. \Leftrightarrow

Notes

- Out of the 498 records in the database, only 284 have date information, or 57 percent. Thus, when looking at the past five years, it is possible that incomplete data has somewhat skewed the results.
- 2. The 2004 survey is available at www.chicago.us.emb-japan.go.jp/Economic/ 2004survey.pdf.
- ** Special thanks to Cynthia Monnier, Director of the Business Research Center at the Indiana Chamber of Commerce, for providing the individual company names and addresses for foreign owned companies doing business in Indiana.

Figure D-8: Japanese Business Facility Employment



Source: Consulate General of Japan at Chicago

APPENDIX A

Table 1: Annual GDP Growth by Country, 1990 to 2004

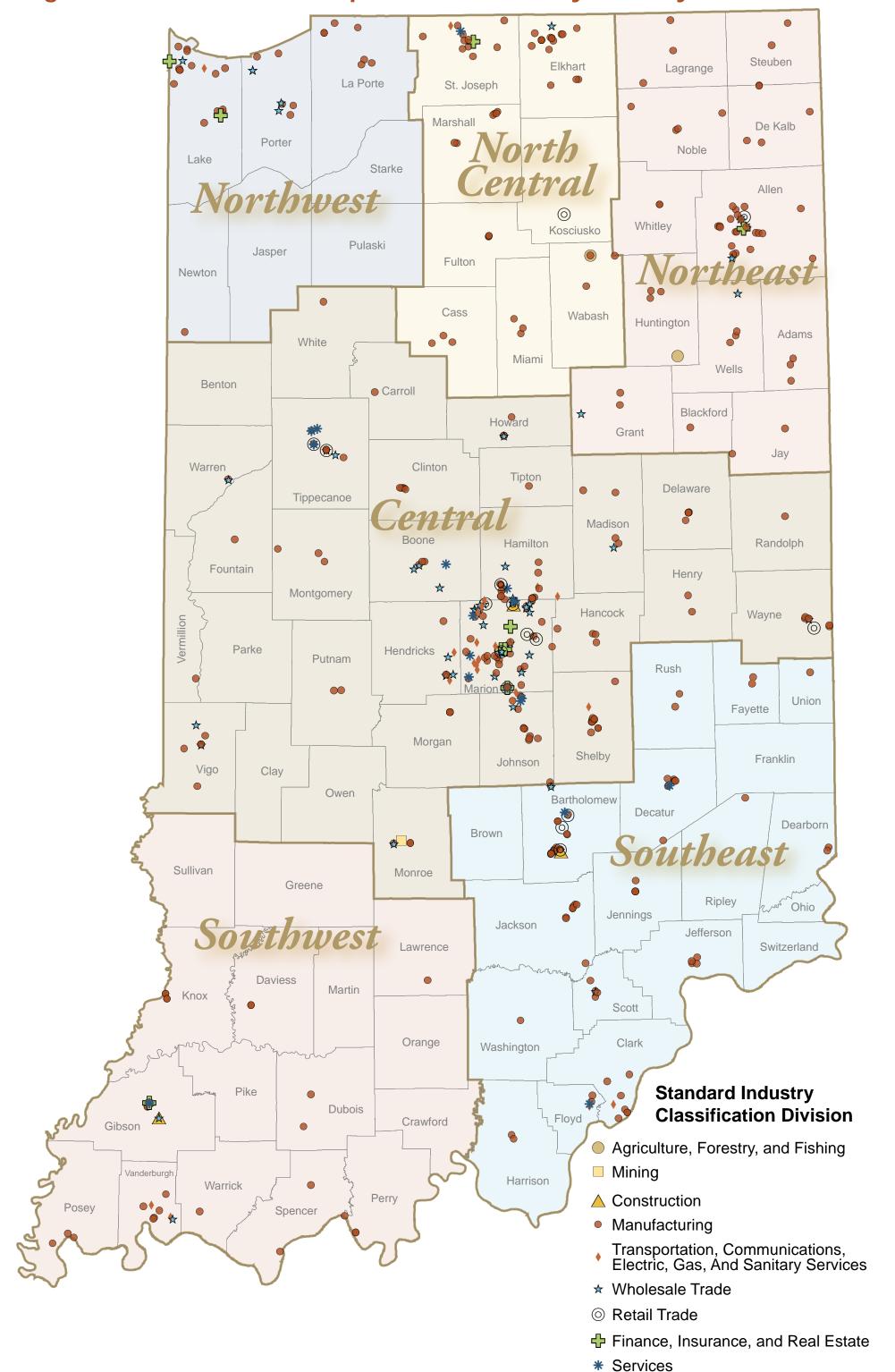
Table I: Annual	GDP (
Country or Area	Average GDP Growth Rate (Percent)
Afghanistan	-3
Africa Albania	2.7 1.8
Algeria	2.3
Andorra	3.8
Angola	2.8
Anguilla	5
Antigua and Barbuda Argentina	2.8
Armenia	0.5
Aruba	4.1
Asia	3.7
Australia	3.2
Austria Azerbaijan	2.3 -1
Bahamas	0.7
Bahrain	5.1
Bangladesh	4.9
Barbados Belarus	0.7
Belgium	2
Belize	5
Benin	4.6
Bermuda	1.9
Bhutan	6.3
Bolivia Bosnia and Herzegovina	3.5 5.8
Botswana	5.3
Brazil	1.9
British Virgin Islands	6.9
Brunei Darussalam	1.8
Bulgaria Burkina Faso	-0.7 4.8
Burundi	-0.1
Cambodia	5.3
Cameroon	1.9
Canada	2.7
Cape Verde Caribbean	5.9 2.6
Cayman Islands	1.6
Central African Republic	0.5
Chad	5.8
China	5.5
China Colombia	9.3
Comoros	0.4
Congo	1.7
Cook Islands	3.3
Costa Rica Cote d'Ivoire	4.7 1.7
Croatia	0.1
Cuba	-0.5
Cyprus	4.3
Czech Republic	0.9
Democratic People's Republic of Korea	-1.5 -3.3
Democratic Republic of the Congo Denmark	1.9
Djibouti	1.9
Dominica	1
Dominican Republic	
	4.6
Ecuador	2.8
Ecuador Egypt	2.8 3.7
Ecuador Egypt El Salvador	2.8 3.7 3.8
Ecuador Egypt El Salvador Equatorial Guinea	2.8 3.7 3.8 19.8
Ecuador Egypt El Salvador	2.8 3.7 3.8
Ecuador Egypt El Salvador Equatorial Guinea Eritrea Estonia Ethiopia	2.8 3.7 3.8 19.8 4.5
Ecuador Egypt El Salvador Equatorial Guinea Eritrea Estonia Ethiopia Ethiopia (Former)	2.8 3.7 3.8 19.8 4.5 0.9 5.2
Ecuador Egypt El Salvador Equatorial Guinea Eritrea Estonia Ethiopia Ethiopia (Former) Fiji	2.8 3.7 3.8 19.8 4.5 0.9 5.2 -2 2.8
Ecuador Egypt El Salvador Equatorial Guinea Eritrea Estonia Ethiopia Ethiopia (Former) Fiji Finland	2.8 3.7 3.8 19.8 4.5 0.9 5.2 -2 2.8 1.8
Ecuador Egypt El Salvador Equatorial Guinea Eritrea Estonia Ethiopia Ethiopia (Former) Fiji Finland France	2.8 3.7 3.8 19.8 4.5 0.9 5.2 -2 2.8 1.8
Ecuador Egypt El Salvador Equatorial Guinea Eritrea Estonia Ethiopia Ethiopia (Former) Fiji Finland	2.8 3.7 3.8 19.8 4.5 0.9 5.2 -2 2.8 1.8
Ecuador Egypt El Salvador Equatorial Guinea Eritrea Estonia Ethiopia Ethiopia (Former) Fiji Finland France French Polynesia	2.8 3.7 3.8 19.8 4.5 0.9 5.2 -2 2.8 1.8 2

will by coulitiy,	1990
Germany	2
Ghana Greece	2.7
Grenada	3.3
Guatemala	3.5
Guinea	3.7
Guinea-Bissau	0.6
Guyana Haiti	3.3 -1.1
Honduras	3.1
Hong Kong SAR of China	4.1
Hungary	1.2
Iceland	2.5
India Indonesia	5.6 4.5
Iran (Islamic Republic of)	5
Iraq	-0.9
Ireland	6.7
Israel	4.4
Italy	1.4
Jamaica Japan	1.7 1.5
Jordan	4.5
Kazakhstan	0.2
Kenya	1.8
Kiribati	3.9
Kuwait	2.6
Kyrgyzstan Lao People's Democratic Republic	-1.6 6.2
Latvia	-1
Lebanon	4.5
Lesotho	3.6
Liberia	-3.9
Libyan Arab Jamahiriya Liechtenstein	0.7
Lithuania	-0.4
Luxembourg	4.8
Macao SAR of China	5.7
Madagascar	1.9
Malawi	3.3
Malaysia Maldives	6.4 7.9
Mali	4.6
Malta	3.9
Marshall Islands	-0.2
Mauritania	4.1
Mauritius Melanesia	5.1 3.1
Mexico	3.1
Micronesia	1.2
Micronesia (Federated States of)	1.3
Monaco	2.6
Mongolia	0.9
Montserrat Morocco	-4.2 3
Mozambique	5.7
Myanmar	6.5
Namibia	3.8
Nauru	-3.2
Nepal Netherlands	4.3 2.4
Netherlands Antilles	1.3
New Caledonia	1.5
New Zealand	3
Nicaragua	2.9
Niger	2.4
Nigeria Norway	3.9
Occupied Palestinian Territory	3.1
Oceania	3.1
Oman	4.6
Pakistan	3.9
Palau	3.3
Panama Panua Now Guinoa	4.7
Papua New Guinea Paraguay	1.8
Peru	3.2
Philippines	3.4
Poland	2.4

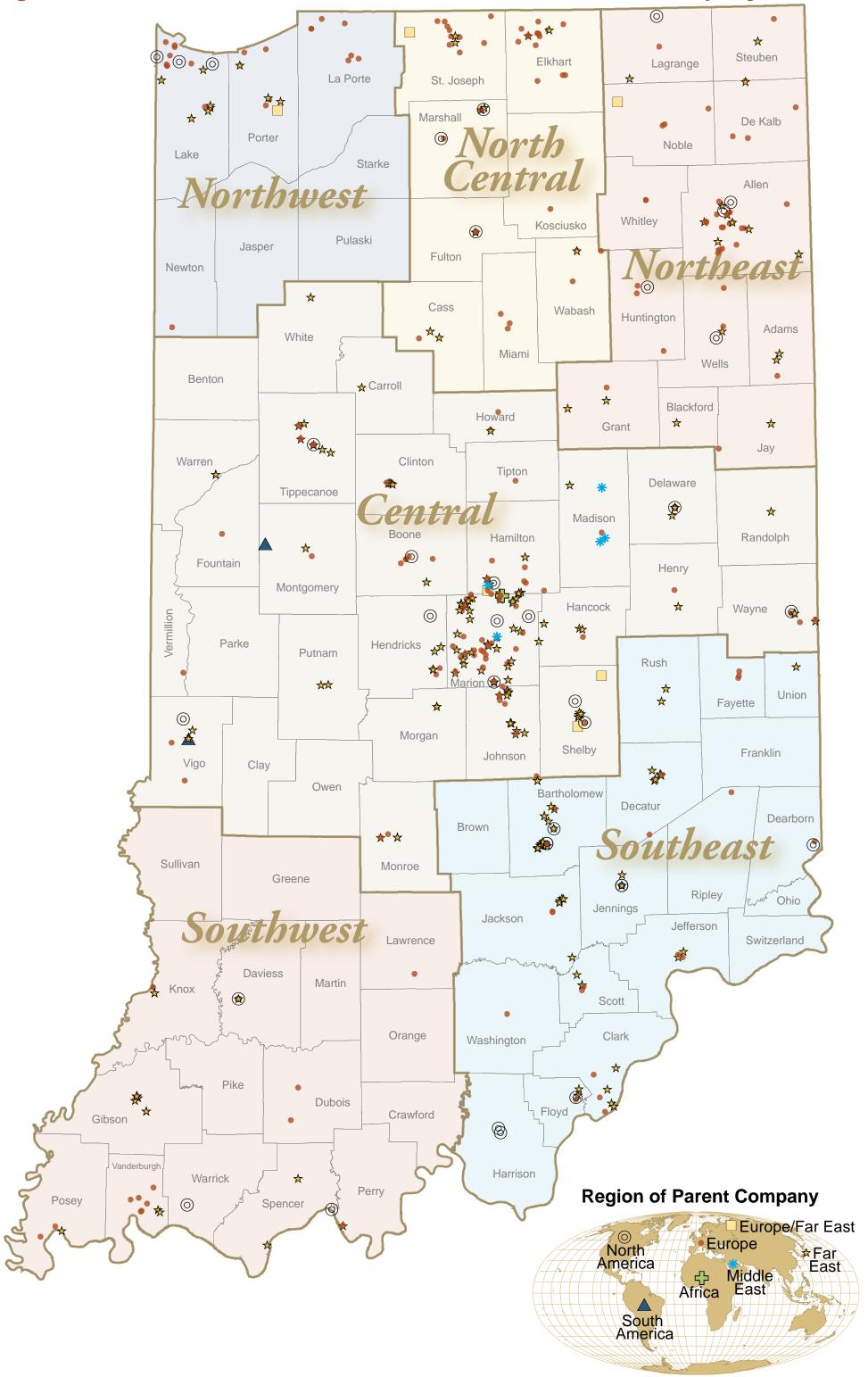
Polynesia	2.7
Portugal	2.2
Puerto Rico	3.7
Qatar	5.9
Republic of Korea	5.9
Republic of Moldova	-6
Romania	-
Russian Federation	-1.1
Rwanda	1.4
Saint Kitts and Nevis	3.7
Saint Lucia	1.5
Saint Vincent and the Grenadines	4.6
Samoa	1.8
San Marino	2.5
Sao Tome and Principe	2.3
Saudi Arabia	3.1
Senegal	3.8
Serbia and Montenegro	-4.5
Seychelles	2.7
Sierra Leone	-1.4
Singapore	6.4
Slovakia	1.6
Slovenia	2.2
Solomon Islands	1.9
Somalia	-1.2
Spain	2.9
Sri Lanka	4.8
Sudan	4.1
Suriname	0.7
Swaziland	3.2
Sweden	1.9
Switzerland	1.1
Switzerland Syrian Arab Republic	1.1 5.2
Switzerland Syrian Arab Republic Tajikistan	1.1 5.2 -3.8
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia	1.1 5.2 -3.8 -0.5
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand	1.1 5.2 -3.8 -0.5 5.1
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste	1.1 5.2 -3.8 -0.5 5.1 -0.2
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste	1.1 5.2 -3.8 -0.5 5.1 -0.2
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu Uganda	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5 4.1 6.6
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu Uganda Ukraine United Arab Emirates	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5 4.1 6.6
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Trunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu Uganda Ukraine United Arab Emirates United Kingdom	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5 4.1 6.6 -3.7 5
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu Uganda Ukraine United Arab Emirates	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5 4.1 6.6 -3.7 5
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu Uganda Ukraine United Arab Emirates United Kingdom United Republic Of Tanzania	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5 4.1 6.6 -3.7 5 2.3 5.8
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu Uganda Ukraine United Arab Emirates United Kingdom United Republic Of Tanzania United States	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5 4.1 6.6 -3.7 5 2.3 5.3
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu Uganda Ukraine United Arab Emirates United Kingdom United Republic Of Tanzania United States Uruguay	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5 4.1 6.6 -3.7 5 2.3 5 5.8
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Trunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu Uganda Ukraine United Arab Emirates United Republic Of Tanzania Urugayu Uzbekistan Vanuatu	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5 4.1 6.6 -3.7 5 2.3 5.8 3
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu Uganda Ukraine United Arab Emirates United States Urugay Uzbekistan Vanuatu Venezuela	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5 4.1 6.6 -3.7 5 2.3 5.8 3 2 1.1
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu Uganda Ukraine United Arab Emirates United Republic Of Tanzania United States Uruguay Uzbekistan Vanuatu Venezuela Vietnam	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5 4.1 6.6 -3.7 5 2.3 5.8 3 2 1.1 2.2 1.9 7.3
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu Uganda Ukraine United Arab Emirates United Kingdom United Republic Of Tanzania Uruguay Uzbekistan Vanuatu Venezuela Vietnam World	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5 4.1 6.6 -3.7 5 2.3 2 1.1 2.2 1.9 7.3 2.4
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu Uganda Ukraine United Arab Emirates United Kingdom United States Uruguay Uzbekistan Vanuatu Venezuela Vietnam World Yemen	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5 4.1 6.6 -3.7 5 2.3 5.8 3 2 1.1 2.2 1.9 7.3 2.4 4.9
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu Uganda Ukraine United Arab Emirates United Republic Of Tanzania Untugay Uzbekistan Vanuatu Venezuela Vietnam World Yemen Zambia	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5 4.1 6.6 -3.7 5 2.3 5.8 3 2 1.1 2.2 1.9 7.3 2.4 4.9
Switzerland Syrian Arab Republic Tajikistan TFYR Macedonia Thailand Timor-Leste Togo Tonga Trinidad and Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands Tuvalu Uganda Ukraine United Arab Emirates United Kingdom United States Uruguay Uzbekistan Vanuatu Venezuela Vietnam World Yemen	1.1 5.2 -3.8 -0.5 5.1 -0.2 1.6 2.3 5.1 4.8 3.9 -0.8 5 4.1 6.6 -3.7 5 2.3 5.8 3 2 1.1 2.2 1.9 7.3 2.4 4.9

Note: Highlighted countries are OECD members Source: United Nations Statistics Division

Foreign Direct Investment Companies in Indiana by Industry Classification



Foreign Direct Investment Businesses in Indiana and Parent Company Locations



Northeast Indiana (60 cor Epson America Inc Vitran Express Inc Exel Transportation Services Inc St Joseph County Foxconn Electronics Willtek Communications Inc. Mytex Polymers GP/Chemtrusion Faurecia Exhaust Systems Inc. Adams County Hitachi Data Systems / North American Logistics Wurth Service Supply Inc FCC (Indiana) Inc. aka Shimuzi American Corp Bayer Corp Diagnostics Division Roll Forming Corp NSK Corp Yamato Transport USA Inc Mittal I/N KOTE (I/N TEK) Key Fasteners Corp Schenker International Yamazen Inc Essroc Cement Corp Elkhart Products Corp BOC Gases TNT Logistics fka (CTI Inc) for John Deere Bosch Braking Systems (Robert Bosch Corp.) Monroe County Dearborn County Allen County Ely Chemical Co. Ltd. Henry County EXMIN Corp Pernod Ricard USA Seagram Lawrenceburg Distillery American Truck Co TEREX Exel Global Logistics Inc. Anchor Glass Container Corp. American Keeper Corp Mirwec Film Inc Aumann North America Haldex Garphyttan Wire Corp Outokumpu Inc (Avesta Polarit Inc) Tasus Corr Decatur County BAF Systems Heraeus Kulzer Inc Tree of Life Co Midwest/Northwest Region HQ Howard County Advanced Bearing Materials, LLC Body Shop Kokoku Wire Industries Corp Yasui Seiki Co USA **BOC Gases** Blasdel Enterprises Inc. C & M Fine Pack, Inc Mann+Hummel USA, Inc. d.b.a. Solvay Automotive DaimlerChrysler Corp. (Kokomo Casting) Montgomery County GECOM Corp Edy's Grand Ice Cream Inc. R K C Instrument RKC America DaimlerChrysler Corp. (Kokomo Transmission) Heritage Products Inc Ellison Bakery Standard Federal Bank DaimlerChrysler Corp.(Indiana Transmission I & II) Random House, Inc. KS Bearings Inc Fujicolor Processing Inc Wabash County ROHM Corporation Agrivest Inc Mesco USA Mi-Tech Steel Daehnfeldt Inc Johnson County Morgan County Hydro Conduit Sintering Technologies Inc David R. Webb Co Inc Kamaya Inc General Shale Products Oji Intertech Inc Valeo Engine Cooling Inc KUS Inc. Zollner Div. Karl Schmidt Unisia Amcor Pet Packaging Sun Polymers International Inc Lincoln Food Service Products Abresist Corp Casting Technology Co TOA USA LLC Fayette County Northwest Indiana (35 co Femco Magnet Wire Corp CNC Logistics Putnam County Olde York Potato Chips KYB Manufacturing North America Inc Indalex Inc La Porte County Chiyoda (FKA HAPPICO, HA Parts Products) Peg-Perego USA Inc Mitsubishi Heavy Industries (Climate Control) Stant Manufacturing Inc American Renolit Corp La Porte Heartland Automotive LLC PolyHi Solidur PHS Americas NSK Precision Corp (HQ) Randolph County Floyd County Berkel Inc SCP Pool Corp Theysohn Extrusions USA **BOC Gases** Tomasco Indiana Llo Accent Marketing Service Aldi Inc & Trader Joe's Hedwin Corp Flint Ink Shelby County Siemens Energy Automation Inc. Alfa Laval Separation Inc Frech USA Inc Hitachi Cable Indiana Inc Freudenberg-NOK, Rubber Products Div. Swiss Re (Formerly Lincoln Re) Alpine Electronics Mfg-America Geberit Manufacturing Inc Chicago Faucet TG Missouri (Indiana plant) Atlas Cold Storage USA Tailored Logistics Corp. (TLC) Atom Precision of American Inc. KTR Corp Harrison County Blue River Stamping Inc Telops Endress & Hauser Inc Lake County Freudenberg-NOK Trelleborg Sealing Solutions Exel Transportation Services Inc Na-Churs Plant Food Co Mizuho Ikakogyo Co USA Inc Galvak - dba - Galvamet America Corp Global Bridge International Corp (Galileo Corp) Valbruna Slater Stainless Inc Meretec Co. Indiana Precision Forge LLC Jackson County CME Automotive Mitsuba Indiana American Water Co. Mittal Steel Ispat Inland Inc Nachi Technology Inc BF Goodrich Tire Manufacturing Mittal Steel Indiana Harbor Works (LTV) North American Sankyo Corp (NAS Corp) Aisin Holdings of America, Inc. Blackford County Takenaka USA Corp Pilkington Glass Co. Aisin USA Manufacturing Inc Hartford City Paper LLC Madison County Blastech PK USA Inc Cummins Komatsu Engine Co DeKalb County Home Design Products (U.S. Leisure Katoen Natie Midwest Inc Ryobi Die Casting USA Inc Kobelco Metal Powder of America Home Design Products (U.S. Leisure) CCH Uniform Printing Supply Inc Republic Engineered Products Inc Resin Partners, Inc. d.b.a. Home Design Products Tri-Wall Containers Huhtamaki- Chinet Toray Resin Co. Seymour Tubing Smurfit-Stone Container Assmann Corp of America Yuma Industries Seymour Wire Inc. (Physical Distribution Base) Elsa LLC Elsa Corp Rhodia Inc **Grant County** Valeo Sylvania Inc Tippecanoe County Marion County Unilever Home & Personal Care USA Conopco Inc. Bell Packaging Corp Jefferson County A.E. Staley Mfg Co Tate & Lyle Ingredients (North) Heraeus Electro-Nite Co Marion Glass Equipment & Tech Co ABB Inc. A.E. Staley Mfg Co Tate & Lyle Ingredients (South) Arvin Sango Inc NSU Corp ABB Power T & D Co Inc Madison Precision Products Inc Orica Firsteel Inc. AION Diagnostics Ltd Huntington County Fairfield Manufacturing Co Inc Robus Leather Corp Alps Electric USA Westfield Shoppingtown Southlake Gotoh Distribution Service US Filter/Envirex Inc Bendix Commercial Vehicle Systems Castec Corporation American Newlong Inc CFM US Corporation ICT (Itochu) Corporation - d.b.a. - PROMAX Automotive Jennings County BP Oil Refinery Inc Associated Hosts Inc Square D Co Schneider Electric Landis + Gyr Inc Chiyoda Montrow Die Mfg., Inc. Newton County BAA Indianapolis LLC Hy-Line North America LCC Kromet America Inc. BICC General Garst Seed Co Subaru of Indiana Automotive Jay County MartinRea Industries (formerly Pilot Industries) Biosound Esaote Inc Porter County Warren Industries NAC Inc. North Vernon Automotive Components Saint-Gobain Containers Inc **BOC Gases** Abanus Central Inc. FCC (Indiana) Inc. d.b.a. Jaytec, Inc. Mittal Steel Burns Harbor Division (Bethlehem) North Vernon Industry Corp.(NVIC) Body Shon Indiana Pickling & Processing Co Japan-U.S. Trans (JUST) Associates LaGrange County Ripley County Brylane LP aka Red Cats USA NM Products Mitsubishi Motors Multi Plex Inc Virtus Ind Bunzl Indianapolis Silvent North America L.L.C. Rexam West Lafayette (fka Precise Technology Inc) Rush County Dometic Corp Capital Center Nishikawa Standard Co ISK Magnetics Inc Yusen World Service Indiana Inc. d.b.a. Heisei Japanese Fuiltsu Ten Corp of America Cargolux Okaya Electric America Inc Noble County INTAT Precision Inc Charter One Zeeko Technologies Ltd Rexam Beverage Can Americas Scott County Dexter Axle DaimlerChrysler Corp. Tipton County Robert Bosch Corp. Automotive Systems Doubleday Book & Music Club BMGDirect BeMusic Austin Tri-Hawk Auto Böttcher America Corp UGN Inc Bollhoff Rivnut Inc American Steel Cord Corp Inc. DRC America Inc Vermillion County Central Indiana (232 Freudenberg-NOK (Vibracoustics North America) Egenolf Machine Contracting & Rigging Freudenberg-NOK (Automotive Components Div) TerreCorp Boone County Steuben County Holm Industries Inc Vigo County Agreliant Genetics Inc. LG Seeds General Products Corp Kokoku Steel Cord Corp Escient Convergence Corp Aisin Brake & Chassis Inc Bombardier Aerospace Exel Transportation Services Inc Union County Alcan Aluminum Corp. Case New Holland (CNH Global NV) Tokai Rika Indiana (TRIN) Inc. NSK Corp Exel Transportation Services Inc Boral USA CertainTeed Windows Dexter Axle Exel Transportation Services Inc Washington County Festool (US HQ) Wells County Firestone Building Products Co **GKN Sinter Metals** CSN LLC (a.k.a Cia Siderurgica Nacional) Pearson Education (Distribution Center) Fuji Component Parts USA Inc AT Ferrell Co Inc (Bluffton Agri/Ind Corp) Southwest Indiana (37 companies Danisco USA Inc., Sweetner Div. Hydro Conduit Helena Chemical Co Goran Capital Inc Sony DADC (Digital Audio Disc Corp) Daviess County Carroll County Poore Brothers of Indiana (fka Wabash Foods) GSF Safeway Inc (Safeway Building Services) ThyssenKrupp Presta Hoover Precision Products Inc Indiana Packers Corp Visentin USA Inc.(Plumbing Products Division) Hennes & Mauritz SA Tri-Industries Smiths Aerospace Component Olon Industries Inc Clinton County Whitley County Warren County Dubois County General Seating of America Inc Hirata Corp of America Kuri Tec Mfg MBI Software Co NeoResins Precimed Hitachi Data Systems Hose Technology Inc Leuco Tool Corp NTK Precision Axle Hydro Conduit Wayne County Gibson County Sun Chemical Corp, General Printing Ink Div Indiana Bolt & Nut Co Cass County Asahi Tec America Cord Vicksmetal / Armco Associates Green Metals Inc Indianapolis Thermal Processina Essroc Cement Corr Cinram Inc. Hansen Corp. Delaware County International Medical Group (IMG) Hartz Mountain Corp Delta Entertainment Millennium Steel Service, LLC Bartlett Corp Joachim Machinery Co Logansport Matsumoto Co Inc Holland Colors Americas Inc Mitsui Sumitomo Insurance Co Ltd JTB Cargo, Inc Elkhart County Howa USA MOL Logistics Co. Ltd. Kintetsu World Express USA Keihin Aircon North America Philips Products Ventline Division Marvel Industries Northland Corp Orion America, Inc Magna Drive Train of America, Inc. Kokusai Inc Al-Ko Kober Corp. Suncall America Corp. Rexam Closures Ltd Muncie Power Products Inc Kuehne & Nagel USCO Logistics ATI (Advanced Technology Inc.) ACTIA Logo Athletic, Reebok, Adidas - dba - Onfield Apparel Yamaguchi Manufacturing USA Total Interior Systems America (TISA) Saint-Gobain Container Inc (Ball Foster Glass Co LLC) Bayer Corp White County Toyota Motor Manufacturing Fountain County Bull Moose Tube Co (Bock Division) Marubeni Plant Contractor Inc Toyota Tsusho America Vanguard National Trailer Corp Thyssenkrupp Gerlach Co. Forging Div Dexter Axle VUTEQ-Indiana, Inc. Hamilton County Dexter Axle Co (Division HQ) Moriden America Inc Knox County Bartholomew County Baker Hill Corp. an Experian Company Dometic Corp Nachi-America Inc Excell USA Inc Elkhart Pro ducts Corr Starch & Che Futaba Indiana of America (FIA Corp.) Capco LLC Firestone Industrial Products Eubama USA Inc New United Engineering, Inc. Gemtron Corp Claas of America LLC Lehigh Portland Cement Co Nippon Express USA Inc Kobelco Compressors America Schott Hometech North America Gemtron CoCo Consulting OutStanding Solutions Ltd., d.b.a. Resin Partners Leland Engineering Inc. AKA Electro-Coat Technology Nissin International Transport USA Lawrence County Cummins Scania XPI Manufacturing Thomson New Media Nissin Travel Service USA Inc. NGK Metals Corp Diamet Corp aka PMG Indiana Corp Lehigh Cement Co CallTech Communications Philips Products Inc (HQ) Okitsumo USA Inc Dorel Juvenile Group Inc (Cosco Inc) Perry County Disetronic Medical Systems Inc Oxford BioSignals Ltd Enceratec Inc Unidrive PLC ATTC Manufacturing Inc (Aisin Takaoka-Tell City) Rim & Wheel Pearson Education (Distribution Center) fka Addison-Enkei America Inc Thyssen Krupp Waupaca Inc. AVX Corp Wesley Publishing Benteler Automotive Georg Utz Inc Buzzi Unicem USA Inc. Lone Star Industries Prima Games / Prima Tech Stewart Warner South Wind Corp Christner Schrock Aggregate Instant Products of America Publicis Inc Posey County Rollpak Corp QuikPak Inc Kaltenbach Inc Magnequench International Consolidated Grain & Barge Co Fulton County Kamic Corp Rit Dyes (BestFoods Specialty Products) Mitutovo Metrology CTR (M3 Solutions Center) M G Industries Airvac Inc. formerly Burton Mechanica M.C. Aluminum America Inc Wartsila NSD North America Roche Diagnostics Corp Pearson Technology Group (Macmillan USA) Lau Industries Inc Rolls-Royce Corp Thomson Consumer Electronics Spencer County Modern Materials Inc Nagakura Engineering Works Co AK Steel Corp Kosciusko County Firestone Industrial Products BES Security Services USA NTN Driveshaft Inc (CVJ Plant) Curtis-Maruyasu America Inc Louis Dreyfus Agricultural Industries LLC OSR LLC King Systems Vanderburgh County Marshall County Precision Tools Service Inc Siemens Building Technologies AgReliant Genetics LLC (Akin Callahan) LG Seeds DSM Engineering Plastics Inc Maax Midwest (Maax-Bremen Glas Inc.) Rightway Fasteners, Inc. Siemens Energy & Automation Inc Hancock County Exel Transportation Services Inc Miller Bearing Co Inc. (RBC Bremen Bearings) Sunright America Inc SMC Corp of America CMR Qualtronics Faultless Caster (Division HQ) Nishikawa Standard Co Solution Technology Inc (Logicalis) Toyota Industrial Equipment

Toyota Tsusho America Inc.

Hisada America Inc

Clark County

Apollo America Corp

Consolidated Grain & Barge Co

D.A. Inc.

Marubeni America Corp

Tsune America, Inc. (d.b.a. Rohbi America)

ILPEA Inc

M.O. Air International Inc.

Star Automation Inc

Warrick County

Statewide Mobility Partners Macquarie Cintra

Tanaka Kikinzoku Int'l (America), Inc

Transportation Safety Technologies, Inc.

Veolia Water France - Générale des Eaux

Sun Chemical Corp.

TDK Corp of America

Tobutsu America Corp

Toyoshima Special Steel USA

Hydro Conduit

Indiana Automotive Fasteners

Amano Cincinnati Time

Hendricks County

Maplehurst Bakeries Inc

NTN Bearing Corp

OCS America

Keihin Indiana Precision Technology

Universal Bearings Inc

Dura-Vent Corp

Miami County

Heraeus Electro-Nite Co

Trelleborg Automotive

Square D Schneider Electric

Aker Plastics Company MAAX