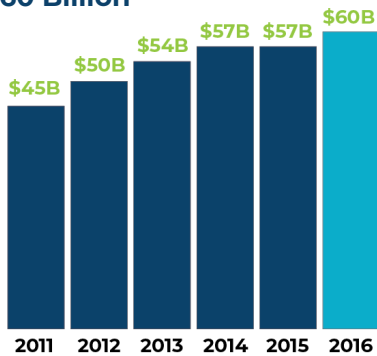




International Companies Are Fueling US Innovation

International companies continue to expand their research and development (R&D) activities in the United States. U.S.-based R&D performed by international companies supports thousands of high-paying American jobs, helps spur the discovery of new products and processes, and contributes to America's economic growth. Over the past five years, R&D performed by international companies in the United States totaled more than \$280 billion.

U.S. R&D by International Companies Exceeds \$60 Billion

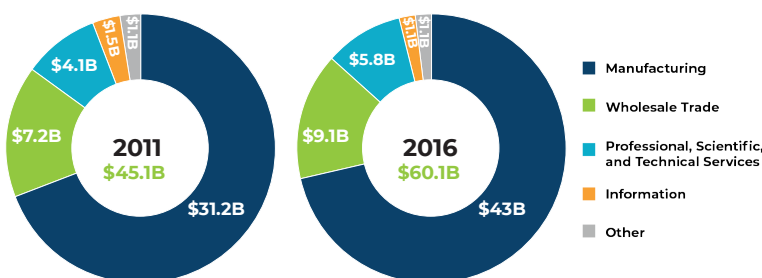


Many international companies operating in the United States engage in productivity enhancing R&D activities that are critical for improving products and services. R&D performed by international companies in the United States exceeded \$50 billion in each of the past five years and has experienced an upward trend, reaching its highest levels in 2016. In fact, in 2016, R&D expenditures by international companies topped \$60 billion, representing 16 percent of all R&D performed by U.S.-based companies.

Nearly 72 Percent of This R&D Activity Occurs in the Manufacturing Sector

America's research-intensive manufacturing sector attracted the vast majority of R&D spending by international companies, valued at \$43 billion in 2016. More than half was in chemicals (\$22B), followed by transportation equipment (\$7.3B), computers and electronic products (\$5.6B), and machinery (\$2.8B). Within chemicals, pharmaceuticals and medicines accounted for the lion's share of R&D performed at \$20.6 billion. Wholesale trade (\$9.1B), professional, scientific and technical services (\$5.8B), and information services (\$1.1B) were also among the industries drawing considerable R&D spending from international companies.

R&D by International Companies According to Industry



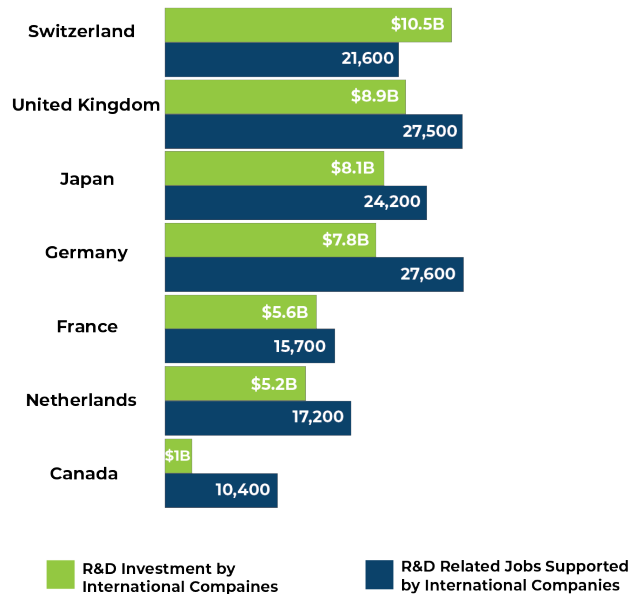
Swiss-Headquartered Companies Lead U.S. R&D Investment

Six countries accounted for more than three-quarters of total R&D spending by international companies in the United States in 2016. At \$10.5 billion, Switzerland represented more than one-sixth of all U.S. R&D investment from international companies. British (\$8.9B), Japanese (\$8B), German (\$7.8B), French (\$5.6B), and Dutch (\$5.2B) companies are also among the largest contributors of R&D in the United States.

German Companies Support Largest Number of R&D Jobs

R&D expenditures by international companies supported 193,600 American jobs in 2016. Nearly 15 percent, or 27,600, of these jobs are from German companies that invest billions each year in U.S.-based R&D. Other significant U.S. R&D employment comes from British, Japanese, Swiss, Dutch, French, and Canadian companies. Of these, international companies from the United Kingdom, Japan and Switzerland each supported more than 20,000 American jobs in 2016.

Top Countries by R&D Spending and Employment, 2016



Chemicals Command the Largest Share of R&D Employment

R&D performed by international companies in the United States generated 127,000 manufacturing jobs in 2016. Chemicals accounted for 37,900 jobs, or 30 percent of all R&D-related manufacturing jobs. Coming in second was transportation equipment, which accounted for 31,100 jobs, or 25 percent. Other manufacturing sectors with thousands of R&D-related jobs include computers and electronic products (15 percent), machinery (11 percent), and electrical equipment, appliances and components (6 percent).

Source: Bureau of Economic Analysis at the time of publication in November 2018. Data cover the activities of majority-owned U.S. affiliates of foreign multinational enterprises.