

US National Security and Foreign Direct Investment. Institute for International Economics

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US National Security and Foreign Direct Investment

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Although a vital part of the US economy, foreign direct investment (FDI) in the United States periodically raises public and congressional alarms—as witnessed during Dubai Ports World's recent bid to acquire US port operations and Chinese firm CNOOC's attempt to buy US energy firm Unocal. Drawing fire from Congress are the Exon-Florio provisions of US law, which enable the president to block a foreign acquisition that threatens national security. This important new book finds that many proposed reforms risk harming the US economy without enhancing national security. The authors propose ways to strengthen the current interagency review of deals, including an improved process for reporting to Congress.

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