OFII | GLOBAL INVESTMENT GROWS AMERICA'S ECONOMY

Inbound Investment Survey

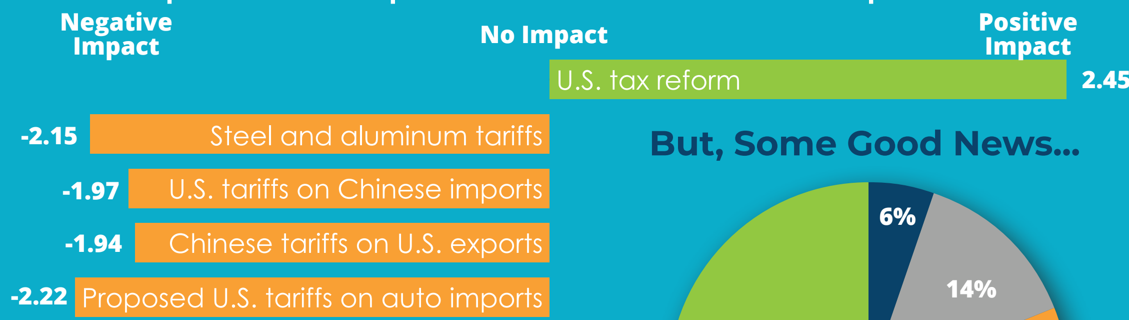
The Inbound Investment Survey provides keen insights from chief financial officers (CFOs) of international companies on the health of the U.S. business climate for inbound investment. These executives, who are responsible for evaluating the strength of our economy and determining when and where to invest their company's resources, offer a unique perspective on U.S. competitiveness.

Key Takeaways

Auto Tariffs Viewed as Largest Threat to US Competitiveness

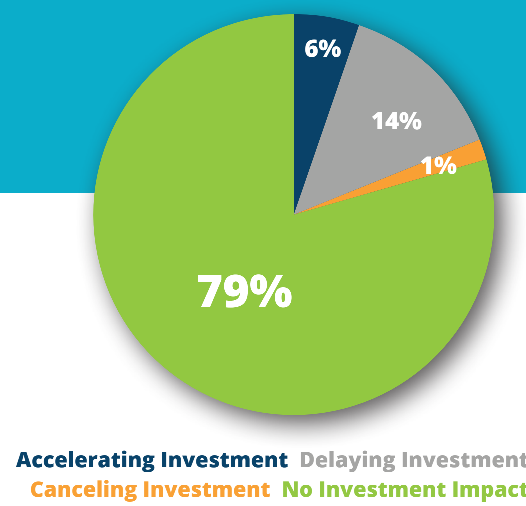
CFOs indicate that the largest threat to U.S. competitiveness is the potential tariffs resulting from the Sec. 232 automotive import investigation. That finding is surprising, given that more than 40 percent of CFOs say their company has been directly harmed by the steel and aluminum tariffs and/or the Chinese tariffs already in place.

Impact on US Competitiveness for International Companies



Average Ranking (Max = 5, Min = -5)

But, Some Good News...

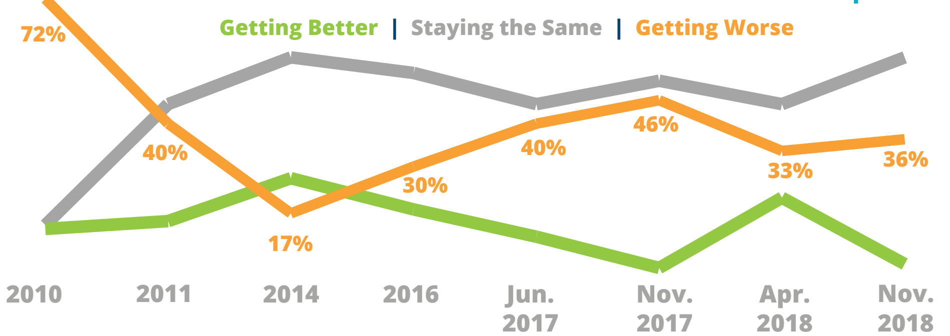


Tariffs Have Not Yet Impacted Investment Decisions

Despite the concerns over the Administration's trade policies, the vast majority of CFOs indicate that those policies have not yet negatively impacted their investment decisions. One CFO says, "Nationalist rhetoric combined with tariffs and the threat of tariffs are a huge problem for global companies operating in the U.S." Another adds, "The good impact of tax reform and overall strong economy remains a positive. Tariffs and the acceleration of inflation is hurting U.S. market profitability and may impact long term capital allocation."

Business Optimism Stalls Amid Growing Trade Uncertainty

Views on the US Business Climate for International Companies



The optimism that international companies expressed last spring has largely faded in light of growing trade uncertainty. Only four percent of CFOs surveyed viewed the U.S. business climate as improving for international companies. As one CFO commented, "There is currently a great deal of uncertainty, which makes it difficult to do long range planning."

Employment Expectations Improve

Forty percent of CFOs say that they expect their "company's U.S. employment level" to increase in the next six months. Most CFOs (43%) say that they expect their employment level to remain the same, and 16 percent indicate a potential decline, up from 11 percent in April.

Percentage Expecting 'US Employment Level' to Increase

NOTE: In the 2010-2016 surveys, respondents were asked about their plans over the next 12 months. Surveys since 2017 have asked about their plans over the next six months.

The CFO Inbound Investment Survey was distributed to approximately 200 CFOs of U.S. subsidiaries of foreign companies in October 2018. Surveys were due by November 9. OFII received 73 complete responses and the results presented, unless otherwise noted, are based only on these responses.
Visit ofii.org/CFOsurvey for complete details.