

# Foreign Investment in Texas

The Industries and Countries Leading Current Growth

2011



Office of the Governor | Economic Development & Tourism

# Foreign Direct Investment in Texas 2005-2010

- ▶ **407** FDI projects established in Texas since 2005
- ▶ **3** Texas cities rank among the top 10 foreign investment markets in the U.S.
- ▶ **60%** Of all FDI projects in Texas are Europe-based

Texas is a top-ranked global destination for foreign direct investment (FDI). The state's strong economy, competitive business climate, and central location within North America have attracted more than 2,000 foreign multinationals to establish locations here.

This report analyzes data compiled by the consulting firm FDI Intelligence between the years 2005-2010. During this six-year period, Texas was the destination for more FDI projects than 150 independent countries, including Chile, Denmark, and New Zealand.

Between 2005-2010, 337 non-U.S. companies planted more than 400 separate business expansions in Texas.

On a national level, between 2005-2010, Texas was selected as the destination for:

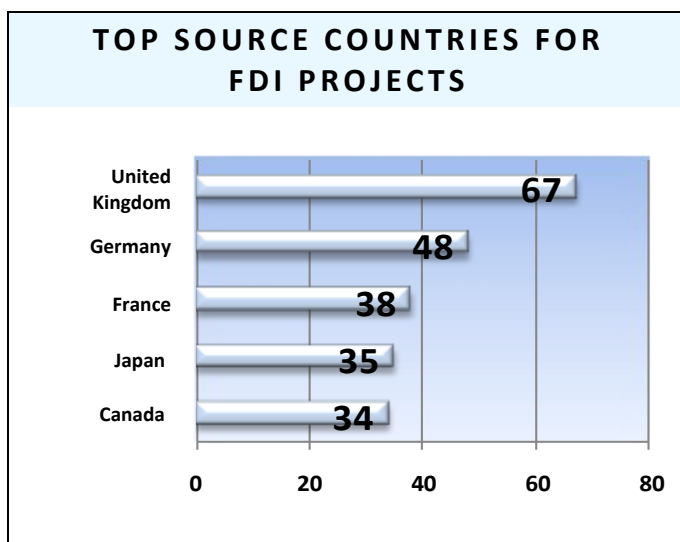
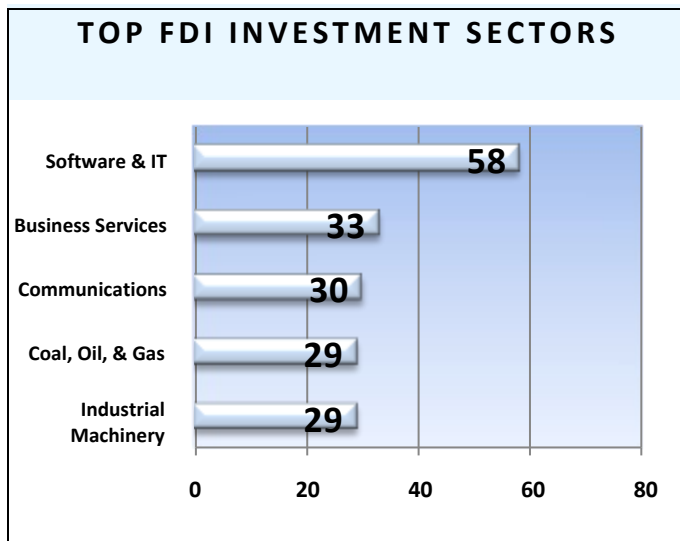
- 1 in every 21 foreign Software & IT projects locating in the U.S.
- 1 in every 9 foreign Coal, Oil, & Natural Gas projects locating in the U.S.

As well as:

- 1 in every 14 U.K. FDI projects locating in the U.S.
- 1 in every 15 German FDI projects locating in the U.S.

Despite the global recession, foreign investment has continued to grow in Texas. During the two year period 2009-2010, more FDI projects were recorded in Texas than in all four previous years combined.

The top three Texas destination cities for inward foreign investment are Houston, Dallas, and Austin capturing 26%, 14%, and 12% of the state's investment projects respectively. These three cities also rank among the top 10 FDI destination markets in the U.S. Texas is the only state with three cities in the top 10.



**Top  
Foreign Direct Investment (FDI)  
Sectors in Texas**

# Software & Information Technology

- ▶ **#1** FDI sector in Texas.
- ▶ **14%** of all FDI projects in Texas.




## Investment Source Countries

	Country	Software & IT Projects in TX	Total TX Projects, All Sectors
1	United Kingdom	12	67
2	Canada	10	34
3	France	6	38
4	Netherlands	4	17
5	Australia	3	12

- Software & IT is Texas' top sector for attracting foreign investment projects. Since 2005, 58 investments in this sector have been recorded representing 14% of the state's total FDI projects.
- The U.K., Canada, and France led the field in this sector. More than 18% of all U.K., 29% of all Canadian, and 15% of all French projects locating in Texas were in the Software & IT category.
- While both U.K. and Canadian companies made recent investments in Texas (more than half of all U.K. and Canadian investments occurred since mid-2008), all French investments in this sector happened prior to 2008.
- More than 80% of the state's 58 Software & IT investment projects located in three cities: Austin (18), Dallas (15), and Houston (13).
- On a national level, Texas was the destination for 1 in every 21 foreign Software & IT projects locating in the U.S.


## Recent Projects from Top Source Countries




**Aveva**  
*United Kingdom*

U.K.-based AVEVA, Inc. recently invested significantly in U.S. facilities and infrastructure, constructing a state-of-the-art visualization center in Houston, Texas. The AVEVA Business Performance Centre is equipped to display global design, engineering, construction, and operation solutions.

From its Houston headquarters, AVEVA's North American operations provide the marine, oil & gas, power, and process industries with integrated engineering design and information management solutions. Established in 1985, the Houston office is staffed by approximately 40 employees.






**CGI Group**  
*Canada*

In 2007, Canada-based CGI Group, Inc. announced the opening of a Center of Excellence in San Antonio, Texas, in addition to the company's existing San Antonio U.S. Service Desk Operations.

CGI and its affiliated companies staff over 125 offices in more than 20 countries. In Texas, CGI employs more than 500 workers across multiple metropolitan areas. The company currently maintains offices in Dallas, Ft. Worth, Bedford, Austin, San Antonio, and Houston providing IT and business process services to a wide range of clients in the Oil & Gas, Manufacturing, Insurance, and Financial Services sectors.





**Triangle Studios**  
*Netherlands*

Triangle Studios, a Dutch developer of applications and games for Nintendo DS, Wii, iPhone, and PlayStation 3, leased 3,000 square-feet of office space in Dallas, Texas, in 2010.

The Dallas location was created as part of the company's strategic plan to locate closer to its U.S. customers and promote growth on an international scale. Triangle Studios began hiring Dallas-based employees in 2010.



# Business Services

- ▶ **#2** FDI sector in Texas.
- ▶ **8%** of all FDI projects in Texas.



- Business Services is Texas' second largest sector for attracting foreign investment. Since 2005, 33 investments in this sector have been recorded representing 8% of the state's total FDI projects.
- While the U.K. was the source of the most Business Services projects (8), Norway's six investment projects in this sector represented

nearly half of that country's total FDI in Texas. Additionally, all Norwegian investments made within this sector in Texas were located in Houston.

- During 2009 and 2010, more foreign Business Services projects set up shop in Texas than in all four previous years combined.

- Of the state's 33 Business Services projects more than 70% located in three cities: Houston (13), Dallas (7), and San Antonio (4).
- On a national level, Texas was the destination for 1 in every 46 foreign Business Services projects locating in the U.S.

## Investment Source Countries

	Country	Business Services Projects in TX	Total TX Projects, All Sectors
1	United Kingdom	8	67
2	Norway	6	13
3	Germany	3	48
4	India	2	12

## Recent Projects from Top Source Countries



**OilCareers.com**  
United Kingdom

Oil Careers Ltd. opened an office in Houston, Texas in 2010. The Houston office, designed to serve the U.S. and Canadian markets, is the company's first in North America.

Based in the U.K., OilCareers.com is a web recruitment portal for the Oil and Gas industry.

**oilcareers.com**



**Det Norske Veritas**  
Norway

In 2009, Det Norske Veritas (DNV) moved to a new 90,000 square-foot office in Katy, Texas. In addition to the \$21 million capital investment by the building owner, DNV invested \$6 million in capital improvements through local contractors to achieve a LEED gold certification for the facility.

Based in Oslo, Norway, DNV provides risk management services through a network of 300 offices in 100 countries. In the U.S., DNV has more than 700 employees, of which about half are based at DNV's La Porte, Texas, fuel testing laboratory and its divisional headquarters in Katy.



**DNV**



**Siemens**  
Germany

In 2008, as part of a logistics, distribution, and transportation project, Siemens Government Services, a wholly owned subsidiary of Siemens AG, announced its lease of a 115,000 square-foot facility in Richardson, Texas.

With 62 Texas locations, multiple Siemens business units are represented within the state, including Siemens Corporation, Energy, Healthcare, Industry, Financial Services, and IT Solutions and Services. Together, these units employ more than 5,350 Texans.

**SIEMENS**

# Communication

- ▶ **#3** FDI sector in Texas.
- ▶ **7%** of all FDI projects in Texas.



## Investment Source Countries

	Country	Business Services Projects in TX	Total TX Projects, All Sectors
1	China	6	12
2	France	4	38
3	Japan	3	35
4	United Kingdom	3	67

- Communication is Texas' third largest sector for attracting foreign investment. Since 2005, 30 investments in this sector have been recorded representing 7% of the state's total FDI projects.
- China led this sector in the number of projects. Half (50%) of all Chinese projects locating in Texas were in the Communication sector.
- Of the state's 30 Communication projects, more than 60% located in three cities: Dallas (7), Richardson (7), and Austin (4).
- The Dallas-Ft. Worth Metroplex, which includes Richardson, is home to more than 70% of the state's Communication sector FDI. All three of Japan's Texas Communication sector investment projects located in Richardson, China located three of its five investments in Richardson and one in Dallas, and France located two of its four investment projects in Dallas.
- On a national level, Texas was the destination for 1 of every 24 foreign Communication-sector projects locating in the U.S.

## Recent Projects from Top Source Countries



**Huawei Technologies**  
*China*

Huawei Technologies U.S.A., headquartered in Plano, Texas, is a unit of the Chinese-based Huawei Technologies Co., Ltd., a global telecommunications company. In 2010, Huawei expanded its Plano facility to include a customer demonstration center, test lab, and a technical assistance center.

Huawei has created more than 1,000 jobs in the U.S., approximately 600 of which are based in Plano. According to the company, over the next three years, Huawei plans to add several hundred new jobs in the Plano area.





**Alcatel-Lucent**  
*France*

In 2006, Paris-based Alcatel-Lucent invested in the city of Plano, Texas, with the construction of its IP Transformation Center. Today, Alcatel-Lucent employs more than 2,000 people in the Dallas-Ft. Worth area working in the areas of: microwave radio systems, applications software, optical technology, and sales and network services.

Plano is home to the company's leading Executive Briefing Center and Proof of Concept Lab, where Alcatel-Lucent showcases the latest innovations in LTE, IPTV, augmented reality, and enterprise applications.





**Fujitsu Network Communications** *Japan*

In 2009, Fujitsu Network Communications (FNC) announced the expansion of existing laboratory facilities at its Richardson, Texas headquarters to support next-generation wireless technologies. The R&D center will serve as the focal point for long term evolution trials in the U.S., in addition to performing interoperability and verification activities to fully support North American operator needs.

Located on a 143-acre campus with more than 1,000 employees, Fujitsu is one of the top ten-largest employers in Richardson.



# Coal, Oil & Natural Gas

- ▶ **#4** FDI sector in Texas.
- ▶ **7%** of all FDI projects in Texas.




## Investment Source Countries

	Country	Coal, Oil & Gas Projects in TX	Total TX Projects, All Sectors
1	Canada	6	34
2	United Kingdom	4	67
3	Australia	3	12
4	France	3	38
5	Netherlands	3	17


- Coal, Oil & Natural Gas is Texas' fourth largest sector for attracting foreign investment. Since 2005, 29 investments in this sector have been recorded representing 7% of the state's total FDI projects.
- More than 17% of all Canadian projects locating in Texas were in the Coal, Oil, & Natural Gas sector.
- Since 2005, the largest single foreign direct investment project in Texas was within the Coal, Oil, & Natural Gas sector. Saudi Arabia's Saudi Aramco and the Netherlands' Royal Dutch Shell PLC, committed to a multi-year expansion of the Motiva refinery in Port Arthur. When completed, the refinery will be the largest in the nation, creating more than 300 new permanent jobs.
- On a national level, Texas was the destination for 1 of every 9 foreign Coal, Oil, and Natural Gas projects locating in the U.S.


## Recent Projects from Top Source Countries



**Lynden Energy**  
Canada

Lynden Energy Corp. is a Canadian-based oil and natural gas company engaged in the acquisition, development, and exploration of oil and natural gas properties. Lynden's 2009 capital investment in the state included its Wolfberry and Mitchell Ranch oil and gas leases in the Permian Basin and West Texas regions of the state.






**BP America**  
United Kingdom

In 2006, BP announced plans to expand its Houston, Texas operations. The total investment of the three-phase expansion was estimated to be \$1 billion.

The greater Houston area is the U.S. headquarters for BP America and home to the largest concentration of BP employees and assets in the world. Key BP business units located in the area include: Exploration and Production, Gas and Power, Integrated Supply and Trading, Alternative Energy, and the Texas City Refinery, BP's largest. Together, these units employ an estimated 7,000 Texans.





**TOTAL S.A.**  
France

In 2008, TOTAL S.A. announced a \$2.2 billion capital investment to upgrade its Port Arthur refinery, the only such facility the French-based oil company has in North America.

According to the company, over the next 25 years the project is expected to generate more than \$23.2 billion in economic impact in Jefferson County and the Golden Triangle of Southeast Texas. Additionally, post-construction, about 300 permanent direct and indirect jobs are expected to be created.



# Industrial Machinery, Equipment, & Tools

- ▶ **#5** FDI sector in Texas.
- ▶ **7%** of all FDI projects in Texas.



## INVESTMENT SOURCE COUNTRIES

	Country	Industrial Mach. Projects in TX	Total TX Projects, All Sectors
1	United Kingdom	8	67
2	Germany	4	48
3	Japan	3	35
4	Sweden	3	10

- Industrial Machinery is Texas' top sector for attracting foreign investment projects. Since 2005, 29 investments in this sector have been recorded representing 7% of the state's total FDI projects.
- The UK led the field in this sector with eight recorded project investments in Texas. Germany followed with four recorded project investments in Texas' Industrial Machinery sector.
- During 2009 and 2010, more foreign Industrial Machinery projects were recorded in Texas than in all four previous years combined.
- Of the state's 29 Industrial Machinery projects, nearly half (48%) located in the Houston area.
- Seven of the U.K.'s eight sector investments located in the Houston area, while Japan and Germany both located two of their respective sector projects in the metro area.
- On a national level, Texas was the destination for 1 in every 23 foreign Industrial Machinery projects locating in the U.S.

## RECENT PROJECTS FROM TOP SOURCE COUNTRIES



### Wood Group Logging *United Kingdom*

Wood Group Logging Services (WGLS), part of the U.K.-based international energy services company John Wood Group PLC, opened a new 2.5-acre facility in Weimar, Texas in 2009. The facility was designed for technology development, testing and demonstrations, and to conduct hands-on well logging training for the company's logging operators and engineers.

WGLS has operated in Texas for over 15 years and currently has 13 locations in the state.



### Bosch *Germany*

Bosch Rexroth AG, part of the German Bosch Group, announced the opening of a 14,000 square-foot Dallas Regional Service Center in 2009. The following year the facility added field service for industrial and mobile hydraulics customers.

The Bosch Group has approximately 140 workers in Texas. Besides the Dallas location, Bosch business units in the state include: Bosch Rexroth Sales Office (San Antonio), Bosch Aftermarket (El Paso), Bosch Power Tools (Farmers Branch), Robert Bosch North America (Laredo), and BSH Home Appliances Corp. (Houston).



### Elof *Sweden*

In 2009 the Swedish-based Elof AB, designer and manufacturer of indoor vehicles for heavy loads, established its U.S. subsidiary near the Dallas-Fort Worth International Airport in Irving, Texas. Elof's Irving facility provides sales and service support for the U.S. and Canada.



# **Top Source Countries for Foreign Direct Investment (FDI) Projects in Texas**

# United Kingdom

- ▶ **#1** Source country for FDI projects in Texas
- ▶ **16%** of all FDI projects in Texas are U.K.-based

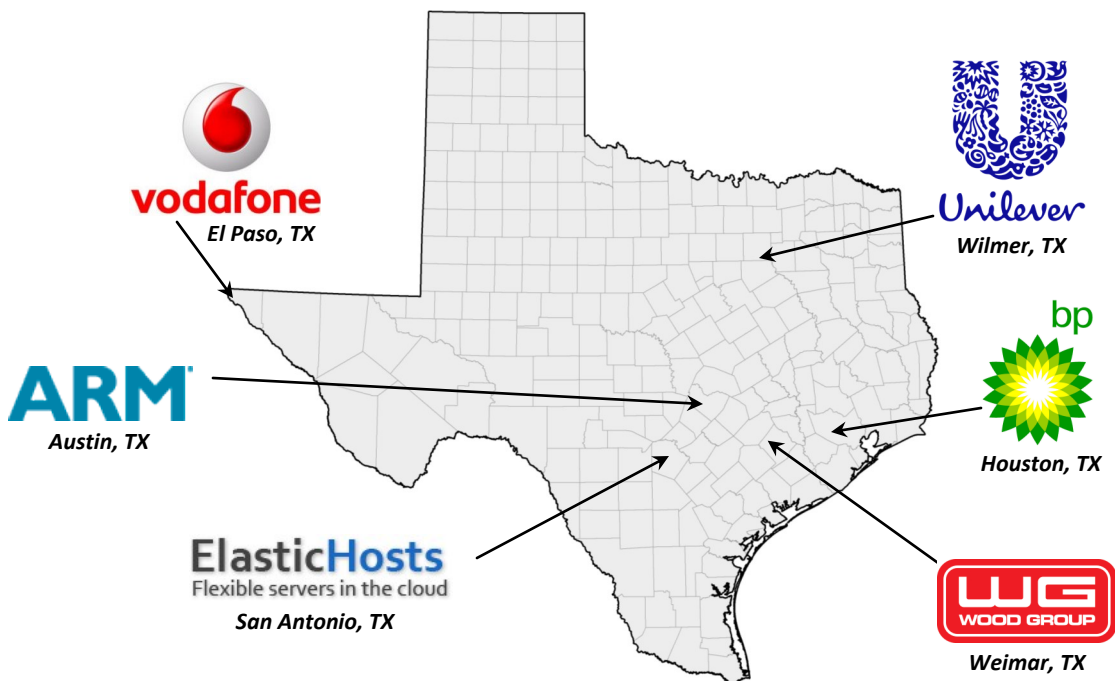


- The U.K. is the #1 source country for FDI projects in Texas.
- Since 2005, 67 U.K. FDI projects have been recorded within the State of Texas, representing 16% of the state's total FDI projects.
- For the years 2009-2010, the number of investment projects made by U.K.-based companies in Texas was greater than the total number projects in the four preceding years combined.
- Of Texas' top five sectors for attracting FDI, the U.K. was the #1 investment source country in three sectors: Software & IT, Business Services, and Industrial Equipment.
- More than 62% of U.K.-based FDI projects in Texas were located in three Texas metros: Houston (27), Dallas (7), and Austin (7).
- On a national level, Texas was the destination for 1 in every 14 U.K. FDI projects locating in the U.S.

## Top U.K. Investment Sectors

	Sector	Sector Projects in Texas	Sector Projects in the U.S.
1	Software & IT	12	139
2	Business Services	8	140
3	Financial Services	8	108
4	Industrial Machinery	8	39
5	Real Estate	5	54

## Major U.K. Companies in Texas



# Germany

- ▶ **#2** Source country for FDI projects in Texas
- ▶ **12%** of all FDI projects in Texas are German

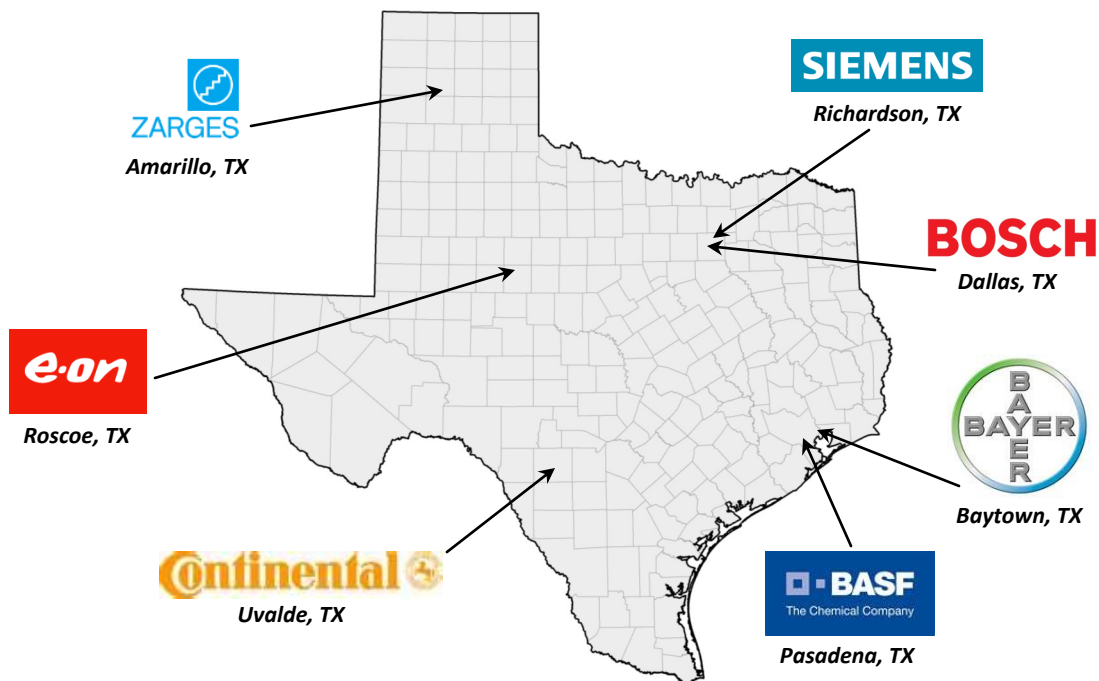


- Germany is the #2 source country for FDI projects in Texas.
- Since 2005, 48 German FDI projects have been recorded within the State of Texas, representing 12% of the state's total FDI projects.
- Since 2005, a total of 33 German companies made recorded investments in Texas. The top 10 companies accounted for more than 50% of all German FDI projects in Texas. Among the top 10 companies were Fresenius, Aldi Group, BASF, and E.On.
- More than 36% of German FDI projects in Texas were located in one of three Texas metros: Dallas (7), Houston (6), or Austin (4).
- On a national level, Texas was the destination for 1 in every 15 German FDI projects locating in the U.S.

## Top German Investment Sectors

	Sector	Sector Projects in Texas	Sector Projects in the U.S.
1	Chemicals	6	45
2	Healthcare	6	9
3	Food & Tobacco	4	35
4	Industrial Machinery	4	95
5	Plastics	4	34

## Major German Companies in Texas



# France

▶ **#3** Source country for FDI projects in Texas

▶ **9%** of all FDI projects in Texas are French



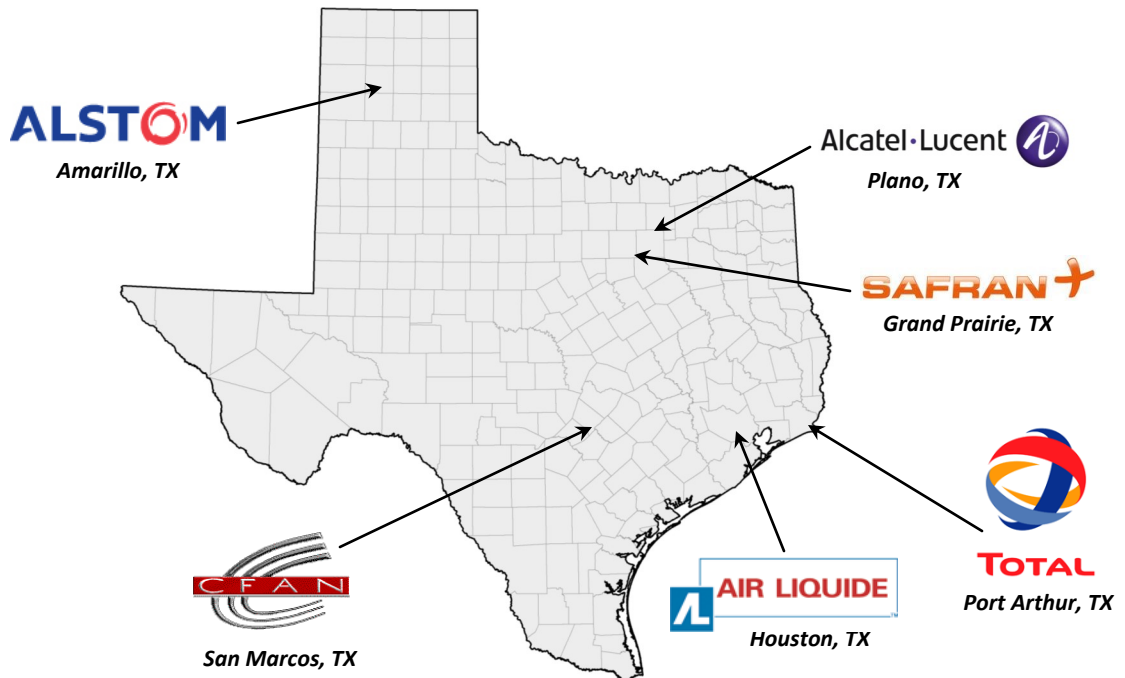
- France is the #3 source country for FDI projects in Texas.
- More than 55% of French FDI projects in Texas were located in three Texas metros: Dallas (8), Houston (7), and Austin (5).
- Since 2005, 38 French FDI projects have been recorded within the State of Texas representing 9% of the state's total FDI projects.
- On a national level, Texas was the destination for 1 in every 13 French FDI projects locating in the U.S.

## Top French Investment Sectors

	Sector	Sector Projects in Texas	Sector Projects in the U.S.
1	Software & IT	6	79
2	Communications	4	17
3	Chemicals	3	29
4	Coal, Oil, & Gas	3	6
5	Consumer Products	3	55

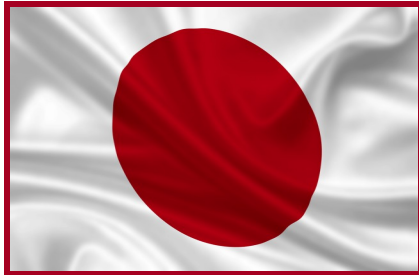
- Since 2005, a total of 29 French companies made recorded investments in Texas. The top 10 companies accounted for 50% of all French FDI projects in the state.

## Major French Companies in Texas



# Japan

- ▶ **#4** Source country for FDI projects in Texas
- ▶ **9%** of all FDI projects in Texas are Japanese

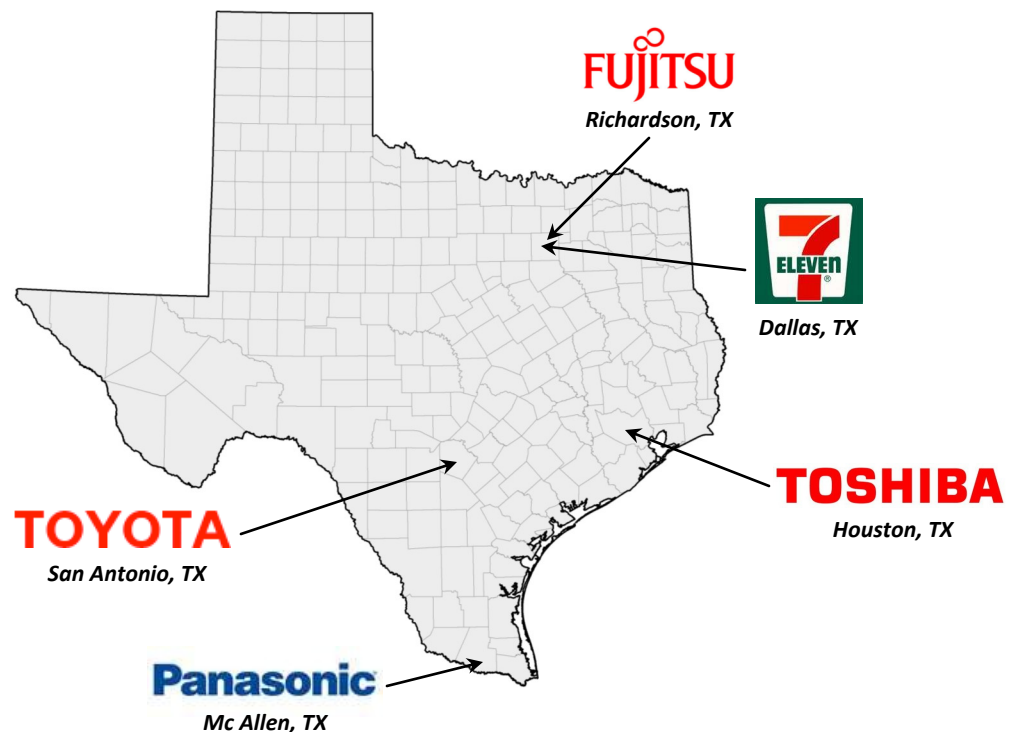


- Japan is the #4 source country for FDI projects in Texas.
- Since 2005, 35 Japanese FDI projects have been recorded within the State of Texas, representing 9% of the state's total FDI projects.
- For the years 2009-2010, the number of investment projects from Japanese companies in the state of Texas was greater than the combined total number projects of the four preceding years.
- Since 2005, Japanese companies invested in more Texas FDI projects than those from China, Korea, and Taiwan combined.
- More than 45% of Japanese FDI projects in Texas were located in three Texas metros: Houston (6), Dallas (5), and San Antonio (4).
- On a national level, Texas was the destination for 1 in every 18 Japanese FDI projects locating in the U.S.

## Top Japanese Investment Sectors

	Sector	Sector Projects in Texas	Sector Projects in the U.S.
1	Chemicals	5	31
2	Automotive OEM	4	60
3	Communications	3	19
4	Electronic Components	3	36
5	Financial Services	3	21

## Major Japanese Companies in Texas



# Canada

- ▶ **#5** Source country for FDI projects in Texas
- ▶ **8%** of all FDI projects in Texas are Canadian



- Canada is the #5 source country for FDI projects in Texas.
- Since 2005, 34 Canadian FDI projects have been recorded in the State of Texas, representing 8% of the state's total FDI projects.
- Of all Canadian FDI projects in Texas since 2005, nearly 30% were in the Software and IT sector, while 18% were in the Coal, Oil, & Gas sector.
- Since 2005, a total of 30 Canadian companies made recorded investments in Texas. The top 10 companies accounted for more than 40% of all Canadian FDI projects in the state.
- More than 60% of Canadian-based FDI projects in Texas were located in three Texas metros: Houston (9), Dallas (6), and Austin (6).
- On a national level, Texas was the destination for 1 in every 14 Canadian FDI projects locating in the U.S.

## Top Canadian Investment Sectors

	Sector	Sector Projects in Texas	Sector Projects in the U.S.
1	Software & IT	10	51
2	Coal, Oil, & Gas	6	21
3	Industrial Machinery	3	27
4	Transportation	3	23
5	Financial Services	2	35

## Major Canadian Companies in Texas







Office of the Governor  
Economic Development and Tourism  
PO Box 12428, Austin, TX 78711  
512-936-0101

**[www.TexasWideOpenForBusiness.com](http://www.TexasWideOpenForBusiness.com)**  
**[www.governor.state.tx.us/divisions/ecodev](http://www.governor.state.tx.us/divisions/ecodev)**