



DOI 10.22363/2313-2329-2020-28-1-172-183
UDC 339

Research article

U.S. in the global FDI' flows: repatriation of foreign earning by U.S. from EU members as the new global trend

Yulia A. Konovalova

Peoples' Friendship University of Russia (RUDN University)
6 Miklukho-Maklaya St., Moscow, 117198, Russian Federation

Abstract. Scientific investigation covers the questions of U.S.' involvedness into the international economic relations and into the international trade of goods and services and international movement of FDI as well. The fact that USA is the larger importer and the second exporter of goods in the world (2018), and the largest exporter and importer of commercial services (2018), the biggest host economy of FDI, and the largest investor (till 2017) the investigation of the American investment cooperation is the rather important affair, that can show the tough dependence of U.S.' economy of foreign countries investments flows and regimes. In accordance with UNCTAD data U.S. is holding the first place as the exporter of FDI during the long period till 2018, that showed the negative number of FDI outflow in 2018 as the result of tax reform' implementation at the end of 2017. Implementation of open and tough foreign trade policy (the policy of protectionism) through the import tariffs increasing is aimed at trade deficit reduction, protection and support of the American producers, implementation of tax reform at the end of 2017, making come true the soundbites of D. Trump "Make America Great Again" and "America first". The author analyzed investment cooperation of U.S. and EU, its dynamic, specialization, directions. The author came to conclusion that correlation of United States' investment indicators with European Union showed an unequal evaluation of each Union' member and determined the disproportion of understanding and examination of regional integration not as the complex subject of the global economy but as the set of different and independent subjects. Investigation of U.S.' FDI export and import statistics gave the author opportunity to come the conclusion that there is the specific of U.S.' investment outflow into the European Union countries reflected through the limited set of investment recipients. At the same time, implementation of the tax reforms at the end of 2017 could lead to the changing of global investment flows from low tax jurisdictions to USA, for example.

Keywords: United States, European Union, trade and economic cooperation, inflow and outflow of investment, investment destination

Introduction

Taking into account the present situation in the global economy, such as: U.S. – China trade war, implementation by USA the policy of the tough and open protectionism through the import' increase, implementation the tax reform in USA,



“freezing” of “Brexit” and TTIP (Transatlantic Trade and Investment Partnership) agreement negotiations, United States’ exit from Trans-Pacific Partnership (TPP), transformation of NAFTA to USMCA, it needs to underline that European Union is under the potential pressure and “economic fire” from two centripetal vectors from USA and from China, where the EU is the point of different economic interests accumulation.

XXI century became the period of necessity to review the classic liberalization laws due to the several facts: increasing and growing of the emerging economies, increasing of the developing countries’ share in the international economic relations (international trade and international movement of the capital and investments) and on the global markets, forfeiting by the developed countries’ their role and position in the global economy, decreasing of the international productivity growth rate, decreasing of some types of economic activities in the structure of the developed countries’ GDPs, toughening of the international competitiveness “battle” and so on.

United States of America as the pioneer and the “determinator” of the economic and political global tendencies, faced the fact of U.S.’ share and role decreasing not only in the international economic relations, but on the global markets, problem of trade deficit and so on. With the coming to the American political Olympia of D. Trump, the American foreign economic policy changed as well. It was reflected in the escalation of the trade war with China, increasing of import tariffs on several industrial goods and raw materials, implementation of the tax reforms, the direct blackmail of Canada, Mexica and EU countries to make some actions in order to satisfy U.S.’ requirements and so on. With the parallel growth of China’ role and share in the global economy, developing of the international project “One Belt, One Road”/“Silk Road” directed from China to EU mainly, USA are tending to be involved into the battle for the European market. So it needs to analyze the current and may be to develop some kind of forecast of U.S. – EU investment cooperation.

Methods

Bilateral investment relations of U.S. and EU are analyzed with the statistical period from 2000 or 2010 to 2018. In this research the author tried to work with some tasks and problems:

- to find out key features of U.S. – EU investment ties;
- to develop the fact of unequal evaluation of EU-members by U.S. as the partner;
- to determine and develop several prospects of U.S. – EU investment cooperation.

The author adapted the methods of economic analysis, synthesis, deduction and retrospective.

Literature review

Features of U.S. – EU trade and investment cooperation are reviewing and analyzing in foreign and native Russian scientists’ studies and investigations. For example, there are several scientific institutions are specialized on the problems

of USA and European countries, such as: Institute for USA and Canada studies, Institute for European studies. Studies of N.E. Petrovskaya (Petrovskaya, 2019) are dedicated to the rather broad set of topics and problems concerned USA' positions in the system of international economic relations; investigations of I.Yu. Arkhangelsky (Arkhangelsky, 2019) are dedicated to the American MNEs, FDI, questions of monopolization and concentration of the American capital; the most scientific articles of O.V. Prikhodko (Prikhodko, 2017, 2018, 2019), the leading researcher of the Institute of the USA and Canada of the Russian Academy of Sciences (ISCRAN), analyzed deeply U.S. – EU relationships in the context of Trans-Atlantic cooperation and the potential threaten from China's economic power growth; professor V.B. Supyan (Supyan, 2019) and the leading researcher of ISCRAN A.Y. Davydov (Davydov, 2017) are coming to the U.S. investigation from the global point of view, they analyze the role and the place of U.S. in the global economy taking into account some person's role in the history, analyzing the global transition of the international flows of goods, services and capital as the result of the present U.S.'s foreign policy; some investigations of the professor R.I. Zimenkov (Zimenkov, 2019) are dedicated to the American MNEs activity key features; participation of EU in the international economic relations, key features and problems of the Trans-Atlantic Partnership between U.S. and EU – are the subjects of scientific researches of N.B. Kondratyeva (Kondratyeva, 2017); professor of the Institute of Europe of the Russian Academy of Sciences O.V. Butorina (Butorina, 2017, 2013) is considering the role and the place of the European economic integration in the global economy.

There are some foreign scientists are considering deeply the problems and specifics of the American-European trade and investment ties, they are: Ilias Akhtar Shayerah (Shayerah, 2008), Marianne Schneider-Petsinger (Schneider-Petsinger, 2019), Anabel González (González, 2019).

U.S. FDI inflows and outflows: key tendencies and problems

In accordance with the World Investment Report – 2019 (UNCTAD): “...global FDI flows continued their slide in 2018, falling by 13% to 1,3 trln. doll. The decline – the third consecutive year's fall in FDI – was mainly due to large-scale repatriations of accumulated foreign earnings by United States MNEs in the first two quarters of 2018, following tax reforms introduced by that country at the end of 2017...”¹.

The present U.S. foreign policy can be characterized as mercantilism or neo-mercantilism. The main feature of the American foreign policy' implementation – is the aggressive and unpredictable actions aimed at the protection of the American economy from the globalization challenges such as the growing of the developing and transitional economies, displacement of the world markets leaders, loosing of the developed economies' places, growing of the foreign state debt and the trade deficit, accumulation of the American MNEs earnings abroad in the low-taxed jurisdictions.

¹ UNCTAD. World Invested Report – 2019. Retrieved from https://unctad.org/en/PublicationsLibrary/wir2019_en.pdf (accessed: 15.10.2019).

First of all, it needs to underline the fact that the tough and the aggressive U.S. Administration actions are based on the national legislation – Section 301 of the U.S. Trade Act of 1974, it gives the U.S. Trade Representative broad authority to investigate and respond to a foreign country's unfair trade practices, to increase import tariffs and to use almost all methods and actions in order to protect national economic safety from the external factors. It means that the traditional and the present theory of globalization and liberalization has to be reviewed as the result of US' foreign trade policy transformation and US' protectionism measures through the import tariffs increasing (Konovalova, Ushanov, 2019).

It is known that one of the most important U.S. economy problem – is the trade deficit (in trade of goods) which made up (–887 bln. doll.) in accordance with BEA. In 2000 U.S. trade deficit (in trade of goods) made up (–446,7 bln. doll.), till 2018 this indicator doubled. At the same time, it needs to pay much more attention to the proportion of foreign economies that formed the American goods trade deficit: in 2000 the share of China in the American goods trade deficit amounted to 18,77% (–83,8 bln. doll.), the share of EU amounted to 12,59% (–56,2 bln. doll.); in 2018 the share of China made up 47,29% (–419,6 bln. doll.), the share of EU – 19,1% (–169,5 bln. doll.). The growing of the Chinese' share in the American goods trade deficit composition can tell us not only about the increasing of the American economy dependence on the Chinese goods, but first of all, about the growing of the global meaning of China in the international economic relations and the trade in value-added and participation in global value chains.

The American economy stays the most attractive for the foreign investors. In accordance with the Foreign Direct Investment Confidence Index developed by A.T. Kearney, USA took the first place during the period from 2013 to 2019. There are several advantages of the American economy that are so attractive for the foreign investors, such as: the openness of the economy, favorable investment climate, big consumer market, the international acknowledge of the American higher education and high quality staff, business culture, transparency of the regulation system and so on.

Analysis of the American import (inflow) of FDI shows that at the period from 2000 to 2018 proportion and shares of each European country had changed radically: the share of the European countries as the FDI investors in to U.S. decrease from 79,95 to 60,62%, at the same time the share of EU members decreased from 75,39 to 47,99%. Such negative tendency can be connected with the increase of the Canadian' FDI inflow in to the American economy – from 8,68 to 18,72%, Japanese' FDI – from 2,49 to 8,76%. At the same time, it needs to underline rough slump of the English' FDI inflows share – 26,32% in 2000, 12% in 2016, 16% – in 2017, 0,52% – in 2018.

In accordance with BEA the volume of cumulative FDI in to U.S. increased from 2,28 to 4,34 trln. doll. during the period from 2000 to 2018; in 2010 the share of the European countries in the structure of cumulative FDI in to U.S. made up 73% (1,66 trln. doll.), at the same time the share of EU members made up 64% (1,45 trln. doll.), the share of Germany made up 9% (203 bln. doll.), the share of Luxemburg made up 7% (170,3 bln. doll.), the share of Netherlands made up – 10% (234,4%), the share of United Kingdom made up – 18% (400,4 bln. doll.); 15% (346,6 bln. doll.)

of the volume of cumulative FDI in to U.S. are accumulated on Asian and Pacific Region, the share of Japan made up 11% (255 bln. doll.); Canada accumulated 8% (192,5 bln. doll.) of the volume of cumulative FDI in to U.S.

Table 1

Volume and dynamics of FDI in to the American economy by selected countries and regions in 2000, 2010, 2018 (bln. doll., %)

Countries	2000		2010		2018	
	Total		Total		Total	
	314,0	100%	198,05	100%	253,56	100%
Canada	27,3	8,68%	7,36	3,72	47,47	18,72
European Countries	251,0	79,95%	151,05	76,27	153,7	60,62
France	51,0	16,24%	8,86	4,47	23,44	9,24
Germany	14,0	4,48%	18,7	9,44	26,79	10,57
Ireland	5,0	1,61%	5,4	2,73	64,2	25,32
Luxemburg	30,8	983%	29,46	14,88	-110,38	-43,53
Netherlands	33,5	10,67%	20,77	10,49	83,6	32,97
Switzerland	12,1	3,86%	41,4	20,90	25,57	10,08
United Kingdom	82,6	26,32%	30,1	15,20	1,32	0,52
Mexico	5,0	1,61%	No data	No data	No data	No data
Bermuda Islands	2,9	0,94%	5,37	2,71	12,1	4,77
African Countries	0,6	0,21%	1,1	0,56	0,054	0,02
Middle East	2,3	0,76%	No data	No data	2,18	0,86
Asian and Pacific Region Countries	19,9	6,34%	26,87	13,57	35,48	13,99
China	No data	No data	1,1	0,56	No data	No data
Hong Kong	0,6	0,21%	0,27	0,14	3,49	1,38
Japan	7,8	2,49%	15,8	7,98	22,2	8,76
EU (15/28)	236,7	75,39%	110,75	55,92	121,68	47,99

Source: BEA U.S. Foreign Direct Investment in the U.S.: Balance of Payments and Direct Investment Position Data. Retrieved from <https://www.bea.gov/international/di1fdibal> (accessed: 15.12.2019).

There are some changes in the structure of the main investors in to the American economy till 2018: the share of Canada in the structure of cumulative FDI in to U.S. increased to 12%, the share of the European countries decreased to 68%, the share of EU members decreased to 60%, the shares of France and Germany made up 7% of each, the share of Ireland made up 5%, the share of Luxemburg made up 8%, the share of Netherlands – 11%, the share of United Kingdom – 13%, the share of Asian and Pacific Region – 16%, the share of Japan – 11%.

The EU members stay the main investors in to the American economy in spite of the considerable transformation of the FDI' investors in to U.S., actually it needs to underline the shares of Great Britain, Germany, France, Ireland and Netherlands.

Analysis of the foreign direct investments' industrial directions and specialization showed that in 2018 41% (or 1,77 trln. doll.) of all cumulative FDI in to U.S. was accumulated in the industrial sector (814,6 bln. doll. or 46% – chemical industry, 6% – machinery, 6% – food production, 4% – primary and fabricated metals, 5% –

computers and electronic products, 3% – electrical equipment, appliances and components, 9% – transportation equipment, 21% – other manufacturing), 10% – wholesale trade, 3% – retail trade, 4% – information, 5% – depository institutions, 12% (or 527,3 bln. doll.) – finance and insurance, 3% – real estate and rental and leasing, 4% – professional, scientific and technical services, 17% – other industries².

Suppositions of the high level of FDI' interest in to the American chemical industry are connected with the high quality of the work force, the presence of the research and development centers, intellectual properties protection and so on. Pharmaceutical industry accumulated 2/3 of 814,6 bln. doll. of cumulative FDI that had been invested in to the American economy.

Talking about the volume, the geography stricture and the specialization of FDI (not cumulative) that have been invested in to the American economy in 2018, it needs to underline next facts: the total volume of FDI inflows in 2018 made up 253,5 bln. doll., 19% (47,47 bln. doll.) were invested by Canada, 61% (153,7 bln. doll.) – by the European countries, 48% (121,7 bln. doll.) – by EU members, 9% (23,4 bln. doll.) – by France, 11% (26,7 bln. doll.) – by Germany, 25% (64,2 bln. doll.) – by Ireland, 33% (83,6 bln. doll.) – by Netherlands, 10% (25,5 bln. doll.) – by Switzerland, 9% – by Japan³.

Table 2

**Foreign Direct Investment in the United States:
financial transactions without current-cost adjustment from 2010 to 2018 (mln. doll.)**

Countries	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	198 049	229 862	199 034	201 393	201 733	467 625	471 792	277 258	253 561
EU (27/28)	110 758	102 469	138 895	90 392	49 204	329 844	259 250	127 893	121 685
Austria	136	177	477	639	983	198	3 482	1 788	-443
Belgium	5 640	10 284	12 353	-8 589	11 410	-12 327	3 363	5 982	6 015
Denmark	1 472	462	248	2 101	3 282	1 013	3 616	176	2 041
Finland	-179	660	-238	554	-1 455	655	-79	829	1 459
France	8 865	795	25 433	-7 021	10 197	33 472	28 104	20 757	23 440
Germany	18 760	16 396	6 772	12 427	37 121	25 353	14 931	11 899	26 795
Ireland	5 417	-1 696	-936	9 554	7 114	14 892	36 695	17 269	64 187
Italy	1 304	3 334	1 794	1 887	4 071	6 924	608	262	2 367
Luxembourg	29 461	11 989	10 483	34 988	27 943	172 740	57 398	2 477	-110 388
Netherlands	20 772	8 457	38 618	4 606	29 685	33 318	47 186	17 770	83 614
Spain	4 410	5 923	1 218	1 594	4 671	4 956	3 294	4 078	3 843
Sweden	10 903	2 779	889	4 611	4 134	3 685	4 161	-265	550
Great Britain	30 069	46 316	39 640	32 023	-94 851	50 294	57 267	43 694	1 326

Source: BEA U.S. Foreign Direct Investment in the U.S.: Balance of Payments and Direct Investment Position Data. Retrieved from <https://www.bea.gov/international/di1fdibal> (accessed: 15.12.2019).

² BEA US. Foreign Direct Investment in the U.S.: Balance of Payments and Direct Investment Position Data: Position on a historical-cost basis. Retrieved from <https://www.bea.gov/international/di1fdibal> (accessed: 15.12.2019).

³ BEA US. Foreign Direct Investment in the U.S.: Balance of Payments and Direct Investment Position Data: Financial transactions without current-cost adjustment. Retrieved from <https://www.bea.gov/international/di1fdibal> (accessed: 15.12.2019).

Analysis of the American export (outflow) of FDI shows that the character feature of the American FDI abroad is the prevalence of the manufacturing industries in the structure of U.S. foreign interests. At the same time the biggest share of U.S.' FDI outflows are accumulated on the developed countries with the attractive and liberalized investment climate, and "so called" offshores (such as Ireland, Luxembourg, Netherlands, Switzerland, Great Britain, Bermuda Islands) and NAFTA/USMCA partners.

Globalization, liberalization of the world economy, facilitation of FDI regulation, investment policies and climate, low tax rates and liberalized tax regimes were the main reasons for U.S. FDI export.

The volume of U.S. cumulative FDI abroad in 2010–2018 made up 5,9 trln. doll., the share of Canada made up 6,75%, of Germany – 2,36%, of Netherlands – 14,84%, of Switzerland – 4,67%, of Great Britain – 12,73%.

Almost the half of the American cumulative FDI abroad are concentrated in the American holding companies (46,7% or 2,77 trln. doll.), the activity of which are connected with the non-banking activity.

Table 3

**U.S. direct investment position abroad on a historical-cost basis:
industry detail for selected countries in 2018 (mln. doll.)**

Industries	Total	Canada	France	Germany	Netherlands	Switzerland	Great Britain	Mexico	Australia
All industries	5 950 991	401 874	86 863	140 331	883 188	278 044	757 781	114 877	162 983
Mining	156 795	14 119	234	n/d	1636	n/d	6273	12 957	17 149
Oil and gas extraction	81 188	5117	(*)	n/d	n/d	1	954	644	n/d
Manufacturing	902 555	110 075	27 771	32 204	77 039	54 669	96 887	46 724	21 132
Food	90 879	8 438	6 562	609	6319	75	25 034	4578	8370
Chemicals	203 002	19 529	3161	7236	18 509	19 864	13 241	7020	2113
Pharmaceuticals and medicines	97 801	2211	696	1161	14 938	15 302	7390	1588	603
Computers and electronic products	152 302	7901	1269	5039	8307	7355	9965	1227	2119
Transportation equipment	86 189	12 534	583	2341	2898	n/d	5872	n/d	1555
Motor vehicles, bodies and trailers, and parts	69 975	7571	67	2077	2386	n/d	1051	14 145	n/d
Other manufacturing	243 073	48 162	8014	8789	32 696	17 225	23 125	n/d	4621
Medical equipment and supplies	71 992	3384	1594	2529	n/d	14 175	378	630	3392
Wholesale trade	221 683	29 061	5780	11 602	9614	13 298	12 206	3983	5501
Information	286 330	10 650	2171	8922	27 435	7972	74 037	763	8179
Depository institutions (banking)	124 479	4822	2035	n/d	n/d	n/d	11 315	n/d	713
Banks	122 425	4402	n/d	n/d	n/d	n/d	n/d	n/d	n/d

Table 3, ending

Industries	Total	Canada	France	Germany	Netherlands	Switzerland	Great Britain	Mexico	Australia
Finance (except depository institutions) and insurance	904 858	54 458	19 198	17 565	50 569	19 735	225 975	15 580	6 499
Finance, except depository institutions	745 673	40 134	18 904	n/d	52 384	19 062	205 263	12 795	3056
Insurance carriers and related activities	159 185	14 324	293	n/d	-1815	673	20 712	2785	3442
Professional, scientific, and technical services	138 790	9745	3122	6694	2210	4668	35 824	566	10 838
Holding companies (nonbank)	2 779 549	105 013	16 343	58 365	682 586	136 979	245 720	19 975	85 974
Holding companies (nonbank), excluding management offices	2 772 320	104 949	16 330	58 317	n/d	n/d	243 949	19 864	85 989
Corporate, subsidiary, and regional management offices	7229	63	13	48	n/d	n/d	1771	111	-15
Other industries	435 952	63 931	10 208	n/d	n/d	32 953	49 544	n/d	6 999

Source: Foreign Direct Investment in the U.S.: Balance of Payments and Direct Investment Position Data, BEA U.S., URL: <https://www.bea.gov/international/di1fdibal> (accessed: 15.12.19)

In accordance with BEA U.S. data mining of raw materials accumulated on itself 2,63% of U.S. cumulative FDI abroad (156,7 bln. doll.), manufacturing accumulated – 15,17% (902,55 bln. doll.), chemicals – 3,41% (203,0 bln. doll.), pharmaceuticals and medicines – 1,64% (97,8 bln. doll.), computers and electronic products – 2,56% (152,3 bln. doll.), wholesale trade – 3,73% (221,68 bln. doll.), information – 4,81% (286,3 bln. doll.), finance and insurance – 15,21% (904,8 bln. doll.), holding companies – 46,71% (3,7 trln. doll.). The last fact concerning the American holding companies tells us about the development by U.S. so called the “second economy” through the setting up the broad net of affiliates.

Analysis of the American FDI abroad in 2018 (not cumulative) showed the next one fact: developed European countries are the main recipients of U.S.’ FDI – 61%, at the same time EU accumulated more than half of U.S. FDI (54,94%). U.S.’ business and FDI are following the global tendencies – location of the investment and activity interests in to the countries so called off-shores and the territories with the low tax rates (15% – Netherlands, 12% – Luxembourg, 7% – Ireland, 13% – Great Britain)⁴.

⁴ BEA US. Foreign Direct Investment in the U.S.: Balance of Payments and Direct Investment Position Data: U.S. Direct Investment Position Abroad on a Historical-Cost Basis: Country Detail by Industry. Retrieved from <https://www.bea.gov/international/di1fdibal> (accessed: 15.12.2019).

It was already said that in accordance with UNCTAD “...global FDI flows continued their slide in 2018, falling by 13% to 1,3 trln. doll. The decline – the third consecutive year’s fall in FDI – was mainly due to large-scale repatriations of accumulated foreign earnings by United States MNEs in the first two quarters of 2018, following tax reforms introduced by that country at the end of 2017...”⁵. As the result of U.S. tax reforms rather considerable repatriation of U.S. MNEs’ revenues repatriation led to the negative index of U.S. FDI export.

Data on selected countries showed that the American FDI abroad reflected were repatriated first of all from the American holding companies (–318,8 bln. doll.), at the same time (–143,5 bln. doll.) of this volume have been repatriated from the European countries, and (–147,9 bln. doll.) – from EU members: Ireland (–99,9 bln. doll.), (–41,3 bln. doll.) – Netherlands, (–20,4 bln. doll.) – Great Britain; (–182,6 bln. doll.) have been repatriated from Bermuda Islands and (–23,4 bln. doll.) from Singapore⁶.

Analysis of the directions and specialization of the American FDI abroad showed that during the period from 2010 to 2018 the volume of U.S. FDI export in to the holding companies decreased from 169,7 bln. doll. to (–318,8 bln. doll.), in to the finance and insurance sector – increased from 21,8 to 110,5 bln. doll., in to the information sector – increased from 8,7 to 51,8 bln. doll.

Repatriation of the American FDI export in 2018 as the result of the economic police transformation and revision and implementation of the tax reforms, could lead not only to the practical effects (in terms of cutting of the tax rates, partially repatriation of the American capital back to the national economy, strengthening of the global competition, reviewing of the role and the place of low tax jurisdictions and so on), but to lead to the reviewing and rewriting the scientific paradigm of globalization with the prevalence of the national interests above the global and foreign partners interests.

As it was told already that in accordance with BEA U.S. the volume of U.S. FDI export increased from 146,2 to 300,4 bln. doll. for the period from 2000 to 2017. At the same time there was repatriation of the American capital back to the national economy in 2018 after the tax reforms implementation, so as the result the total volume of U.S. FDI export is with the negative index (–90,6 bln. doll.) that is the sum of the American FDI export in amount to 172,59 bln. doll. with the sign “+” and repatriation in amount to 263,2 bln. doll. with the sign “–”, so there is the negative index of U.S. FDI export in total.

Total volume of repatriated American capital in 2018 made up (–263,2 bln. doll.), (–10,5 bln. doll.) have been repatriated from Ireland, (–26,5 bln. doll.) – from Netherlands, (–158,15 bln. doll.) – from Bermuda Islands, (–47,5 bln. doll.) – from Singapore.

The share of EU members in the structure of U.S. FDI export made up 27,9% or 43,8 bln. doll. (this is the sum of export amounted to 172,59 bln. doll. with the sign “+” and repatriation amounted to (–263,2 bln. doll.) with the sign “–”).

⁵ UNCTAD. World Invested Report – 2019. Retrieved from https://unctad.org/en/PublicationsLibrary/wir2019_en.pdf (accessed: 15.10.2019).

⁶ BEA US. Direct investment by country and industry. Retrieved from <https://www.bea.gov/data/intl-trade-investment/direct-investment-country-and-industry> (accessed: 15.12.2019).

Main recipients of the American FDI export in 2018 are Luxembourg (37,6 bln. doll.), Great Britain (8,6 bln. doll.), Belgium (9,9 bln. doll.), at the same time (–10,5 bln. doll.) have been repatriated from Ireland and (–26,5 bln. doll.) from Netherlands; (–147,8 bln. doll.) have been repatriated from all EU members from the American holding companies: (–99,8 bln. doll.) – from Ireland, (–5,6 bln. doll.) – from Germany, (–41,2 bln. doll.) – from Netherlands, (–20,3 bln. doll.) – from Great Britain. In spite of the American capital repatriation from the American holding companies, 51% of all U.S. FDI export were accumulated in the financial and insurance sector.

It needs to remark one more fact that repatriation of the American capital is not the formed and long-present tendency, it is just the sum of the American FDI export and repatriation and the result of the tax reforms.

Conclusion

Analysis of U.S. involvement in to the global FDI' flows showed that prevalence of the limited list of countries as the main recipients and investors of the American economy found out the tendency of U.S. investment interests disproportion. From one side it can tell us about competitive advantages of certain countries that stimulate the economic growth and decrease expenses, from other side – it can tell us about tough and dangerous dependence of the American economy on the low tax jurisdictions and off-shores.

Results of the American tax reforms can be the supposition and the start of the planned global capital flows changing from the countries with the low tax rates and off-shores to the American economy. In accordance with the White House "...since the Tax Cuts and Jobs Act passage, United States multinational enterprises have repatriated 1 trln. doll. in past overseas earnings that were previously invested abroad..."⁷. For the scientific community it can be the sign in order to review the scientific paradigm of globalization.

References

- Arkhangelsky, I.Yu. (2019). Antimonopoly Regulation of Foreign Capital in the USA. *USA & Canada: Economics, Politics, Culture*, 2(590), 57–74. (In Russ.)
- Butorina, O.V. (2013). European Union after the crisis: decline or renaissance? *MGIMO Review of International Relations*, 4(31), 71–81. (In Russ.)
- Butorina, O.V. (2017). Negative and Positive Objectives of the European Monetary Union. *Contemporary Europe*, 2(74), 18–29. (In Russ.)
- Davydov, A.Y. (2017). The United States and the World Financial Flows. *USA & Canada: Economics, Politics, Culture*, 7(571), 26–41. (In Russ.)
- González, A. (2019). U.S. – EU Trade and Economic Issues. *Congressional Research Service* (p. 2).
- Kondratyeva, N.B. (2017). The fate of the negotiations on the Transatlantic trade and investment partnership EU – USA. *Contemporary Europe*, 1(73), 138–143. (In Russ.)
- Kondratyeva, N.B. (2017). The U.S. – EU Transatlantic Partnership: prospects. *World Economy and International Relations*, 61(8), 5–13. (In Russ.)

⁷ Wight House. Two Years On, Tax Cuts Continue Boosting the United States Economy. Retrieved from <https://www.whitehouse.gov/articles/two-years-tax-cuts-continue-boosting-united-states-economy/> (accessed: 25.12.2019).

- Konovalova, Yu.A., & Ushanov, S.A. (2019) US – EU merchandise trade: key features and problem of disproportion. *Advances in Economics, Business and Management Research: Fourth International Conference on Economic and Business Management (FEBM 2019)*, 106, 6–10.
- Petrovskaya, N.E. (2019). *Employment problems in the XXI century: global trends and national characteristics (U.S. experience)* (p. 191). Moscow: Infra-M Publ. (In Russ.)
- Prikhodko, O.V. (2017). The U.S. and Europe: Responding to New Challenges. *Canada: Economics, Politics, Culture*, 5(569), 5–22. (In Russ.)
- Prikhodko, O.V. (2018). The Donald Trump Foreign Policy and Europe Allies. *Russia and America in the 21 Century*, (2), 7. (In Russ.)
- Prikhodko, O.V. (2019). Trump's Euro-Atlantic policy: main features of the current agenda. *USA & Canada: Economics, Politics, Culture*, 49(11), 5–19. (In Russ.)
- Schneider-Petsinger, M. (2019). US – EU Trade Relations in the Trump Era Which Way Forward? Research paper (p. 30). The Royal Institute of International Affairs.
- Shayerah, I.A. (2008). *U.S. International trade: trends and forecasts* (p. 29). Library of Congress of Washington DC Congressional Research Service.
- Supyan, V.B. (2019). R & D in the USA: Funding, Structure and Results. *The Journal of the New Economic Association*, 1(41), 201–207. (In Russ.)
- Supyan, V.B. (2019). The State and Economy: D. Trump's Version. *USA & Canada: Economics, Politics, Culture*, 49(5), 5–21. (In Russ.)
- Zimenkov, R.I. (2019). The Practice of Outsourcing by American Corporations. *USA & Canada: Economics, Politics, Culture*, 49(6), 54–80. (In Russ.)

Article history:

Received: 02 January 2020

Revised: 10 January 2020

Accepted: 17 January 2020

For citation:

Konovalova, Yu.A. (2020). U.S. in the global FDI' flows: Repatriation of foreign earning by U.S. from EU members as the new global trend. *RUDN Journal of Economics*, 28(1), 172–183. <http://dx.doi.org/10.22363/2313-2329-2020-28-1-172-183>

Bio note:

Yulia A. Konovalova, Candidate of Science (in Economics), the head teacher of the International Economic Relations Department, Peoples' Friendship University of Russia (RUDN University). E-mail: konovalova_yua@pfur.ru

Научная статья

США в глобальных потоках ПИИ: репатриация американского капитала на примере Европейского союза как новый глобальный тренд

Ю.А. Коновалова

Российский университет дружбы народов
Российская Федерация, 117198, Москва, ул. Миклухо-Маклая, 6

По последним данным ЮНКТАД, опубликованным в 2019 г., мировой объем ПИИ продолжает сокращаться третий год подряд, упав на 13 % до 1,3 трлн долл. Основной причиной, с которой эксперты ЮНКТАД связывают данное падение, являются прове-

денные в конце 2017 г. налоговые реформы в США, в результате которых многонациональные предприятия США начали репатриацию прибыли, накопленной в течение 2018 г. Если до прихода Д. Трампа в Белый дом США занимали лидирующее место в списке стран мировых экспортеров ПИИ, то в 2018 г. США не присутствуют в ТОП-20, поскольку показатель экспорта американских ПИИ в 2018 г. идет со знаком минус. Д. Трамп продолжает следовать выбранному курсу внешнеэкономической политики, решая внутренние проблемы через перекраивание международных правил и принципов ВТО, увеличение импортных пошлин с опорой на национальное законодательство, выход из ТТП и полное прекращение переговорного процесса по достижению соглашения по ТТИП. Автором выявлено, что в контексте американско-европейского сотрудничества репатриация американского капитала главным образом происходит из стран с низкой налоговой юрисдикцией – Ирландии (–10,5 млрд долл.) и Нидерландов (–26,5 млрд долл.). На страны Европейского союза приходится 16 140, или 45,6 % (2017 г.) аффилированных предприятий американских транснациональных корпораций с контрольным пакетом акций (всего – 35 374 в 2017 г.). Основными странами базирования аффилированных предприятий американских корпораций являются Великобритания, Нидерланды, Германия, Франция, Ирландия – наиболее сильные экономики по сравнению с другими членами ЕС, обладающие привлекательными и выгодными конкурентными преимуществами. Специфика деятельности американских компаний в странах Европейского союза заключается в ориентации инвестиций на промышленное производство, информацию, финансовые и страховые услуги, холдинговые компании (51 % в 2017 г.) и другие виды деятельности. Именно холдинговые компании обеспечили основной объем репатриации прибыли, полученной в 2018 г., и обозначили тенденцию к оттоку ранее экспортированного капитала из низконалоговых юрисдикций, что может задать новый тон глобальному потоку прямых иностранных инвестиций.

Ключевые слова: США, ЕС, ПИИ, накопленные инвестиции, география приложения, специализация, глобальный поток прямых иностранных инвестиций

История статьи:

Дата поступления в редакцию: 02 Января 2020

Дата проверки: 10 Января 2020

Дата принятия к печати: 17 Января 2020

Для цитирования:

Konvalova Yu.A. U.S. in the global FDI' flows: repatriation of foreign earning by U.S. from EU members as the new global trend (США в глобальных потоках ПИИ: репатриация американского капитала на примере Европейского союза как новый глобальный тренд) // Вестник Российского университета дружбы народов. Серия: Экономика. 2020. Т. 28. № 1. С. 172–183. <http://dx.doi.org/10.22363/2313-2329-2020-28-1-172-183>

Сведения об авторе:

Коновалова Юлия Александровна, кандидат экономических наук, старший преподаватель кафедры международных экономических отношений, Российский университет дружбы народов. E-mail: konvalova_yua@pfur.ru