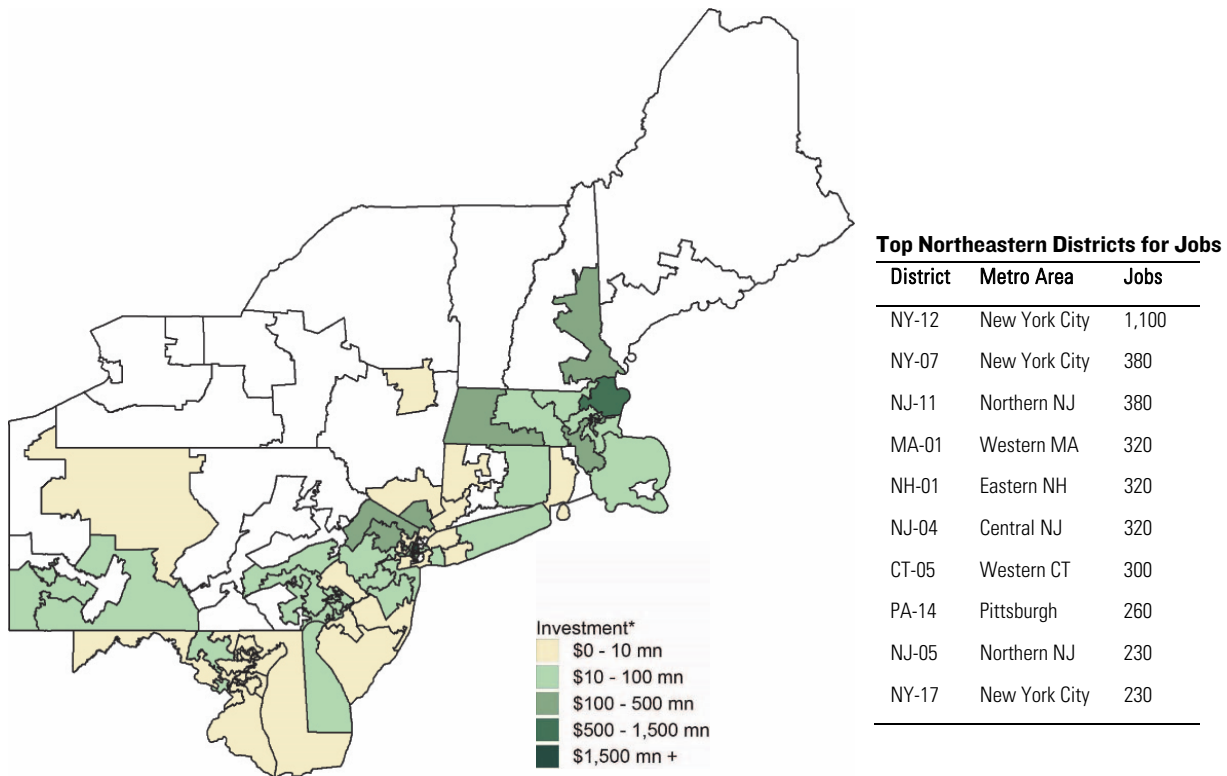


## 2.1 THE NORTHEAST



Source: Rhodium Group. See Data Appendix for more details. \*Cumulative value of Chinese FDI transactions, 2000-2014

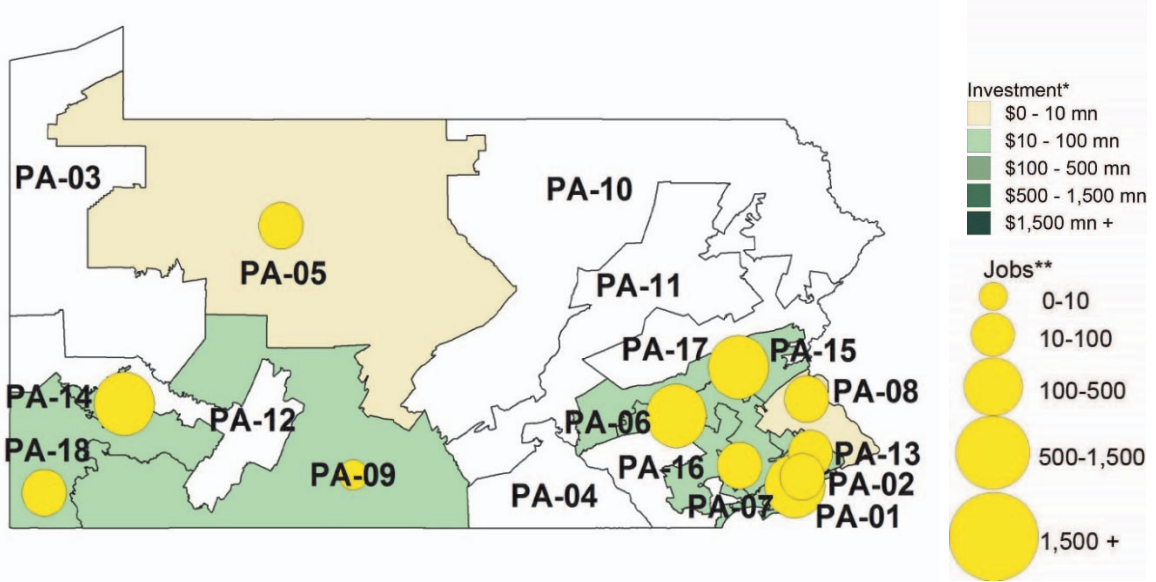
With cumulative investment of \$7.2 billion from 2000 to 2014, the Northeast received the lowest investment from China among the four US regions. The key sectors are financial and business services, real estate, high-tech, and pharmaceuticals, reflecting the region's economic strengths and clusters.

The top districts in terms of investment are in the New York City area (NY-10 and NY-12) and parts of Northern New Jersey (NJ-11). There are no significant investments yet in large stretches of the Northeast including Maine's two districts (ME-01 and ME-02) and Vermont's at-large district.

Almost 6,800 Northeasterners are currently employed by Chinese-affiliated companies, or roughly 8% of total employment provided by Chinese firms in the US. The majority of these employees came onto the payrolls of Chinese parent firms through acquisitions, but there is also growing job creation through greenfield investment, mostly in advanced service sectors such as finance or pharmaceuticals.

The most important Chinese affiliates in the Northeast are Smithfield subsidiaries (MA-01 and PA-14), Industrial and Commercial Bank of China (NY-06, and NY-07), Plaza Construction (NY-12), the International Vitamin Corporation (NJ-04), and various subsidiaries owned by Wuxi Pharmaceuticals (PA-01, PA-07, NJ-06, and NJ-12).

## 2.1.7 PENNSYLVANIA



Source: Rhodium Group. \*Cumulative value of Chinese FDI transactions, 2000-2014. \*\*Number of jobs provided by Chinese establishments as of 2014.

Pennsylvania received almost \$420 million in investment and is home to 32 Chinese-owned establishments. These currently employ more than 880 jobs.

The greater Philadelphia area is well-represented, with important investments in the traditional key sector of pharmaceuticals and biotechnology. Notable companies in the metro area in these fields are AppTec Laboratory Services, Frontage Laboratories, and Saladax Biomedical (PA-01, PA-06, and PA-15). These operations continue to grow. Last year, the Chinese investor in AppTec, a provider of lab development services to other firms developing pharmaceuticals, announced it was tripling the size of its Philadelphia facility and increasing its capabilities.<sup>17</sup>

Notable investments in the western part of the state include China Shenhua's major investment through joint

venture to pursue shale gas development in the Marcellus Shale (PA-09 and PA-18).

The Lehigh Valley (PA-15) attracted greenfield investment for the first American operation of Fuling Plastic, which is expected to create 75 full-time jobs when it begins manufacturing.<sup>18</sup>

While Chinese investment in Pennsylvania is not limited to a single sector, there are important areas such as agriculture and manufacturing which have not attracted Chinese FDI, despite being major foundations of the state economy and overall recipients of FDI. For other foreign countries' activity in the state, manufacturing alone accounts for nearly half of the 275,000 employees of foreign-owned enterprises (FOEs).

<sup>17</sup> See "WuXi PharmaTech Breaks Ground on New Cell Therapy Manufacturing Facility", *PR Newswire*, April 29, 2014, <http://prn.to/1DSnuHz>.

<sup>18</sup> See "China-Based Taizhou Fuling Plastics Co. To Open Lehigh County, Pennsylvania, Manufacturing Plant", *Area*

*Development*, May 29, 2014, <http://bit.ly/1E9eCP5>. Future expenditures and jobs of pending deals or projects currently under construction are not included in the data.

# About this Report

## About the National Committee on US-China Relations

The National Committee on United States-China Relations is a private, nonpartisan, American non-profit organization that promotes understanding and cooperation between the United States and Greater China in the belief that sound and productive Sino-American relations serve vital American and world interests. Since its founding in 1966, the Committee has created opportunities for informed discussion and reasoned debate about issues of common interest and concern to the United States, Mainland China, Hong Kong and Taiwan. It currently organizes programs for private and public sector participants on politics and security, governance and civil society, economics and finance, education, and transnational issues such as energy and environment. It carries out its mission via conferences and forums, public education programs, professional exchanges and collaborative projects.

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Rhodium Group (RHG) is an economic research firm that combines policy experience, quantitative economic tools and on-the-ground research to analyze disruptive global trends. It supports the investment management, strategic planning and policy needs of clients in the financial, corporate, non-profit, and government sectors. RHG has offices in New York, California and Washington, and associates in Shanghai and New Delhi. RHG's cross-border investment practice analyzes the rise of China and other emerging markets as trans-national investors. RHG senior staffs publish frequently on the growth and impact of Chinese outbound FDI in the United States, and maintain the China Investment Monitor, a unique database tracking Chinese investment in the US economy.

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