

Global Week, Why Companies Are Coming to the USA Greg Kozer

We might think we have it tough with high gasoline prices, inflation, gun violence, crime in our cities, political differences, environmental issues and other problems. This week the Shale Crescent USA Team attended and exhibited at the Select USA Investment Summit at the National Harbor in Washington, DC. People and companies from around the world showed up in record numbers to learn how they can invest in and expand to the USA.

The U.S. Commerce Department sponsors Select USA and brings in companies and organizations of all types from around the world who are interested in investing in or expanding to the USA. It is a big deal. The organizers told me they had a record attendance of close to 4,000 attendees this year. The exhibitors are primarily state economic development organizations (EDOs) from all 50 states like Jobs Ohio, the West Virginia Development Office and Team PA. There are also regional EDOs like the Pittsburgh Regional Alliance and Shale Crescent USA (SCUSA). Organizations like AEP, large construction companies and other service support organizations also attend and exhibit.

SCUSA attended Select USA for the first time in 2019. The event was cancelled in 2020. SCUSA was a presenter at the virtual event in 2021 and chose to exhibit for the first time this year. We had meetings with prospects every day starting on Sunday afternoon with a company from Africa interested in manufacturing agricultural products in our region. We had foreign companies reach out to us prior to the event to schedule meetings. We connected to other companies through the meeting Ap prior to the meeting. Other companies came to our booth. We made good contacts at social events and even meals. In addition, SCUSA held joint meetings between prospects and other EDOs like the WV Development Office and Jobs Ohio.

It was fun and educational to interact with people from all over the world. Individuals are all unique with different cultures and experiences. As we visited with people it was easy to see our similarities are greater than our differences. People want safety, security and opportunity. They want to provide for their families. The Ukraine War is very disturbing to people. Other exhibitors, all said this was the best Select USA they had attended. They felt the interest level for foreign investment was high. SCUSA is leaving Select USA with a stack of contact information from initial meetings with potential leads and four solid foreign prospect companies who want to manufacture products in the USA and need to move quickly.

Why do foreign companies want to come to the USA? Here are just a few things we learned from those we talked to at Select USA;

- Companies like stable predictable government regulations. They may not always like the regulations but in the USA, they don't change depending on the individual regulator like in some countries. Government regulators can sometimes exceed the authority given them in the law. The USA has a court system where companies and individuals can go if they believe regulators exceed authority. We were told, regulations in some countries are determined by the individual regulator and how much money you pay them.
- Companies want safety and security. We talked to companies who had operations in Ukraine. No one wants to lose their investment to a missile.
- Companies like our stable economic and monetary systems.
- The USA has a large economy they can sell to.

- Companies want a stable government. The USA has a peaceful change of power. In some countries regimes can change overnight with a violent overthrow of those in power creating turmoil which is bad for business.
- People like the living conditions in the USA.
- The USA has both personal liberty and economic opportunity, a rare combination in the world.
- The biggest reason the companies we talked to want to come to USA is for dependable affordable energy. Their gasoline, diesel and electricity prices are much higher than ours. The natural gas they need for feedstock or to fuel their facility is 3-4 times more expensive than their U.S. competitors. Ocean transportation has become very expensive partly due to increased fuel costs. It is also unpredictable. The biggest concern companies in Europe and even parts of Asia have is a secure supply of natural gas. They told us what it is like to have Russia and Putin as a supplier. It is difficult to run a business when your energy supply can be shut off without notice.

The very first comment we heard from some companies was, “You need to understand, we operate 24/7 365 days a year. We need a dependable natural gas supply with NO interruptions. Can you meet that requirement?” The Shale Crescent Region can meet that requirement with a backup even in emergencies. Most of the foreign companies we talked to want to have green power in the mix but demand a constant supply of natural gas. This is a huge advantage for the USA and a selling point for our region.

We heard a lot about the USA’s climate plan and green energy from the main stage but even the U.S. energy secretary didn’t grasp or discuss our abundant natural gas reserves creating dependable energy they don’t have in Europe or other places. Any company almost anywhere can install solar power on site. We heard China has more weather dependent power than any nation. They continue to increase coal power use to meet demand. Germany is again using coal to produce electricity.

What most countries don’t have is an abundant dependable fuel like natural gas available 24/7, 365 days a year that can come on line quickly. This is the USA’s greatest competitive advantage and why companies are interested in the USA. Being on top of their energy and feedstock and in the middle of their customers is bringing them to the Shale Crescent USA.

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