We are FDI
What we do

Educate  |  Advocate  |  Connect
Nestle is a fully-scaled operation.
Nestle Is a household name

- 97% • Number of U.S. homes consume Nestle products
- 78 m • Number of homes bought 4+ brands in last 52 weeks
- 29.9 bn • Nestle consumer units sold each year in the USA
quality products for the entire family
The State of FDI in America

- **6,100,000**: Number of Americans who work for an insourcing company.
- **33%**: Wage premium insourcing workers earn over economy-wide average.
- **23%**: Percentage of U.S. exports produced by insourcing companies.
- **16%**: Percentage of all U.S. federal corporate revenue paid by insourcing companies.
Made In America, thanks to FDI

Industry Breakdown

- **Manufacturing** $936 B
- Other Industries $805 B
- Information $149 B
- Banking $181 B
- Wholesale Trade $329 B
- Finance & Insurance $365 B

R&D Spending

- Chemicals Mfg $20 B
- Trans & Equip Mfg $5 B
- Comp & Elect Mfg $4 B
- Other Mfg $7 B
- Wholesale Trade $7 B
- Prof, Sci, Tech $4 B

U.S. Exports

- Japan $68 B
- United Kingdom $52 B
- Germany $46 B
- Italy $25 B
- France $23 B
- Neth. $16 B
- Switz. $14 B
- Can. $13 B
- All Other Countries $79 B
State overview

Total FDI Jobs: 3,633,000

Total FDI Manufacturing Jobs: 1,358,400

Average Jobs Per Capita: 5.0%
America’s Top Investors

In the past 20 years, 84 percent of FDI entered the United States through mergers and acquisitions.

- United Kingdom: $519 B
- Japan: $342 B
- Netherlands: $274 B
- Canada: $238 B
- France: $226 B

Cumulative Foreign Direct Investment in the United States by country through 2013.
FDI Stock in Select Economies as Percentage of Total World Stock

Source: UNCTADStat

- Canada
- France
- Germany
- Japan
- United Kingdom

America’s place in the world
What do companies think?
Bringing More FDI to our shores

Keeping state tax codes competitive for attracting FDI
What do we mean?  fact pattern

Foreign Parent
In Treaty Country

U.S. Sub
Doing business and paying tax in US
Typical structure

Foreign Parent
In Treaty Country

U.S. Sub
Doing business and paying tax in US

Royalty payment

Interest payment
Principle One: non-discrimination

4 in 10 insourcing companies say unfair tax treatment has negatively impacted their U.S. business operations.
Principle 2: Align with Norms

Beyond incentives, CFOs says “state corporate tax policy aligning with international norms” is an important consideration when evaluating states as locations for new investment.

- Respect a true water’s edge boundary
- Align with principles of U.S. bilateral income tax treaties
Recent tax policy trend that impacts FDI
Tax haven policy misaligns with key principles…

- Targets legitimate business activities and abuse alike
- Creates barrier to foreign direct investment
- Misaligns with principles of U.S. tax treaty network
- Leads to constitutional questions
Evan Hoffman
ehoffman@ofii.org
202.659.1903
OFII.org

Alan Pasetsky
alan.pasetsky@us.nestle.com
203.750.7229