



A S I A
MATTERS FOR
AMERICA
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AsiaMattersforAmerica.org

The East-West Center promotes better relations and understanding among the people and nations of the United States, Asia, and the Pacific through cooperative study, research, and dialogue. Established by the US Congress in 1960, the Center serves as a resource for information and analysis on critical issues of common concern, bringing people together to exchange views, build expertise, and develop policy options.

ASIA MATTERS FOR AMERICA/AMERICA MATTERS FOR ASIA

This initiative maps the trade, investment, employment, business, diplomacy, security, education, tourism, and people-to-people connections between the United States and the Indo-Pacific at the national, state, and local levels. This publication, the one-page connections summaries for states and Congressional districts, and the AsiaMattersforAmerica.org website are resources for understanding the robust and dynamic US-Indo-Pacific relationship.

AsiaMattersforAmerica.org

Project Team

Director: Satu Limaye, Ph.D.

Coordinators: Caitlin Brophy and Colby Ferland

Research & Content: Tanvi Banerjee, Kyle Bezold, Cathy Dao, Rivvy Eisenberg, Allison Golden, Kimlay Leav, Yegene Joyce Lee, Celine Mahne, Elyse Mark, Karen Mascariñas, Yeseul Oh, Luke Pluta-Ehlers, Savannah Shih, Karunia “Karin” Silitonga, Seulah Song, Elizabeth Smith, Ross Tokola, Peter Valente, Sarah Wang, Serphina Wang, Michael Weaver, and Sinae Yu

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Highlights

SECURITY

US Security Challenges and Opportunities in the Indo-Pacific Are Increasing

Australia, Japan, the Philippines, South Korea, and Thailand are US treaty allies and the US has expanded partnerships with other countries in the region.

TRADE

30% of US Goods and Services Exports Go to the Indo-Pacific

The Indo-Pacific is the United States' largest trading partner, with nearly \$1.8 trillion in total trade in a year.

JOBS

Three Million US Jobs Are Supported by Exports to and Investment from the Indo-Pacific

California alone has over 300,000 jobs supported by US exports to the Indo-Pacific's markets, an increase of over 125,000 jobs in just five years.

INVESTMENT

The Indo-Pacific's FDI in the US Grew by 112%, and US FDI in the Indo-Pacific Grew by 87% Within the Past Decade

The value of foreign direct investment (FDI) from the Indo-Pacific in the United States increased from \$323 billion to over \$684 billion during the past decade.

Highlights

TRAVEL AND TOURISM

The United States and Indo-Pacific Exchange Nearly 28 Million Visitors

Asian visitor spending contributed almost \$90 billion to the US economy in a year.

EDUCATIONAL EXCHANGE

Students from the Indo-Pacific Contribute More Than \$25 Billion to the US Economy

Over 730,000 Asian students study in the United States in an academic year, more than twice the number from the rest of the world combined.

POPULATION

Asians Are the Fastest Growing Population Group in the United States

Most recent data show that immigrants from the Indo-Pacific accounted for 29% of naturalizations in the United States over a year, totaling nearly 216,500.

SISTER PARTNERSHIPS

The United States and the Indo-Pacific Share Over 1,000 Sister State and City Relationships

The United States has more sister city relationships with the Indo-Pacific than with any other region in the world.

The Indo-Pacific Is a Region of Growing Importance

The Indo-Pacific region[†] is home to more than half the world's population, speaking 3,000 languages. This region includes the most populous country in the world (China), the largest democracy (India), and the largest Muslim-majority country (Indonesia).

Two of the three biggest global economies (Japan and China) are located in the Indo-Pacific and the region's overall gross domestic product (GDP) totals \$273 trillion. The Indo-Pacific is the fastest growing economic region in the world, with a growth rate of 5.7%. An estimated 60% of global maritime trade traverses the sea lanes of the South China Sea, and the region boasts nine of the 10 largest ports in the world.

The Indo-Pacific also hosts three of the five largest standing military forces. Five countries are treaty allies of the United States, and there are more US troops stationed in the Indo-Pacific than in any other region in the world.

<p>ASEAN* Population: 647 million Gross Domestic Product (GDP): \$2.77 trillion ASEAN's 10 member states combined are the 5th largest Indo-Pacific investor in the United States.</p> 	<p>JAPAN Population: 127 million Gross Domestic Product (GDP): \$4.87 trillion One of the United States' closest allies, Japan is the top foreign investor in the United States.</p> 
<p>AUSTRALIA Population: 25 million Gross Domestic Product (GDP): \$1.32 trillion The United States and Australia have been allies since 1951 and have had a free trade agreement since 2005.</p> 	<p>SOUTH KOREA Population: 51 million Gross Domestic Product (GDP): \$1.53 trillion South Korea is a free trade partner and a treaty ally of the United States.</p> 
<p>CHINA Population: 1.39 billion Gross Domestic Product (GDP): \$12.24 trillion China is the United States' largest trade partner in the Indo-Pacific.</p> 	<p>TAIWAN Population: 24 million Gross Domestic Product (GDP): \$579.3 billion Taiwan is a democracy and is among the United States' 10 largest trade partners.</p> 
<p>INDIA Population: 1.34 billion Gross Domestic Product (GDP): \$2.6 trillion India has been designated a Major Defense Partner and a top-tier Strategic Trade country for the United States.</p> 	<p>PACIFIC ISLANDS** Population: 12 million Gross Domestic Product (GDP): \$30.8 billion The United States provides the Pacific Islands with economic development assistance and has important security and military ties in the region.</p>

MAP OF THE INDO-PACIFIC



[†]The *Asia Matters for America* initiative defines the region as those countries comprising the US Indo-Pacific Command area of responsibility.

*The Association of Southeast Asian Nations (ASEAN) member countries are Brunei, Cambodia, Laos, Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam.

**Pacific Islands includes independent member countries of the Pacific Islands Conference of Leaders (PICL): Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

Sources: World Bank and CIA World Fact Book, 2017 data

Numbers rounded throughout publication. All monetary values are in US\$ unless otherwise noted. Whenever possible, most recent available data is used. For the most up-to-date data please visit AsiaMattersforAmerica.org

US Security Challenges and Opportunities in the Indo-Pacific Are Increasing

The Indo-Pacific region is home to US allies and partners, rising powers whose choices affect the United States' safety and prosperity, and key security challenges ranging from nuclear weapons to contested territory. Australia, Japan, the Philippines, South Korea, and Thailand are US treaty allies and the United States has expanded partnerships with other countries in the region. Many countries in the Indo-Pacific have achieved impressive economic growth over the past quarter century. The region is key to successfully handling global challenges such as equitable economic growth, environmental degradation, pandemic diseases, illegal trafficking, and global governance. However, in the region serious security problems such as historical animosities, territorial disputes, and weak regional institutions persist. China's extraordinary economic and military development, with a combined assertive and cooperative approach to regional relations, is a central dynamic shaping the region. For the United States, alliances and partnerships remain the bedrock of its approach to the region. The United States is devoting more attention and resources there, given ongoing security challenges including working with regional groupings such as the East Asia Summit (EAS), the Asia-Pacific Economic Cooperation (APEC) forum, and the Association of Southeast Asian Nations (ASEAN).

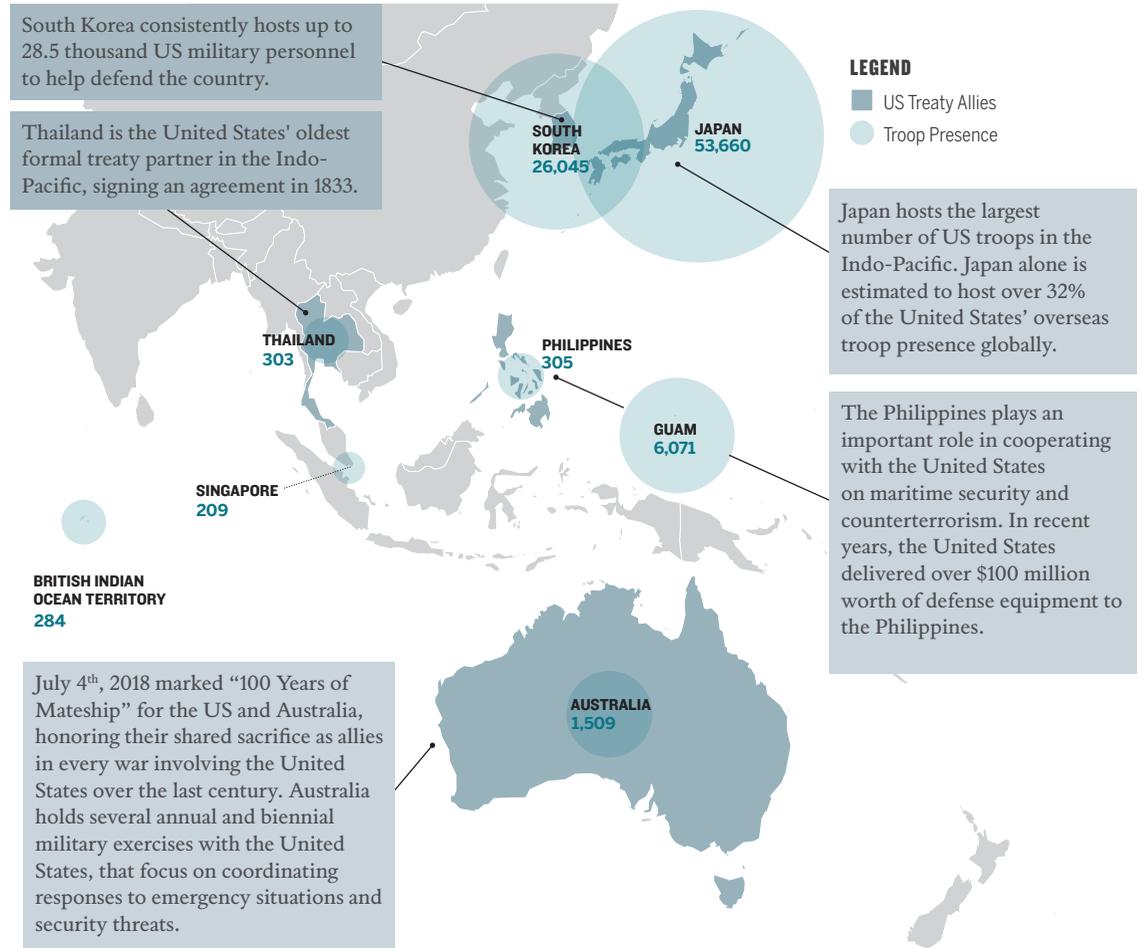
Excluding Hawai'i, the United States has nearly 87,000 active duty troops in the Indo-Pacific region, stationed at over 180 US military installations and bases. Japan is home to the most facilities, with 80, followed by South Korea with over 60 facilities. In recent years, the United States delivered over \$6 billion in defense equipment to the region, with \$2 billion going to Australia alone, and over \$1 billion to South Korea. The United States maintains dozens of regular military exercises with Indo-Pacific countries, both bilateral and multilateral. Additionally, the US National Guard conducts the State Partnership Program (SPP), which links a US state's National Guard with a partner nation's military/security forces to conduct security cooperation exercises, disaster response training, and leadership development programs, and to cultivate institutional relationships. Currently, six US states are partnered with nine countries in the region, holding over 100 events in a single year.

TOP 10 COUNTRIES

US MILITARY ASSISTANCE* IN THE INDO-PACIFIC					
1	Philippines	\$141.2m	6	Cambodia	\$8.7m
2	Indonesia	\$36.5m	7	Malaysia	\$4.7m
3	Vietnam	\$22.7m	8	Bangladesh	\$4.3m
4	Nepal	\$21.1m	9	Mongolia	\$3.7m
5	Thailand	\$8.7m	10	Laos	\$3.5m

*The funding listed in the table accounts for programs such as Foreign Military Financing (FMF), and International Military Education and Training (IMET), as well as many other programs maintained by the Department of Defense, Department of State, and other relevant implementing agencies utilized by USAID's Foreign Aid Explorer, 2016 data. Sources: United States Agency for International Development (USAID), 2016 data; Defense Manpower Data Center, US Department of Defense (US DoD), June 2018 data; US DoD, Base Structure Report 2015; US Indo-Pacific Command, US Navy; US Army, Pacific; US Marine Corps Forces, Pacific; Stockholm International Peace Research Institute, 2016-2017 data; US National Guard State Partnership Program (SSP), 2016 Annual Report to Congress

US ALLIANCES AND MILITARY PERSONNEL IN THE INDO-PACIFIC



US NATIONAL GUARD STATE PARTERSHIP PROGRAMS WITH INDO-PACIFIC COUNTRIES

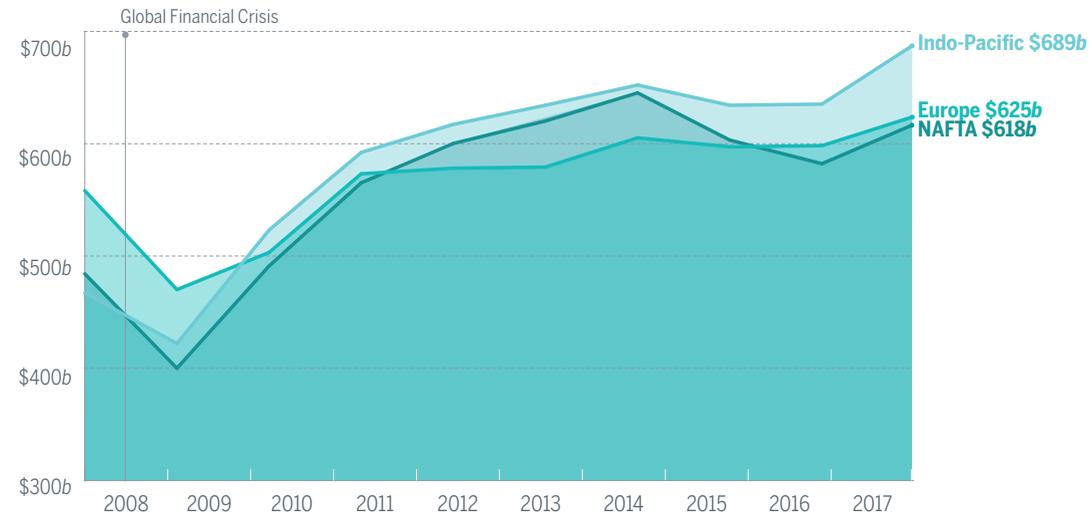
ALASKA AND MONGOLIA	HAWAI'I AND INDONESIA	HAWAI'I AND PHILIPPINES	IDAHO AND CAMBODIA	NEVADA AND TONGA	OREGON AND BANGLADESH	OREGON AND VIETNAM	WASHINGTON AND THAILAND
14 programs	11 programs	19 programs	7 programs	16 programs	14 programs	9 programs	20 programs

30% of US Goods and Services Exports Go to the Indo-Pacific

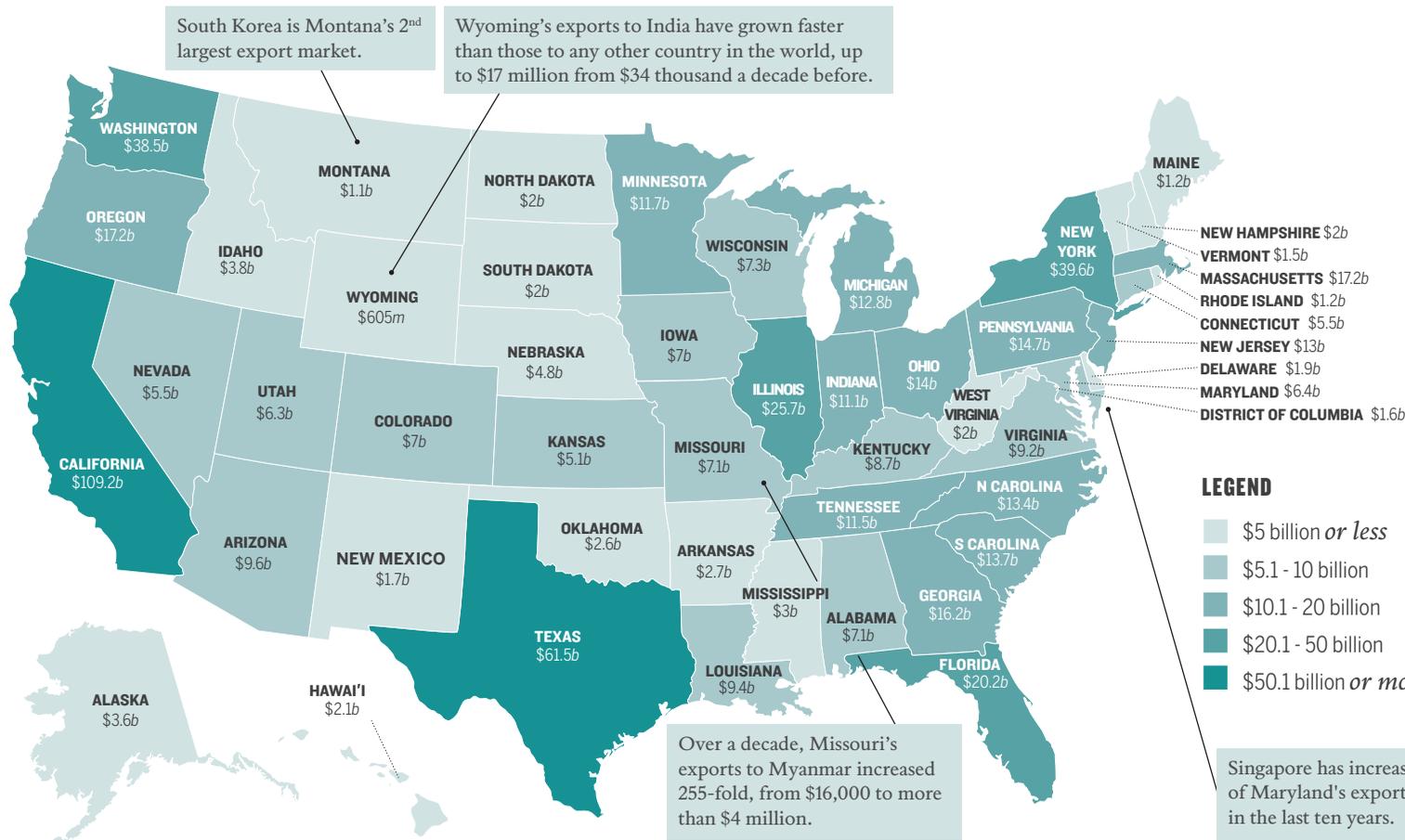
The Indo-Pacific is the United States' largest trading partner, with nearly \$1.8 trillion in total trade in a year.

The United States exports nearly \$700 billion in goods and services to the Indo-Pacific, a 47% increase over a decade. The United States exports more to the Indo-Pacific than to Canada and Mexico combined. Three of the United States' 20 Free Trade Agreement (FTA) partners are in the Indo-Pacific (Australia, South Korea, and Singapore). An additional 14 countries in the region maintain Trade and Investment Framework Agreements (TIFAs) with the United States, including nine ASEAN member countries (Singapore has an FTA). Five of the United States' top 10 bilateral trading partners are in the Indo-Pacific: China(1st), Japan(4th), South Korea(7th), India(9th), and Taiwan (10th).

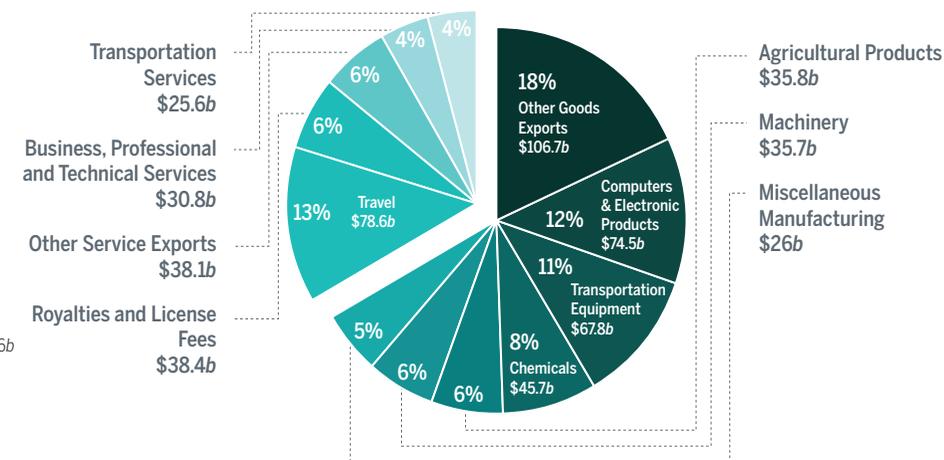
US EXPORTS OF GOODS AND SERVICES



US GOODS AND SERVICES EXPORTS TO THE INDO-PACIFIC BY STATE



COMPOSITION OF US GOODS AND SERVICES EXPORTS



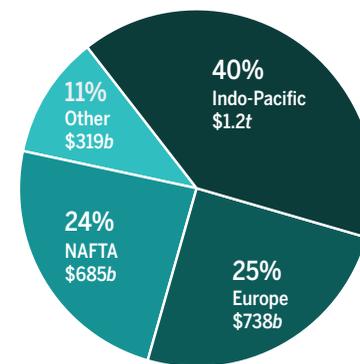
Source exports line graph: US Bureau of Economic Analysis, 2008-2017 data
 Source US map and composition of exports: Estimated by the Trade Partnership (Washington, DC), 2016 data

The Indo-Pacific accounts for 40% of the total world exports to the United States with nearly \$1.2 trillion in goods and services exported in a single year. Europe ranks 2nd among the United States' largest regional trade partners, with nearly \$740 billion in exports to the United States in the same period.

INDO-PACIFIC GOODS EXPORTS TO THE US BY COUNTRY



EXPORTS TO THE US BY REGION



GROWTH OF INDO-PACIFIC EXPORTS

The Indo-Pacific's exports to the US grew by nearly 40% in the last decade.



TOP 10 COUNTRIES

US SERVICES TRADE SURPLUSES WITH INDO-PACIFIC COUNTRIES					
1	China	\$38b	6	Taiwan	\$4b
2	Australia	\$14.7b	7	Indonesia	\$1.5b
3	Japan	\$13.2b	8	Hong Kong	\$1.3b
4	South Korea	\$10.1b	9	Malaysia	\$1.1b
5	Singapore	\$9.7b	10	Vietnam	\$1b

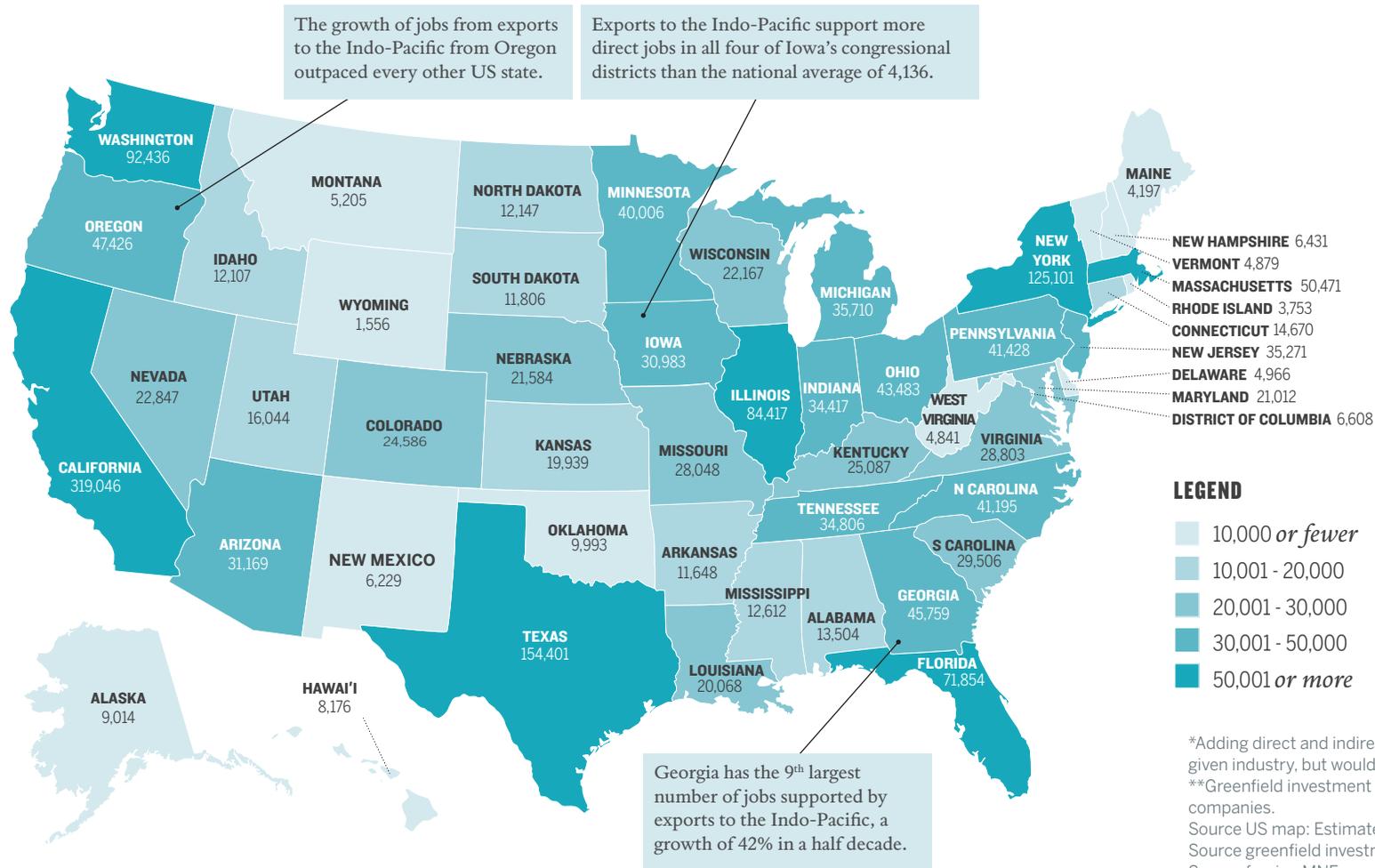
Source: US Bureau of Economic Analysis (BEA), 2016 data
 Source pie chart: US BEA, 2017 data
 Source Indo-Pacific map: US International Trade Administration, 2016 data

Three Million US Jobs Are Supported by Exports to and Investment from the Indo-Pacific

US exports to the Indo-Pacific directly support 1.8 million US jobs. Twenty-nine US states have at least 20,000 jobs supported by exports to the Indo-Pacific. California alone has over 300,000 jobs supported by US exports to the Indo-Pacific's markets, an increase of over 125,000 jobs in just five years. Additionally, exports to the Indo-Pacific support up to 1.7 million indirect jobs* throughout the United States.

Over 1.2 million Americans are employed by Indo-Pacific majority owned multinational enterprises (MNEs) in the United States. Greenfield investment** from Indo-Pacific countries has created over half a million jobs, including over 90,000 in California and over 50,000 in Texas.

JOBS SUPPORTED BY EXPORTS TO THE INDO-PACIFIC

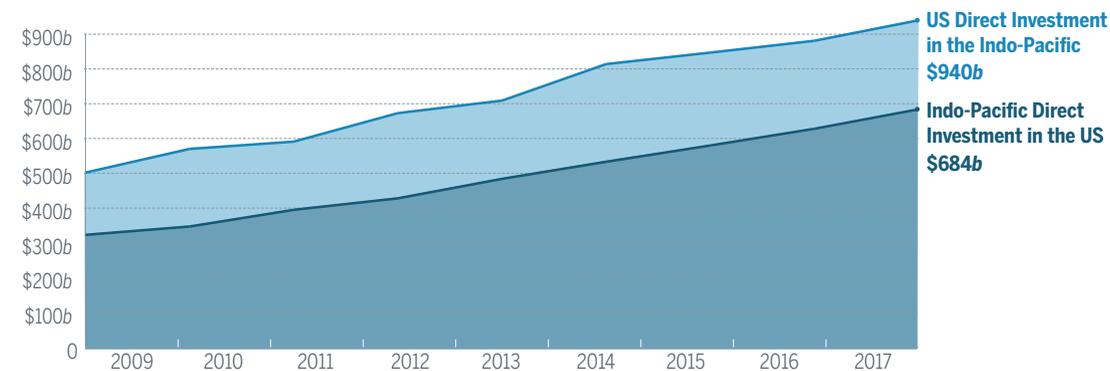


The Indo-Pacific's FDI in the US Grew by 112%, and US FDI in the Indo-Pacific Grew by 87% Within the Past Decade

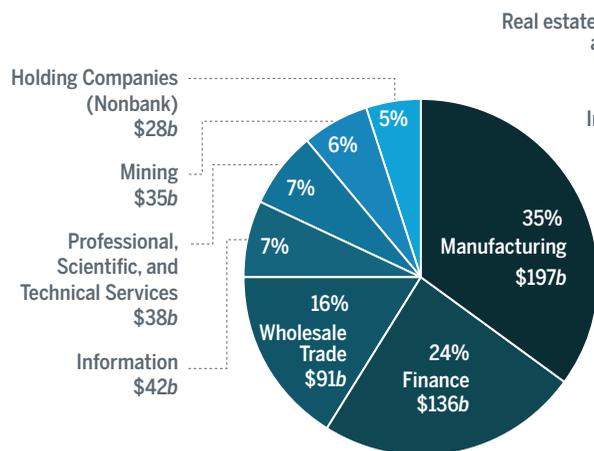
The value of foreign direct investment (FDI) from the Indo-Pacific in the United States increased from \$323 billion to over \$684 billion during the past decade. Concurrently, US FDI in the Indo-Pacific increased to over \$940 billion, up from \$502 billion. Japan and South Korea are the only Indo-Pacific countries that invest more in the United States than vice versa.

DIRECT INVESTMENT GROWTH

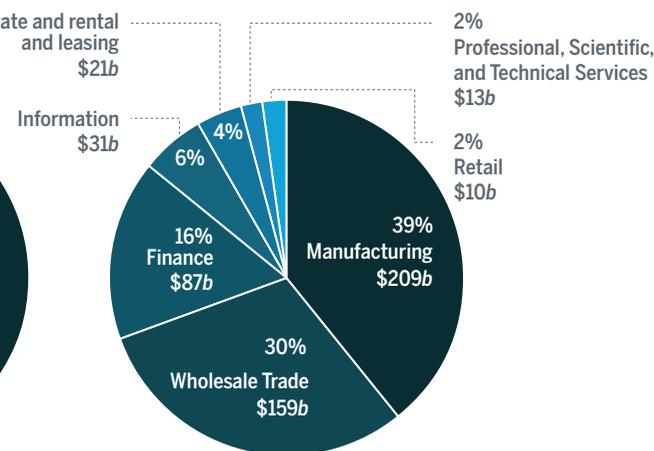
Two-way direct investment has grown steadily between the United States and the Indo-Pacific



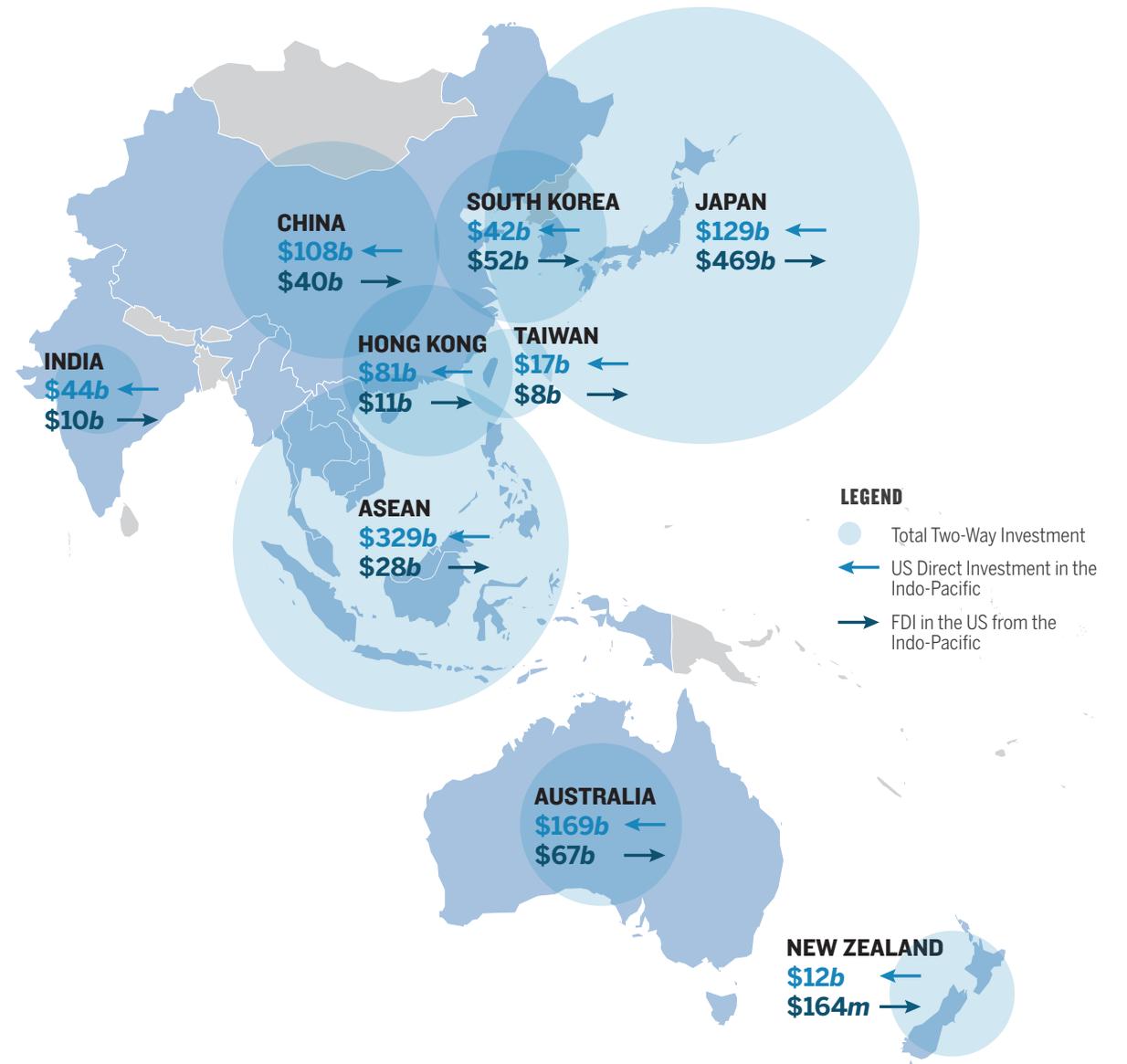
US DIRECT INVESTMENT IN INDO-PACIFIC COUNTRIES BY INDUSTRY*



INDO-PACIFIC INVESTMENT IN THE UNITED STATES BY INDUSTRY**



US-INDO-PACIFIC DIRECT INVESTMENT IN REGIONAL CONTEXT

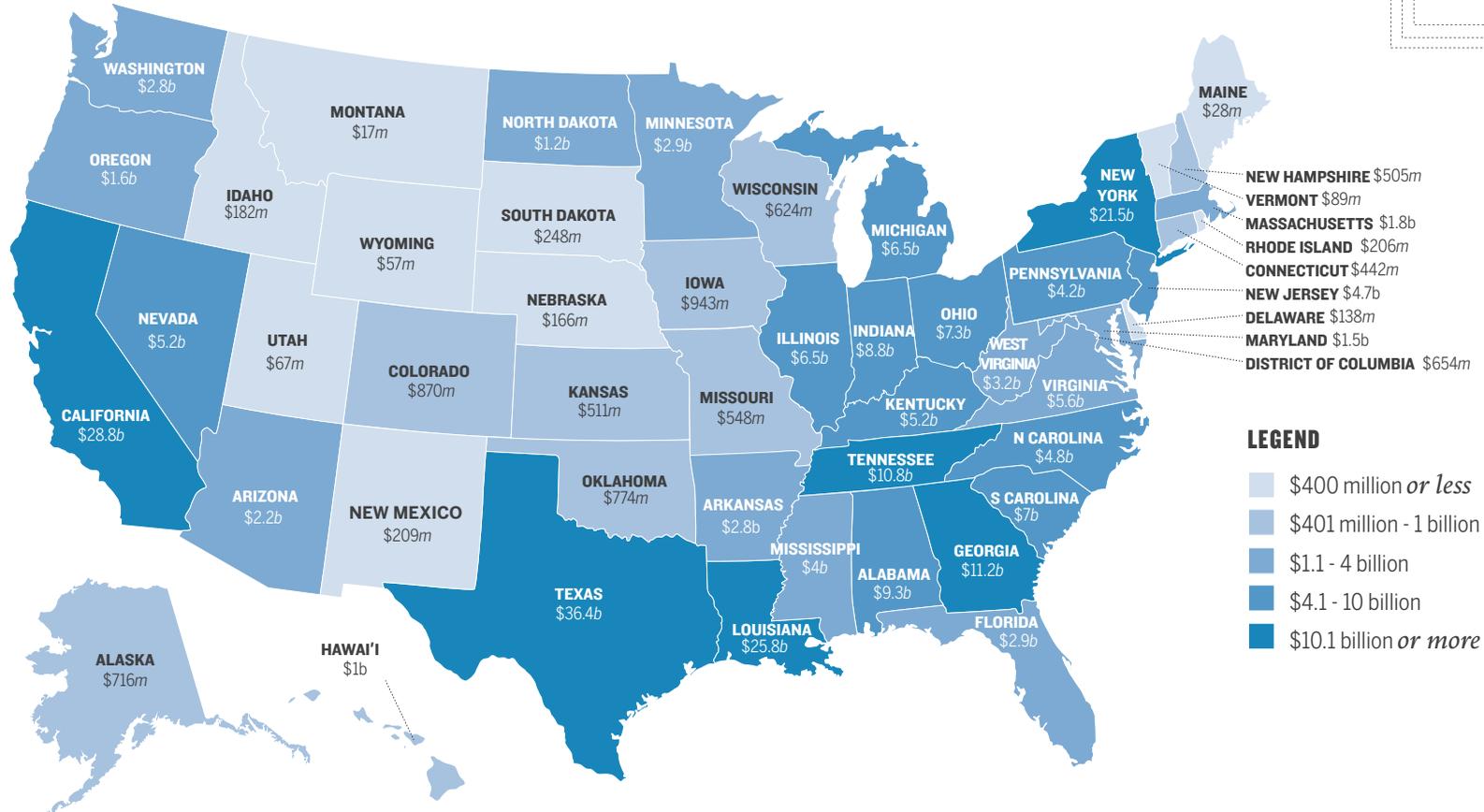


*Countries represented include Australia, China, Hong Kong, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Thailand. Depository institutions, insurance, and industries listed by the US BEA as "Other" are excluded.
 **Countries represented include Australia, China, Hong Kong, India, Japan, South Korea, Malaysia, New Zealand, Singapore, and Taiwan. Depository institutions, insurance, and industries listed by the US BEA as "Other" are excluded.
 Source line graph and map: US Bureau of Economic Analysis (BEA) Direct Investment Position Data, 2009-2017 data
 Source US investment by industry: US Bureau of Economic Analysis (BEA) US Direct Investment Abroad on a Historical-Cost Basis, 2017 data
 Source Indo-Pacific investment by industry: US BEA Foreign Direct Investment in the US on a Historical-Cost Basis, 2017 data

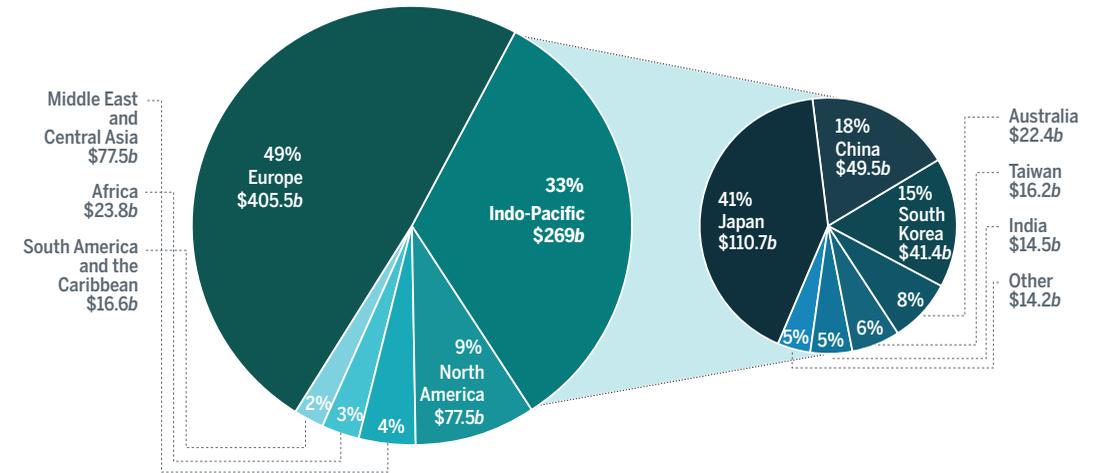
Indo-Pacific companies have invested in every US state. Indo-Pacific greenfield investment – which includes building new facilities rather than purchasing or merging with existing ones – have totaled over \$240 billion since 2003. Over 41% of this investment comes from Japanese companies, the single largest global investor in greenfield projects since 2003. Six states have received over \$10 billion in Indo-Pacific greenfield investment since 2003.

Samsung, based in South Korea, is the largest investor in greenfield projects in the United States, having invested over \$15 billion. Toyota, a Japanese car manufacturer, has invested more than \$14 billion in over 100 US greenfield projects since 2003, creating an estimated 35,000 jobs across the United States.

INDO-PACIFIC GREENFIELD INVESTMENT IN THE UNITED STATES



WORLD SHARE OF GREENFIELD INVESTMENT IN THE UNITED STATES



TOP 10 COUNTRIES

TOP INDO-PACIFIC COUNTRIES WITH GREENFIELD INVESTMENT IN THE US		
1	Japan	\$110.7b
2	China	\$49.5b
3	South Korea	\$41.4b
4	Australia	\$22.4b
5	Taiwan	\$16.2b
6	India	\$14.5b
7	Hong Kong	\$5b
8	Singapore	\$3.4b
9	New Zealand	\$3b
10	Thailand	\$1.1b

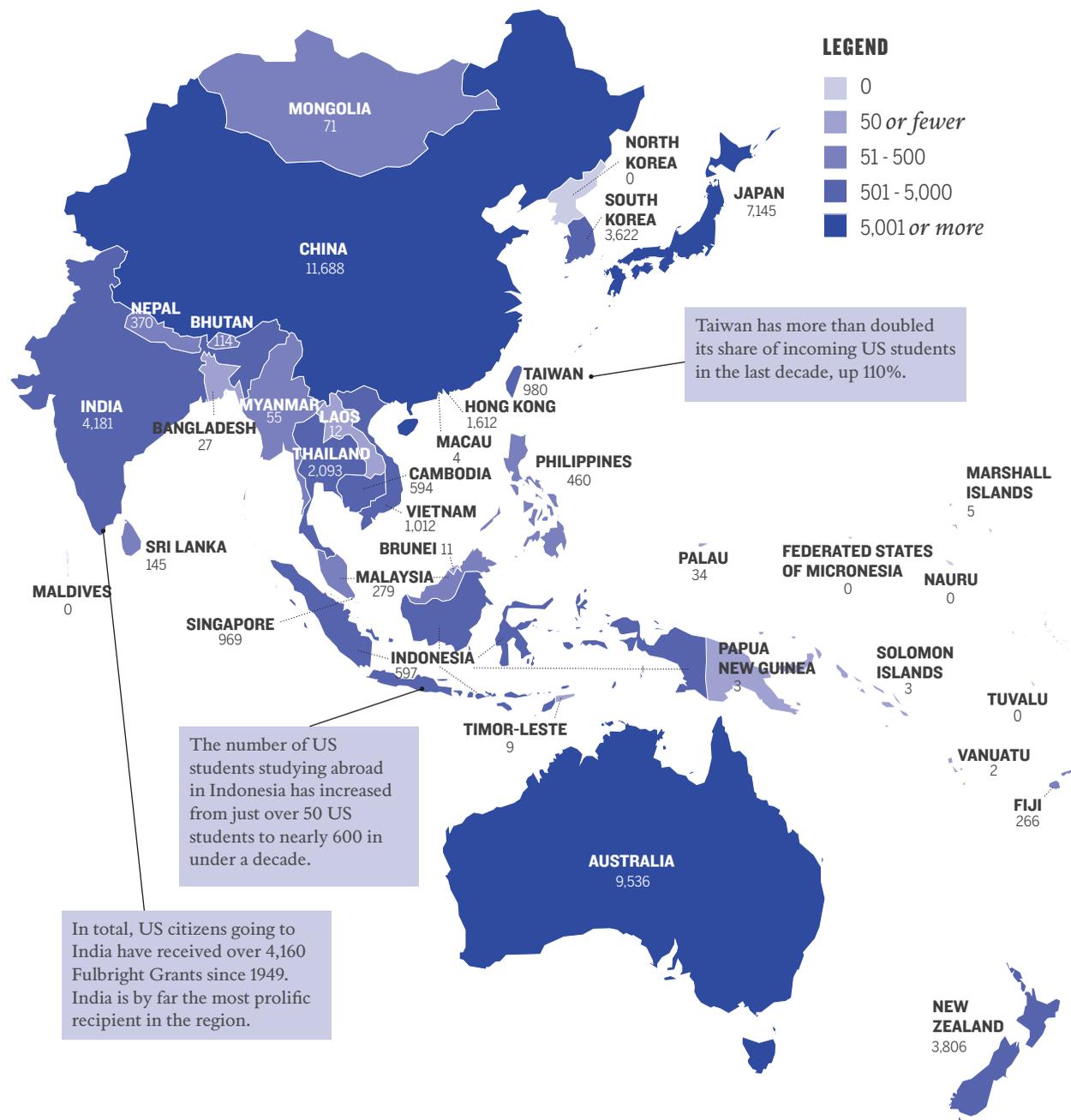
LEGEND

- Lightest Blue: \$400 million or less
- Light Blue: \$401 million - 1 billion
- Medium Blue: \$1.1 - 4 billion
- Dark Blue: \$4.1 - 10 billion
- Darkest Blue: \$10.1 billion or more

Source: fDi Markets, January 2003-August 2018 data

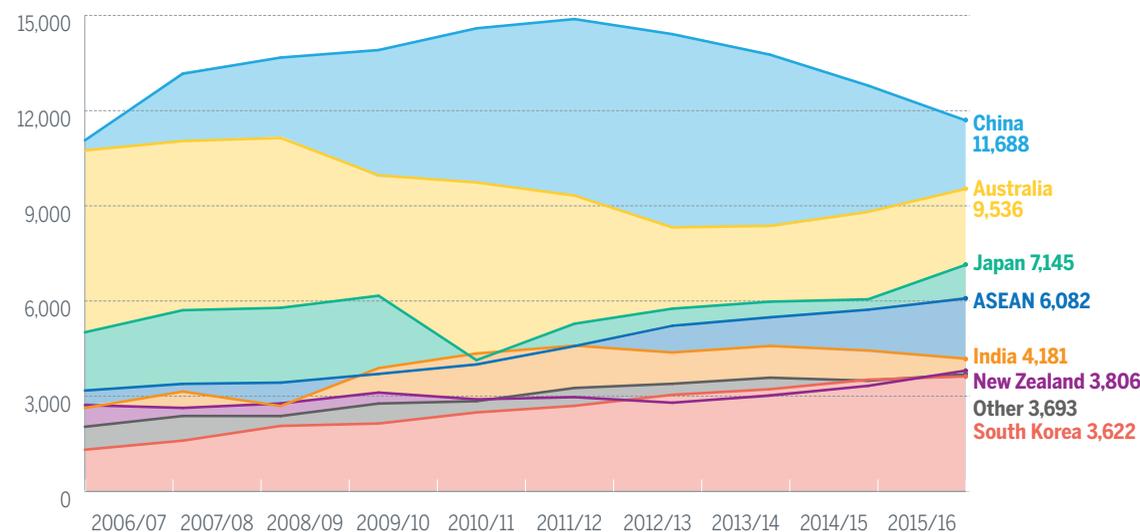
Nearly 20% of Americans studying abroad go to the Indo-Pacific. The Indo-Pacific is an increasingly popular location for US students to study abroad, with nearly 50,000 Americans studying in the region, an increase of nearly 30% from a decade before. Though China and Australia are the most popular destinations for US students, study abroad in Southeast and South Asian countries has increased by 92% and 73% respectively in the last decade.

US STUDENTS IN THE INDO-PACIFIC



The US Department of State's Bureau of Educational and Cultural Affairs (ECA) administers many exchange programs that both US and non-US citizens may apply to, including the well-known Fulbright Program, which is accessible to students, teachers, and scholars in almost every Indo-Pacific country. Nearly 18,400 participants have been involved in Fulbright exchanges between the United States and the Indo-Pacific in the last ten years.

STUDY ABROAD IN THE INDO-PACIFIC



TWO-WAY FULBRIGHT PARTICIPANTS

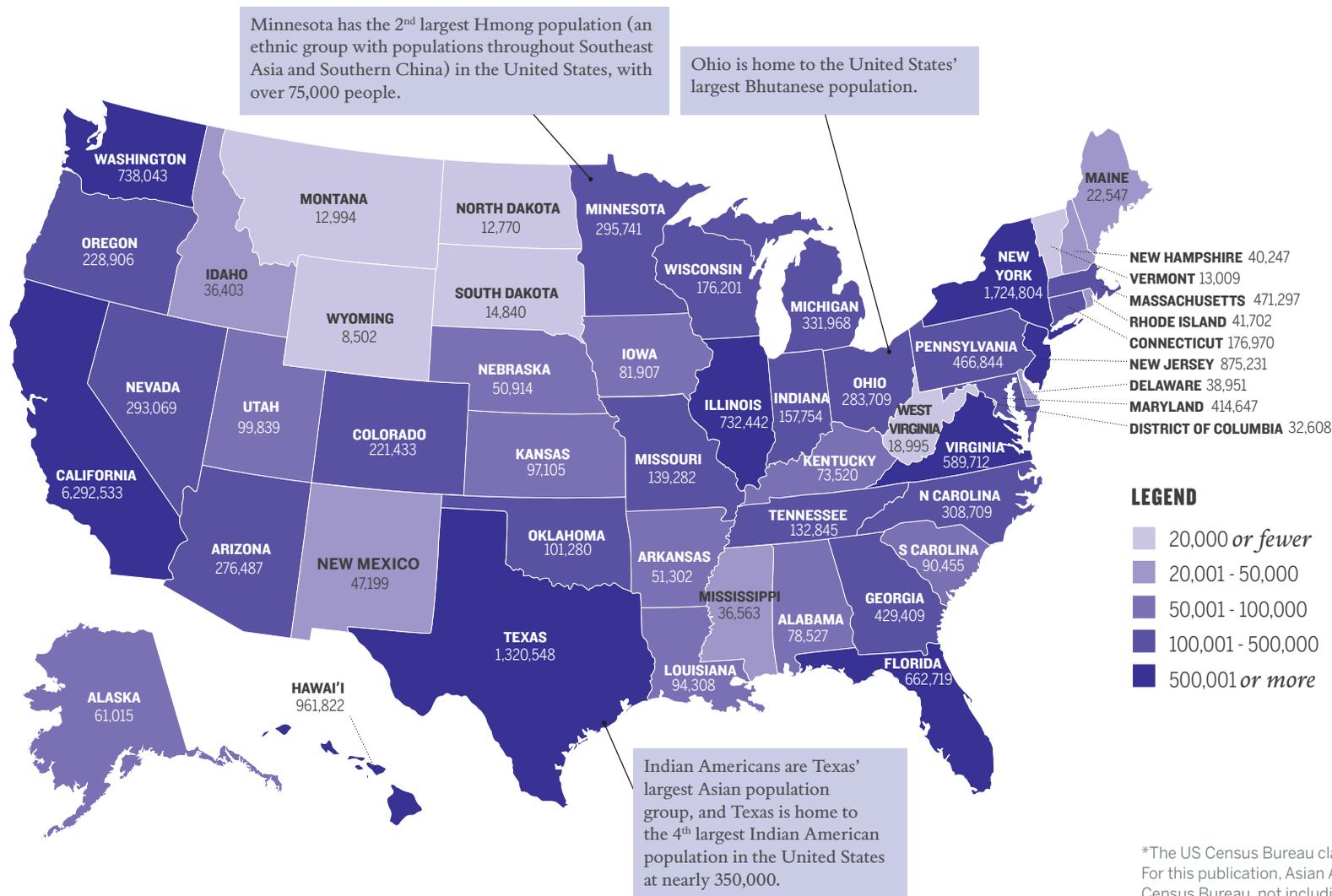


Sources: Institute of International Education (IIE), Open Doors data; US Bureau of Educational and Cultural Affairs

Asians Are the Fastest Growing Population Group in the United States

Among the US population, 6% identifies as Asian or Australian.* Nearly 20 million people in the United States identify with an Asian ethnicity, including an estimated 100,000 claiming Australian ancestry. Over six years, the Asian population grew by 21%, making it the fastest growing ethnicity in the United States. In that time, the Asian and Australian population has increased by over 50,000 people in 17 separate US states. California and Texas alone saw a combined increase of over one million.

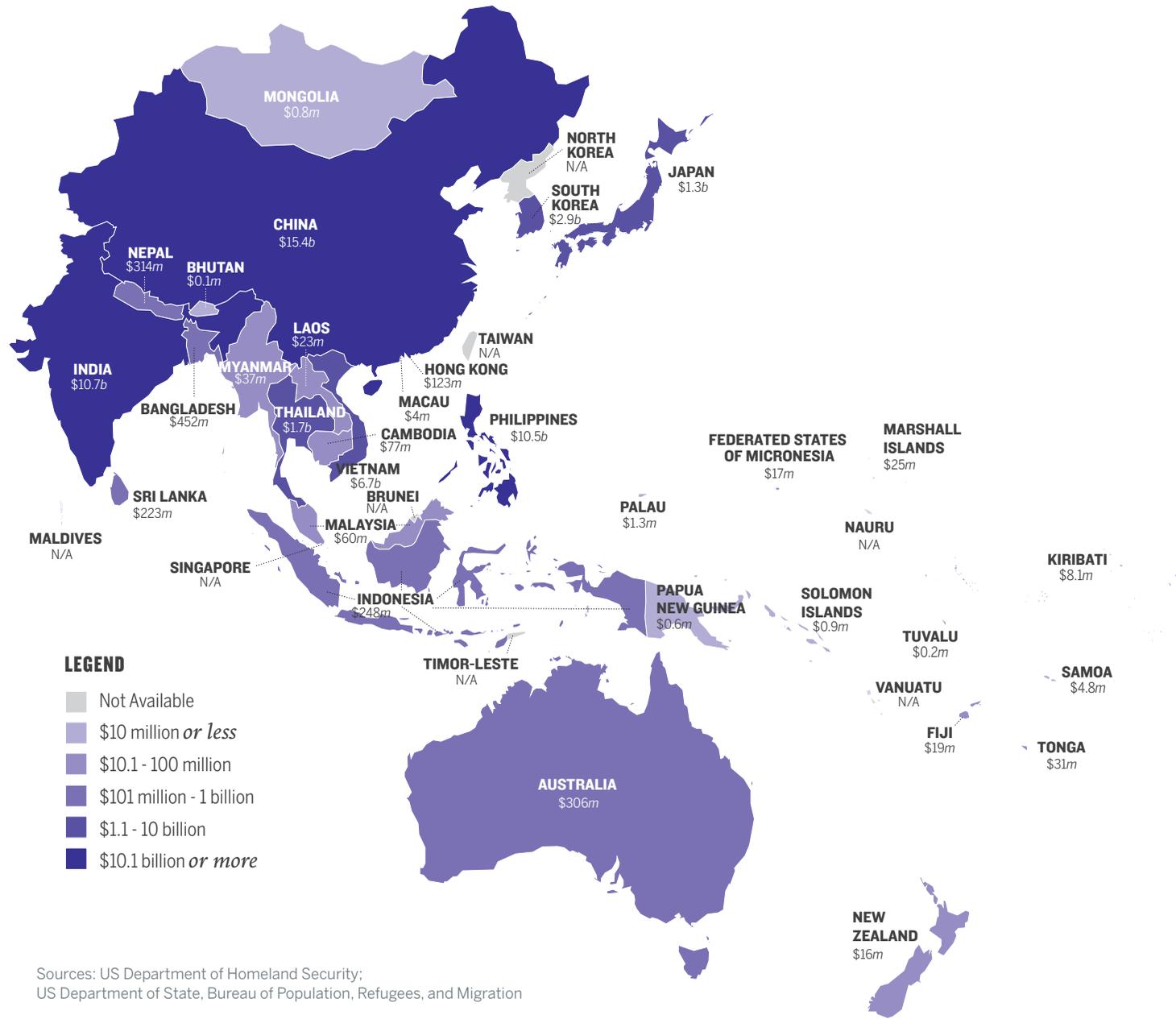
ASIAN AND AUSTRALIAN POPULATION BY US STATE



REMITTANCES, NATURALIZATION AND IMMIGRATION

Immigrants from the Indo-Pacific accounted for 29% of naturalizations in the United States, totaling nearly 216,500. This reflected a positive growth rate of 6% over a 10-year period. Over \$51 billion of US remittances were sent to the Indo-Pacific in a year, making up 37% of the total remittance outflow from the United States.

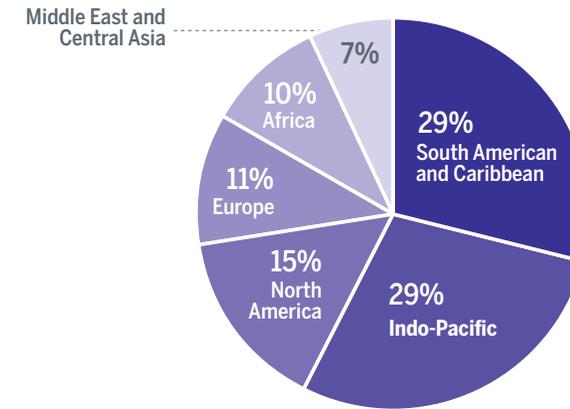
US REMITTANCES TO THE INDO-PACIFIC



Sources: US Department of Homeland Security; US Department of State, Bureau of Population, Refugees, and Migration

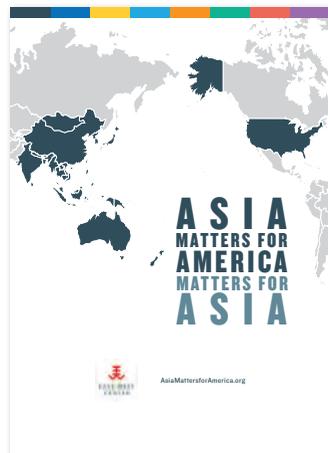
THE INDO-PACIFIC'S SHARE OF US NATURALIZATIONS

Asians and Australians account for 29% of US citizenship naturalizations



TOP 10 COUNTRIES

TOP ASIAN COUNTRIES OF ORIGIN FOR US NATURALIZATIONS		
1	India	46,188
2	Philippines	41,285
3	China	35,794
4	Vietnam	24,848
5	South Korea	14,347
6	Bangladesh	9,949
7	Myanmar	6,956
8	Bhutan	5,563
9	Thailand	5,211
10	Nepal	5,004



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The *Asia Matters for America* initiative is coordinated by the East-West Center in Washington, and can be contacted at:

Asia Matters for America
East-West Center in Washington
1819 L Street, NW, Suite 600
Washington, DC 20036 USA
Tel: (+1)202.293.3995
Fax: (+1)202.293.1402
Washington@EastWestCenter.org

The East-West Center headquarters is in Honolulu, Hawai'i:

East-West Center
1601 East-West Road
Honolulu, HI 96848 USA
Main Telephone: (+1)808.944.7111
EastWestCenter.org



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