Direct Investment Positions for 2005

Country and Industry Detail

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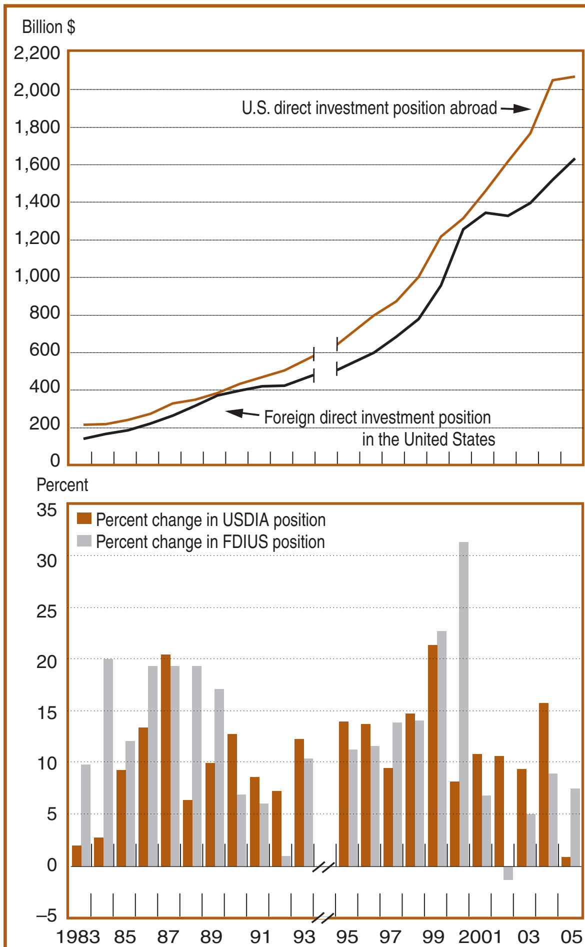
IN 2005, the historical-cost position of U.S. direct investment abroad (USDIA) grew 1 percent after growing 16 percent in 2004. The historical-cost position of foreign direct investment in the United States (FDIUS) grew 8 percent, down slightly from 9-percent growth in 2004 (table A and chart 1).

The much slower growth in the USDIA position was almost entirely the result of a shift from U.S. outflows to U.S. inflows of direct investment capital.[1] The slightly slower growth in the FDIUS position reflected lower capital inflows that were partially offset by higher valuation adjustments.

Highlights of the USDIA estimates include the following:

- The 1-percent increase in 2005 was the smallest

Chart 1. Direct Investment Positions on a Historical-Cost Basis, 1983–2005



NOTE. There is a discontinuity between 1993 and 1994. See footnote 1 in table A.
USDIA U.S. direct investment abroad
FDIUS Foreign direct investment in the United States

U.S. Bureau of Economic Analysis

1. For U.S. direct investment abroad, direct investment capital *outflows* and positive valuation adjustments increase the U.S. direct investment position abroad; capital *inflows* and negative valuation adjustments decrease the position. For foreign direct investment in the United States, direct investment capital *inflows* and positive valuation adjustments increase the foreign direct investment position in the United States; capital *outflows* and negative valuation adjustments decrease the position. The measure of direct investment capital flows used in this article differs from the measure of direct investment capital flows used in the international transaction accounts in that the reinvested earnings component of these flows excludes a current-cost adjustment. See the box "Key Terms" for more information. For ease of exposition, throughout this article, the term "(direct investment) capital flows" is used as shorthand for "(direct investment) capital flows without current-cost adjustment" and the term "reinvested earnings" is used as shorthand for "reinvested earnings without current-cost adjustment."

Table A. USDIA and FDIUS Positions on a Historical-Cost Basis, 1982–2005

Yearend	Billions of dollars		Percent change from preceding year	
	USDIA	FDIUS	USDIA	FDIUS
1982	207.8	124.7	....	....
1983	212.2	137.1	2.1	9.9
1984	218.1	164.6	2.8	20.1
1985	238.4	184.6	9.3	12.2
1986	270.5	220.4	13.5	19.4
1987	326.3	263.4	20.6	19.5
1988	347.2	314.8	6.4	19.5
1989	381.8	368.9	10.0	17.2
1990	430.5	394.9	12.8	7.0
1991	467.8	419.1	8.7	6.1
1992	502.1	423.1	7.3	1.0
1993	564.3	467.4	12.4	10.5
1994	612.9	480.7	(1)	(1)
1995	699.0	535.6	14.1	11.4
1996	795.2	598.0	13.8	11.7
1997	871.3	681.8	9.6	14.0
1998	1,000.7	778.4	14.8	14.2
1999	1,216.0	955.7	21.5	22.8
2000	1,316.2	1,256.9	8.2	31.5
2001	1,460.4	1,344.0	10.9	6.9
2002	1,616.5	1,327.2 r	10.7	–1.3
2003	1,769.6 r	1,395.2 r	9.5	5.1
2004	2,051.2 r	1,520.7 r	15.9	9.0
2005	2,070.0 p	1,635.3 p	0.9	7.5

p Preliminary
r Revised
1. The USDIA and FDIUS positions reflect a discontinuity between 1993 and 1994 because of the reclassification of intercompany debt between parent companies and affiliates that are nondepository financial intermediaries from direct investment to other investment accounts.
USDIA U.S. direct investment abroad
FDIUS Foreign direct investment in the United States

recorded percentage increase since 1982.[2] For 1994–2004, the average annual growth rate was 13 percent.

2. The USDIA position declined in 1982, but the decline was the result of special factors. Specifically, the decline resulted from the combination of intercompany debt inflows from financial intermediaries in the Netherlands Antilles—flows that, starting with 1994, are not included in direct investment—and a rebenchmarking of the 1982 (but not 1981) data. A discontinuity in the direct investment position data between 1993 and 1994 due to methodological changes does not permit the calculation of a precise growth rate for 1994. However, preliminary estimates for 1994—prior to the introduction of the methodological changes—suggest that the USDIA position grew at a double-digit rate in that year. Prior to 1982, the position had risen in every year since just after World War II.

Alternative Measures of the Direct Investment Positions

The detailed estimates of the positions of U.S. direct investment abroad and of foreign direct investment in the United States by country and industry are prepared only on a historical-cost basis, so these estimates largely reflect the price levels of earlier periods. The estimates are also prepared on current-cost and market-value bases, but only at an aggregate level. The current-cost estimates value the U.S. and foreign parents' shares of their affiliates' investment in plant and equipment, using the current cost of capital equipment; in land, using general price indexes; and in inventories, using estimates of their replacement cost. The market-value estimates value the equity portion of direct investment, using indexes of stock market prices.

The historical-cost estimates are not ordinarily adjusted to reflect the changes in the current costs or the replacement costs of tangible assets or in the stock market valuations of firms. Over time, the current costs of tangible assets and the stock market valuations of firms tend to increase. As a result, the historical-cost estimates of the positions are less than the current-cost and market-value estimates of the positions. The current-cost and market-value estimates of the position are discussed in "The International Investment Position of the United States at Yearend 2005" in this issue.

Alternative Direct Investment Position Estimates, 2004 and 2005

[Millions of dollars]

Valuation method	Position at yearend 2004[r]	Changes in 2005			Position at yearend 2005[p]
		Total	Capital flows	Valuation adjustments	
USDIA:					
Historical cost	2,051,204	18,779	−12,714	31,492	2,069,983
Current cost	2,399,224	54,709	9,072	45,637	2,453,933
Market value	3,287,900	236,559	9,072	227,487	3,524,459
FDIUS:					
Historical cost	1,520,729	114,562	99,443	15,119	1,635,291
Current cost	1,727,062	147,201	109,754	37,447	1,874,263
Market value	2,703,697	93,468	109,754	−16,286	2,797,165

p Preliminary
r Revised

- The principal reason for the unusually small increase in the position was that reinvested earnings turned negative in 2005, as cumulative retained earnings of foreign affiliates were drawn down to fund distributions to U.S. parents as a result of tax incentives provided by the American Jobs Creation Act of 2004. The shift to negative reinvested earnings was more than accounted for by holding companies.[3] Historically, reinvested earnings have been one of the largest sources of growth in the USDIA position.
- Equity capital outflows and valuation adjustments were the largest positive contributors to the increase, though both were substantially lower than in 2004.

Highlights of the FDIUS estimates include the following:

- The 8-percent increase in the FDIUS position in 2005 was slightly below the 9-percent increase in 2004. Growth in both years was significantly below the 12-percent average annual growth in 1982–2003.
- As in many previous years, the largest contributor to the increase in the FDIUS position in 2005 was equity capital inflows. However, these inflows declined for the fifth consecutive year and were the smallest recorded since 1995.
- Reinvested earnings increased modestly in 2005 after an exceptionally large increase in 2004. The increase in 2005 was a result of stronger earnings and higher shares of earnings reinvested in several industries.

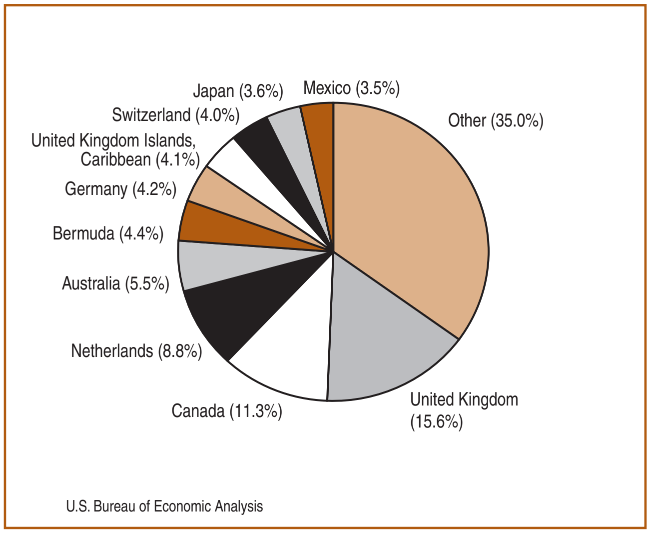
This article presents a discussion of the historical-cost direct investment positions by type of capital flow and by host country for USDIA and by type of capital flow and by country of foreign parent for FDIUS.

U.S. Direct Investment Abroad

The USDIA position valued at historical cost—the book value of U.S. direct investors' equity in, and net outstanding loans to, their foreign affiliates—was $2,070.0 billion at the end of 2005 (table A and chart 1). Three host countries—the United Kingdom, Canada, and the Netherlands—accounted for over a third of the total position (table 1.2 and chart 2). Positions in the United Kingdom and Canada were more than twice as large as those in any other country except the Netherlands. The position in the United Kingdom was $323.8 billion, or 16 percent of the total. The position in Canada was $234.8 billion (11 percent), and the

3. Holding companies derive virtually all of their earnings from affiliates that are classified in other industries and that, in many cases, are located in other foreign countries. For more information, see the box "Holding Companies in the Data on U.S. Direct Investment Abroad."

Chart 2. USDIA Position by Host Country in 2005



position in the Netherlands was $181.4 billion (9 percent).

The USDIA position increased $18.8 billion in 2005, less than 1 percent. The increase was the smallest percentage increase since 1982, when the position declined because of special factors (see footnote 2).

Changes by component

The $18.8 billion increase in the USDIA position was the net result of capital *inflows* (which decrease the USDIA position) of $12.7 billion and valuation adjustments of $31.5 billion (table B and chart 3).

Capital flows

Capital flows for USDIA shifted from outflows (which, as noted earlier, increase the USDIA position) of $222.4 billion in 2004 to inflows of $12.7 billion in 2005. The inflows in 2005 were composed of –$33.0 billion of reinvested earnings and $19.4 billion of intercompany debt inflows.[4] These inflows were partly offset by $39.7 billion of equity capital outflows.

4. In BEA's estimates of USDIA, reinvested earnings are negative whenever distributions from foreign affiliates to their U.S. parent companies exceed current-period earnings. In the U.S. international transactions accounts, negative reinvested earnings on USDIA are recorded as capital inflows.

Table B. Change in the USDIA Position by Account

[Billions of dollars]

	2004	2005
Total	281.6	18.8
Capital flows without current-cost adjustment	222.4	–12.7
Equity capital	81.4	39.7
Increases	132.4	67.0
Decreases	51.0	27.3
Intercompany debt	5.4	–19.4
Reinvested earnings without current-cost adjustment	135.6	–33.0
Valuation adjustments	59.2	31.5
Currency translation	28.0	–16.0
Other	31.2	47.5

Equity capital transactions. Equity capital outflows fell to $39.7 billion in 2005, down sharply from $81.4 billion in 2004, but were nonetheless the largest contributor to the net change in the USDIA position. Equity capital outflows resulted from equity capital increases of $67.0 billion, partially offset by equity capital decreases of $27.3 billion. Each of these flows was little more than half of the corresponding flow in 2004. Of the equity capital increases, $40.0 billion, or 60 percent, financed the acquisition or establishment of new foreign affiliates. Capital contributions to existing foreign affiliates accounted for the remaining $27.0 billion, or 40 percent.

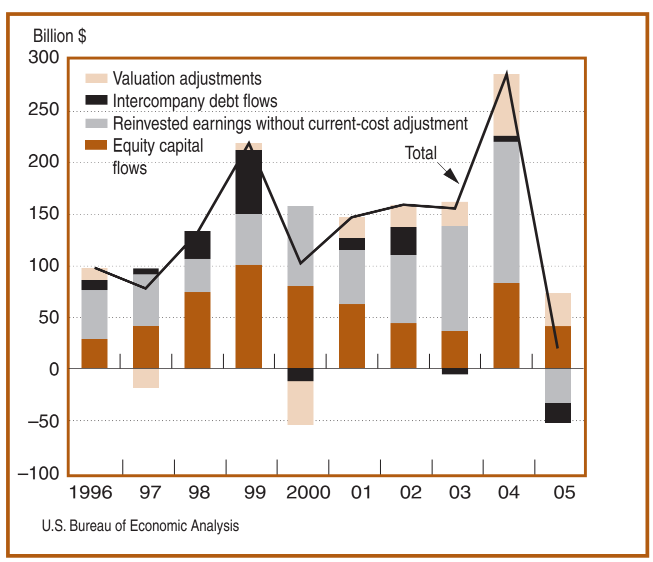
Equity capital increases in Europe and Canada accounted for over four-fifths of all such increases. In Europe, equity capital increases were largest in the United Kingdom, where they were spread among several industries, including "finance (except depository institutions) and insurance." Equity capital increases in Belgium and the Netherlands were also relatively large. In Canada, increases in "other industries"—mainly oil pipelines—were particularly large.

In contrast to 2004, when decreases in equity capital were largely the result of sales or liquidations of affiliates, the decreases in 2005 were due primarily to returns of capital from ongoing affiliates.[5] Decreases were largest in Europe, particularly in "finance (except depository institutions) and insurance" and in holding companies.

Reinvested earnings. Reinvested earnings—the difference between U.S. parent companies' share in their foreign affiliates' total earnings and the

5. Despite the increasing *relative* prominence of returns of capital from ongoing affiliates, such returns fell slightly in dollar terms from 2004.

Chart 3. Change in the USDIA Position by Account, 1996–2005



distributions made to the parents from the affiliates' cumulative retained earnings—shifted from $135.6 billion in 2004 to –$33.0 billion in 2005. While the positive reinvested earnings in 2004 were unusually high, the reversal to negative reinvested earnings in 2005 was unprecedented since at least 1950. The shift occurred even though earnings were up by 13 percent in 2005 because several affiliates paid very large dividends to their U.S. parents, including some that were many times larger than those affiliates' current-year earnings.[6] Most of these large distributions were encouraged by incentives associated with the American Jobs Creation Act of 2004, which allowed U.S. parent companies that receive dividends from their foreign affiliates during a specified period to be taxed at lower rates.[7]

The phenomenon of negative reinvested earnings was rather concentrated. In only two of the major geographic areas—Europe and "Latin America and Other Western Hemisphere"—were reinvested earnings negative. Fewer than a third of countries with reported reinvested earnings showed negative reinvested earnings. Negative reinvested earnings in Europe more than accounted for the worldwide total. Negative reinvested earnings were particularly large in four European countries: The Netherlands, Luxembourg, Switzerland, and Austria. In "Latin America and Other Western Hemisphere," negative reinvested earnings in the "United Kingdom Islands, Caribbean" and Bermuda more than offset relatively large positive reinvested earnings in other countries.

Negative reinvested earnings were also highly concentrated by industry. Only three industries—holding companies, depository institutions, and transportation equipment manufacturing—had negative reinvested earnings, with those in holding companies the largest by far. The –$98.8 billion of reinvested earnings in holding companies contrasts with $65.8 billion in (positive) reinvested earnings in all other industries combined. Holding companies distributed nearly 2½ times their 2005 earnings to their U.S. parent companies. These distributions were made to U.S. parents in a variety of industries, including pharmaceuticals, petroleum manufacturing, electronic components, and beverages. Partially offsetting the negative reinvested earnings associated with distributions by holding companies, reinvested earnings were positive and relatively strong in wholesale trade, "finance (except depository institutions) and insurance," and mining.

Earnings were broadly higher in 2005, with growth rates ranging from 2 percent to 26 percent in the broad geographic regions. The largest earnings, and the largest dollar increase in earnings, were in Europe. By industry, earnings and earnings increases were highest in holding companies. Earnings in mining were also strongly higher. The reinvestment ratio—the share of current-year earnings reinvested by affiliates—shifted from 68 percent in 2004 to –15 percent in 2005.

Intercompany debt transactions. In 2005, foreign affiliates reduced their indebtedness to their U.S. parents, while U.S. parents increased their indebtedness to their foreign affiliates. As a result, net intercompany debt *inflows* from foreign affiliates (which reduce the USDIA position), totaling $19.4 billion, were recorded for the year. In comparison, net outflows of $5.4 billion were recorded in 2004.[8] Inflows from Europe, especially Luxembourg and the United Kingdom, accounted for a large majority of all inflows in 2005. By industry, holding companies accounted for all of the inflows.

Valuation adjustments

Valuation adjustments, which are made to account for currency-translation and other valuation changes, were a positive $31.5 billion in 2005, which more than offset the inflow of capital, resulting in the slight increase in the USDIA position. These positive adjustments did not result from changing currency values; currency-translation adjustments were negative as the U.S. dollar firmed in 2005 following several years of weakening. Rather, the overall increase in valuation adjustments reflected "other" valuation adjustments. These "other" valuation adjustments arose from a variety of sources, including capital gains and losses of foreign affiliates. By area, other valuation adjustments were largest in "Latin America and Other Western Hemisphere," particularly in the "United Kingdom Islands, Caribbean" and Bermuda.

6. Several affiliates paid dividends of at least $6 billion during the year.

7. This act, which was signed into law on October 22, 2004, allowed U.S. companies that received dividends from foreign subsidiaries during a specified period (calendar year 2004 or calendar year 2005, at taxpayer option, for calendar year taxpayers) to be taxed on the dividends at reduced rates. Most such dividends were not paid until 2005, as the act was signed into law late in 2004 and many companies delayed distributions until regulatory guidance had been issued. One condition that had to be satisfied to realize the tax savings was the development of a domestic reinvestment plan for the dividends. Another condition was for the dividends to exceed the amount that had historically been paid. (For more information on this act and its effects on BEA's international accounts, see FAQs on this topic on BEA's Web site at <www.bea.gov/bea/faq/international/FAQ.htm>.) Although the distributions associated with this act could potentially continue into 2006 in some circumstances, preliminary data from the first quarter of 2006 give little or no indication that such distributions have continued beyond 2005.

8. The direction of net intercompany debt flows can be difficult to gauge accurately when the much larger underlying gross outflows and inflows are similar in magnitude. In preliminary estimates published last year, the 2004 intercompany debt flows were estimated to be small net inflows, contrasting with the revised estimates that now show small net outflows.

Holding Companies in the Data on U.S. Direct Investment Abroad

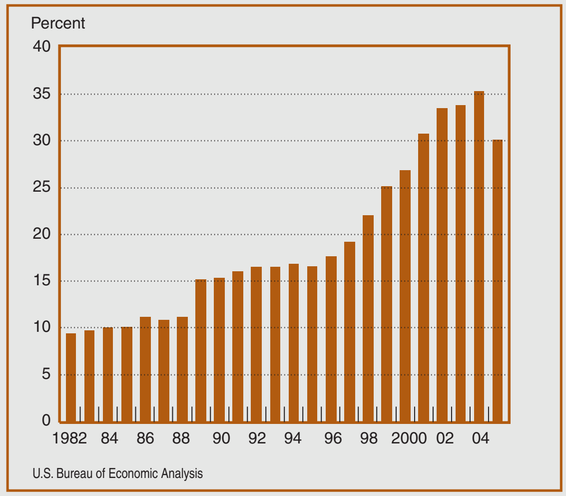
In the two decades prior to 2005, U.S. parent companies funneled an increasing share of their direct investments abroad through holding company affiliates.[1] In 2005, this upward trend was abruptly, although possibly temporarily, reversed. In 1982, foreign affiliates classified as holding companies accounted for 9 percent of the U.S. direct investment position abroad; by 2004, they accounted for 35 percent of the position (chart A). In 2005, this share fell to 30 percent. The upward trend of the holding company share is part of a broader trend of indirect ownership in which U.S. parents own foreign affiliates that own other foreign affiliates. The 2005 reversal of this trend was primarily the result of large earnings distributions (and the resulting negative reinvested earnings) associated with the American Jobs Creation Act of 2004 (see the text and footnote 7 for a discussion of this act and its effect on capital flows in 2005). The largest distributions were, by far, from holding companies.

One consequence of the rising use of indirect ownership arrangements is that U.S. direct investment abroad (USDIA) estimates of the position and related flows show industry and country patterns that are increasingly different from the industries and countries in which the production of goods and services by foreign affiliates occurs.[2]

The Bureau of Economic Analysis (BEA) is currently working on developing a methodology for allocating the equity portion of U.S. direct investment abroad to its ultimate destination, thus effectively “looking through” holding companies and other indirect ownership arrangements. This method would allocate data on positions between U.S. parent companies and their foreign affiliates using company chain-of-ownership information collected on BEA’s survey of the operations of U.S. parent companies and their foreign affiliates.

Data from BEA’s survey of the operations of U.S. parent companies and their foreign affiliates give an indication of the degree to which indirect ownership affects the country and industry distribution of the USDIA position data.[3] The estimates of the operations of these foreign affiliates are classified in the country where the affiliate’s physical assets are located or where its primary activity is carried out, and they are classified in the industry that reflects the affiliate’s primary activity. Thus, these estimates reflect more closely the countries and industries in which the production of goods and services by foreign affiliates actually occurs than do the estimates classified by the country and industry of the affiliate with which the parent company has a direct position or transaction. (However, as measures of overall operations, these estimates are not adjusted for the percentage of U.S. ownership or for double-counting in some measures of affiliate size or operations—such as assets, liabilities, and earnings—when foreign affiliates hold ownership interests or debt positions in one another.)

Chart A. Holding Companies as a Percentage of the USDIA Position, 1982–2005



As a result of the use of holding-company affiliates, the industry patterns and the country patterns of the position estimates differ from those of the estimates of the operations of foreign affiliates.[4] For example, in a comparison of the estimates of the USDIA position with the closely related estimates of the net property, plant, and equipment (PP&E) of foreign affiliates, the 22-percent share of the position accounted for by manufacturing (in 2005) differs sharply from the 41-percent share of PP&E accounted for by manufacturing (in 2003, the latest year for which operations data are available). By country, the share of the direct investment position accounted for by the Netherlands was 9 percent, but its share of PP&E was only 3 percent.[5]

For further discussion of the effect of holding companies on the estimates of USDIA series, see the “Technical Note” in Maria Borga and Raymond J. Mataloni, Jr., “Direct Investment Positions for 2000: Country and Industry Detail,” Survey of Current Business 81 (July 2001): 23–25.

1. A holding company is a company whose primary activity is holding the securities or financial assets of other companies.

2. Estimates of the USDIA position and related flows are allocated to the industries and countries of the affiliates with which the U.S. parent companies have direct transactions and positions rather than to the industries and countries of the affiliates whose operations the parents ultimately own or control. This convention follows international guidelines in the International Monetary Fund’s *Balance of Payments Manual*, 5th edition, and in the Organisation for Economic Co-operation and Development’s *Benchmark Definition of Foreign Direct Investment*, 3rd edition.

3. Besides chain-of-ownership information, data collected on the operations survey include items such as assets, sales, employment, value added, and net property, plant, and equipment.

4. The use of holding-company affiliates appears to be the primary factor accounting for differences in the patterns of investment by country or by industry between the position estimates and the operations estimates, but other factors might also contribute.

5. The effect of the distributions associated with the American Jobs Creation Act of 2004, with distributions concentrated in holding companies, is to reduce somewhat the disparity in shares such as these. With the 2004 USDIA position data, the disparities were higher still; the share of the position accounted for by manufacturing was 20 percent, and the share accounted for by the Netherlands was 10 percent.

Changes by area and by country

The USDIA position increased in 2005 in each of the major geographic areas except Europe, where the dollar-value decrease in position was larger than the increase in position in any other single major geographic area (table C). However, the percentage decrease in Europe was 4 percent, much smaller than (and the opposite sign of) the percentage changes in most other geographic areas. The position grew 10 percent or more in the Middle East, Africa, and Canada.

Europe. The $45.4 billion fall in the position in this region resulted from decreases in a relatively small number of countries. Three countries—Switzerland, the Netherlands, and Luxembourg—together accounted for a drop of more than $65 billion, $20 billion more than the entire regional drop. In all three countries, drops in the position in holding companies more than accounted for the decreases. The main source of the decreases in all three countries was negative reinvested earnings. Of those European countries in which the position increased, the largest increases were in the United Kingdom and Belgium. In the United Kingdom, several manufacturing industries were responsible for the increase. In Belgium, increases in chemicals manufacturing were largest.

Latin America and Other Western Hemisphere. The increase in the USDIA position—$22.5 billion—was (slightly) larger in this region than in any other region. The largest increases were in Mexico and in parts of "Other Western Hemisphere," including the "United Kingdom Islands, Caribbean," Bermuda, and the Bahamas. In Mexico, several industries contributed to the overall increase, including "finance (except depository institutions) and insurance." In the "United Kingdom Islands, Caribbean," the position became much less negative in depository institutions; in Bermuda, it increased mainly in "finance (except depository institutions) and insurance"; and in the Bahamas, holding companies accounted for nearly the entire increase.

Canada. Several industries contributed to the $22.0 billion increase in the position. In "other industries"(mainly oil pipelines) and "other manufacturing" (mainly beverages), acquisitions accounted for over half the overall increase. In mining and "finance (except depository institutions) and insurance," reinvested earnings and valuation adjustments (of which some were positive translation adjustments) combined to increase the position.

Asia and Pacific. The USDIA position rose $14.0 billion. Substantial increases in Japan and Hong Kong were partially offset by a large drop in the position in Singapore. In Japan and Hong Kong, several industries contributed to the increases, but the increases in both countries were largest in "finance (except depository institutions) and insurance." These increases were due primarily to reinvested earnings in Japan and to intercompany debt transactions with Hong Kong. The decrease in Singapore was largely due to negative reinvested earnings of holding companies.

Africa. The $2.8 billion increase in the USDIA position in Africa, though relatively small in dollar terms, represented the second largest percentage increase of the regions. In this region, the largest dollar increases were in Equatorial Guinea, Egypt, and Chad. In each of these three countries, reinvested earnings of affiliates in oil and gas extraction (classified in mining in tables 1.1 and 1.2) accounted for much of the increase. The net position in the rest of Africa declined.

Middle East. The $2.8 billion increase in the position resulted in the largest percentage increase of any region. In this region, Israel, Qatar, the United Arab Emirates, and Saudi Arabia had the largest dollar increases. In Israel, equity capital increases in pharmaceuticals and medicines (classified in chemicals) accounted for much of the increase. In Qatar, affiliates in oil and gas extraction and holding companies with parents in the petroleum industry reported strong reinvested earnings, as high oil prices boosted earnings. In the United Arab Emirates, affiliates in several industries contributed to the increase in the position. In Saudi Arabia, holding company affiliates of petroleum industry parents contributed to the increase.

Table C. Change in the USDIA Position by Country of Foreign Affiliate

	Change (2004–2005)	
	Billions of dollars	Percent
All countries	18.8	1
Canada	22.0	10
Europe	–45.4	–4
Of which:		
United Kingdom	11.6	4
Belgium	6.5	22
Germany	2.7	3
Austria	2.1	31
Ireland	–2.4	–4
Luxembourg	–19.5	–24
Netherlands	–22.9	–11
Switzerland	–23.4	–22
Latin America and Other Western Hemisphere	22.5	7
Of which:		
Mexico	7.9	12
United Kingdom Islands, Caribbean	4.5	6
Bermuda	3.8	4
Bahamas	2.8	28
Brazil	2.2	7
Jamaica	–2.6	–72
Africa	2.8	13
Middle East	2.8	15
Asia and Pacific	14.0	4
Of which:		
Japan	7.4	11
Hong Kong	3.0	9
Korea, Republic of	2.0	12
Singapore	–9.0	–16

Foreign Direct Investment in the United States

The FDIUS position valued at historical cost—the book value of foreign direct investors' equity in, and outstanding loans to, their U.S. affiliates—was $1,635.3 billion at the end of 2005 (table A and chart 1). The United Kingdom, Japan, Germany, and the Netherlands had the largest positions in 2005, as they did in 2004 (table 2.2 and chart 4). Foreign parents in these four countries together accounted for 51 percent of the total position in 2005. The position of the United Kingdom was $282.5 billion, or 17 percent of the total. The position of Japan was $190.3 billion (12 percent), Germany's position was $184.2 billion (11 percent), and the Netherlands' position was $170.8 billion (10 percent).

The FDIUS position increased $114.6 billion, or 8 percent, in 2005, a slight slowdown from the 9-percent growth in 2004.

Changes by component

The $114.6 billion increase in the FDIUS position consisted of capital inflows of $99.4 billion, which accounted for 87 percent of the increase, and valuation adjustments of $15.1 billion, which accounted for 13 percent (table D and chart 5).

Capital flows

Capital inflows (which increase the FDIUS position) decreased from $122.4 billion in 2004 to $99.4 billion in 2005. Despite the decrease, inflows in 2005 exceeded those in 2002 and 2003. In 2005, capital inflows consisted of $57.7 billion in equity capital inflows and reinvested earnings of $48.6 billion. These inflows were partially offset by $6.9 billion in *outflows* of intercompany debt.

Equity capital transactions. Equity capital inflows were $57.7 billion in 2005, a $16.4 billion decrease from 2004. Equity capital inflows have decreased in each of the 5 years since their peak of $259.6 billion in 2000. Equity capital inflows in 2005 resulted from equity capital increases of $70.6 billion, reflecting both new acquisitions and additional capital contributions to existing affiliates, and partially offsetting equity capital decreases of $12.9 billion, reflecting selloffs, liquidations, or returns of contributed capital to foreign parents. Equity capital increases were down 27 percent in 2005, reflecting lower capital contributions to existing affiliates by foreign parents, fewer investments by foreigners to establish new U.S. businesses, and slow growth in acquisitions.

Equity capital increases in 2005 largely consisted of acquisitions of U.S. businesses by foreign direct investors, either directly or through their existing U.S. affiliates. The largest acquisitions of U.S. businesses by foreign direct investors were in depository institutions, in "other industries" (mainly mining), and in "finance

Table D. Change in the FDIUS Position by Account
[Billions of dollars]

	2004	2005
Total	125.6	114.6
Capital flows without current-cost adjustment	122.4	99.4
Equity capital	74.1	57.7
Increases	96.7	70.6
Decreases	22.6	12.9
Intercompany debt	3.5	–6.9
Reinvested earnings without current-cost adjustment	44.8	48.6
Valuation adjustments	3.2	15.1
Currency translation	2.1	–2.0
Other	1.1	17.1

Chart 4. FDIUS Position by Country of Foreign Parent in 2005

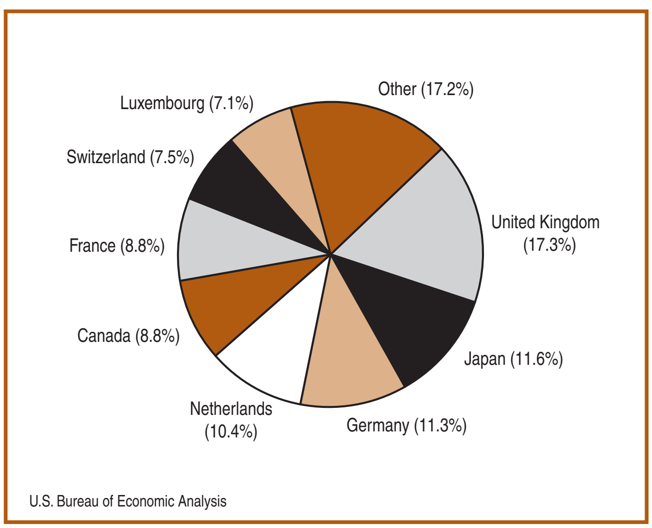
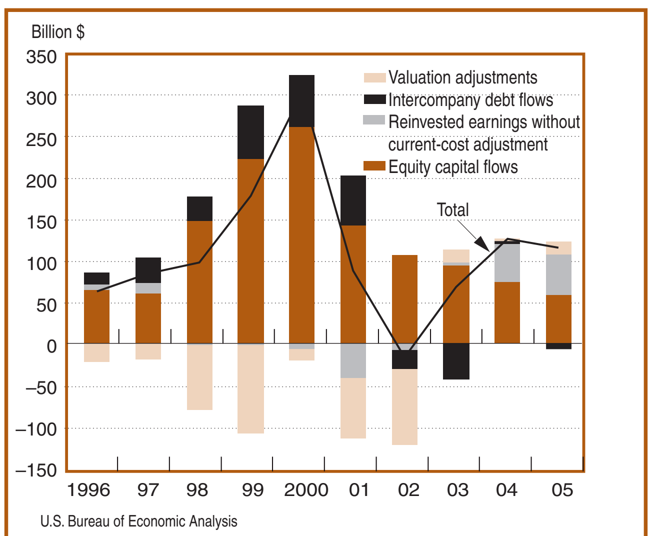


Chart 5. Change in the FDIUS Position by Account, 1996–2005



(except depository institutions) and insurance."[9] Additionally, contributions of equity capital from foreign parents to their existing U.S. affiliates for various reasons—such as to offset affiliates' losses or to convert debt to equity—and increases in parents' ownership shares in existing affiliates accounted for part of the increase.

Equity capital increases were spread over several industries in 2005. They were largest in depository institutions, "other industries," and "finance (except depository institutions) and insurance," which together accounted for 45 percent of the total increase. In depository institutions, Canada and the United Kingdom had the largest increases, due to both acquisitions and capital contributions to existing affiliates. In "other industries," the largest increases were in mining and in transportation. Norway and Canada had the largest equity capital increases in "other industries." In "finance (except depository institutions) and insurance," the United Kingdom accounted for the largest share of the increase.

Reinvested earnings. Earnings that were reinvested in U.S. affiliates—the foreign parents' share of affili-

9. According to preliminary data for 2005 from BEA's survey of new foreign direct investment, total outlays to acquire or establish U.S. businesses, including those financed by capital inflows from foreign parents, were virtually unchanged from the previous year, at $86.8 billion. See Lawrence R. McNeil, "Foreign Direct Investment in the United States: New Investment in 2005," SURVEY OF CURRENT BUSINESS 86 (June 2006): 32–39. These data include only those transactions in which U.S. businesses are newly acquired or established by foreign direct investors, regardless of whether the source of financing is the foreign parent or existing U.S. affiliates. The data on changes to the FDIUS position differ from these data in two ways. First, changes to the FDIUS position reflect transactions of both new and existing U.S. affiliates with members of their foreign parent group, as well as valuation adjustments. Second, changes in the FDIUS position exclude financing from sources other than the foreign parent group.

Despite these differences, the two types of data are related. Any outlays to acquire or establish U.S. businesses that are funded by foreign parent groups are included in the capital flows that largely determine changes in the FDIUS position. In 2005, foreign parent groups financed 79 percent of total outlays to acquire or establish U.S. businesses, according to data from the new investment survey.

Key Terms—Continues

The key terms used in this statistical presentation are described in this box. For a more detailed discussion of these terms and the methodologies used to prepare the estimates, see *Foreign Direct Investment in the United States: Final Results From the 1997 Benchmark Survey* and *U.S. Direct Investment Abroad: Final Results From the 1999 Benchmark Survey* on BEA's Web site at <www.bea.gov>.

Direct investment. Investment in which a resident of one country obtains a lasting interest in, and a degree of influence over the management of, a business enterprise in another country. In the United States, the criterion used to distinguish direct investment from other types of investment is ownership of at least 10 percent of the voting securities of an incorporated business enterprise or the equivalent interest in an unincorporated business enterprise.

U.S. direct investment abroad (USDIA). The ownership or control, directly or indirectly, by one U.S. resident of at least 10 percent of the voting securities of an incorporated foreign business enterprise or the equivalent interest in an unincorporated foreign business enterprise.

Foreign direct investment in the United States (FDIUS). The ownership or control, directly or indirectly, by one foreign resident of at least 10 percent of the voting securities of an incorporated U.S. business enterprise or the equivalent interest in an unincorporated U.S. business enterprise.

Foreign affiliate. A foreign business enterprise in which a single U.S. investor (a **U.S. parent**) directly or indirectly owns at least 10 percent of the voting securities, or the equivalent.

U.S. affiliate. A U.S. business enterprise in which a single foreign investor (a **foreign parent**) owns at least 10 percent of the voting securities, or the equivalent.

Ultimate beneficial owner (UBO). For a U.S. affiliate, that person (in the broad legal sense, including a company), proceeding up the affiliate's ownership chain beginning with the foreign parent, that is not owned more than 50 percent by another person. The UBO ultimately owns or controls the affiliate and derives the benefits associated with ownership or control. Unlike the foreign parent, the UBO of a U.S. affiliate may be located in the United States.

Foreign parent group. Consists of (1) the foreign parent, (2) any foreign person, proceeding up the foreign parent's ownership chain, that owns more than 50 percent of the person below it, up to and including the UBO, and (3) any foreign person, proceeding down the ownership chain(s) of each of these members, that is owned more than 50 percent by the person above it.

Direct investment capital flows without current-cost adjustment. Funds that parent companies provide to their affiliates net of funds that affiliates provide to their parents. For USDIA, capital flows without current-cost adjustment include the funds that U.S. direct investors pay to unaffiliated foreign parties when affiliates are acquired, the funds that U.S. investors receive from them when affiliates are sold, and debt and equity transactions between U.S. parents and their foreign affiliates. Similarly, FDIUS capital flows without current-cost adjustment include the funds that foreign direct investors pay to U.S. residents when affiliates are acquired, the funds that foreign investors receive from them when affiliates are sold, and debt and equity transactions between U.S. affiliates and members of their foreign parent group.

Direct investment capital flows without current-cost adjustment differ from **direct investment capital flows** as entered in BEA's international transactions accounts (ITAs), because they do not include a current-cost adjustment. A current-cost adjustment affects direct investment income and the reinvested earnings component of capital flows by converting depreciation charges to a current-cost, or replacement-cost, basis; adding charges for depletion of natural resources back to income and reinvested earnings (because these charges are not treated as production costs in the national income and product accounts); and reallocating expenses for mineral exploration and development across periods.

ates' current-period earnings less affiliates' distributions from current and cumulative retained earnings—increased 8 percent, to $48.6 billion, making 2005 the second consecutive year of particularly large reinvested earnings. Reinvested earnings in 2005 were largest in chemicals manufacturing and in wholesale trade. By country, affiliates with foreign parents in the United Kingdom, Japan, and France had the largest reinvested earnings. Reinvested earnings increased in several industries in 2005, including chemicals manufacturing, wholesale trade, and machinery manufacturing. Much of the growth in reinvested earnings in these industries was attributable to higher earnings in 2005.

U.S. affiliates' earnings grew 19 percent, to $92.3 billion, in 2005, enabling the overall increase in reinvested earnings. In particular, earnings grew strongly for affiliates in chemicals manufacturing, in "other industries," in machinery manufacturing, and in wholesale trade (especially petroleum wholesaling). In chemicals, European-owned pharmaceutical companies accounted for much of the increase. In "other industries," mining and utilities together accounted for most of the increase. In contrast to the increases mentioned above, which enabled growth in reinvested earnings, earnings growth in petroleum manufacturing (included in "other manufacturing" in tables 2.1 and 2.2), reflecting higher oil prices, was exceeded by an even larger increase in distributions to foreign parents, resulting in a shift to negative reinvested earnings in that industry. These negative reinvested earnings partially offset positive reinvested earnings in several other industries and held down the overall reinvestment ratio—the ratio of earnings reinvested to total earnings. The reinvestment ratio decreased overall, from 58 percent in 2004 to 53 percent in 2005.

Intercompany debt transactions. In 2005, foreign parents of U.S. affiliates increased their indebtedness to their affiliates more than U.S. affiliates increased their indebtedness to their foreign parents. As a result of these transactions, net *outflows* of intercompany debt totaling $6.9 billion were recorded in 2005, which partly offset increases in the FDIUS position

Key Terms

Capital **inflows** arise from transactions that increase U.S. liabilities or decrease U.S. assets. Capital **outflows** arise from transactions that decrease U.S. liabilities or increase U.S. assets.

Direct investment capital flows without current-cost adjustment consist of equity capital, intercompany debt, and reinvested earnings without current-cost adjustment. **Equity capital flows** are the net of equity capital increases and decreases. Equity capital increases consist of parents' establishments of new affiliates, payments by parents to unaffiliated third parties for the purchase of capital stock or other equity interests when they acquire an existing business, payments made to acquire additional ownership interests in their affiliates, and capital contributions to their affiliates. Equity capital decreases are the funds parents receive when they reduce their equity interest in their affiliates. **Intercompany debt flows** result from changes in net outstanding loans between parents (and for FDIUS, other members of the foreign parent groups) and their affiliates, including loans by parents to affiliates and loans by affiliates to parents. **Reinvested earnings without current-cost adjustment** are the parents' claim on the current-period undistributed earnings of their affiliates; unlike the measure of **reinvested earnings** used in the ITAs, these earnings do not include a current-cost adjustment at the aggregate level.

Direct investment position. The value of direct investors' equity in, and net outstanding loans to, their affiliates. The position may be viewed as the direct investors' net financial claims on their affiliates, whether in the form of equity (including reinvested earnings) or debt.

BEA prepares estimates of the positions for USDIA and for FDIUS that are valued on three bases—historical cost, current cost, and market value. See the box "Alternative Measures of the Direct Investment Positions" in this article.

Valuation adjustments to the historical-cost position. Adjustments that are made to account for the differences between changes in the historical-cost position, which are measured at book value, and direct investment capital flows, which are measured at transaction value. (Unlike the positions on current-cost and market-value bases, the historical-cost position is not ordinarily adjusted to account for changes in the replacement cost of the tangible assets of affiliates or in the market value of parent companies' equity in affiliates.)

Valuation adjustments to the historical-cost position consist of currency-translation and "other" adjustments. **Currency-translation adjustments** are made to account for changes in the exchange rates that are used to translate affiliates' foreign-currency-denominated assets and liabilities into U.S. dollars. The effects of currency fluctuations on these adjustments depend on the value and currency composition of affiliates' assets and liabilities. If an affiliate's assets exceed its liabilities denominated in a particular foreign currency, depreciation (appreciation) of the currency against the dollar will result in negative (positive) translation adjustments. In the case of a net liability position in a foreign currency, depreciation (appreciation) of the currency will result in positive (negative) translation adjustments.

"Other" valuation adjustments are made to account for differences between the proceeds from the sale or liquidation of affiliates and their book values; for differences between the purchase prices of affiliates and their book values; for writeoffs resulting from uncompensated expropriations of affiliates; and for capital gains and losses (excluding currency-translation adjustments) on transactions, such as the sale of assets (excluding inventories) for an amount that differs from their book value, or capital gains and losses that represent the revaluation of the assets of ongoing affiliates for reasons other than exchange-rate changes, such as the writedown of assets whose value has been impaired. In addition, for individual industries, offsetting adjustments may be made to effect changes in the industry of an affiliate. For individual countries, offsetting adjustments are made when the political boundaries of countries change, such as when countries merge or are newly formed. In addition, for FDIUS, offsetting adjustments are made when transactions between foreign residents result in a change in the country of the foreign parent.

from equity capital transactions and reinvested earnings. In comparison, net inflows of $3.5 billion were recorded in 2004. Affiliates with parents in “Latin America and Other Western Hemisphere” (particularly Bermuda), France, and the Netherlands had the largest net outflows. Net outflows of intercompany debt were largest in “other industries” and in chemicals manufacturing. In “other industries,” the largest net outflows were in administrative and support services, holding companies, and health care services.

Valuation adjustments

Positive valuation adjustments also contributed to the increase in the FDIUS position. Valuation adjustments totaled $15.1 billion in 2005, compared with $3.2 billion in 2004. Currency-translation adjustments of –$2.0 billion—reflecting the appreciation of the U.S. dollar against some major currencies—partially offset $17.1 billion in “other” valuation adjustments. “Other” valuation adjustments largely reflected capital gains, as well as differences between affiliates’ sale prices, liquidation proceeds, or purchase prices and their book values. Valuation adjustments were largest in “finance (except depository institutions) and insurance” and in information.

Changes by area and by country

Foreign direct investors in Europe had the largest dollar increase in position in 2005 (table E). In fact, foreign parents in Europe accounted for two-thirds of the increase in the FDIUS position. Asia and Pacific had the next largest increase in position. “Latin America and Other Western Hemisphere” was the only region for which the position decreased.

Table E. Change in the FDIUS Position by Country of Foreign Parent

	Change (2004–2005)	
	Billions of dollars	Percent
All countries	114.6	8
Canada	18.5	15
Europe	76.7	7
Of which:		
United Kingdom	31.0	12
Germany	20.2	12
Netherlands	15.3	10
Norway	2.8	84
Spain	1.5	27
France	–0.2	(*)
Belgium	–2.0	–17
Latin America and Other Western Hemisphere	–4.7	–5
Of which:		
United Kingdom Islands, Caribbean	2.7	11
Brazil	1.3	109
Bermuda	–9.6	–86
Africa	0.9	53
Middle East	2.1	26
Asia and Pacific	21.1	9
Of which:		
Japan	14.6	8
Australia	3.2	8
Hong Kong	1.2	81

* Less than 0.5 percent (+/–).

Europe. The position for this region increased $76.7 billion, with equity capital transactions and reinvested earnings accounting for most of the increase. Equity capital transactions were spread across industries, and reinvested earnings were particularly large in chemicals manufacturing. The United Kingdom, Germany, and the Netherlands had the largest dollar increases within this region.

The $31.0 billion increase in the position for the United Kingdom was the largest dollar increase for any country. The increase in the United Kingdom position was broadly based, with the largest increases in “other manufacturing” (mainly petroleum), in “finance (except depository institutions) and insurance,” in “other industries” (mainly mining and utilities), and in depository institutions. In “other manufacturing,” intercompany debt transactions were the largest component of the increase. In “finance (except depository institutions) and insurance,” the position was boosted by equity capital increases, mainly due to acquisitions. In “other industries” and in depository institutions, reinvested earnings was the largest component of the increase.

For Germany, the $20.2 billion increase in position was mainly concentrated in information and several manufacturing industries—particularly chemicals, machinery, and transportation equipment. In information, the increase resulted from valuation adjustments, reinvested earnings, and net inflows of intercompany debt. In chemicals manufacturing, the increase was attributable to both reinvested earnings and intercompany debt transactions. In machinery manufacturing, intercompany debt transactions were the largest component of the increase. In transportation equipment manufacturing, much of the increase was attributable to reinvested earnings.

For the Netherlands, the $15.3 billion increase was largely attributable to “finance (except depository institutions) and insurance”; professional, scientific, and technical services; primary and fabricated metals manufacturing; and information. In nonbank finance and insurance, the increase reflected valuation adjustments and reinvested earnings. In professional, scientific, and technical services and in information, valuation adjustments reflecting transfers of ownership of U.S. affiliates from France and Switzerland to the Netherlands boosted the Dutch position.[10] In primary

10. Although transfers of ownership of affiliates increases the position for the countries to which ownership is transferred, the overall FDIUS position is not affected because of offsetting decreases for the position of the countries from which ownership was transferred.

and fabricated metals, equity capital increases related to acquisitions accounted for much of the increase.

Asia and Pacific. For this region, most of the $21.1 billion increase in position was attributable to parents in Japan, and to a lesser extent, Australia. For Japan, 45 percent of the $14.6 billion increase in position was in wholesale trade, mainly due to reinvested earnings. The position also increased in retail trade and in computers and electronic products manufacturing. In retail trade, the increase was largely attributable to equity capital increases relating to increases in Japanese parents' ownership interest in existing affiliates. In computers and electronic products manufacturing, both equity capital increases—related to acquisitions—and intercompany debt inflows contributed to the increase. For Australia, the largest share of the $3.2 billion increase was attributable to real estate and rental and leasing, mainly due to equity capital increases that financed acquisitions.

Canada. The position for Canada increased $18.5 billion in 2005. Most of the increase was attributable to "finance (except depository institutions) and insurance," "other industries," depository institutions, and transportation equipment manufacturing. In nonbank finance and insurance, valuation adjustments reflecting a reclassification of affiliates that were previously in depository institutions accounted for most of the increase, although the reclassification left the overall position unchanged.[11] In "other industries," the increase was mainly in mining, transportation, and waste management, and was attributable to reinvested earnings and equity capital increases. In depository institutions, the increase was mainly attributable to equity capital increases due to both acquisitions and capital contributions to existing affiliates. In transportation equipment manufacturing, much of the increase was due to intercompany debt transactions.

Latin America and Other Western Hemisphere. The $4.7 billion decrease in the position for this region was more than accounted for by Bermuda, which recorded a $9.6 billion decrease in position, mainly due to intercompany debt outflows. The largest decreases for Bermuda were in "finance (except depository institutions) and insurance" and in information. Increases in the positions of the "United Kingdom Islands, Caribbean," Brazil, Venezuela, and Panama partially offset the decrease for Bermuda. For the "United Kingdom Islands, Caribbean," nonbank finance and insurance and chemicals manufacturing had the largest increases. For both Brazil and Venezuela, the largest increase was in wholesale trade. For Panama, the largest increase was in "finance (except depository institutions) and insurance."

Middle East and Africa. Although these two regions had relatively small dollar increases, they had the two largest percentage increases in position of all major geographic areas. The position for the Middle East increased $2.1 billion, with the United Arab Emirates recording the largest dollar increase within the region.[12] The position for Africa increased $0.9 billion, with the largest increase in wholesale trade.

Data Availability

A summary of the preliminary estimates of direct investment positions for 2005 that are based on BEA's quarterly, annual, and benchmark surveys is presented in this article. A summary of the revised estimates of the USDIA position for 2003 and 2004 and revised estimates of the FDIUS position for 2002–2004 are also presented. More detailed estimates of the positions and capital flows presented here, as well as related income and services transactions, will be presented in the September SURVEY OF CURRENT BUSINESS. Revised estimates for 2004 and 2005 will be released next year.

Detailed estimates of the USDIA position and related capital flows, income, and services transactions for 1982–2005 and detailed estimates of the FDIUS position and related capital flows, income, and services transactions for 1980–2005 are available on BEA's Web site. In addition, detailed estimates by country and by industry will be posted on the Web site when they become available. To access these files, which can be downloaded at no charge, go to BEA's Web site at <www.bea.gov> and, under "International," click on "Direct Investment."

For more information on these products and how to access them, see the International Investment Division Product Guide at <www.bea.gov/bea/ai/iidguide.htm>.

11. Similar to valuation adjustments reflecting transfers of ownership between countries, adjustments to reflect changes in industry classification are offsetting in the overall FDIUS position. That is, adjustments for changes in industry classification decrease the position in the industry in which an affiliate was previously classified and increase the position in the industry to which the affiliate is reclassified.

12. As is consistent with international standards, the estimates of the FDIUS position presented in this article are classified by country of the foreign parent having direct transactions and positions with the U.S. affiliate. The country of the foreign parent may, however, differ from the country where an affiliate's ultimate beneficial owner (UBO) is located, particularly when investments are channeled through affiliates in financial centers in other countries. Because investments from the Middle East are often routed through affiliates in other countries, the positions of these countries as presented in this article will be relatively higher—and the position of the Middle East will be relatively lower—than those positions on a UBO basis.

Estimates of the FDIUS position and related capital flows on a UBO basis will be published in the September 2006 SURVEY OF CURRENT BUSINESS.

Revisions

The estimates of direct investment positions presented here for 2005 are preliminary. The revised estimates of the USDIA position for 2003–2004 and of the FDIUS position for 2002–2004 incorporate new information from BEA's quarterly, annual, and benchmark surveys.[13]

The historical-cost USDIA position for 2003 was revised down $22.3 billion, to $1,769.6 billion, as a downward revision of valuation adjustments of $32.2 billion exceeded a $9.9 billion upward revision in capital outflows. The preliminary estimate for the 2004 USDIA position was revised down $12.8 billion to $2,051.2 billion. This revision was the net result of the $22.3 billion downward revision to the 2003 position, a $6.9 billion downward revision to 2004 capital outflows, and a $16.3 billion upward revision to 2004 valuation adjustments.

The estimates of the historical-cost FDIUS position and related flows for 2002 have been revised to incorporate data collected on BEA's benchmark survey of foreign direct investment in the United States for 2002, which covers the universe of FDIUS. The estimates for the position and related flows for 2003 and 2004 have been revised by extrapolating the 2002 universe based on data collected in BEA's quarterly surveys, which cover foreign-owned U.S. businesses above a certain exemption level. Previously, the estimates for 2002–2004 were extrapolated based on the prior benchmark survey, which covered 1997.

The historical-cost FDIUS position for 2002 was revised down $17.5 billion, to $1,327.2 billion. The revision was the net result of a $20.7 billion downward revision (to a larger negative value) to valuation adjustments and a $3.1 billion upward revision to capital inflows. Although the revision to the position was small—about 1 percent—the direction of the change in position from 2001 to 2002 was reversed from a small positive rate of growth (0.1 percent) to a small negative rate (–1.3 percent). When changes are very close to zero, both the uncertainty in correctly predicting the direction of change and the sensitivity of the estimates to the incorporation of new information increase. The estimate for the 2003 FDIUS position was revised down $15.5 billion, to $1,395.2 billion. Most of the revision was attributable to the downward revision to the 2002 position, as well as a $3.7 billion downward revision to capital inflows and an offsetting $5.7 billion upward revision to valuation adjustments. The preliminary estimate for the 2004 position was revised down $5.6 billion, to $1,520.7 billion. The revision was the net result of the downward revision to the 2003 position, a $16.6 billion downward revision to valuation adjustments, and a partly offsetting $26.5 billion upward revision to capital inflows.

For additional information, see "Annual Revision of the U.S. International Accounts, 1995–2005" in this issue. A more detailed discussion of the benchmark revisions to the estimates for 2002 forward, as well as detailed revisions by area and by major industry for 2002, will be published in the September SURVEY.

Tables 1.1–2.2 follow.

13. For the previously published estimates, see Jennifer L. Koncz and Daniel R. Yorgason, "Direct Investment Positions for 2004: Country and Industry Detail," SURVEY 85 (July 2005): 40–53.

Acknowledgments

The estimates of the U.S. direct investment position abroad are based on data from BEA's quarterly survey of transactions between U.S. parent companies and their foreign affiliates. The survey was conducted under the supervision of Mark W. New, who was assisted by Laura A. Downey, Marie K. Laddomada, Sherry Lee, Leila C. Morrison, and Dwayne Torney. Computer programming for data estimation and tabulation was provided by Marie Colosimo, assisted by Alexandra E. Karaer.

The estimates of the foreign direct investment position in the United States are based on data from BEA's quarterly survey of transactions between U.S. affiliates of foreign companies and their foreign parents. The survey was conducted under the supervision of Gregory G. Fouch, who was assisted by Peter J. Fox, Michelle L. Granson, Barbara C. Huang, Y. Louise Ku-Graf, Susan M. LaPorte, and Beverly E. Palmer. Computer programming for data estimation and tabulation was provided by Karen E. Poffel, Paula D. Brown, and Tracy K. Leigh.

Table 1.1. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 2004

[Millions of dollars]

	All industries	Mining	Manufacturing: Total	Manufacturing: Food	Manufacturing: Chemicals	Manufacturing: Primary and fabricated metals	Manufacturing: Machinery	Manufacturing: Computers and electronic products	Manufacturing: Electrical equipment, appliances, and components	Manufacturing: Transportation equipment	Manufacturing: Other manufacturing	Wholesale trade	Information	Depository institutions	Finance (except depository institutions) and insurance	Professional, scientific, and technical services	Holding companies (nonbank)	Other industries
All countries	**2,051,204**	**102,058**	**414,353**	**29,452**	**99,435**	**23,629**	**25,251**	**54,317**	**11,679**	**50,732**	**119,859**	**130,594**	**49,155**	**64,719**	**369,281**	**45,167**	**724,229**	**151,647**
Canada	**212,829**	**30,288**	**81,686**	**3,334**	**14,144**	**4,182**	**3,867**	**6,257**	**1,732**	**19,343**	**28,827**	**11,296**	**3,517**	**3,180**	**35,196**	**2,161**	**22,479**	**23,025**
Europe	**1,104,886**	**22,880**	**208,313**	**18,001**	**60,681**	**11,391**	**13,923**	**23,301**	**6,779**	**19,015**	**55,222**	**80,110**	**29,551**	**40,797**	**176,017**	**26,136**	**437,973**	**83,109**
Austria	6,688	1	2,096	(D)	85	73	106	(D)	(D)	(D)	217	2,093	89	(D)	30	158	598	(D)
Belgium	30,218	13	7,621	350	4,026	–28	44	50	(D)	1,002	(D)	3,485	–430	788	9,401	4,098	4,271	972
Czech Republic	2,283	(*)	905	(D)	214	19	117	–50	14	373	(D)	(*)	86	(D)	(D)	50	5	152
Denmark	5,499	–137	2,268	86	34	85	206	1,412	(*)	2	443	669	154	0	(D)	176	(D)	209
Finland	2,089	0	1,076	9	112	24	149	375	34	228	145	821	–12	0	1	122	8	73
France	61,200	59	21,750	1,418	6,484	1,983	534	1,427	653	1,753	7,498	5,250	1,516	1,990	4,970	1,629	12,187	11,848
Germany	83,588	580	19,637	238	3,206	2,283	1,358	3,406	1,400	4,281	3,465	15,503	2,910	1,543	14,470	3,834	18,609	6,502
Greece	1,681	(*)	174	(D)	146	–1	0	(D)	0	0	31	829	2	–64	226	22	(D)	(D)
Hungary	3,317	(*)	2,316	89	95	(D)	3	–41	(D)	556	378	273	18	(D)	47	42	0	(D)
Ireland	63,983	(D)	20,703	241	9,764	61	238	6,061	490	100	3,748	3,351	10,670	(D)	11,765	2,014	11,976	1,211
Italy	26,909	–17	17,284	1,996	3,385	367	3,405	3,417	642	1,356	2,718	2,296	2,980	–120	1,190	901	545	1,849
Luxembourg	81,129	163	3,283	0	17	(D)	7	5	0	0	(D)	214	(D)	594	3,096	29	72,589	(D)
Netherlands	204,319	4,022	27,334	7,828	10,616	2,611	964	1,389	329	1,230	2,367	13,059	4,506	34	25,301	2,004	125,272	2,786
Norway	8,418	5,499	564	26	1	30	467	–30	0	7	64	453	136	40	(D)	75	(D)	442
Poland	5,942	4	2,932	556	442	151	(D)	14	(D)	568	(D)	59	356	1,802	376	78	63	272
Portugal	2,657	(*)	630	3	62	18	(D)	(D)	2	(D)	55	615	390	3	557	53	–92	502
Russia	3,809	2,295	264	202	(D)	0	–42	29	1	90	(D)	370	71	(D)	–15	24	–10	(D)
Spain	44,808	(D)	11,080	707	4,315	195	51	397	580	1,287	3,547	2,754	1,240	1,654	5,179	242	21,687	(D)
Sweden	32,941	0	1,302	(D)	302	154	135	356	–228	–349	(D)	841	126	(D)	4,106	207	18,990	(D)
Switzerland	106,849	(D)	12,324	55	4,326	84	677	148	452	(D)	(D)	12,672	–2,564	8,245	10,988	1,794	62,148	(D)
Turkey	2,399	17	823	(D)	91	1	(*)	(*)	–13	351	(D)	672	10	608	11	41	(*)	216
United Kingdom	312,156	5,158	50,238	3,245	12,708	1,790	5,499	3,618	814	5,106	17,460	13,294	6,627	18,563	81,078	8,489	84,465	44,244
Other	12,001	4,528	1,708	288	(D)	1,098	(D)	13	27	44	124	536	(D)	212	421	54	3,435	(D)
Latin America and Other Western Hemisphere	**330,468**	**15,198**	**42,705**	**4,642**	**10,228**	**5,172**	**2,183**	**–2,411**	**1,153**	**4,356**	**17,383**	**11,329**	**7,247**	**4,908**	**101,495**	**2,071**	**124,899**	**20,615**
South America	67,568	7,770	19,551	2,134	5,740	1,347	1,544	1,048	129	887	6,721	2,618	3,208	5,409	8,678	1,086	13,325	5,923
Argentina	11,455	432	1,574	(D)	719	(*)	133	41	–81	–278	(D)	315	1,090	449	896	19	5,954	727
Brazil	30,226	1,609	11,428	978	3,438	1,253	1,266	1,003	133	378	2,979	739	914	3,112	4,358	298	5,318	2,449
Chile	9,672	1,023	1,639	12	611	42	29	2	16	(D)	(D)	679	512	1,128	2,361	38	545	1,747
Colombia	2,811	579	1,050	(D)	481	12	0	(*)	14	(D)	340	314	69	(D)	297	20	(D)	(D)
Ecuador	720	540	33	14	9	–3	0	0	0	(D)	(D)	43	2	(D)	19	–2	74	(D)
Peru	3,387	1,558	198	70	46	–70	(*)	0	(*)	–1	152	63	81	(D)	143	39	(D)	272
Venezuela	8,034	1,583	3,428	193	358	114	113	1	46	484	2,119	236	431	(D)	487	664	386	(D)
Other	1,263	446	200	84	77	(*)	4	0	0	20	15	230	108	159	118	11	(*)	–9
Central America	72,086	1,808	18,702	2,470	3,732	(D)	(D)	(D)	1,016	(D)	9,596	2,885	1,001	17,066	12,194	546	9,017	8,866
Costa Rica	1,085	(*)	769	96	99	33	1	–9	106	0	443	244	(D)	0	22	7	0	(D)
Honduras	314	0	216	9	(*)	0	0	0	3	(D)	(D)	76	(*)	(D)	8	0	0	(D)
Mexico	63,502	1,703	16,895	2,235	3,388	(D)	(D)	–3,742	907	3,931	8,680	1,892	932	16,835	11,248	554	6,034	7,410
Panama	5,631	95	183	31	(D)	(*)	0	0	0	–5	(D)	482	(*)	178	887	–15	2,898	923
Other	1,553	10	639	100	(D)	–10	0	(D)	(*)	0	(D)	193	(D)	(D)	29	1	85	(D)
Other Western Hemisphere	190,813	5,620	4,452	38	755	(D)	(D)	(D)	7	(D)	1,066	5,825	3,038	–17,567	80,622	439	102,558	5,826
Barbados	2,519	4	74	24	8	1	(*)	(D)	5	–13	(D)	833	(D)	26	451	–36	49	(D)
Bermuda	86,547	26	–123	1	(D)	0	(D)	1	0	(D)	1	1,519	1,129	0	43,019	180	37,534	3,263
Dominican Republic	1,076	(*)	522	(D)	29	44	0	0	0	0	(D)	155	(D)	(D)	–57	1	0	121
United Kingdom Islands, Caribbean	80,824	2,139	674	7	(D)	–39	(*)	(D)	0	(D)	475	2,802	(D)	–16,639	33,063	475	56,456	(D)
Other	19,847	3,451	3,305	(D)	211	(D)	1	1	3	0	(D)	516	258	(D)	4,146	–180	8,518	(D)
Africa	**21,414**	**13,131**	**2,094**	**193**	**279**	**24**	**338**	**–94**	**–3**	**(D)**	**(D)**	**1,077**	**168**	**796**	**269**	**157**	**2,512**	**1,210**
Egypt	4,125	3,546	148	(*)	–41	5	118	0	5	(D)	(D)	62	(D)	(D)	(D)	3	0	(D)
Nigeria	1,999	1,072	80	(*)	15	(D)	0	0	0	(D)	(D)	141	0	(D)	(D)	27	(D)	131
South Africa	3,432	120	1,496	19	274	–15	218	4	(D)	798	(D)	473	143	(D)	51	101	(D)	140
Other	11,857	8,393	371	174	32	(D)	2	–98	(D)	(D)	212	401	(D)	247	127	26	1,464	(D)
Middle East	**18,775**	**5,286**	**4,830**	**73**	**666**	**66**	**243**	**3,238**	**–9**	**(D)**	**(D)**	**535**	**1,375**	**237**	**1,007**	**930**	**3,753**	**822**
Israel	6,854	22	3,671	65	4	2	88	3,232	–27	0	306	784	1,354	(D)	255	461	(D)	(D)
Saudi Arabia	3,202	148	364	8	(D)	(D)	23	6	17	(D)	156	233	15	0	(D)	316	2,088	(D)
United Arab Emirates	2,292	1,082	(D)	0	38	(D)	119	0	0	(*)	(D)	–487	–1	(D)	(D)	34	(D)	145
Other	6,427	4,034	(D)	(*)	(D)	2	13	0	0	0	17	5	8	(D)	192	119	(D)	431
Asia and Pacific	**362,833**	**15,275**	**74,725**	**3,208**	**13,437**	**2,794**	**4,697**	**24,026**	**2,028**	**7,134**	**17,401**	**26,247**	**7,297**	**14,800**	**55,298**	**13,712**	**132,612**	**22,867**
Australia	(D)	4,635	12,466	1,120	2,074	1,977	604	630	102	1,832	4,127	2,588	199	2,893	5,249	1,629	(D)	(D)
China	15,006	1,743	8,099	561	1,803	123	389	1,267	354	1,783	1,821	1,705	565	560	–1	209	1,249	876
Hong Kong	34,848	(*)	2,410	1	198	66	105	860	200	27	953	6,174	786	2,321	7,624	410	12,790	2,333
India	7,677	85	1,440	40	342	40	476	226	(D)	46	(D)	315	(D)	889	604	764	763	(D)
Indonesia	(D)	(D)	(D)	29	(D)	36	275	–1	16	19	(D)	131	(D)	440	–1	(D)	1,423	(D)
Japan	68,071	18	13,141	248	2,910	123	1,040	2,804	709	505	4,802	8,273	2,299	120	29,237	7,616	1,032	6,336
Korea, Republic of	16,752	1	7,588	680	1,227	90	419	2,526	211	871	1,563	1,085	285	3,457	2,008	779	(D)	(D)
Malaysia	8,096	461	3,593	–11	460	15	117	2,471	(D)	82	(D)	282	28	(D)	333	155	2,031	(D)
New Zealand	4,668	265	817	(D)	95	17	18	52	(*)	11	(D)	569	105	(D)	973	103	(D)	513
Philippines	6,009	333	2,276	275	234	22	31	1,063	3	(D)	(D)	(D)	37	(D)	664	–65	502	(D)
Singapore	57,075	–126	13,858	14	1,439	82	706	9,658	289	1,411	260	2,910	1,037	756	2,047	1,207	(D)	(D)
Taiwan	(D)	(*)	4,264	62	1,332	107	311	1,705	64	(D)	(D)	(D)	125	1,095	6,003	90	24	244
Thailand	7,582	764	3,748	1	983	96	203	759	19	251	1,435	609	6	661	556	769	5	465
Other	(D)	(D)	(D)	(D)	(D)	(*)	3	7	0	(D)	(D)	–21	11	239	1	(D)	76	2,206
Addenda:																		
European Union (25) [1]	972,994	10,199	193,873	17,383	56,071	11,124	12,811	23,141	6,332	18,040	48,971	65,455	31,671	31,365	163,979	24,187	371,959	80,304
OPEC [2]	34,257	16,714	5,391	230	1,297	224	536	7	79	520	2,499	254	(D)	(D)	1,144	1,200	5,821	2,473

* Less than $500,000 (+/–).

D Suppressed to avoid disclosure of data of individual companies.

1. The European Union (25) comprises Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE. Estimates for 2004 are revised.

Table 1.2. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 2005

[Millions of dollars]

	All industries	Mining	Manufacturing									Whole-sale trade	Informa-tion	Deposi-tory institu-tions	Finance (except depository institutions) and insurance	Profes-sional, scientific, and technical services	Holding companies (nonbank)	Other industries
			Total	Food	Chemi-cals	Primary and fabricated metals	Machin-ery	Compu-ters and electronic products	Electrical equip-ment, appli-ances, and compo-nents	Trans-portation equip-ment	Other manu-facturing							
All countries	**2,069,983**	**114,386**	**451,402**	**31,524**	**109,354**	**21,671**	**29,224**	**58,785**	**13,079**	**48,930**	**138,836**	**142,960**	**55,479**	**70,331**	**393,723**	**49,202**	**623,076**	**169,424**
Canada	**234,831**	**33,718**	**86,013**	**3,375**	**14,164**	**4,649**	**4,860**	**6,780**	**2,080**	**17,555**	**32,551**	**12,663**	**3,809**	**3,923**	**37,860**	**2,180**	**23,705**	**30,961**
Europe	**1,059,443**	**25,559**	**233,608**	**19,112**	**67,987**	**10,047**	**15,292**	**27,620**	**7,261**	**20,763**	**65,527**	**86,795**	**33,514**	**39,021**	**176,838**	**30,052**	**345,629**	**88,428**
Austria	8,762	1	2,179	(D)	67	78	(D)	(D)	(D)	(D)	211	2,339	171	(D)	19	183	2,290	(D)
Belgium	36,733	11	12,635	410	6,647	25	–19	121	625	951	3,875	3,895	–517	829	9,580	4,407	4,651	1,241
Czech Republic	2,786	(*)	1,028	(D)	262	9	118	–44	14	452	(D)	–72	83	649	658	66	(D)	(D)
Denmark	5,695	–116	2,968	77	40	91	741	1,644	(*)	2	371	819	198	0	(D)	–37	520	(D)
Finland	2,493	0	1,434	10	125	28	158	686	50	226	151	861	–23	0	(*)	138	10	72
France	60,860	69	22,214	997	6,955	1,936	573	1,532	776	1,703	7,742	5,909	1,559	1,901	4,342	1,909	12,656	10,301
Germany	86,319	504	22,200	257	4,078	2,091	1,472	4,089	1,699	4,629	3,884	18,964	2,818	1,385	13,560	4,235	16,018	6,635
Greece	1,903	(*)	162	(D)	(D)	–3	0	(D)	0	0	21	925	16	(D)	(D)	21	233	325
Hungary	3,402	9	2,490	98	115	(D)	–1	175	(D)	627	308	193	36	(D)	33	52	0	(D)
Ireland	61,596	(D)	22,949	329	10,696	85	(D)	6,778	472	(D)	(D)	4,109	13,260	(D)	7,002	2,675	5,438	3,280
Italy	25,931	(D)	15,717	2,052	3,391	367	1,656	3,400	571	1,377	2,904	1,810	3,716	(D)	1,207	826	576	2,166
Luxembourg	61,615	159	4,921	0	(D)	107	7	(D)	0	0	(D)	314	(D)	637	2,236	20	51,418	(D)
Netherlands	181,384	4,018	29,508	9,011	10,583	2,488	937	1,242	427	1,900	2,921	14,152	4,385	49	28,695	2,388	95,071	3,118
Norway	8,795	5,331	1,552	26	28	55	1,307	–56	27	7	157	486	291	49	56	91	(D)	(D)
Poland	5,736	4	3,054	407	488	150	24	24	28	530	1,404	18	316	1,346	578	92	(D)	(D)
Portugal	2,712	(*)	421	(*)	73	19	(*)	74	2	199	55	771	440	3	232	39	–183	990
Russia	5,545	3,148	667	215	(D)	0	–45	38	11	44	(D)	533	61	(D)	2	26	39	(D)
Spain	43,280	56	10,286	635	4,063	279	50	434	552	877	3,395	3,117	1,632	1,617	5,328	295	20,059	889
Sweden	33,398	0	2,562	(D)	373	171	825	373	–220	107	(D)	932	250	0	4,388	258	18,221	6,788
Switzerland	83,424	379	13,059	60	4,835	132	133	176	401	(D)	(D)	11,306	–2,651	8,610	11,555	2,426	37,702	1,038
Turkey	2,417	48	643	(D)	55	(D)	(*)	(*)	–16	132	(D)	693	13	726	22	30	(*)	241
United Kingdom	323,796	5,995	60,355	3,630	13,136	1,723	6,728	5,815	852	6,063	22,408	13,963	6,937	17,018	85,474	9,863	78,467	45,723
Other	10,863	(D)	603	260	203	(D)	4	8	(D)	34	76	761	(D)	179	(D)	48	1,896	1,001
Latin America and Other Western Hemisphere	**353,011**	**17,225**	**42,967**	**5,237**	**10,744**	**3,129**	**2,598**	**–2,746**	**1,367**	**2,130**	**20,507**	**15,408**	**6,496**	**11,066**	**111,883**	**2,300**	**124,044**	**21,622**
South America	74,403	8,679	22,462	2,015	6,013	1,790	1,976	961	239	(D)	(D)	2,657	3,103	6,255	9,241	1,365	14,675	5,967
Argentina	13,163	508	1,410	(D)	389	20	156	44	–96	–233	(D)	379	1,182	845	989	30	7,014	806
Brazil	32,420	2,040	13,486	912	3,899	1,521	1,695	914	252	324	3,969	430	804	3,271	4,412	362	5,309	2,305
Chile	9,811	1,040	1,683	13	630	44	1	2	17	(D)	(D)	754	371	1,347	2,472	37	343	1,763
Colombia	3,393	630	1,345	(D)	522	175	0	(*)	15	(D)	417	447	80	(D)	327	20	(D)	(D)
Ecuador	760	557	48	15	1	–3	0	0	0	(D)	(D)	28	2	(D)	(D)	(D)	(D)	–23
Peru	3,900	2,082	216	76	51	–87	(*)	0	(*)	–1	177	72	87	(D)	176	36	784	(D)
Venezuela	9,610	1,378	4,074	129	439	121	122	1	51	611	2,598	267	458	(D)	702	878	945	(D)
Other	1,347	445	200	76	82	(*)	2	0	0	24	16	280	119	181	(D)	(D)	1	(D)
Central America	79,924	2,187	21,309	3,183	4,068	(D)	(D)	–3,924	1,120	4,376	10,911	3,234	1,172	17,876	14,269	482	8,710	10,685
Costa Rica	1,277	(*)	804	130	92	(D)	1	(D)	75	0	484	348	(D)	0	(D)	23	(*)	45
Honduras	402	0	244	9	(*)	0	0	0	4	(D)	(D)	82	(*)	(D)	(D)	0	6	(D)
Mexico	71,423	2,082	19,395	2,911	3,754	(D)	(D)	–4,026	1,042	(D)	9,887	2,057	1,089	17,671	13,307	469	6,342	9,011
Panama	5,162	95	182	32	134	(*)	0	0	0	–5	20	528	(*)	147	918	–11	2,295	1,008
Other	1,660	10	685	102	88	–12	0	(D)	(*)	0	(D)	220	(D)	(D)	15	1	67	(D)
Other Western Hemisphere	198,684	6,358	–804	38	663	(D)	(D)	217	7	(D)	(D)	9,517	2,221	–13,064	88,374	453	100,659	4,970
Barbados	2,940	4	125	26	8	1	(*)	(D)	5	–31	(D)	850	(D)	26	410	13	–55	(D)
Bermuda	90,358	118	–199	1	(D)	0	(D)	1	0	–201	1	3,186	18	(*)	48,533	68	36,015	2,619
Dominican Republic	758	(*)	442	(D)	26	(D)	0	0	0	0	340	212	4	(D)	–22	1	0	(D)
United Kingdom Islands, Caribbean	85,295	2,461	–1,620	6	(D)	–37	(*)	(D)	0	(D)	572	4,692	(D)	–11,703	35,437	580	53,497	(D)
Other	19,333	3,775	447	(D)	(D)	(D)	1	2	3	0	(D)	576	342	(D)	4,016	–210	11,201	(D)
Africa	**24,257**	**15,305**	**2,364**	**242**	**283**	**17**	**375**	**–59**	**57**	**903**	**548**	**1,001**	**174**	**1,031**	**341**	**174**	**2,409**	**1,456**
Egypt	4,839	4,085	218	3	–50	1	126	0	5	(D)	(D)	55	(D)	(D)	13	3	0	(D)
Nigeria	874	278	87	(*)	(D)	12	0	0	0	4	(D)	159	0	(D)	100	(D)	–59	117
South Africa	3,594	–5	1,610	10	281	–21	246	35	43	816	199	437	147	(D)	61	114	(D)	279
Other	14,950	10,948	449	228	(D)	26	2	–95	9	(D)	(D)	350	(D)	292	168	(D)	(D)	(D)
Middle East	**21,591**	**5,617**	**5,499**	**87**	**1,098**	**91**	**281**	**3,327**	**–11**	**14**	**611**	**723**	**1,802**	**277**	**1,150**	**981**	**4,606**	**936**
Israel	7,920	(D)	4,259	78	441	2	98	3,305	–31	0	366	795	1,766	–2	291	455	(D)	(D)
Saudi Arabia	3,531	(D)	419	10	(D)	49	(D)	22	21	14	154	276	15	0	–49	333	2,425	(D)
United Arab Emirates	2,663	1,064	(D)	0	(D)	38	145	0	0	(*)	(D)	–346	12	(D)	666	34	487	(D)
Other	7,478	4,514	(D)	(*)	(D)	2	(D)	0	0	0	(D)	–2	9	(D)	243	159	(D)	(D)
Asia and Pacific	**376,849**	**16,962**	**80,951**	**3,471**	**15,077**	**3,738**	**5,818**	**23,864**	**2,325**	**7,565**	**19,093**	**26,369**	**9,684**	**15,014**	**65,651**	**13,514**	**122,683**	**26,021**
Australia	113,385	5,059	13,174	1,182	1,889	2,528	677	616	115	1,840	4,328	2,532	510	2,804	6,455	1,948	77,339	3,564
China	16,877	1,717	8,840	603	2,388	202	458	1,157	552	1,564	1,916	2,245	772	753	13	285	1,274	979
Hong Kong	37,884	(*)	2,369	5	220	144	135	998	150	31	686	6,643	1,594	2,518	10,134	558	11,634	2,434
India	8,456	134	1,551	48	376	55	533	172	(D)	(D)	309	439	2,048	1,080	659	792	744	1,009
Indonesia	9,948	6,003	920	42	312	42	387	–7	16	6	123	137	–63	489	–4	39	1,131	1,296
Japan	75,491	12	15,264	206	3,650	276	1,315	3,026	672	758	5,360	8,024	2,667	156	34,032	6,688	1,253	7,394
Korea, Republic of	18,759	1	8,251	795	1,515	102	495	2,328	286	696	2,034	1,144	251	3,712	1,949	856	312	2,284
Malaysia	9,993	1,493	4,166	–12	498	15	136	2,977	(D)	74	(D)	284	31	(D)	(D)	192	(D)	(D)
New Zealand	4,809	251	920	(D)	108	18	22	34	(*)	5	(D)	475	123	(D)	1,066	127	1,163	(D)
Philippines	6,649	414	2,482	314	255	24	42	1,125	3	30	689	372	41	(D)	792	–65	584	(D)
Singapore	48,051	–160	14,307	17	1,524	94	968	9,016	336	1,822	529	1,886	1,608	849	(D)	1,225	(D)	685
Taiwan	13,374	(*)	4,020	35	1,198	131	383	1,483	66	(D)	(D)	1,463	85	984	6,404	84	28	307
Thailand	8,556	(D)	4,381	(*)	1,056	102	264	932	23	372	1,632	706	6	575	932	781	91	(D)
Other	4,616	(D)	306	(D)	90	5	3	7	0	(D)	44	20	11	247	5	6	–8	(D)
Addenda:																		
European Union (25) [1]	948,978	11,052	217,292	18,434	62,772	9,747	13,889	27,451	6,832	20,075	58,092	73,072	35,513	28,997	164,904	27,475	305,504	85,170
OPEC [2]	37,191	16,517	6,363	181	1,502	261	685	15	88	636	2,995	486	431	(D)	1,444	1,475	6,442	(D)

* Less than $500,000 (+/–).
D Suppressed to avoid disclosure of data of individual companies.
1. The European Union (25) comprises Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.
2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.
NOTE. Estimates for 2005 are preliminary.

Table 2.1. Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 2004

[Millions of dollars]

	All industries	Manufacturing									Whole-sale trade	Retail trade	Informa-tion	Deposi-tory institu-tions	Finance (except deposi-tory institu-tions) and insurance	Real estate and rental and leasing	Profes-sional, scientific, and technical services	Other industries
		Total	Food	Chemi-cals	Primary and fabricated metals	Machin-ery	Compu-ters and electronic products	Electrical equip-ment, appli-ances, and compo-nents	Trans-portation equip-ment	Other manu-facturing								
All countries	**1,520,729**	**485,659**	**17,883**	**138,081**	**20,893**	**45,666**	**39,546**	**12,009**	**67,837**	**143,743**	**219,085**	**25,886**	**137,871**	**122,700**	**193,743**	**38,964**	**38,209**	**258,612**
Canada	**125,503**	**25,633**	**1,195**	**5,294**	**3,801**	**237**	**4,821**	**398**	**2,118**	**7,768**	**3,913**	**4,140**	**5,905**	**12,799**	**39,214**	**2,859**	**1,928**	**29,112**
Europe	**1,066,908**	**372,484**	**14,064**	**124,034**	**14,156**	**26,579**	**22,768**	**8,657**	**39,310**	**122,916**	**124,105**	**17,021**	**103,038**	**93,908**	**119,341**	**19,204**	**35,296**	**182,512**
Austria	3,675	2,141	7	(D)	284	145	(D)	–1	23	1,258	435	(D)	(*)	(D)	(*)	36	(D)	(D)
Belgium	11,735	4,101	–3	3,570	(D)	48	11	12	(D)	333	2,585	(D)	–3	(D)	486	(D)	–950	2,015
Denmark	5,454	3,577	(D)	503	(D)	394	554	–1	4	1,758	152	5	0	(D)	(*)	3	(D)	1,319
Finland	5,665	3,671	(D)	(D)	(D)	389	(D)	(*)	(*)	2,322	1,877	(D)	0	(D)	–1	(D)	(D)	6
France	143,586	45,907	1,575	16,446	890	(D)	4,019	(D)	2,253	13,796	12,746	299	27,260	13,235	26,375	301	6,941	10,521
Germany	163,981	56,122	79	21,682	4,197	6,133	601	382	19,482	3,566	13,876	1,639	24,465	17,193	19,734	5,618	530	24,805
Ireland	20,403	4,228	1,093	33	(D)	–6	–1	0	(D)	(D)	(D)	(D)	409	(D)	(D)	–31	(*)	11,699
Italy	6,998	833	(D)	300	–16	151	58	(D)	–10	53	962	1,372	(D)	1,265	(D)	33	(D)	1,892
Luxembourg	115,688	25,332	(D)	(D)	(D)	(D)	(D)	(D)	(D)	19,948	(D)	0	(D)	0	(D)	(D)	(D)	(D)
Netherlands	155,452	68,455	(D)	24,045	211	(D)	5,897	196	6,220	24,793	10,163	(D)	8,623	(D)	35,601	2,607	3,861	11,602
Norway	3,344	2,252	0	2,224	(D)	(D)	3	0	(D)	(D)	707	(*)	(D)	7	0	22	(D)	–250
Spain	5,581	2,212	(D)	293	(D)	5	–11	0	126	443	140	(D)	116	2,387	458	9	(D)	110
Sweden	23,712	9,466	0	(D)	975	1,076	168	(D)	3,155	599	7,244	(D)	34	63	(D)	(D)	310	3,516
Switzerland	121,634	71,545	(D)	23,822	1,675	3,300	(D)	39	793	36,209	4,932	282	(D)	(D)	20,302	1,663	563	8,576
United Kingdom	251,422	61,678	2,434	26,286	2,936	1,565	8,768	227	6,094	13,370	66,590	2,592	15,037	(D)	(D)	4,754	15,655	24,039
Other	28,578	10,961	140	(D)	439	(D)	1,589	(D)	179	2,156	364	(D)	6,683	760	754	(D)	(D)	6,903
Latin America and Other Western Hemisphere	**87,259**	**22,172**	**1,236**	**1,672**	**173**	**(D)**	**–326**	**(D)**	**–78**	**1,722**	**9,757**	**1,542**	**3,887**	**3,169**	**18,348**	**6,254**	**–997**	**23,126**
South and Central America	26,088	975	1,056	286	–17	288	–217	18	–115	–324	5,553	(D)	111	2,646	9,963	514	(D)	5,415
Brazil	1,221	–200	4	–64	43	–18	–55	(*)	46	–154	688	(D)	16	479	(D)	(D)	–13	143
Mexico	8,167	1,362	(D)	153	394	(D)	–128	21	(D)	–281	208	(D)	99	661	(D)	4	(D)	(D)
Panama	10,360	–373	0	(D)	(D)	1	(D)	(*)	(D)	–73	14	3	–5	(D)	(D)	(D)	(*)	475
Venezuela	5,525	195	(D)	–4	–1	–14	–2	–1	0	(D)	(D)	(*)	–4	(D)	2	9	(*)	23
Other	814	–8	(D)	(D)	(D)	(D)	(D)	–2	–7	(D)	(D)	(D)	5	587	13	15	–11	(D)
Other Western Hemisphere	61,170	21,197	180	1,385	190	(D)	–109	(D)	38	2,046	4,204	(D)	3,776	524	8,385	5,739	(D)	17,711
Bahamas	1,257	(D)	(D)	7	(D)	0	(*)	0	0	(D)	520	(D)	(D)	(D)	(D)	229	–1	2
Bermuda	11,116	1,849	(D)	13	(D)	(D)	(D)	(D)	0	461	(D)	0	3,355	0	–1,342	(D)	(D)	6,647
Netherlands Antilles	4,418	567	–1	(D)	(D)	(*)	–2	0	–4	(D)	385	(D)	(D)	(D)	748	1,045	(D)	1,843
United Kingdom Islands, Caribbean	23,777	(D)	123	(D)	4	310	(D)	(D)	41	1,377	2,793	690	(D)	122	(D)	3,135	(D)	8,849
Other	20,603	(D)	(D)	4	0	(D)	(*)	(D)	0	44	(D)	(*)	(D)	(D)	4,249	(D)	(*)	371
Africa	**1,671**	**586**	**–1**	**(D)**	**(D)**	**–6**	**9**	**(*)**	**(D)**	**–90**	**–165**	**(D)**	**(D)**	**(D)**	**(D)**	**261**	**(D)**	**723**
South Africa	344	–31	–1	–7	(D)	–6	9	(*)	(D)	–11	(D)	0	(D)	0	(D)	1	(D)	–1
Other	1,326	617	(*)	(D)	(D)	(*)	0	(*)	(D)	–79	(D)	(D)	(D)	(D)	(*)	261	(*)	723
Middle East	**7,888**	**870**	**8**	**(D)**	**3**	**(D)**	**260**	**2**	**(D)**	**120**	**3,006**	**(D)**	**447**	**(D)**	**(D)**	**1,170**	**(D)**	**722**
Israel	3,872	844	8	(D)	(D)	(*)	268	0	9	(D)	338	4	441	1,547	(D)	4	(D)	619
Kuwait	(D)	(D)	0	0	0	0	(*)	2	(D)	0	0	0	0	(D)	(D)	(D)	0	(D)
Lebanon	(*)	(*)	0	0	0	0	0	0	0	(*)	(*)	0	0	0	0	0	0	(*)
Saudi Arabia	(D)	(D)	0	0	(D)	(D)	0	0	0	(D)	(D)	(D)	6	(D)	2	65	(*)	–11
United Arab Emirates	23	–13	0	0	0	(D)	–8	0	(D)	(D)	(D)	(*)	(*)	(D)	1	22	0	(D)
Other	140	(*)	0	0	0	(*)	0	0	0	0	(D)	0	0	(D)	0	(D)	(*)	(D)
Asia and Pacific	**231,500**	**63,914**	**1,382**	**5,981**	**(D)**	**(D)**	**12,015**	**(D)**	**26,460**	**11,308**	**78,469**	**3,148**	**(D)**	**(D)**	**16,723**	**9,216**	**1,909**	**22,418**
Australia	40,884	4,317	(D)	(D)	325	–8	–3	–7	–57	(D)	1,692	2	(D)	(D)	1,918	3,461	324	5,571
China	435	12	–1	1	84	–32	–48	–3	9	1	165	2	(*)	(D)	6	2	72	(D)
Hong Kong	1,437	–57	(*)	(D)	–1	5	262	(D)	–2	186	493	–9	(D)	295	(D)	161	–2	232
India	630	26	1	6	(D)	(D)	–7	(*)	(D)	(*)	(D)	0	6	162	(*)	(*)	404	(D)
Japan	175,728	59,549	1,313	5,524	2,095	3,460	12,686	600	26,448	7,423	70,154	2,997	1,635	7,422	13,212	4,914	1,033	14,812
Korea, Republic of	5,616	560	6	15	219	–6	(D)	–3	(D)	100	4,092	(D)	(D)	244	136	(D)	(D)	–21
Malaysia	336	–44	–1	–4	(D)	(D)	–21	0	–1	1	14	0	4	(D)	0	(D)	(D)	(D)
New Zealand	827	8	(D)	0	(D)	1	–8	–1	–2	2	(D)	0	2	0	0	(D)	(*)	(D)
Singapore	1,954	–1,451	(D)	–95	–2	2	(D)	–1	6	(D)	428	(D)	19	262	(D)	367	9	(D)
Taiwan	3,191	992	(*)	297	2	–1	72	(D)	–14	(D)	887	44	(D)	926	4	58	(D)	195
Other	464	4	1	–16	–2	(*)	4	–1	19	–2	154	(*)	(D)	176	(D)	18	–9	108
Addenda:																		
European Union (25) [1]	932,017	294,036	8,664	96,233	11,387	21,934	22,417	8,612	38,495	86,293	118,277	16,722	84,927	93,825	98,998	17,486	33,590	174,155
OPEC [2]	8,917	211	3	–12	(*)	–15	–10	1	(D)	(D)	6,354	5	2	1,099	–8	1,163	–2	92

* Less than $500,000 (+/–).
D Suppressed to avoid disclosure of data of individual companies.
1. The European Union (25) comprises Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.
2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates and Venezuela.
Note. Estimates for 2004 are revised.

Table 2.2. Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 2005

[Millions of dollars]

	All industries	Manufacturing									Wholesale trade	Retail trade	Information	Depository institutions	Finance (except depository institutions) and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
		Total	Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment	Other manufacturing								
All countries	**1,635,291**	**538,122**	**19,779**	**151,624**	**28,651**	**48,673**	**47,016**	**14,191**	**76,036**	**152,152**	**230,104**	**29,686**	**142,556**	**130,940**	**207,552**	**41,006**	**41,879**	**273,444**
Canada	**144,033**	**30,588**	**1,561**	**5,330**	**5,347**	**317**	**4,884**	**402**	**5,073**	**7,674**	**4,192**	**6,077**	**6,122**	**15,811**	**43,735**	**2,818**	**2,451**	**32,240**
Europe	**1,143,614**	**414,852**	**15,673**	**135,975**	**20,240**	**30,681**	**28,498**	**10,632**	**44,570**	**128,583**	**124,349**	**16,557**	**109,677**	**98,544**	**130,356**	**20,618**	**37,103**	**191,557**
Austria	2,502	1,242	7	(D)	278	180	3	–3	(D)	(D)	401	(D)	–1	(D)	1	37	(D)	24
Belgium	9,712	3,209	–4	2,268	(D)	37	7	13	(D)	766	1,305	(D)	–2	(D)	530	(D)	–1,134	2,128
Denmark	6,255	4,814	(D)	(D)	(D)	376	(D)	(*)	–1	1,960	391	5	–1	0	(*)	3	(D)	(D)
Finland	6,205	3,740	(D)	(D)	(D)	393	93	–1	1	2,308	2,242	(D)	0	(D)	(*)	(D)	(D)	–14
France	143,378	45,480	1,510	16,163	1,235	(D)	3,403	(D)	2,654	14,552	13,316	508	26,202	16,194	28,215	399	2,529	10,535
Germany	184,213	70,943	78	26,755	3,933	(D)	1,002	416	23,391	(D)	14,972	2,154	29,971	16,445	18,353	6,032	485	24,857
Ireland	21,898	5,268	1,048	616	(D)	(D)	–15	(*)	(D)	(D)	402	(D)	(D)	(D)	1,072	–25	(D)	12,369
Italy	7,716	1,056	(D)	346	–14	177	170	(D)	–20	13	991	1,512	(D)	1,261	(D)	45	(D)	2,085
Luxembourg	116,736	26,305	(D)	948	604	(D)	(D)	(D)	1,150	17,436	952	0	5,256	0	(D)	249	(D)	76,770
Netherlands	170,770	72,459	(D)	25,024	(D)	4,739	8,322	217	6,147	21,596	9,691	(D)	12,283	(D)	40,847	2,839	8,611	11,761
Norway	6,144	2,477	0	2,513	(D)	35	3	1	8	(D)	556	(*)	269	(D)	0	23	(D)	(D)
Spain	7,114	2,410	(D)	(D)	(D)	6	1	0	100	482	178	(D)	(D)	(D)	(D)	(D)	(D)	421
Sweden	24,774	9,236	0	334	1,174	1,349	(D)	(D)	3,434	1,128	9,026	(D)	(D)	(D)	353	(D)	152	(D)
Switzerland	122,399	76,385	(D)	26,972	2,083	3,263	232	39	(D)	36,556	7,055	395	(D)	(D)	19,637	1,708	454	8,254
United Kingdom	282,457	76,792	(D)	29,714	3,461	1,888	12,378	(D)	6,558	19,792	62,392	2,707	17,918	(D)	(D)	4,849	18,052	28,956
Other	31,340	13,038	(D)	2,281	(D)	(D)	1,817	(D)	438	3,620	480	(D)	(D)	818	627	958	(D)	7,254
Latin America and Other Western Hemisphere	**82,530**	**21,968**	**1,134**	**2,516**	**410**	**(D)**	**–461**	**(D)**	**–36**	**2,407**	**10,936**	**1,682**	**1,316**	**3,510**	**15,188**	**6,194**	**–813**	**22,550**
South and Central America	30,012	806	994	154	205	–45	–254	35	–75	–208	8,202	403	(D)	2,849	(D)	762	(D)	5,537
Brazil	2,551	–124	(D)	–63	(D)	–4	–102	–2	65	–62	(D)	(D)	19	479	46	(D)	–17	590
Mexico	8,653	1,223	(D)	224	623	–35	–116	38	(D)	–403	1,400	(D)	(D)	690	(D)	(D)	(D)	4,519
Panama	11,470	(D)	0	6	(D)	1	(D)	(*)	(D)	–30	35	3	(D)	(D)	(D)	441	1	504
Venezuela	6,730	(D)	3	–3	–4	–11	–2	–1	1	(D)	(D)	(*)	–5	(D)	6	9	2	18
Other	609	–127	5	–10	(D)	5	(D)	–1	–2	(D)	187	5	9	610	15	16	–13	–94
Other Western Hemisphere	52,518	21,162	140	2,362	205	(D)	–207	(D)	39	2,614	2,734	1,278	(D)	661	(D)	5,431	(D)	17,013
Bahamas	703	207	(D)	(D)	(D)	0	(*)	0	0	(D)	(D)	(D)	(D)	(D)	–3	223	–1	(D)
Bermuda	1,517	1,450	(D)	(D)	(D)	(D)	(D)	(D)	0	582	–856	0	858	0	–5,932	(D)	(D)	5,864
Netherlands Antilles	4,179	643	2	(D)	(D)	–1	–2	0	–4	(D)	354	(D)	(D)	(D)	(D)	886	(D)	1,861
United Kingdom Islands, Caribbean	26,501	(D)	132	1,782	5	267	(D)	(D)	43	1,575	2,602	886	(D)	129	5,749	3,283	–121	(D)
Other	19,618	(D)	0	8	0	(D)	(*)	(D)	0	294	(D)	–4	(D)	(D)	4,131	(D)	–16	455
Africa	**2,564**	**721**	**–1**	**(D)**	**(D)**	**–2**	**2**	**(*)**	**10**	**–71**	**(D)**	**(D)**	**(D)**	**(D)**	**(D)**	**266**	**(D)**	**945**
South Africa	361	–3	–1	–8	(D)	–2	(D)	0	10	–5	(D)	0	(D)	0	(D)	1	(D)	(D)
Other	2,204	724	(*)	(D)	(D)	(*)	(D)	(*)	0	–66	(D)	(D)	(D)	(D)	(*)	265	(*)	(D)
Middle East	**9,965**	**882**	**8**	**(D)**	**3**	**(D)**	**285**	**2**	**(D)**	**115**	**(D)**	**(D)**	**809**	**(D)**	**(D)**	**(D)**	**(D)**	**(D)**
Israel	4,362	847	8	(D)	(D)	0	291	0	(D)	(D)	427	(D)	803	1,550	–2	4	(D)	586
Kuwait	612	(D)	0	0	0	0	(*)	2	(D)	0	–1	0	0	(D)	(D)	(D)	0	(D)
Lebanon	–6	1	0	0	0	0	1	0	0	(*)	(D)	0	0	0	0	(D)	(*)	(*)
Saudi Arabia	(D)	(D)	0	0	(D)	(D)	0	0	0	(D)	(D)	0	6	(D)	2	58	2	–9
United Arab Emirates	(D)	–15	0	0	0	(D)	–7	(*)	(D)	(D)	(D)	(*)	(*)	(D)	1	22	5	(D)
Other	102	1	0	0	0	1	0	0	0	0	(D)	0	0	(D)	0	47	(*)	–6
Asia and Pacific	**252,584**	**69,112**	**1,403**	**6,609**	**(D)**	**(D)**	**13,807**	**(D)**	**(D)**	**13,444**	**86,473**	**(D)**	**(D)**	**(D)**	**18,177**	**(D)**	**3,050**	**(D)**
Australia	44,061	4,986	66	(D)	352	(D)	–9	–7	–31	(D)	1,722	2	(D)	(D)	2,447	5,013	327	6,375
China	481	15	–1	–8	(D)	–44	–51	23	(D)	3	190	2	(*)	(D)	(D)	–3	75	(D)
Hong Kong	2,600	448	(*)	(D)	–2	(D)	580	(*)	–1	160	1,009	(D)	(D)	364	(D)	160	–6	119
India	1,355	–39	1	5	(D)	3	(D)	(*)	5	3	(D)	(*)	72	190	(*)	(*)	1,105	(D)
Japan	190,279	62,934	1,385	6,017	2,022	4,150	13,821	693	26,363	8,482	76,732	4,965	1,880	7,573	14,119	4,777	1,492	15,806
Korea, Republic of	6,203	577	4	32	139	–7	(D)	(*)	(D)	89	4,539	(D)	(D)	328	144	59	2	14
Malaysia	410	–8	–1	–6	–5	–3	22	(*)	2	–18	42	0	4	(D)	0	(D)	(D)	258
New Zealand	700	9	(D)	0	(D)	2	–9	–1	–1	1	(D)	0	1	0	0	(D)	(*)	51
Singapore	2,404	–991	(D)	–43	–3	–25	–816	3	8	(D)	425	(D)	20	286	(D)	(D)	3	876
Taiwan	3,565	1,167	–1	410	2	–1	65	(D)	–34	(D)	1,065	(D)	(D)	931	9	59	(D)	215
Other	527	13	(*)	–20	(*)	(*)	4	3	27	–2	189	(*)	(D)	183	(D)	17	–8	113
Addenda:																		
European Union (25) [1]	1,005,672	331,093	9,152	104,895	16,978	26,067	28,259	10,588	43,750	91,405	116,507	16,162	94,819	100,310	110,680	18,853	35,339	181,910
OPEC [2]	12,356	379	3	–14	–1	–17	–10	1	(D)	(D)	(D)	(*)	2	1,267	1	(D)	8	(D)

* Less than $500,000 (+/–).

D Suppressed to avoid disclosure of data of individual companies.

1. The European Union (25) comprises Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates and Venezuela.

NOTE. Estimates for 2005 are preliminary.