



After the Meltdown: Is Globalization Still Good for America?"

Alaska World Affairs Council

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USCIB at a Glance

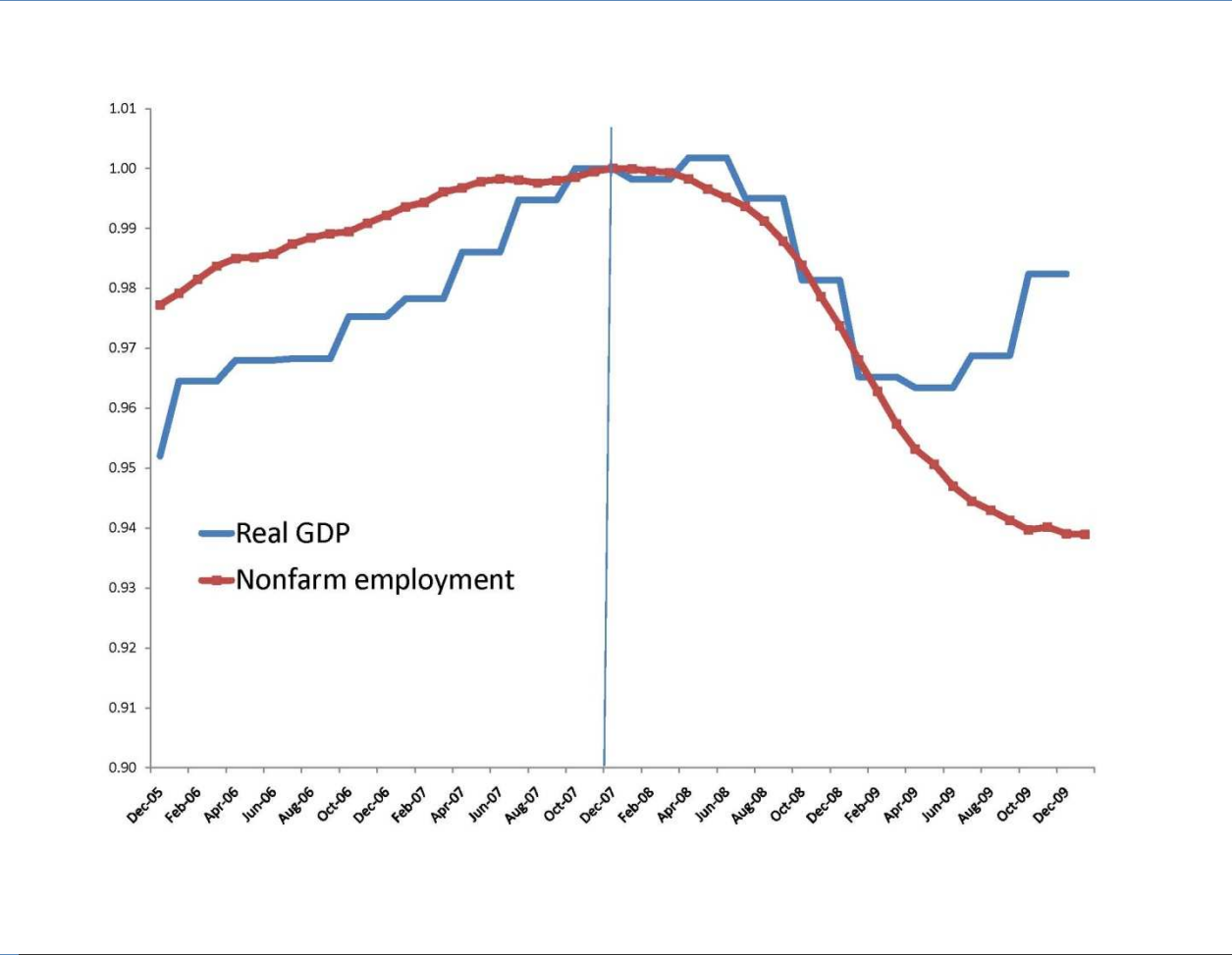
- ❑ **Mission:** Advance US business interests at home and abroad
- ❑ **Core values:** Open markets, innovation & competitiveness, sustainable development, responsible business
- ❑ **U.S. affiliate:**
 - International Chamber of Commerce
 - International Organization of Employers
 - Business & Industry Advisory Committee to the OECD
- ❑ **Members:**
 - 300+ multinational companies, law firms, business associations

Global Network

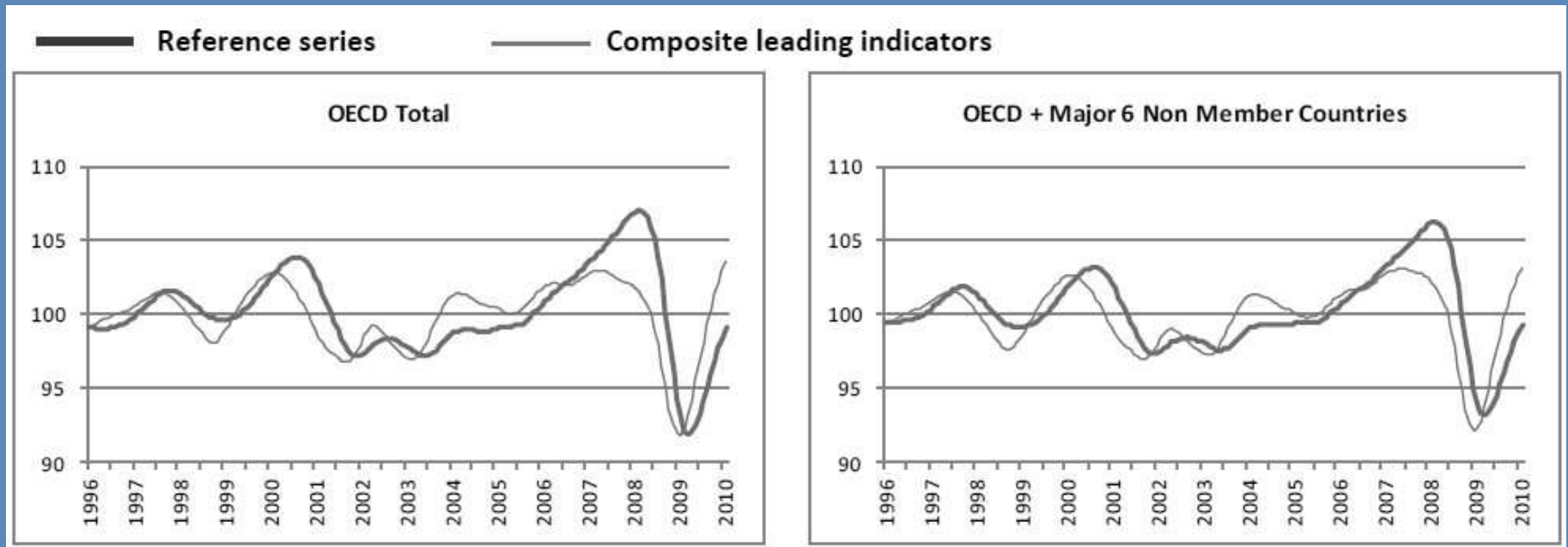




GDP and Employment



Global Economic Performance





US Employment

Chart 1. Unemployment rate, seasonally adjusted, March 2008 – March 2010

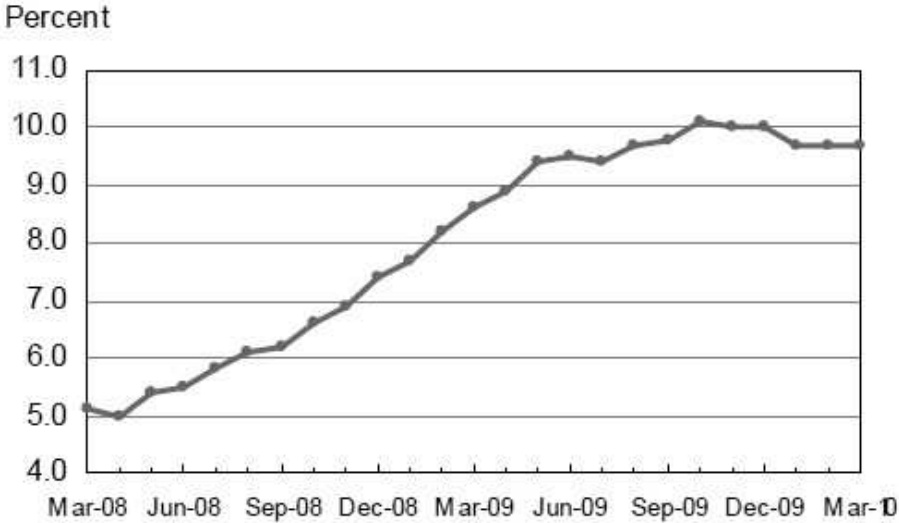
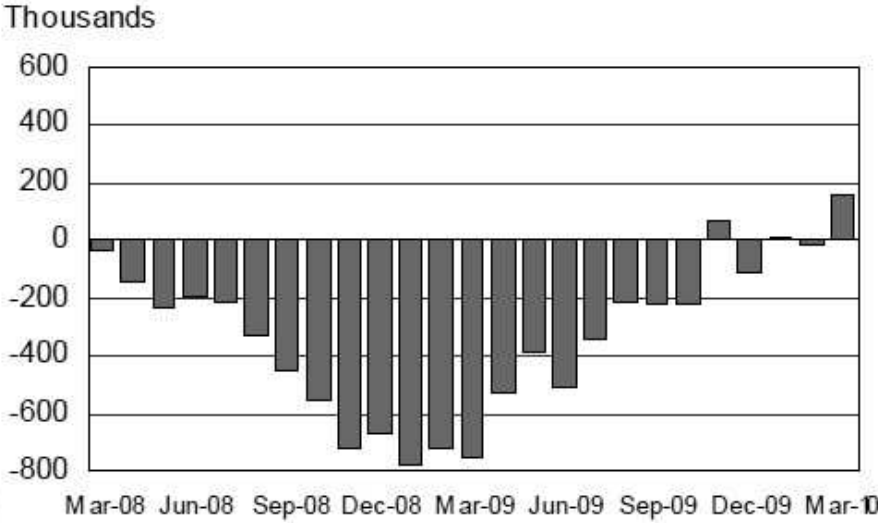


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, March 2008 – March 2010





Facts to Know	U.S. Subsidiaries
INSOURCING JOBS IN AMERICA	SIGNIFICANT EMPLOYERS IN THE STATE

Insourcing State Job Facts

- ▶ U.S. subsidiaries in Alaska play a vital role in supporting jobs. They now employ 12,200 Alaskans—an increase of 16.2% over five years.
- ▶ In fact, the relative portion of jobs in Alaska supplied by U.S. subsidiaries remains significant. They provide the livelihood for more than 5% of Alaska's private-sector workforce.

INSOURCING MANUFACTURING JOB FACTS

- ▶ U.S. subsidiaries support 2,400 manufacturing jobs in Alaska. Manufacturing companies tend to have a strong "multiplier" effect on the economy—stimulating a substantial amount of activity and jobs in other sectors through their demand for inputs from other suppliers.
- ▶ Almost 18% of manufacturing jobs in Alaska are supported by U.S. subsidiaries

Insourcing National Job Facts

- ▶ U.S. subsidiaries consistently support millions of American jobs. They now employ 5.3 million Americans—or 4.5% of private sector employment.
- ▶ U.S. subsidiaries support an annual payroll of \$364.2 billion.
- ▶ U.S. subsidiaries provide an average compensation per U.S. worker of \$68,317; this is 32% percent higher than compensation at all U.S. companies.
- ▶ U.S. subsidiaries also spent \$160 billion on plant construction and new equipment.
- ▶ U.S. subsidiaries' share of U.S. manufacturing employment represents 11 percent of American manufacturing jobs.

- AIR LIQUIDE
- BAE SYSTEMS, INC.
- BP
- KINROSS
- NORTH PACIFIC PROCESSORS
- RIO TINTO
- SIEMENS
- SUMITOMO
- TECK DOMINCO
- TYCO
- UNISEA
- WESTWARD SEAFOODS

What Do You Think About When You Hear the Word “Globalization”?

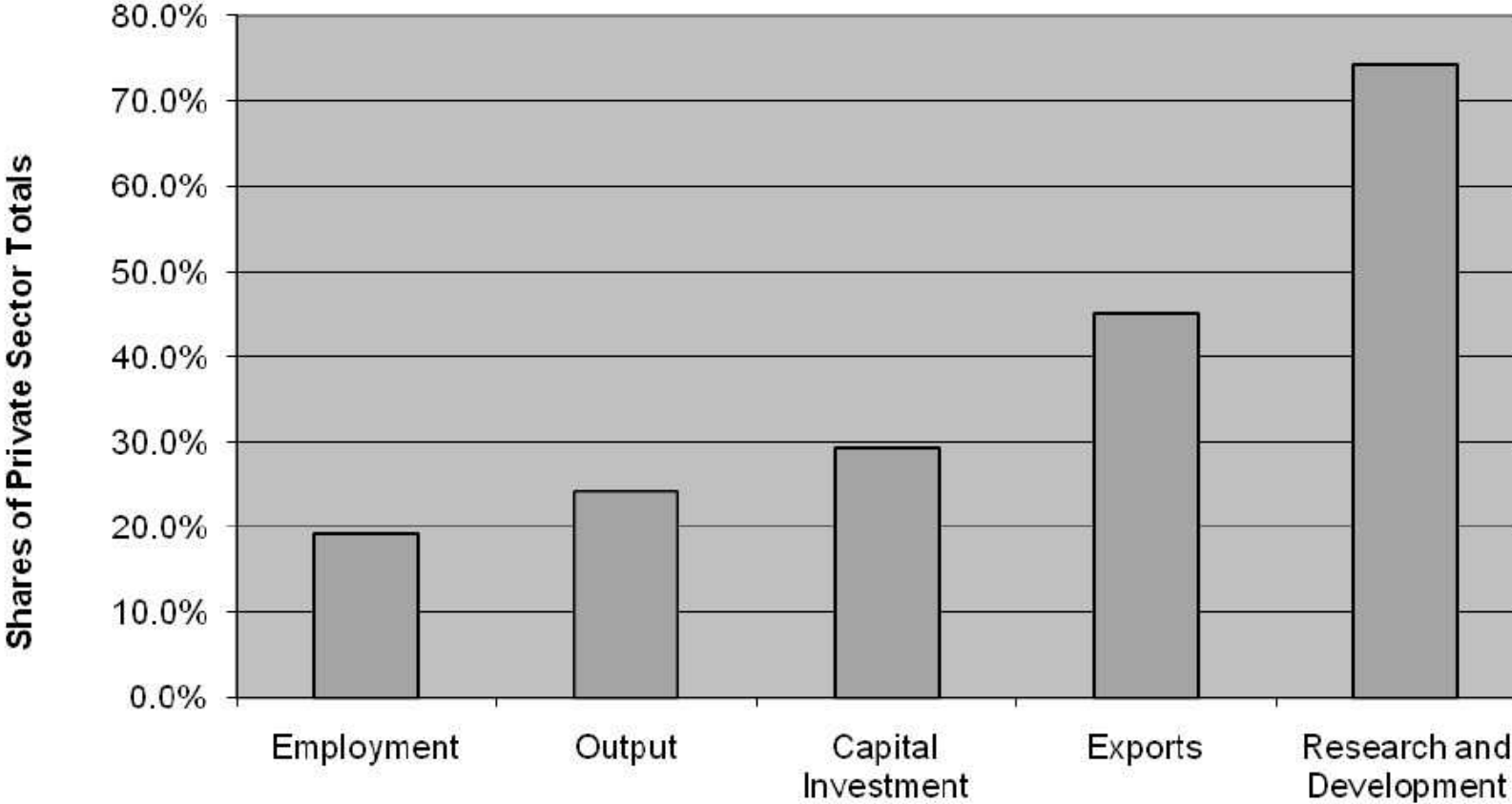
Outsourcing

Jobs shipped overseas

Is this a fair picture?

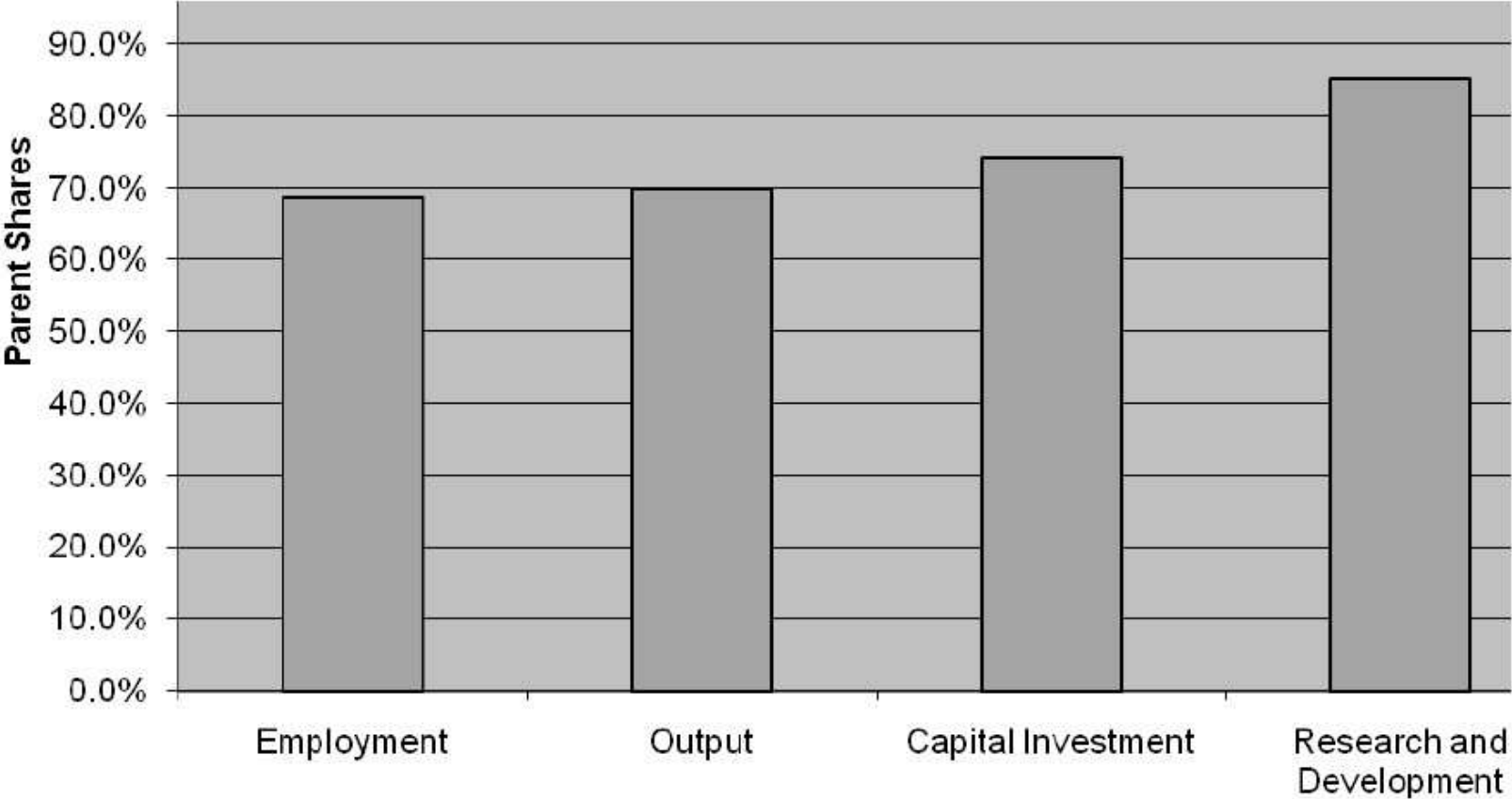


Graph 1: U.S. Parent Companies Account for Large Shares of the Overall U.S. Economy

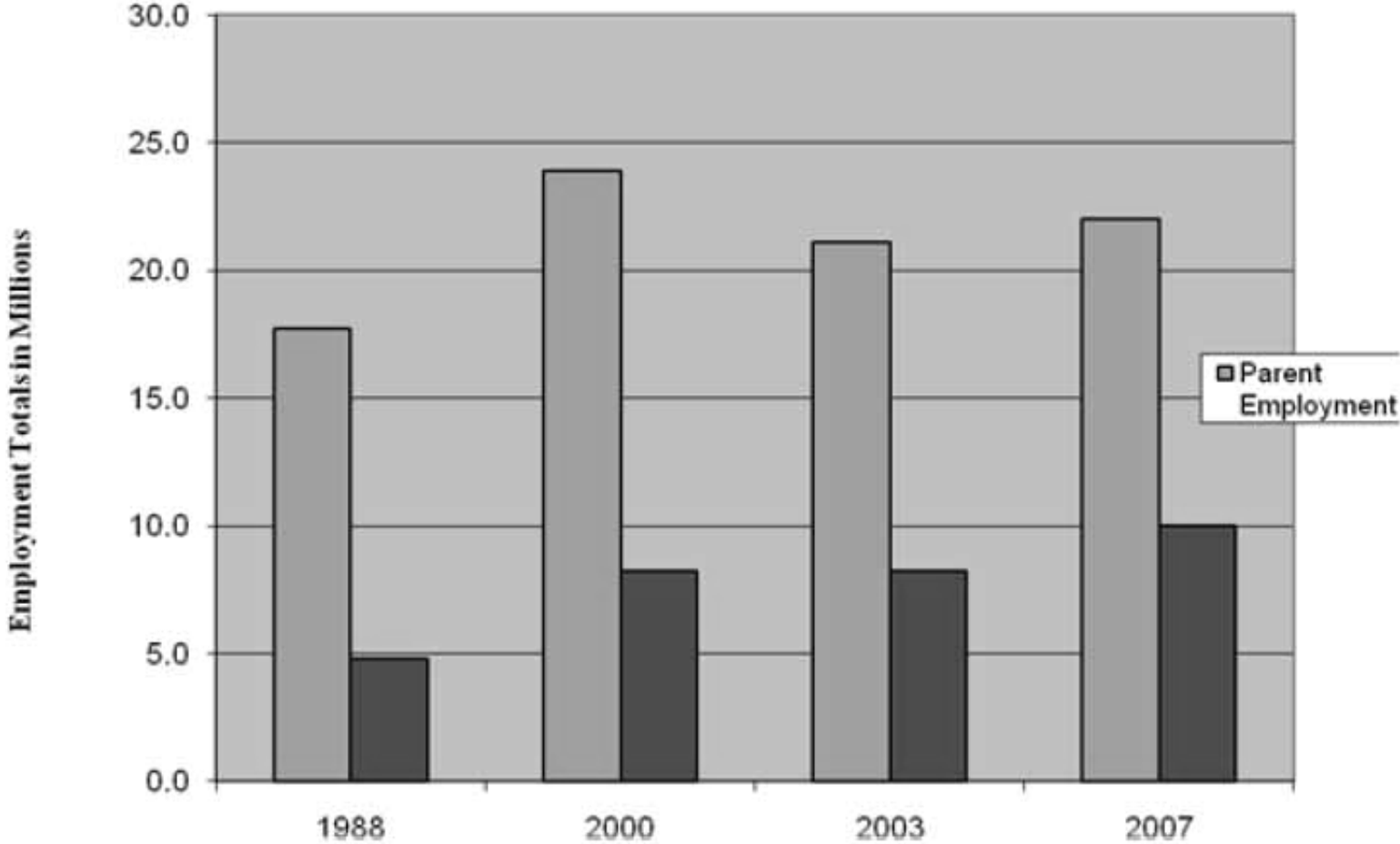




Graph 2: U.S. Parents Account for the Large Majority of Worldwide Activity of U.S. Multinationals



Graph 6: Employment at U.S. Parents and Foreign Affiliates



Lessons for Policy Makers

- ❑ ***Jobs....***: Unwise to pursue policies (e.g., tax deferral) that handicap MNCs, the source of one-fifth of our employment and nearly half our exports
- ❑ ***Exports:*** US growth depends on access to overseas customers
- ❑ ***FDI:*** Need a physical presence to be close to these customers
- ❑ ***...and more jobs:*** Investing overseas creates jobs at home



Questions?

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