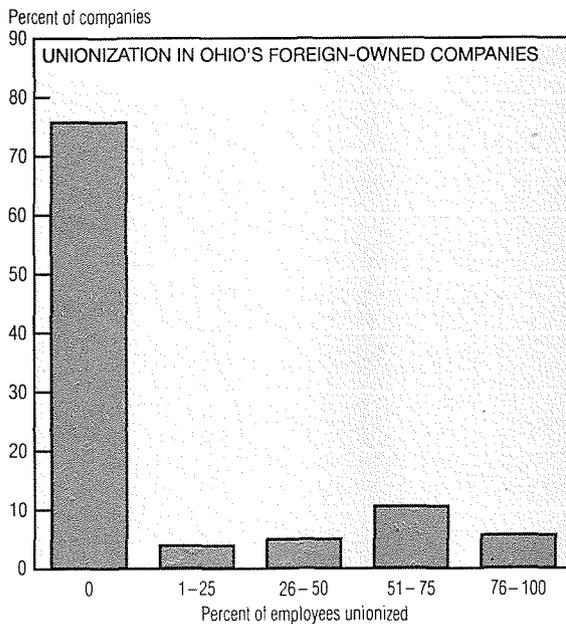
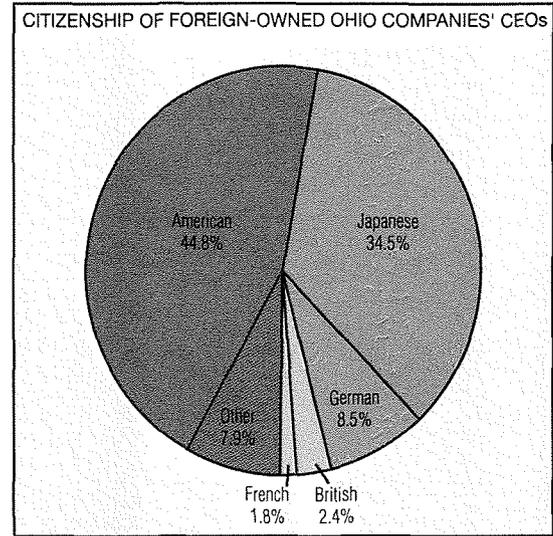
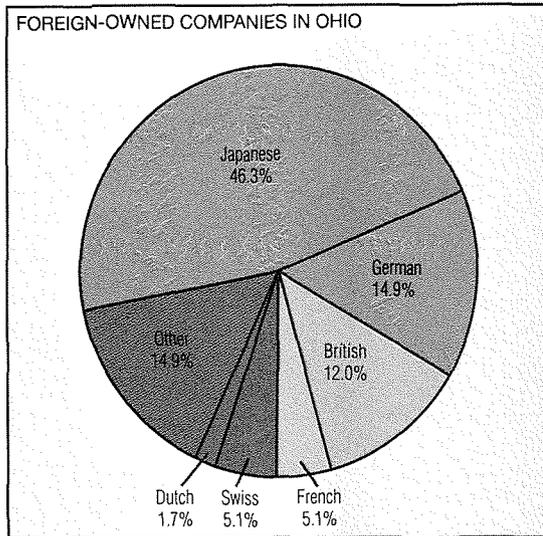


Foreign-Owned Ohio Firms



	All Ohio companies	Foreign-owned Ohio companies
Total exports	\$14.8 billion	\$11.7 million
Total sales	\$75.2 billion	\$57.4 million
Exports as a share of sales	19.8%	20.4%
Percentage of exports going to parent country	n.a.	49.0%

SOURCES: Milton Wolf, "A Profile of Direct Foreign Investment in Ohio: A Nonparametric Statistical Approach," Case Western Reserve University, Ph.D. thesis, May 1993; and U.S. Department of Commerce, Bureau of the Census.

One consequence of the U.S. current-account deficit since 1982 has been an increase of foreign-owned firms operating in this country. A 1991 survey of about 200 foreign-owned Ohio companies offers some interesting facts. First, the parent company is quite likely to be Japanese, a reflection of the large influx of Japanese investment into the U.S. during the 1980s. Japan accounts for almost half of all foreign companies operating in Ohio, while several European nations make up the rest.

The fact that a local company is

owned abroad does not necessarily mean that control of the operation passes overseas. In nearly half of the cases, the Ohio CEO is an American. Although the Japanese tend to retain more control, there are no Swiss or Dutch CEOs, despite the large extent of the Ohio investment relative to the parent country's GNP.

What are the companies' characteristics? For the most part, they are nonunion. In Ohio's private-sector labor force as a whole, union membership was 21% in 1989, but the vast majority of foreign companies reported a smaller percentage. This

is surprising, because the same survey reported that low union activity was not a major reason for locating the company in Ohio. Foreign-owned companies in Ohio export about the same share of their output as do Ohio companies as a whole. Indeed, much of the export is between Ohio and the company's home country. It is clear that foreign investment offers a method by which the foreign company's goods can be sold in America, but it may also provide a means by which goods made in Ohio are sold in the parent company's country.