

# FOREIGN DIRECT INVESTMENT IN FLORIDA

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## Foreign Direct Investment (FDI) Highlights

With unparalleled access to markets in Latin America and the Caribbean, coupled with our own population of nearly 22 million and a \$1.1 trillion Gross Domestic Product, it is no wonder that foreign companies seek out Florida as an investment location.

The state is a national leader in attracting companies from overseas, and from across borders to the north and south. Investing in a wide variety of industries, foreign companies employ not only Floridians, but they also bring capital, expertise, technology, and innovation. The U.S. Bureau of Economic Analysis reports the following about Florida's role as a destination for foreign-owned companies.

Employment by majority foreign-owned affiliates in the U.S. overall had seen a steady increase over the past eight years through 2019. However, with the lasting pandemic economics taking place in 2020, there was a consequent drop in employment at foreign-owned affiliates for the first time in ten years. Despite this drop, foreign-owned affiliates in the U.S. contributed 7.8 million jobs to the economy in 2020.

### Among majority-foreign-owned affiliates, Florida is:

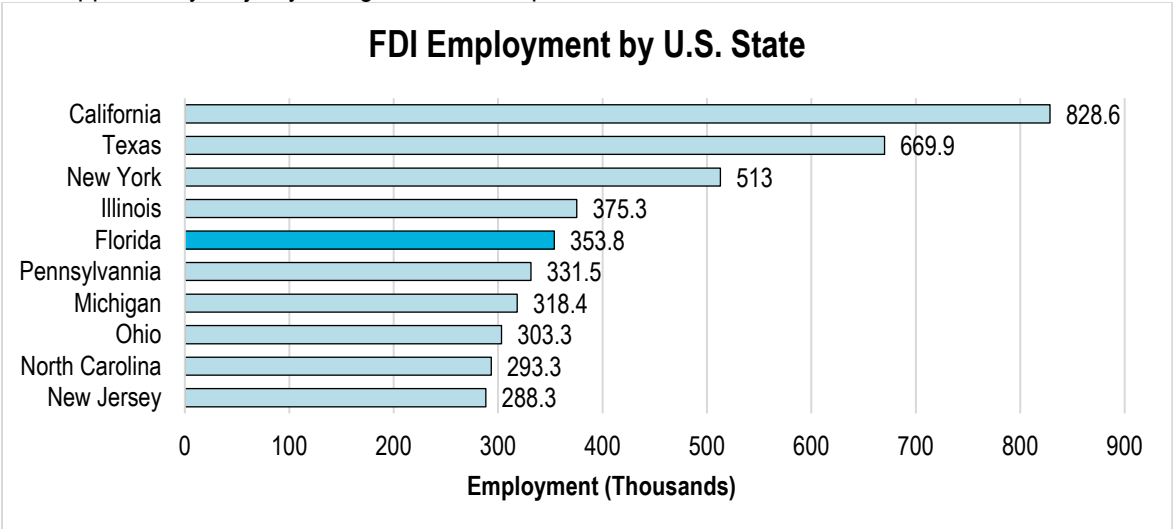
- 1st in the Southeast and 5th in the U.S. for employment (353,800 in 2020).
- 6th in the Southeast and 16th in the U.S. for the number of FDI-related manufacturing jobs (72,700).

### Among ALL foreign-owned affiliates, Florida is:

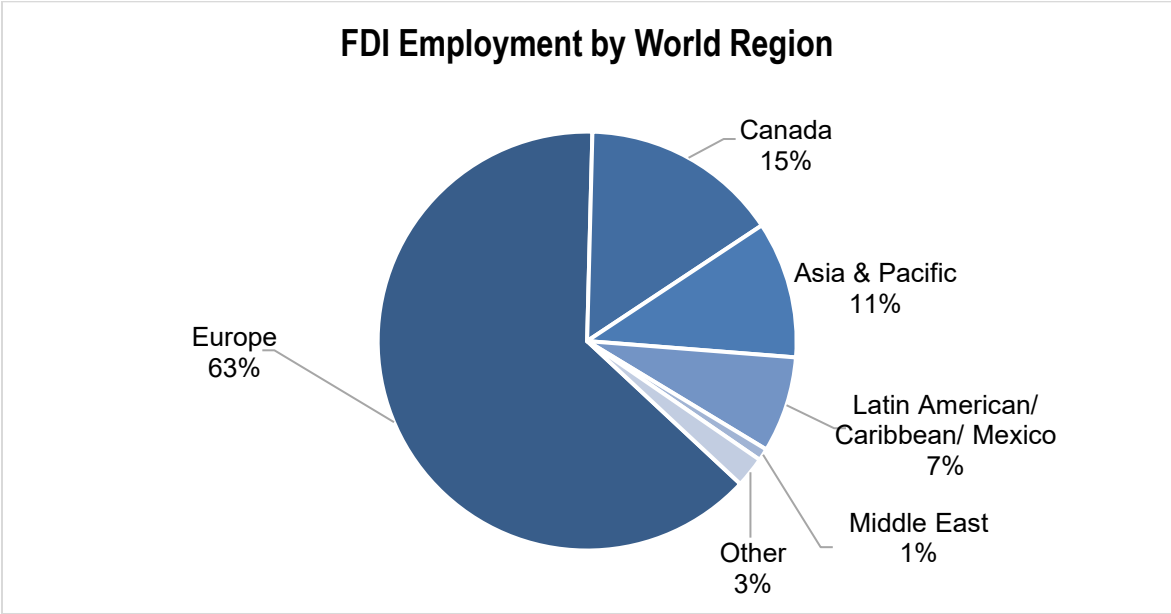
- 1st in the Southeast and 5th in the U.S. for employment (408,500 in 2020).
- 1st in the Southeast and 6th in the U.S. for investment in Gross Property, Plant and Equipment (\$95.4 billion in 2020).

## Employment at Majority Foreign-Owned Companies

- According to the Bureau of Economic Analysis, Florida ranked fifth (5<sup>th</sup>) in the nation in 2020 in terms of foreign direct investment employment, and 1st in the Southeastern U.S. with a total of 353,800 jobs supported by majority foreign-owned companies.



- The number of employees at majority foreign-owned affiliates in Florida grew by 38,800 (12.0 percent) from 2015 to 2019, decreasing by 12,300 (-3.4 percent) to 353,800 jobs in 2020.
- Majority foreign-owned companies from Europe account for the largest share by far at 63 percent of all FDI employment in Florida. Canadian-owned firms are the second largest source accounting for 15 percent while companies from Asia/Pacific countries represent another 11 percent. Seven percent of FDI employment is attributed to companies from Latin America/Caribbean/Mexico. Despite an overall decline in FDI Employment caused by the pandemic, the distribution of FDI Employment by source markets remained largely the same.



FDI Employment in Florida by World Region at Majority Foreign-Owned Firms (2020)*	
Europe	224,200 jobs
Canada	54,000 jobs
Asia/Pacific	37,300 jobs
Latin America/Caribbean/Mexico	26,200 jobs
Middle East	3,300 jobs
<b>Other</b>	<b>8,800 jobs</b>
<b>Total</b>	<b>353,800 jobs</b>

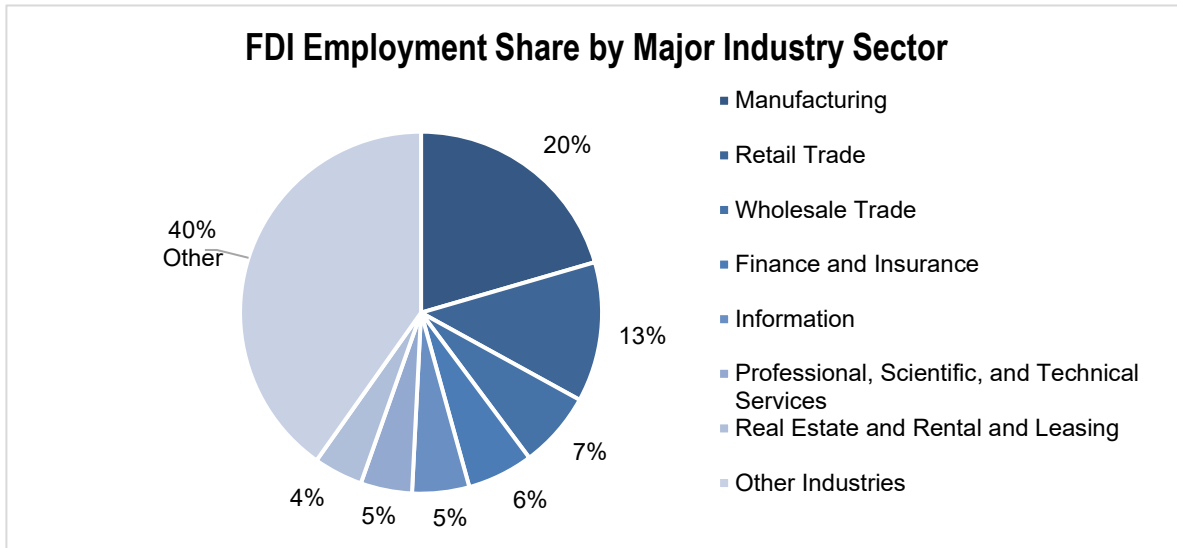
# Foreign Direct Investment in Florida

- At the country-level, Florida's leading foreign investors represent some of the largest and most developed economies in the world, including:

FDI Employment in Florida by Country (2020)*		
1.	United Kingdom	66,900 jobs
2.	Canada	54,000 jobs
3.	Germany	34,000 jobs
4.	France	32,700 jobs
5.	Switzerland	29,400 jobs
6.	Japan	19,400 jobs
7.	Netherlands	14,700 jobs
8.	Ireland	14,400 jobs
9.	Italy	8,900 jobs
10.	United Kingdom Islands, Caribbean	6,700 jobs
11.	Australia	6,300 jobs
12.	Sweden	5,900 jobs
13.	Mexico	5,400 jobs
14.	Brazil	5,000 jobs
15.	Spain	4,900 jobs
16.	China	4,500 jobs
17.	Belgium	3,100 jobs
18.	Bermuda	2,800 jobs
19.	Israel	2,400 jobs
20.	Denmark	1,800 jobs
21.	India	1,800 jobs
22.	Hong Kong	1,800 jobs
23.	Finland	1,100 jobs
24.	Singapore	1,000 jobs
25.	South Korea	400 jobs
26.	United Arab Emirates	400 jobs
27.	Taiwan	400 jobs
28.	Saudi Arabia	100 jobs
	<b>All Other</b>	<b>23,500 jobs</b>
	<b>Total</b>	<b>353,800 jobs</b>

*\*Only countries/regions with available BEA data are listed.*

- Manufacturing employment at majority foreign-owned companies in Florida accounts for 72,700 jobs, the largest share of all FDI employment at 20.5 percent.

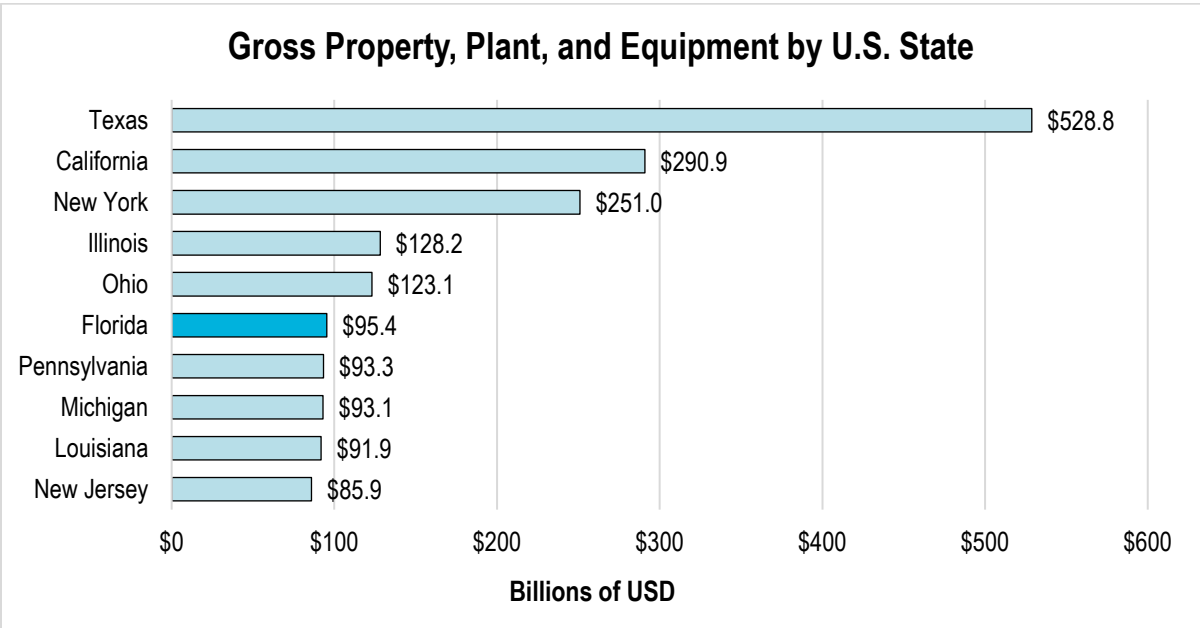


- Florida ranks 15th in the nation in the number of FDI-related manufacturing jobs and is in the top ten for employment in every almost other industry sector. The state leads the nation in FDI-related jobs in Real Estate and Rental & Leasing, having nearly twice as many as the next highest state (Texas, 9,100 employees).
- While most sectors lost jobs in due to pandemic challenges, FDI employment in the *Professional, Scientific, and Technical Services* and the *Finance and Insurance* industries each saw an increase through 2020 of nearly 1,000 jobs.

FDI Employment in Florida by Major Industry Sector (2020)*			
Sector	Employment	Share of FL Total	U.S. Ranking
Manufacturing	72,700 jobs	20.5%	16
Retail Trade	44,100 jobs	12.5%	6
Wholesale Trade	23,900 jobs	6.8%	8
Finance and Insurance	20,800 jobs	5.9%	7
Information	18,200 jobs	5.1%	4
Professional, Scientific, and Technical Services	16,300 jobs	4.6%	8
Real Estate and Rental and Leasing	15,600 jobs	4.4%	1
<b>All Other</b>	<b>142,200 jobs</b>	<b>40.2%</b>	<b>3</b>
<b>Total</b>	<b>353,800 jobs</b>	<b>100.0%</b>	<b>5</b>

## Employment and Value of Gross Property, Plant, and Equipment at ALL Florida Foreign-Owned Affiliates

- **408,500 jobs supported by all foreign-owned firms.** When considering *all* foreign-owned affiliates – and not just majority foreign-owned affiliates – Florida ranked 1st in the Southeast and 5th in the U.S. with a total of 408,500 jobs supported by foreign-owned firms in 2020. Despite a decrease of 11,600 jobs year-to-year, this marks an increase of 63.8 percent in the number of jobs supported by all foreign-owned firms from 2010-2020.
- **\$95.4 billion in Gross Property, Plant, and Equipment.** The Bureau of Economic Analysis reported that the value of Gross Property, Plant and Equipment at all foreign-owned affiliates in Florida grew 0.6 percent in 2020, up from \$94.7 billion a year before. *These investments ranked Florida first in the Southeast, and sixth in the U.S.*



## First-Year Expenditures by Foreign Direct Investors

- The Bureau of Economic Analysis reports that “first-year expenditures” by foreign direct investors to acquire, establish, or expand businesses in Florida were \$5.2 billion in 2021, an increase of more than \$1 billion from 2020.
- Of these expenditures, the vast majority, or \$5.1 billion, were Florida businesses that were acquired, as opposed to newly established or expanded.
- The U.S. overall grew significantly in 2021, nearly doubling from a 2020 total of \$141.4 billion to \$333.6 billion in 2021.

## Impact on Jobs and Wages

According to the Organization for International Investment's 2016 report entitled "Jobs We Need:"

- 955,500 jobs in the state can be attributed to global investment/FDI, including both direct FDI jobs and related supply chain jobs.
- Florida ranks 1st in the Southeast and 6th in the U.S. for direct and indirect jobs related to FDI.
- Every direct FDI job created in Florida supports another three additional jobs in the state.
- Thirty percent of manufacturing jobs in Florida are supported by global investment.
- Direct FDI jobs in Florida provide an average annual compensation (wages and benefits) of \$63,300 versus an overall state average compensation of \$46,100. Average compensation for direct FDI jobs in the *manufacturing sector* is even higher at \$70,900, which is \$24,800 more than the state average.

## Sources

### *Foreign Direct Investment*

- U.S. Department of Commerce, Bureau of Economic Analysis, "[Activities of U.S. Affiliates of Foreign Multinational Enterprises \(MNEs\).](#)"
- U.S. Department of Commerce, Bureau of Economic Analysis, "[New Foreign Direct Investment in the United States.](#)"
- Global Business Alliance (formerly Organization for International Investment), "[Jobs We Need.](#)"