



Foreign Direct Investment in Indiana and the Midwest

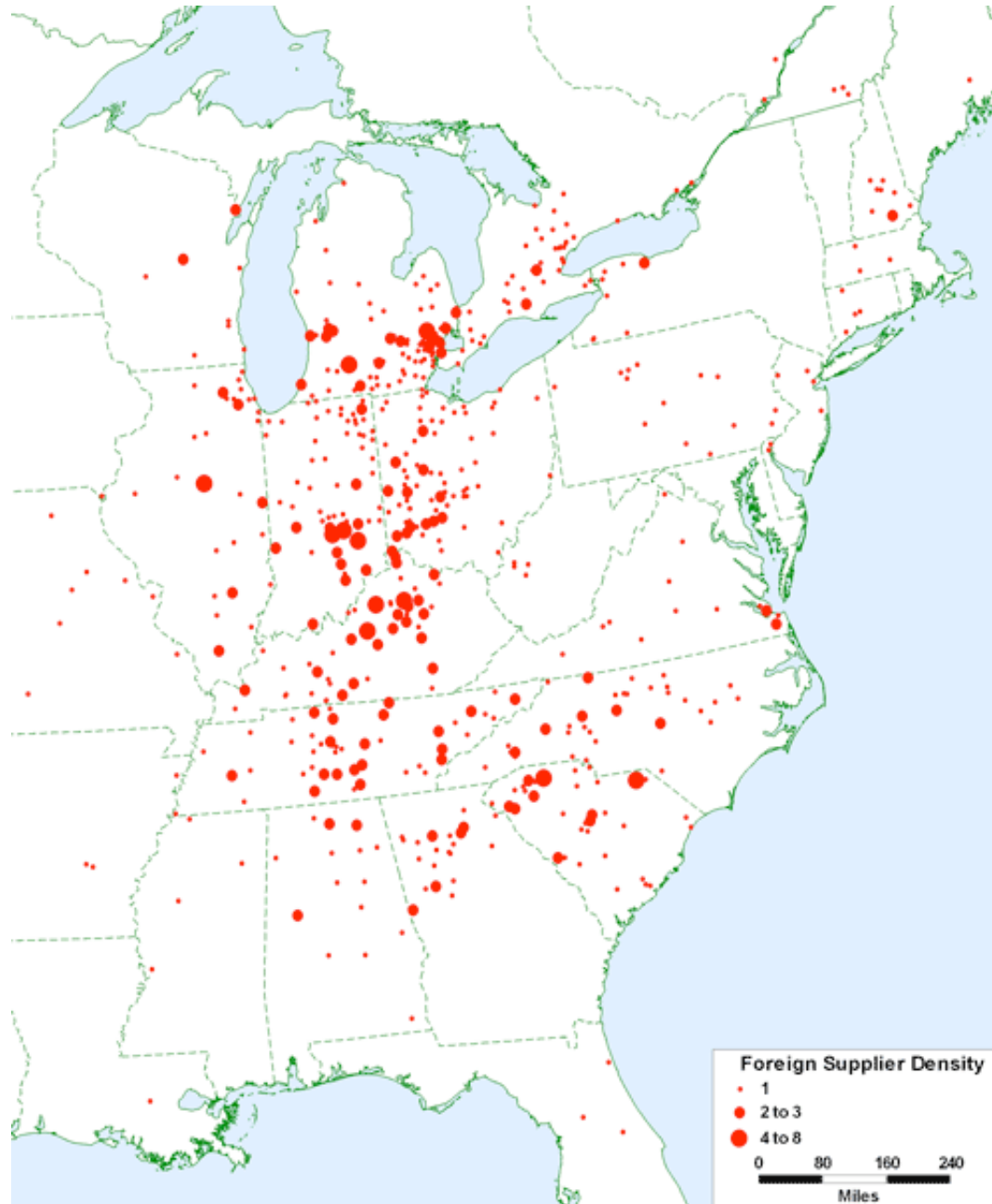
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Foreign Investment: An Old Story

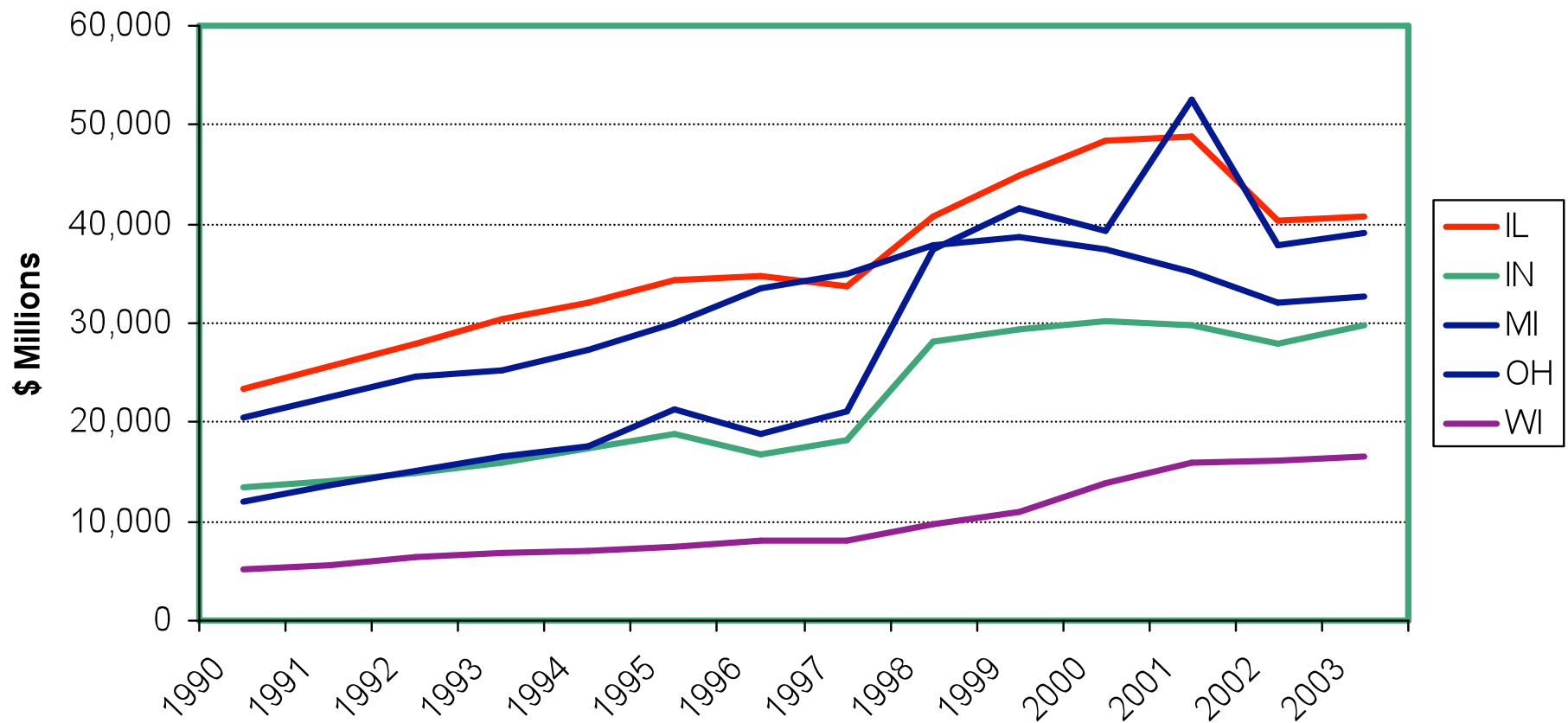
- Erie Canal, Transcontinental Railroad, even the Revolutionary War were financed abroad
- Recent lease of Indiana Toll Road by Spanish-Australian consortium reveals ambivalent attitude of many Hoosiers
- Europe, the traditional source, has been increasingly supplanted by Asian investment in recent decades

Direct Investment: A Newer Development

- Foreign firms have an equity stake in companies
- Operational decision-making wholly or partly from abroad
- Midwest states have attracted their fair share
- Reinforces competitive strengths of our region

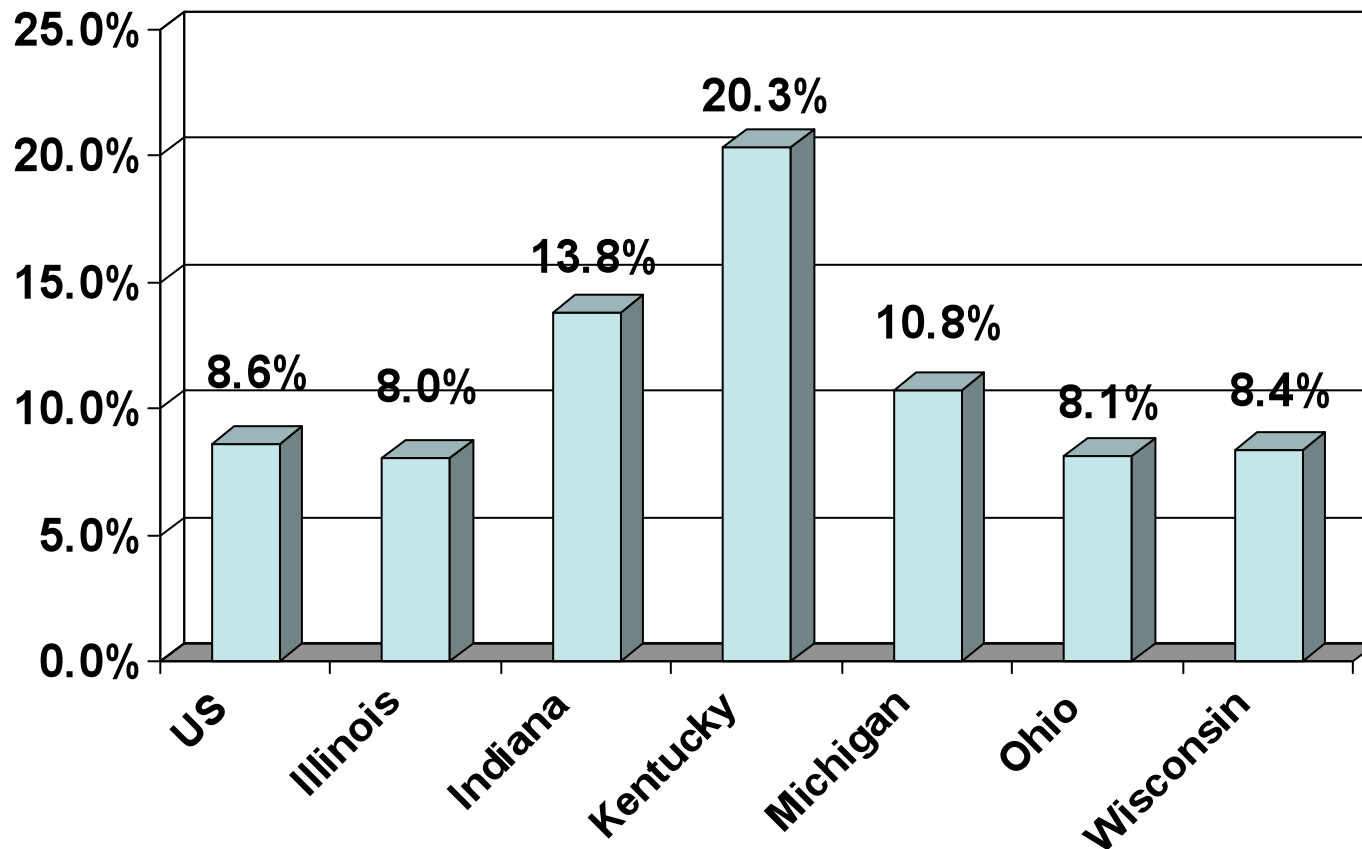


Foreign Direct Investment by State



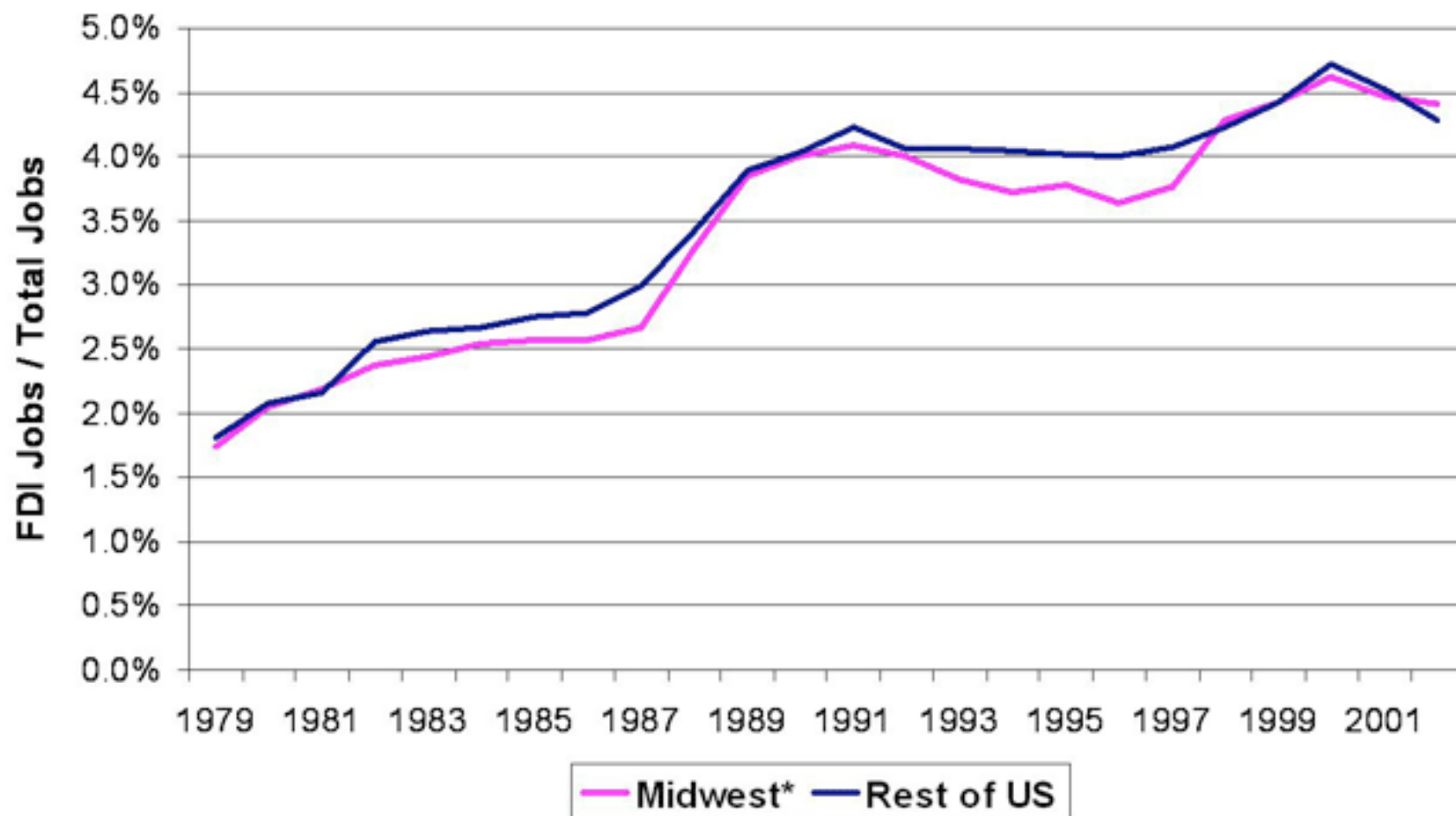
Source: Survey of Current Business, August 2005

Indiana Capturing Large Share of FDI



Ratio of FDI to Gross State Product, 2003

FDI Employment as a Percentage of Total Wage and Salary Employment



*Midwest includes the following states: IL, IN, IA, MI, MN, OH, WI

Source - Bureau of Economic Analysis

Midwest* FDI Employment, in thousands
(and share of total)

	Year				
Region	1980	1985	1990	1995	2000
Europe	312.9 (74.8)	346.6 (64.7)	570.8 (61.0)	571.8 (60.0)	856.2 (67.9)
Asia	15.1 (3.6)	51.1 (9.5)	209.4 (22.4)	206.3 (21.6)	205.4 (16.3)
Americas	83.3 (19.1)	131.9 (24.6)	15.09 (16.1)	165.4 (17.3)	184.0 (14.6)
Other	7.2 (1.7)	5.9 (1.1)	4.3 (0.5)	9.9 (1.0)	16.0 (1.3)
Total	418.5 (100.0)	535.5 (100.0)	935.4 (100.0)	953.4 (100.0)	1,261.6 (100.0)

*Midwest includes the following states: IL, IN, IA, MI, MN, OH, WI

Source - Bureau of Economic Analysis