



# TEXAS TRADE AND FOREIGN DIRECT INVESTMENT 2016



# WHY TEXAS?

As the 10th largest economy in the world and home to more than 50 Fortune 500 companies, Texas combines a business-friendly climate, highly skilled workforce, access to global markets, first-class infrastructure, predictable regulations, and overall economic strength to provide a place where businesses can flourish.

With the second largest civilian workforce in the United States—13 million industrious people—and a strategic location in the center of the country, Texas serves as a major logistical hub for easy access to markets across North America.

With 11 deep water ports, 28 border crossings with Mexico, and the most extensive freight rail system in the country, Texas gives companies the ability to quickly move their products across the state, continent and world.

Texas also offers one of the lowest tax burdens in the country, with no corporate income tax and no individual income tax, in addition to one of the most competitive incentives programs in the nation.

A globally-connected economic powerhouse, Texas remains wide open for business—and welcoming to international companies of all sizes and industries.



**2016 Best State for Business for the 12th Straight Year**  
Chief Executive Magazine



**2015 Governor's Cup Winner**  
Site Selection Magazine



**2015 Top State for Infrastructure**  
CNBC



**2015 Best Overall Business Climate**  
Business Facilities Magazine



**2016 Silver Shovel Award Winner**  
Area Development Magazine



Texas is the 10th largest economy in the world based on GDP, ahead of Australia, Mexico, Spain, South Korea and many others.



Texas has the second largest civilian workforce in America—13 million industrious Texans.



Texas is the nation's leader in job creation adding over 2 million jobs in the last 10 years as of December 2015.



No personal or corporate income taxes.



Texas is the nation's top exporter for the 14th consecutive year with exports valued at over \$232 billion in 2016.



Based on number of jobs, Texas ranks No.1 in the nation for foreign and domestic investment.

# TRADE & FOREIGN DIRECT INVESTMENT

*More than 1,500 foreign corporations have ongoing operations in Texas.*

Texas is a top global destination for foreign direct investment (FDI), with 32 foreign trade zones and more than 1,500 foreign corporations with ongoing operations in the state—making up one of the most diverse populations in the country.

The state is a top-ranked destination for foreign direct investment and has led the nation in exports for 14 consecutive years.

Since January 2011, more than half of FDI projects into Texas originated from Western Europe, where major economies like the United Kingdom, Germany and France drove investment. However, countries such as Canada and Japan are near the top for overall capital investments into Texas.

Based on number of jobs, Texas ranks No. 1 in the nation for foreign and domestic investment. Comparing U.S. states, Texas ranked No. 3 after California and New York for total new FDI projects during this timeframe. However, in certain industries, like energy and basic materials, Texas led the nation in attracting foreign projects.

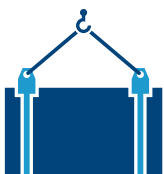
*\*This report analyzes more than five years of FDI project announcements compiled between January 2011 and March 2016 by consulting firm FDI Intelligence and Bloomberg L.P. An FDI project is defined as any new or expanded business facility wholly or partially owned by a non-U.S. company.*



Texas' top export destinations include Mexico, Canada, China, Korea and Brazil.



Texas is second for jobs at U.S. subsidiaries of global companies, insourcing **476,400 jobs**.



In 2015, Texas accounted for **16.6%** of U.S. manufactured commodities exported and **13.9%** of non-manufactured commodities.



From 2011-2016, there have been more than **1,441 FDI projects** in Texas, translating into the creation of more than **\$212 billion** in capital investment.

# INTERNATIONAL COMPANIES IN TEXAS

The Houston region continues to be the top Texas destination for inward FDI, landing 38% of the state's FDI projects over the past five years. Dallas-Fort Worth received 13%, followed by Austin and San Antonio with 11% and 4% respectively. The remainder of projects were distributed amongst more than two dozen other Texas metro areas and rural communities.





# GLOBAL FDI INTO TEXAS

## WORLD FDI INTO TEXAS: JANUARY 2011 – MARCH 2016

Between January 2011 and March 2016, a total of 1,441 FDI projects were announced in Texas, representing a capital investment of \$212 billion. Of these projects, 761 were greenfield FDI projects, creating a total of 84,065 jobs. Approximately 680 completed projects were due to mergers and acquisitions, estimating \$171.8 billion in capital investment.

| Year         | Number of projects | Capex (in millions) | Jobs created  | Companies  |
|--------------|--------------------|---------------------|---------------|------------|
| 2016         | 28                 | \$735.10            | 2,998         | 28         |
| 2015         | 167                | \$8,415.10          | 18,244        | 156        |
| 2014         | 131                | \$4,764.10          | 18,863        | 126        |
| 2013         | 177                | \$8,865.20          | 17,237        | 166        |
| 2012         | 131                | \$11,773.70         | 14,771        | 120        |
| 2011         | 127                | \$5,682.30          | 11,952        | 116        |
| <b>Total</b> | <b>761</b>         | <b>\$40,235.50</b>  | <b>84,065</b> | <b>655</b> |

*\*Total Greenfield FDI Projects into Texas*

## LEADING COUNTRIES FOR FOREIGN DIRECT INVESTMENT PROJECTS IN TEXAS

| Country     | Number of projects | Capex (in millions) | Jobs created | Companies |
|-------------|--------------------|---------------------|--------------|-----------|
| UK          | 165                | 2,296.50            | 6,136        | 146       |
| Germany     | 80                 | 3,035.90            | 7,521        | 63        |
| Canada      | 77                 | 2,731.50            | 9,219        | 72        |
| France      | 54                 | 4,464.40            | 5,664        | 45        |
| Japan       | 49                 | 3,098.80            | 12,354       | 44        |
| Switzerland | 29                 | 868.40              | 3,577        | 25        |
| Spain       | 27                 | 835.30              | 3,462        | 23        |
| Netherlands | 25                 | 1,497.40            | 1,567        | 17        |
| Sweden      | 21                 | 542.10              | 2,614        | 16        |
| Australia   | 20                 | 606.50              | 1,355        | 16        |
| Norway      | 20                 | 854.20              | 946          | 18        |
| India       | 19                 | 363.70              | 6,317        | 16        |

“  
51% of Texas  
FDI projects  
originate from  
Western Europe  
”

# TEXAS FDI INTO THE WORLD

## TEXAS FDI INTO WORLD

Between January 2011 and March 2016 a total of 847 FDI projects were recorded. These projects represent a total capital investment of \$59.2 billion which is an average investment of \$69.9 million per project. During the period, a total of 95,574 jobs were created.

| Year         | Number of projects | Capex (in millions) | Jobs created  | Companies  |
|--------------|--------------------|---------------------|---------------|------------|
| 2016         | 36                 | \$4,714.60          | 4,538         | 30         |
| 2015         | 154                | \$11,931.30         | 21,491        | 117        |
| 2014         | 165                | \$7,314.60          | 16,056        | 107        |
| 2013         | 163                | \$10,020.20         | 21,310        | 107        |
| 2012         | 125                | \$6,894.10          | 12,464        | 94         |
| 2011         | 204                | \$18,291.50         | 19,715        | 122        |
| <b>Total</b> | <b>847</b>         | <b>\$59,166.30</b>  | <b>95,574</b> | <b>433</b> |

## TOP FDI DESTINATION COUNTRIES

“Texas ranks No.1 nationally for FDI projects in energy and chemical industries.”

| Country   | Number of projects | Capex (in millions) | Jobs created | Companies |
|-----------|--------------------|---------------------|--------------|-----------|
| UK        | 106                | 1,631.50            | 5,418        | 91        |
| China     | 67                 | 2,063.00            | 10,605       | 45        |
| India     | 60                 | 3,189.70            | 16,669       | 49        |
| Canada    | 53                 | 11,125.00           | 6,186        | 37        |
| Mexico    | 39                 | 5,277.50            | 9,869        | 29        |
| Germany   | 36                 | 449.90              | 1,208        | 34        |
| Australia | 34                 | 4,271.00            | 4,700        | 29        |
| Singapore | 29                 | 2,034.30            | 2,214        | 26        |
| UAE       | 29                 | 258.10              | 745          | 23        |
| Brazil    | 27                 | 2,577.30            | 2,445        | 22        |
| France    | 21                 | 436.10              | 1,075        | 19        |
| Ireland   | 19                 | 334.40              | 1,173        | 13        |

# FOREIGN TRADE ZONES IN TEXAS

Texas leads the nation with 32 foreign trade zones (FTZs), more than any other state. FTZs are the domestic variation on the “free trade zone” concept—secure areas under the supervision of U.S. Customs and Border Protection that are considered outside the customs territory for the purposes of duty payment. Zone status may also make sites eligible for state and local tax benefits.





# TRADE & EXPORTS

*The Lone Star state had more than \$248 billion in goods exported in 2015, and continues to be the leader in international trade.*

## TRADE & EXPORTS IN TEXAS

Texas continues to rank as the number one exporter in the U.S., a position the state has held since 2002. The Lone Star State exported more than \$248 billion in goods in 2015, and continues to be a global leader in international trade.

Mexico continues to be Texas' largest trading partner, generating approximately \$92.5 billion in goods exported in 2015, followed by Canada with \$25.5 billion and China with \$11.5 billion.

Texas exports some of the world's top commodities, include petroleum and coal products, chemicals, computers and electronic products, machinery, medical devices and transportation equipment.

With its unique combination of strategic location, the largest U.S. rail and road infrastructure, the most U.S. ports of entry, a multilingual workforce twice the national average, a diplomatic hub with a Consular Corps representing some 90 nations, as well as a concentration of corporate and financial resources, Texas is truly a global trade powerhouse.

| Rank | State         | Annual 2015<br>(in billions) |
|------|---------------|------------------------------|
| 1    | Texas         | 248,175,140,181              |
| 2    | California    | 165,390,478,367              |
| 3    | Washington    | 86,376,587,619               |
| 4    | New York      | 83,139,625,746               |
| 5    | Illinois      | 63,420,740,029               |
| 6    | Michigan      | 53,955,365,487               |
| 7    | Florida       | 53,915,591,947               |
| 8    | Ohio          | 51,138,643,434               |
| 9    | Unknown State | 46,756,201,828               |
| 10   | Louisiana     | 48,670,839,881               |

## TEXAS: GLOBAL TRADE POWERHOUSE



# No.1

Texas ranks No. 1 top exporting state in the nation for 14th consecutive year, with more than \$248 billion goods exported in 2015.

# 16%

Texas exports alone accounted for more than 16% of U.S. goods exported in 2015.

# \$6.3B

For the 3rd year in a row, Texas surpassed California for high-tech exports. In 2015, Texas exported \$6.3 billion more in high-tech goods than California.

# No.2

Texas had the 2nd highest GDP in the country in 2015 with \$1.6 billion, which accounted for 9.1% of the U.S. GDP.

## TRADING PARTNERS

### TOP COUNTRIES FOR TEXAS EXPORTS

| Rank | Country           | Annual 2015<br>(in billions) | April 2016 YTD<br>(in billions) |
|------|-------------------|------------------------------|---------------------------------|
| 1    | Mexico            | 92,488,949,471               | 30,639,432,530                  |
| 2    | Canada            | 25,504,680,349               | 6,534,442,950                   |
| 3    | China             | 11,529,166,232               | 3,828,995,438                   |
| 4    | Republic of Korea | 8,075,943,015                | 2,394,466,970                   |
| 5    | Brazil            | 7,236,953,739                | 2,012,049,457                   |
| 6    | Japan             | 5,062,050,382                | 1,998,614,775                   |
| 7    | Netherlands       | 6,709,294,498                | 1,932,631,690                   |
| 8    | United Kingdom    | 4,293,409,497                | 1,420,728,249                   |
| 9    | Singapore         | 4,917,175,491                | 1,418,430,061                   |

### TOP COUNTRIES FOR TEXAS IMPORTS

| Rank | Country           | Annual 2014<br>(in billions) | Annual 2015<br>(in billions) |
|------|-------------------|------------------------------|------------------------------|
| 1    | Mexico            | 90,779,646,196               | 84,012,183,465               |
| 2    | China             | 45,507,361,016               | 40,991,957,537               |
| 3    | Canada            | 17,465,661,634               | 15,943,645,318               |
| 4    | Republic of Korea | 10,622,481,258               | 10,330,157,372               |
| 5    | Germany           | 8,751,090,191                | 8,531,775,396                |
| 6    | Saudi Arabia      | 19,089,192,490               | 7,643,941,117                |
| 7    | Venezuela         | 15,225,846,975               | 7,510,977,225                |
| 8    | Japan             | 6,356,553,122                | 6,354,076,969                |
| 9    | Vietnam           | 2,371,656,799                | 5,094,582,740                |
| 10   | United Kingdom    | 5,203,052,609                | 4,772,609,174                |

# PORTS OF ENTRY

With 16 Texas seaports, 26 commercial airports and the nation's largest network of freight rail and public roads, Texas offers international companies approximately 29 ports of entry.

Texas ports handle millions of domestic and international cargo, and distribute top commodities, including produce and agriculture, oil and gas, to manufacturing goods and technology.

Three of Texas' ports are among the 10 most utilized in the nation, with Houston generating more trade value than any other U.S. seaport on the Gulf Coast, amounting over \$169 billion. And the Port of Laredo is the No. 1 inland port along the entire U.S.-Mexico border in total trade volume and value.



# RECENT FDI HEADLINES IN TEXAS



**GRI** Renewable Industries

## GRI RENEWABLE INDUSTRIES INVESTS \$41 MILLION IN AMARILLO MANUFACTURING CENTER

GRI Renewable Industries, the industrial wind division of Spanish-based Gonvarri Steel Industries, plans to build a new manufacturing plant in Amarillo, Texas. Upon completion in 2016, the plant, which will manufacture renewable wind energy components, is projected to create over 300 new jobs and \$41 million in capital investment in the State of Texas.



**INDO-MIM™**  
COMPLEXITY SIMPLIFIED

## INDO-MIM AIMS TO LAUNCH FIRST U.S. MANUFACTURING OPERATION IN SAN ANTONIO

The India-based firm, Indo-MIM, will establish its first manufacturing operation in the U.S. within an existing 58,000-square-foot facility at the Port San Antonio, creating 300 jobs and \$24 million in capital investment. The company produces precision component parts through metal injection molding technology and is expected to open by fall of 2016.



## SATA GROUP TO BUILD NEW MACHINE PLANT IN BROWNSVILLE

SATA Group, an Italian high-tech components manufacturer, announced a \$114 million investment in new plant operation in Brownsville, creating 300 jobs over a 10-year period. The company was awarded a Texas Enterprise Fund of \$1.8 million.

**INEOS**  
**Oligomers**

## INEOS APPROVES UNIT FOR CHOCOLATE BAYOU COMPLEX IN THE HOUSTON REGION

Ineos Oligomers, a division of Ineos AG based in Switzerland, announced plans to add a new linear alpha olefin (LAO) unit at Ineos Olefins & Polymers USA's Chocolate Bayou petrochemical complex in Alvin, Texas. The new facility will create 70 new jobs and \$400 million in capital investment.



## IKO INDUSTRIES ANNOUNCES NEW PLANT IN TEXAS

IKO Industries, a Canadian global leader in the manufacturing of residential roofing shingles and commercial waterproofing and roofing products, announced in February 2015 its newest project in Hillsboro, Texas, which plans to create 50 jobs and bring \$80 million in capital investment.





For Earth, For Life

## KUBOTA TRACTOR RELOCATES U.S. HQ TO TEXAS

Kubota Tractor Corp. announced it will relocate its U.S. corporate headquarters from California to Grapevine, Texas. A Texas Enterprise Fund (TEF) grant of \$3.8 million was extended to the Japanese company, which is expected to create 344 new jobs and \$51 million in capital investment.



## NEW CGT MANUFACTURING FACILITY IN NEW BRAUNFELS

Canadian company CGT U.S. Limited will construct a new facility in New Braunfels, which will reshore part of the company's manufacturing from China and increase North American capacity. Once completed, the project expects to create 275 new jobs and bring in a capital investment of \$80 million. A Texas Enterprise Fund (TEF) grant offer of \$2 million has been extended to CGT.



## TOYOTA MOVES NORTH AMERICAN HEADQUARTERS TO NORTH TEXAS

Toyota is building its new North American headquarters in Plano, which, when complete, will create 4,000 new jobs and a capital investment of \$300 million. In one of the largest TEF awards ever, Toyota was awarded \$40 million to relocate from California.



AMERICAN CITIES  
OF THE FUTURE 2015/16

## FDI AMERICAN CITIES OF THE FUTURE 2015-16

### Top 10 Major American Cities of the Future

- No. 3** Overall - *Houston, Texas*
- No. 2** for Business Friendliness - *Houston, Texas*
- No. 6** for Economic Potential - *Houston, Texas*
- No. 5** for Human Capital and Lifestyle - *Houston, Texas*
- No. 3** for Connectivity - *Houston, Texas*

### Top 10 Large American Cities of the Future

- No. 4** Overall - *Austin, Texas*
- No. 6** for Business Friendliness - *Austin, Texas*
- No. 4** for Economic Potential - *Austin, Texas*
- No. 8** for Human Capital and Lifestyle - *Austin, Texas*

### Top 10 Mid-Sized American Cities of the Future

- No. 9** for Human Capital and Lifestyle - *Arlington, Texas*

### Top 10 Small American Cities of the Future

- No. 3** for Business Friendliness - *Plano, Texas*
- No. 4** for Business Friendliness - *Irving, Texas*
- No. 7** for Human Capital and Lifestyle - *Denton, Texas*



## GALDERMA EXPANDS NORTH AMERICAN HEADQUARTERS IN FORT WORTH

Swiss dermatology company Galderma will be expanding its current North American headquarters in Fort Worth to support research, development and training. The expansion project will include the addition of a 100,000-square-foot facility, a \$22 million capital investment and the creation of 342 new jobs. A Texas Enterprise Fund (TEF) grant offer of \$2.1 million has been extended to Galderma.

# STATE INCENTIVES & INITIATIVES



**Texas Enterprise Fund** – The Texas Enterprise Fund (TEF) is one of the nation's largest "deal closing" funds created to attract businesses and new jobs to Texas. Since the program's inception, the TEF has awarded approximately \$595 million to companies that have committed to an expansion or relocation in Texas.

**Skills Development Fund** – The Skills Development Fund is Texas' premier workforce development program created to assist Texas community and technical colleges with financing for customized job training for Texas businesses and workers.

**EB-5 Immigrant Visa** – The U.S. government may offer legal permanent residence to investors, either alone or coming with their spouse and unmarried children, through the EB-5 visa. To qualify, there are two ways which you may use the EB-5 category: creating a new commercial enterprise or investing in a troubled business.

**Governor's University Research Initiative** – In 2015, Governor Greg Abbott passed legislation to create a new Governor's University Research Initiative (GURI), which allocated \$40 million to attract and recruit top researchers to Texas' higher education institutions.

## CONTACT US



### **Office of the Governor Economic Development and Tourism Division**

The Governor's Office of Economic Development and Tourism (EDT) serves as the state's leading economic development organization marketing Texas as the world's premier business investment destination. The division pursues business expansion and relocation prospects, with the goal of developing job creation and export opportunities for the Texas business community.

#### **International Investment Services**

The state offers comprehensive services to potential and current foreign investors including: business climate research, regional intelligence and analysis, trade and investment data, site selection assistance, help in navigating potential state and local incentive packages, as well as connection to all federal state, local and private sector agencies.

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