

U.S. Affiliates of Foreign Companies Operations in 1999

By William J. Zeile

PRELIMINARY results from BEA's 1999 annual survey of foreign direct investment in the United States (FDIUS) indicate that U.S. affiliates of foreign companies accounted for a slightly larger share of U.S. gross domestic product (GDP) in private industries in 1999 than in 1998.¹ This increased share continued a 4-year uptrend in the context of strong overall growth in the U.S. economy and a worldwide surge in mergers and acquisitions. The affiliate share of private-industry GDP increased from 6.3 percent in 1998 to a record 6.4 percent in 1999 (table 1 and chart 1). (For affiliates

that were majority-owned by foreign direct investors, the share increased from 5.3 percent to 5.5 percent.)

The gross product of U.S. affiliates in current dollars increased 8 percent in 1999, to \$451.7 billion, following an 8-percent increase in 1998. Despite record new foreign direct investments, affiliate gross product in both years increased at a slightly slower pace than in 1996 and 1997.² To some extent, the slower growth reflected the offsetting effect of selloffs of affiliates, particularly minority-owned affiliates. In addition, growth in 1998 was slowed by the large reduction in the gross product of petroleum affiliates that resulted from depressed markets for petroleum and petroleum products.

Table 1.—Gross Product of Nonbank U.S. Affiliates of Foreign Companies, 1977–99

	Millions of dollars		Percentage of U.S. private-industry gross domestic product		Addendum: Gross product of majority-owned nonbank affiliates as a percentage of that of all nonbank affiliates
	All nonbank affiliates	Majority-owned nonbank affiliates	All nonbank affiliates	Majority-owned nonbank affiliates	
1977	35,222	n.a.	2.3	n.a.	n.a.
1978	42,920	n.a.	2.4	n.a.	n.a.
1979	55,424	n.a.	2.8	n.a.	n.a.
1980	70,906	n.a.	3.3	n.a.	n.a.
1981	98,828	n.a.	4.2	n.a.	n.a.
1982	103,489	n.a.	4.3	n.a.	n.a.
1983	111,490	n.a.	4.2	n.a.	n.a.
1984	128,761	n.a.	4.4	n.a.	n.a.
1985	134,852	n.a.	4.3	n.a.	n.a.
1986	142,120	n.a.	4.3	n.a.	n.a.
1987	157,869	n.a.	4.4	n.a.	n.a.
1988	190,384	146,424	4.9	3.8	76.9
1989	223,420	168,547	5.4	4.1	75.4
1990	239,279	190,477	5.5	4.4	79.6
1991	257,634	207,126	5.8	4.7	80.4
1992	266,333	214,781	5.7	4.6	80.6
1993	285,738	223,008	5.8	4.5	78.0
1994	312,981	244,690	5.9	4.6	78.2
1995	322,631	254,938	5.8	4.6	79.0
1996	358,085	283,422	6.1	4.8	79.1
1997	389,432	313,655	6.2	5.0	80.5
1998 ^r	419,828	353,860	6.3	5.3	84.3
1999 ^p	451,656	390,957	6.4	5.5	86.6
Percent change from preceding year:					
1989	17.4	15.1	.....	.....	.....
1990	7.1	13.0	.....	.....	.....
1991	7.7	8.7	.....	.....	.....
1992	3.4	3.7	.....	.....	.....
1993	7.3	3.8	.....	.....	.....
1994	9.5	9.7	.....	.....	.....
1995	3.1	4.2	.....	.....	.....
1996	11.0	11.2	.....	.....	.....
1997	8.8	10.7	.....	.....	.....
1998 ^r	7.8	12.8	.....	.....	.....
1999 ^p	7.6	10.5	.....	.....	.....

^p Preliminary.

^r Revised.

n.a. Not available.

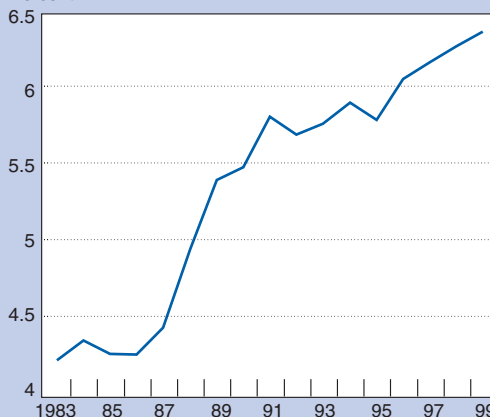
NOTE.—For improved comparability with U.S.-affiliate gross product, U.S. private-industry gross domestic product was adjusted to exclude gross product originating in depository institutions and private households, imputed rental income from owner-occupied housing, and business transfer payments.

For the latest estimates of U.S. private-industry gross product, see Sherylene K.S. Lum and Brian C. Moyer, "Gross Domestic Product by Industry for 1997–99," SURVEY OF CURRENT BUSINESS 80 (December 2000): 24–35.

CHART 1

U.S.-Affiliate Share of Gross Domestic Product in Private Industries, 1983–99

Percent



U.S. Bureau of Economic Analysis

The contribution of new foreign investments to affiliate gross product in 1999 was smaller than that in 1998, reflecting differences in the types of U.S. businesses in which investments were made. In 1998, the largest new investments were predominantly in old-line manufacturing businesses with established value added, whereas in 1999, they were concentrated in information-related businesses that had relatively low value added but appeared to offer favorable prospects for future growth. In some of the investments in 1999, foreign investors offered very high prices to fight off competing bids to acquire the U.S. companies. As a result, the gross product associated with each dol-

lar of new investments was much smaller in 1999 than in 1998.³

In 1999, employment by affiliates increased 6 percent, to 6.0 million, following a 9-percent increase in 1998. The increase in 1999 resulted from both new investments and expansions in the operations of existing affiliates. The affiliate share of U.S. private-industry employment increased from 5.2 percent in 1998 to a record 5.4 percent.⁴ Affiliate exports and imports of goods also increased in 1999, but the affiliate shares of total U.S. exports and imports of goods decreased.

The following are additional highlights of the operations of U.S. affiliates in 1999:

- By country of ownership, the United Kingdom remained the largest investing country in

2. According to data from BEA's annual survey of new foreign investments, outlays by foreign direct investors to acquire or establish businesses in the United States increased from \$69.7 billion in 1997 to \$215.3 billion in 1998 and to \$275.0 billion in 1999 (the high before 1998 was \$79.9 billion in 1996). Investment outlays increased further in 2000, to a record \$320.9 billion; see Ned G. Howenstine, "Foreign Direct Investment in the United States: New Investment in 2000," *SURVEY OF CURRENT BUSINESS* 81 (June 2001): 27–34. Investments also grew rapidly as measured by the foreign direct investment position in the United States, which measures financing provided to U.S. affiliates by members of their foreign parent groups. Measured at historical cost, the position increased 14 percent in 1998 and 24 percent in 1999 (and 28 percent in 2000); see Maria Borga and Raymond J. Mataloni, Jr., "Direct Investment Positions for 2000: Country and Industry Detail," *SURVEY* 81 (July 2001): 16–29.

3. Additional evidence for lower value-added levels for new investments in 1999 is provided by data from the annual survey of new foreign investments. These data indicate that while the investments themselves were larger in 1999 than in 1998, the sales of the U.S. business enterprises acquired or established were 25 percent lower, and the net income was 81 percent lower. See table 5 in Ned G. Howenstine and Rosaria Troia, "Foreign Direct Investment in the United States: New Investment in 1999," *SURVEY* 80 (June 2000): 58 and table 5 in Howenstine, "New Investment in 2000," 30.

4. Because U.S. affiliates tend to be relatively concentrated in less labor-intensive sectors of the economy (such as manufacturing), their share of employment has consistently been lower than their share of gross product.

Key Terms

The following key terms are used to describe U.S. affiliates of foreign companies and their operations.

U.S. affiliate. A U.S. business enterprise in which there is foreign direct investment—that is, in which a single foreign person owns or controls, directly or indirectly, 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise. "Person" is broadly defined to include any individual, corporation, branch, partnership, associated group, association, estate, trust, or other organization and any government (including any corporation, institution, or other entity or instrumentality of a government). A "foreign person" is any person resident outside the United States—that is, outside the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and all U.S. territories and possessions.

Majority-owned U.S. affiliate. A U.S. affiliate that is owned more than 50 percent by foreign direct investors.

Foreign parent. The first person outside the United States in a U.S. affiliate's ownership chain that has a direct investment interest in the affiliate.

Ultimate beneficial owner (UBO). That person, proceeding up a U.S. affiliate's ownership chain, beginning with and including the foreign parent, that is not owned more than 50 percent by another person. Unlike the foreign parent, the UBO of an affiliate may be located in the United States. The UBO of each U.S. affiliate is identified to ascertain the person that ultimately owns or controls the U.S. affiliate and that therefore ultimately derives the benefits from ownership or control.

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.

Gross product. The contribution to U.S. gross domestic product, which is the goods and services produced by labor and property located in the United States. Gross product, often referred to as "value added," can be measured as gross output (sales or receipts and other operating income plus inventory change) minus intermediate inputs (purchased goods and services). Alternatively, it can be measured as the sum of the costs incurred (except for intermediate inputs) and the profits earned in production. The gross product estimates presented in this article were prepared by summing cost and profit data collected in the annual and benchmark surveys of foreign direct investment in the United States.

The estimates of gross product of U.S. affiliates are conceptually consistent with BEA's estimates of U.S. GDP by industry; both sets of estimates are measured as the sum of the costs incurred (except for intermediate inputs) and the profits earned in production. However, there are some minor differences in measurement. For example, in the profits measure used to estimate U.S.-affiliate gross product, amortization of intangible assets is treated as an expense, which is not the case in the profits measure used to estimate U.S. GDP by industry. This and other differences in measurement are small relative to total affiliate gross product and thus have a negligible effect on the affiliate shares of private-industry GDP shown in tables 1 and 2.

terms of affiliate gross product. Germany was second largest, having overtaken Japan in 1998.

- By industry, affiliates classified in manufacturing accounted for more than half of the gross product of all affiliates. Within manufacturing, transportation equipment emerged as the largest industry, closely followed by chemicals.

- The affiliate share of U.S. employment rose substantially in the information sector as a result of new foreign acquisitions.

- By State, the affiliate share of private-industry employment was highest in Hawaii, South Carolina, and North Carolina. Affiliates accounted for more than a fifth of manufacturing employment in Kentucky and South Carolina.

- The decline in the affiliate share of U.S. exports of goods was mainly due to a large decrease in exports by Japanese-owned wholesale

trade affiliates, reflecting depressed market conditions in Japan.

- The decline in the affiliate share of U.S. imports of goods partly reflected increases in imports by other U.S. firms from countries, such as Mexico and China, that do not have a major investment presence in the United States.

This article examines changes in the gross product, employment, and trade in goods of U.S. affiliates in 1999, particularly as they relate to the corresponding totals for the U.S. economy. For each of these measures, changes in affiliate operations are examined, both in the aggregate and by major investing country. For gross product, the changes are also examined by industry of affiliate, and for employment, the affiliate shares of the economy are examined by industry and by State.

Data on Foreign Direct Investment in the United States

BEA collects three broad sets of data on foreign direct investment in the United States (FDIUS): (1) Financial and operating data of U.S. affiliates, (2) data on U.S. businesses newly acquired or established by foreign direct investors (new investment data), and (3) international transactions (balance of payments) and direct investment position data. This article presents the financial and operating data; new investment data were published in "Foreign Direct Investment in the United States: New Investment in 2000" in the June 2001 issue of the SURVEY OF CURRENT BUSINESS; the international transactions and direct investment position data were published in the articles "The International Investment Position of the United States at Yearend 2000," "U.S. International Transactions, First Quarter 2001," and "Direct Investment Positions for 2000: Country and Industry Detail," in the July 2001 issue of the SURVEY.

Each of the three data sets focuses on a distinct aspect of FDIUS. The *financial and operating data* provide a picture of the overall activities of the U.S. affiliates; the *new investment data* provide information about U.S. businesses that are newly acquired or established by foreign direct investors, regardless of whether the invested funds were raised in the United States or abroad; and the *international transactions and direct investment position data* cover foreign investors' transactions with, and positions in, both new and existing U.S. affiliates.¹

Financial and operating data of U.S. affiliates. The data on the overall operations of U.S. affiliates are collected in BEA's annual and benchmark surveys of FDIUS. (Benchmark sur-

veys, which are BEA's most comprehensive surveys of foreign direct investment in terms of both coverage of companies and subject matter, are taken in place of the annual survey once every 5 years.) The data cover U.S. affiliates' balance sheets and income statements, employment and compensation of employees, trade in goods, research and development expenditures, sources of finance, and selected data by State. In addition, the gross product of affiliates is estimated from data reported in these surveys.

Except in benchmark survey years, these data, unlike the new investment data, cover only nonbank affiliates. The financial and operating data for affiliates are on a fiscal year basis. The data cover the entire operations of the U.S. affiliate, irrespective of the percentage of foreign ownership.

New investment data. The data on outlays by foreign direct investors to acquire or establish affiliates in the United States are collected on a calendar year basis in BEA's survey of new FDIUS. In addition, the new investment survey collects selected data on the operations of the newly acquired or established affiliates. For newly acquired affiliates, these data are for (or as of the end of) the most recent fiscal year preceding the acquisition, and for newly established businesses, they are projected for (or as of the end of) the first year of operation. The data cover the entire operations of the business, irrespective of the percentage of foreign ownership.

International transactions and direct investment position data. These data are collected in the quarterly survey of FDIUS. The data cover the U.S. affiliate's transactions and positions with its foreign parent or other members of its foreign parent group, so these data focus on the foreign parent's share, or interest, in the affiliate rather than on the affiliate's overall size or level of operations. The major items included in the U.S. international transactions (balance of payments) accounts are direct investment financial flows, direct investment income, royalties and license fees, and other services transactions with the foreign parent group.

1. For a more detailed discussion of the differences between these three sets of data, see Alicia M. Quijano, "A Guide to BEA Statistics on Foreign Direct Investment in the United States," SURVEY 70 (February 1990): 29-37. This guide is available on BEA's Web site at <www.bea.doc.gov/bea/ail.htm>.

For a comparison of the data on affiliate operations with the data on new investment, see the appendix "Sources of Data" in Mahnaz Fahim-Nader and William J. Zeile, "Foreign Direct Investment in the United States: New Investment in 1994 and Affiliate Operations in 1993," SURVEY 75 (May 1995): 68-70.

Gross Product

In 1999, the gross product (or value added) of nonbank U.S. affiliates in current dollars increased 8 percent, from \$420 billion to \$452 billion. In comparison, total U.S. GDP in private nonbank industries increased 6 percent.⁵ The U.S. affiliates' share of total U.S. GDP in private industries edged up from 6.3 percent in 1998 to a record 6.4 percent in 1999.

The gross product of U.S. affiliates that are majority-owned by foreign direct investors increased 10 percent; in contrast, the gross product of affiliates that are not majority-owned decreased 8 percent, primarily as a result of selloffs. The majority-owned affiliates' share of the gross product of all affiliates increased from 84 percent to 87 percent, and their share of U.S. GDP in private industries increased from 5.3 percent to 5.5 percent.

By country of ownership

Affiliates with ultimate beneficial owners (UBO's) in seven major investing countries—Canada, France, Germany, Japan, the Netherlands, Switzerland, and the United Kingdom—have accounted for more than 80 percent of the gross product of all nonbank affiliates since at least 1977, the first year for which annual data on affiliate operations are available. In 1999, as throughout 1977–98, the largest investing country in terms of affiliate gross product was the United Kingdom: British-owned affiliates accounted for 18.2 percent of the gross product of all nonbank affiliates and for 1.2 percent of total U.S. GDP in private industries (table 2 and chart 2). German-owned affiliates accounted

for the second-largest share of affiliate gross product (15.5 percent), and Japanese-owned affiliates accounted for the third-largest share (14.3 percent). Germany replaced Japan as the second-largest country in terms of gross product in 1998, when German direct investors made some very large new investments.

In 1999, the gross product of the Netherlands-owned affiliates increased 22 percent, a rate substantially faster than the rates of the affiliates of the other six major investing countries. The sharp increase reflected both acquisitions of large U.S. companies and substantial increases in production and sales by existing affiliates (particularly those in petroleum, which had reduced output during a market downturn in 1998). Among investing countries, the increase in the gross product of the Netherlands-owned affiliates in dollar terms (\$6.5 billion) was exceeded only by that of British-owned affiliates (\$6.7 billion). Despite large-scale new investments in 1999, the rate of increase in the gross product of British-owned affiliates—9 percent—was only slightly higher than that of all nonbank affiliates, reflecting the offsetting effect of selloffs of British ownership interests in several large U.S. companies.⁶

The gross product of Japanese-owned affiliates was virtually flat in 1999. Growth in the gross product of Japanese-owned affiliates was held down by large reductions in value added for a

6. In 1999, outlays by British direct investors to acquire or establish U.S. businesses in the United States totaled \$109 billion, 40 percent of the total outlays by all direct investors. See table 4 in Howenstine, "New Investment in 2000," 29.

5. The rate of change in U.S. private-industry GDP serves as a convenient benchmark against which the increase in U.S.-affiliate gross product can be evaluated, but the two growth rates are not strictly comparable, because the latter partly reflects transfers in ownership that do not represent increased production for the whole economy. Similarly, changes in U.S.-affiliate employment, exports, and imports, which partly reflect changes in ownership, are not strictly comparable with the corresponding changes for the whole economy.

Acknowledgments

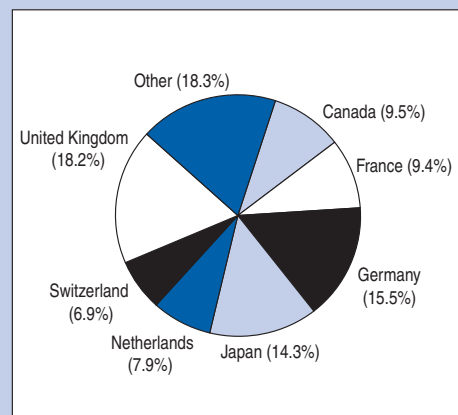
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CHART 2

Investing-Country Shares of the Gross Product of All Nonbank U.S. Affiliates, 1999

Percent



U.S. Bureau of Economic Analysis

number of affiliates in finance and by selloffs of minority interests in U.S. companies; these reductions more than offset substantial increases in gross product for Japanese-owned affiliates in motor-vehicle manufacturing and motor-vehicle wholesale trade.

By industry of affiliate

In 1999, as in 1998, affiliates classified in manufacturing accounted for more than half of the gross product of all nonbank affiliates (table 3). Among other sectors, wholesale trade accounted for the largest share of affiliate gross product; wholesale trade includes a number of large affiliates with substantial secondary operations in manufacturing.

The manufacturing share of total affiliate gross product decreased slightly, from 54 percent in

1998 to 52 percent in 1999. The rate of increase in affiliate gross product in manufacturing was more modest than the rates in most other sectors, partly because of selloffs of foreign ownership interests in U.S. manufacturing companies. Within manufacturing, the gross product of affiliates classified in primary metals decreased 25 percent, mainly as a result of selloffs. Because many of these selloffs were of minority interests, the decrease in the gross product of majority-owned affiliates in primary metals was much smaller—only 8 percent. Affiliate gross product in chemicals also decreased, partly because of affiliate selloffs of business units. In contrast, affiliate gross product in transportation equipment increased substantially, reflecting stepped-up production and sales by affiliates in the motor vehicle industry. As a result of these changes, transportation equipment overtook

Table 2.—Gross Product of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1997–99

	Millions of dollars			Percentage of all-countries total			Percentage of U.S. private-industry gross domestic product			Addendum: Percent change in affiliate gross product, 1998–99
	1997	1998	1999	1997	1998	1999	1997	1998	1999	
All nonbank affiliates:										
All countries	389,432	419,828	451,656	100.0	100.0	100.0	6.2	6.3	6.4	7.6
Canada	34,732	39,853	43,037	8.9	9.5	9.5	.5	.6	.6	8.0
Europe	248,970	268,466	294,501	63.9	63.9	65.2	3.9	4.0	4.1	9.7
France	36,182	37,443	42,243	9.3	8.9	9.4	.6	.6	.6	12.8
Germany	46,330	66,852	70,181	11.9	15.9	15.5	.7	1.0	1.0	5.0
Netherlands	34,740	29,165	35,618	8.9	6.9	7.9	.6	.4	.5	22.1
Switzerland	26,331	28,207	31,153	6.8	6.7	6.9	.4	.4	.4	10.4
United Kingdom	78,289	75,310	81,981	20.1	17.9	18.2	1.2	1.1	1.2	8.9
Other	27,099	31,489	33,326	7.0	7.5	7.4	.4	.5	.5	5.8
Latin America and Other Western Hemisphere	13,682	17,346	20,731	3.5	4.1	4.6	.2	.3	.3	19.5
Africa	2,870	2,912	1,250	.7	.7	.3	(*)	(*)	(*)	-57.1
Middle East	7,481	4,628	2,863	1.9	1.1	.6	.1	.1	(*)	-38.1
Asia and Pacific	74,541	79,039	79,454	19.1	18.8	17.6	1.2	1.2	1.1	.5
Japan	63,017	65,034	64,721	16.2	15.5	14.3	1.0	1.0	.9	-5
Other	11,524	14,005	14,733	3.0	3.3	3.3	.2	.2	.2	5.2
United States	7,156	7,585	9,820	1.8	1.8	2.2	.1	.1	.1	29.5
Majority-owned nonbank affiliates:										
All countries	313,655	353,860	390,957	100.0	100.0	100.0	5.0	5.3	5.5	10.5
Canada	29,779	34,174	36,538	9.5	9.7	9.3	.5	.5	.5	6.9
Europe	199,458	228,775	257,653	63.6	64.7	65.9	3.2	3.4	3.6	12.6
France	24,356	25,268	29,436	7.8	7.1	7.5	.4	.4	.4	16.5
Germany	36,914	57,975	61,175	11.8	16.4	15.6	.6	.9	.9	5.5
Netherlands	27,797	26,094	31,491	8.9	7.4	8.1	.4	.4	.4	20.7
Switzerland	22,268	22,798	26,053	7.1	6.4	6.7	.4	.3	.4	14.3
United Kingdom	66,112	70,602	79,198	21.1	20.0	20.3	1.0	1.1	1.1	12.2
Other	22,013	26,038	30,299	7.0	7.4	7.7	.3	.4	.4	16.4
Latin America and Other Western Hemisphere	12,126	15,732	19,361	3.9	4.4	5.0	.2	.2	.3	23.1
Africa	(P)	(P)	1,212	(P)	(P)	.3	(P)	(P)	(*)	(P)
Middle East	2,619	2,460	2,103	.8	.7	.5	(*)	(*)	(*)	-14.5
Asia and Pacific	65,069	68,005	69,230	20.7	19.2	17.7	1.0	1.0	1.0	1.8
Japan	55,280	56,291	56,965	17.6	15.9	14.6	.9	.8	.8	1.2
Other	9,789	11,714	12,265	3.1	3.3	3.1	.2	.2	.2	4.7
United States	(P)	(P)	4,860	(P)	(P)	1.2	(P)	(P)	.1	(P)

* Less than 0.05 percent.

(P) Suppressed to avoid disclosure of data of individual companies.

chemicals to become the largest manufacturing subsector in terms of affiliate gross product. Prior to 1998, a year of major new foreign investment in the motor vehicle industry, the gross product of affiliates in transportation equipment had been less than half that of affiliates in chemicals.

Outside of manufacturing, the gross product of affiliates increased substantially in 1999 in the information, the finance and insurance, and the "real estate and rental and leasing" sectors. The increase in the information sector was mainly due to new foreign investments in the telecommunications and publishing industries. In the finance and insurance sector, the increase in affiliate gross

product reflected both new acquisitions and increases in value added from existing affiliate operations. In the "real estate and rental and leasing" sector, the increase was partly due to changes in the industry classification of affiliates with operations in more than one industry.⁷

7. Each U.S. affiliate is classified in the industry that accounts for the largest portion of its sales. Many U.S. affiliates are involved in a variety of business activities; changes in the mix of these activities can cause an affiliate's industry classification to change, but an affiliate is reclassified only if the changes are significant or have persisted for at least 2 years.

Table 3.—Gross Product of Nonbank U.S. Affiliates by Industry of Affiliate, 1997–99

	Millions of dollars			Percentage of all-industries total			Addendum: Percent change in affiliate gross product, 1998–99
	1997	1998	1999	1997	1998	1999	
All nonbank affiliates:							
All industries	389,432	419,828	451,656	100.0	100.0	100.0	7.6
Manufacturing	190,635	224,850	236,165	49.0	53.6	52.3	5.0
Food	11,092	11,048	10,950	2.8	2.6	2.4	–.9
Petroleum and coal products	23,476	24,819	26,042	6.0	5.9	5.8	4.9
Chemicals	41,199	42,576	41,288	10.6	10.1	9.1	–3.0
Plastics and rubber products	7,772	9,170	10,039	2.0	2.2	2.2	9.5
Nonmetallic mineral products	12,005	11,852	12,948	3.1	2.8	2.9	9.2
Primary metals	8,526	10,075	7,541	2.2	2.4	1.7	–25.2
Fabricated metal products	8,275	6,989	7,958	2.1	1.7	1.8	13.9
Machinery	13,856	14,277	14,664	3.6	3.4	3.2	2.7
Computers and electronic products	18,177	19,862	22,454	4.7	4.7	5.0	13.1
Electrical equipment, appliances, and components	9,534	9,958	10,744	2.4	2.4	2.4	7.9
Transportation equipment	14,694	37,147	43,211	3.8	8.8	9.6	16.3
Other	22,029	27,075	28,326	5.7	6.4	6.3	4.6
Wholesale trade	49,375	51,781	54,664	12.7	12.3	12.1	5.6
Retail trade	24,960	26,990	28,359	6.4	6.4	6.3	5.1
Information	27,838	23,147	27,581	7.1	5.5	6.1	19.2
Finance (except depository institutions) and insurance	27,820	23,780	27,969	7.1	5.7	6.2	17.6
Real estate and rental and leasing	8,987	9,765	11,850	2.3	2.3	2.6	21.3
Professional, scientific, and technical services	6,347	7,961	7,991	1.6	1.9	1.8	.4
Other industries	53,469	51,555	57,078	13.7	12.3	12.6	10.7
Majority-owned nonbank affiliates:							
All industries	313,655	353,860	390,957	100.0	100.0	100.0	10.5
Manufacturing	169,279	201,116	216,110	54.0	56.8	55.3	7.5
Food	9,929	9,947	10,580	3.2	2.8	2.7	6.4
Petroleum and coal products	19,764	21,637	(^D)	6.3	6.1	(^D)	(^D)
Chemicals	38,050	39,022	37,146	12.1	11.0	9.5	–4.8
Plastics and rubber products	7,136	8,506	9,229	2.3	2.4	2.4	8.5
Nonmetallic mineral products	11,472	11,265	12,310	3.7	3.2	3.1	9.3
Primary metals	5,155	6,541	6,026	1.6	1.8	1.5	–7.9
Fabricated metal products	6,506	6,333	7,054	2.1	1.8	1.8	11.4
Machinery	12,778	13,342	13,684	4.1	3.8	3.5	2.6
Computers and electronic products	17,425	17,826	21,068	5.6	5.0	5.4	18.2
Electrical equipment, appliances, and components	9,020	(^D)	10,246	2.9	(^D)	2.6	(^D)
Transportation equipment	12,970	34,982	40,397	4.1	9.9	10.3	15.5
Other	19,074	(^D)	(^D)	6.1	(^D)	(^D)	(^D)
Wholesale trade	44,489	47,877	52,406	14.2	13.5	13.4	9.5
Retail trade	15,901	17,990	20,050	5.1	5.1	5.1	11.5
Information	11,483	13,767	18,809	3.7	3.9	4.8	36.6
Finance (except depository institutions) and insurance	23,550	19,808	22,927	7.5	5.6	5.9	15.7
Real estate and rental and leasing	7,027	7,604	9,332	2.2	2.1	2.4	22.7
Professional, scientific, and technical services	5,619	6,743	7,829	1.8	1.9	2.0	16.1
Other industries	36,307	38,955	43,495	11.6	11.0	11.1	11.7

^D Suppressed to avoid disclosure of data of individual companies.

Employment

In 1999, employment by U.S. affiliates of foreign companies increased 6 percent, somewhat slower than in 1998 but faster than in any other year since 1989 (table 4). The increase, from 5.6 million to 6.0 million, reflected both new foreign investments and expansions in the operations of existing affiliates. In contrast, the increase in 1998 was mainly due to new investments. In 1999, employment by majority-owned affiliates more than accounted for the increase; employment by other affiliates decreased slightly, mainly as a result of selloffs.

The affiliate share of U.S. private-industry employment increased from 5.2 percent in 1998 to a record 5.4 percent in 1999. For majority-owned affiliates, the share increased from 4.3 percent to 4.5 percent.

By industry

In 1999, as in 1998, the affiliate share of U.S. employment at the broad sectoral level was highest in mining (15.9 percent), followed by manufacturing (13.6 percent) and information (9.3 percent) (table 5).⁸ In mining and in manufacturing, the affiliate shares edged up despite slight decreases in affiliate employment, because of proportionally larger decreases in total U.S. employment in the two sectors. In information, the affiliate share in-

Table 4.—Employment of Nonbank U.S. Affiliates of Foreign Companies, 1977–99

	Thousands of employees		Percentage of U.S. private-industry employment		Addendum: Employment of majority-owned nonbank affiliates as a percentage of that of all nonbank affiliates
	All nonbank affiliates	Majority-owned nonbank affiliates	All nonbank affiliates	Majority-owned nonbank affiliates	
1977	1,218.7	n.a.	1.7	n.a.	n.a.
1978	1,429.9	n.a.	1.9	n.a.	n.a.
1979	1,753.2	n.a.	2.3	n.a.	n.a.
1980	2,033.9	n.a.	2.7	n.a.	n.a.
1981	2,416.6	n.a.	3.1	n.a.	n.a.
1982	2,448.1	n.a.	3.2	n.a.	n.a.
1983	2,546.5	n.a.	3.3	n.a.	n.a.
1984	2,714.3	n.a.	3.4	n.a.	n.a.
1985	2,862.2	n.a.	3.4	n.a.	n.a.
1986	2,937.9	n.a.	3.5	n.a.	n.a.
1987	3,224.3	2,602.7	3.7	3.0	80.7
1988	3,844.2	3,119.0	4.3	3.5	81.1
1989	4,511.5	3,573.4	4.9	3.9	79.2
1990	4,734.5	3,841.7	5.1	4.2	81.1
1991	4,871.9	3,991.3	5.3	4.4	81.9
1992	4,715.4	3,903.9	5.1	4.3	82.8
1993	4,765.6	3,851.7	5.0	4.1	80.8
1994	4,840.5	3,954.0	4.9	4.1	81.7
1995	4,941.8	4,022.6	4.9	4.0	81.4
1996	5,105.0	4,155.6	5.0	4.1	81.4
1997	5,201.9	4,269.1	4.9	4.0	82.1
1998 ^r	5,646.1	4,669.5	5.2	4.3	82.7
1999 ^p	6,003.3	5,031.1	5.4	4.5	83.8
Percent change from preceding year:					
1988	19.2	19.8	.....	.....	.....
1989	17.4	14.6	.....	.....	.....
1990	4.9	7.5	.....	.....	.....
1991	-2.9	3.9	.....	.....	.....
1992	-3.2	-2.2	.....	.....	.....
1993	1.1	-1.3	.....	.....	.....
1994	1.6	2.7	.....	.....	.....
1995	2.1	1.7	.....	.....	.....
1996	3.3	3.3	.....	.....	.....
1997	1.9	2.7	.....	.....	.....
1998 ^r	8.5	9.4	.....	.....	.....
1999 ^p	6.3	7.7	.....	.....	.....

^p Preliminary.
^r Revised.
 n.a. Not available.
 NOTES.—For improved comparability with U.S.-affiliate employment, U.S. private-industry employment was adjusted to exclude employment in depository institutions and private households.
 For consistency with the coverage of the data on U.S. private-industry employment, U.S.-affiliate employment in Puerto Rico, in “other U.S. areas,” and in “foreign” was excluded from the U.S.-affiliate total when the employment shares were computed.

8. Employment data by industry of sales are used to estimate shares; this basis approximates the establishment-based disaggregation of the corresponding data for all U.S. businesses. See the box “Using Employment Data to Estimate Affiliate Shares of the U.S. Economy by Industry.”

Using Employment Data to Estimate Affiliate Shares of the U.S. Economy by Industry

In this article, data on employment are used to estimate affiliate shares of the U.S. economy by North American Industry Classification System (NAICS) industry because these data can be disaggregated by industry of sales, a basis that approximates the disaggregation of the data for all U.S. businesses by industry of establishment.¹ Thus, the data on affiliate employment can be used to calculate the affiliate shares of the U.S. economy at a greater level of industry detail than can be calculated using the gross product estimates or other data, which can only be disaggregated on the basis of industry of affiliate.²

In the classification by industry of sales, the data on affi-

late employment (and sales) are distributed among all of the industries in which the affiliate reports sales. As a result, employment classified by industry of sales should approximate that classified by industry of establishment (or plant), because an affiliate that has an establishment in an industry usually also has sales in that industry.³

In contrast, in the classification by industry of affiliate, all of the operations data (including the employment data) for an affiliate are assigned to that affiliate’s “primary” industry—that is, the industry in which it has the most sales.⁴ As a result, any affiliate operations that take place in secondary industries will be classified as operations in the primary industry.

1. The data for all U.S. businesses used to compute the affiliate shares of employment by NAICS industry are from the Census Bureau (see table 5, footnote 1).

2. Establishment-level data from a joint project of BEA and the Bureau of the Census can be used to calculate affiliate shares at an even greater level of detail. These data show each four-digit manufacturing industry in the Standard Industrial Classification; they are currently available for 1987–92. The data for foreign-owned manufacturing establishments are analyzed in a number of SURVEY articles that can be accessed at BEA’s Web site at <www.bea.doc.gov/bea/ai1.htm>. A forthcoming publication will present establishment data for both manufacturing and nonmanufacturing industries in the economic census year 1997 and will be on a NAICS basis.

3. However, this is not the case if one establishment of an affiliate provides all of its output to another establishment of that affiliate. For example, if an affiliate operates both a metal mine and a metal-manufacturing plant and if the entire output of the mine is used by the manufacturing plant, all of the affiliate’s sales will be in metal manufacturing, and none in metal mining. When the mining employees are distributed by industry of sales, they are classified in manufacturing even though the industry of that establishment is mining.

4. An affiliate’s primary industry is based on a breakdown of the affiliate’s sales by BEA International Surveys Industry classification code.

creased more than 1 percentage point, reflecting a 49,000 increase in affiliate employment. Most of this increase was due to foreign acquisitions of existing U.S. companies, particularly in the telecommunications industry.

Within manufacturing, the affiliate share of all-U.S.-business employment was highest in chemicals (33.3 percent), followed by nonmetallic mineral products (22.9 percent), electrical equipment, appliances and components (22.5 percent), and transportation equipment (20.2 percent). The affiliate share in electrical equipment, appliances, and components increased more than 3 percentage points, partly as a result of acquisitions by existing affiliates. The affiliate share in transportation equipment also increased substantially, reflecting increases in employment associated with both expanded production by affiliates in motor vehicles and new foreign investment in motor vehicle parts manufacturing. The affiliate share of employment in food and in beverages and tobacco decreased substantially; the decrease in the food industry mainly resulted from selloffs of foreign ownership interests in companies with large bakery operations, and the decrease in beverages and tobacco

was mainly due to affiliate selloffs of beverage manufacturing units.

In other sectors, the affiliate share of employment in “administration, support, waste management, and remediation services” increased substantially, reflecting large increases in employment associated with acquisitions, including some by existing affiliates. Within the finance and insurance sector, the affiliate share of employment in insurance increased, also as a result of acquisitions.

By State

In 1999, as in earlier years, the U.S.-affiliate shares of private-industry employment were highest in Hawaii (10.1 percent), South Carolina (8.7 percent), and North Carolina (7.7 percent); these three States also had the highest shares for majority-owned affiliates (table 6). Employment by affiliates in Hawaii was predominantly by Japanese-owned affiliates, particularly those in accommodation and food services. In contrast, affiliates with UBO’s in Europe accounted for about three-fourths of the employment by affiliates in both South Carolina and North Carolina.

Affiliates accounted for more than a fifth of manufacturing employment in two States—Kentucky (23.8 percent) and South Carolina (21.5 percent) (table 7). Most of the manufacturing employment of affiliates in Kentucky was by Japanese- and German-owned affiliates. Affiliates with UBO’s in Germany, France, and Japan together accounted for most of the manufacturing employment of affiliates in South Carolina. In both States, the affiliate shares of manufacturing employment increased in 1999, partly as a result of new investments. In contrast, the affiliate share of manufacturing employment decreased substantially in New Jersey—from 19.6 percent to 17.6 percent—mainly as a result of selloffs of foreign ownership interests in U.S. companies.

Data Availability

This article presents a summary of the preliminary estimates from the 1999 annual survey of foreign direct investment in the United States. More detailed estimates will be published this fall; the availability of these will be announced on the inside back cover of the SURVEY. Revised estimates will be published next year.

Estimates of U.S. affiliate operations in 1977–98 are available in compressed files that can be downloaded from BEA’s Web site at <www.bea.doc.gov>. The estimates for 1991–98 are also available in publications.

For more information on these products and how to order them, see the International Investment Division Product Guide on BEA’s Web site at <www.bea.doc.gov/bea/di1.htm>, or write to the Research Branch (BE-50), International Investment Division, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

[Trade In Goods, page 152.](#)

Table 5.—Employment by Nonbank U.S. Affiliates by Industry of Sales, 1997–99

	Thousands of employees						Percentage of total U.S. employment in nonbank private industries ¹					
	All nonbank affiliates			Majority-owned nonbank affiliates			All nonbank affiliates			Majority-owned nonbank affiliates		
	1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999
All industries ²	5,201.9	5,646.1	6,003.3	4,269.1	4,669.5	5,031.1	4.9	5.2	5.4	4.0	4.3	4.5
Agriculture, forestry, fishing, and hunting	23.4	24.2	26.8	12.1	J	13.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mining, excluding oil and gas extraction	63.9	63.3	58.4	50.5	56.2	52.5	16.0	15.8	15.9	12.7	14.0	14.3
Utilities	8.9	7.6	11.4	3.9	4.6	6.9	1.3	1.1	1.7	.6	.7	1.0
Construction	69.2	73.7	77.8	58.4	57.9	66.4	1.2	1.3	1.3	1.0	1.0	1.1
Manufacturing ³	2,103.0	2,290.8	2,274.8	1,875.9	2,053.2	2,065.0	12.4	13.4	13.6	11.0	12.0	12.3
Food	141.6	143.9	124.0	123.8	126.6	118.9	9.6	9.8	8.5	8.4	8.6	8.1
Beverages and tobacco products	29.7	36.1	32.5	29.0	K	J	16.8	20.9	18.8	16.5	(D)	(D)
Textile mills	28.9	26.2	26.0	24.7	22.6	23.3	7.4	6.8	7.2	6.3	5.9	6.4
Textile product mills	16.0	16.1	15.6	11.4	11.7	10.4	6.8	7.4	7.0	4.9	5.4	4.7
Apparel	34.9	28.7	32.3	20.9	17.2	24.0	4.9	4.3	5.6	2.9	2.6	4.2
Leather and allied products	2.3	2.9	1.9	1.4	2.0	1.5	2.7	3.7	2.5	1.7	2.6	2.0
Wood products	11.6	14.0	15.9	8.3	10.1	11.7	2.0	2.4	2.7	1.4	1.7	2.0
Paper	61.4	86.6	79.2	44.5	47.2	K	10.7	15.2	14.2	7.7	8.3	(D)
Printing and related support activities	53.4	47.6	52.7	52.3	45.2	50.0	6.4	5.6	6.3	6.3	5.4	6.0
Petroleum and coal products ⁴	39.3	37.7	35.2	31.0	K	25.9	18.1	18.1	17.7	14.2	(D)	14.5
Chemicals	305.6	306.8	294.9	281.2	278.1	270.1	34.8	34.1	33.3	32.1	30.9	30.5
Plastics and rubber products	140.5	148.4	142.4	127.8	137.6	127.2	13.7	14.4	13.6	12.5	13.4	12.1
Nonmetallic mineral products	109.8	118.5	117.0	103.3	112.2	112.8	21.8	23.3	22.9	20.5	22.1	22.1
Primary metals	92.9	102.2	97.0	69.6	80.4	82.2	15.2	16.6	16.2	11.4	13.1	13.8
Fabricated metal products	119.4	121.0	110.0	106.7	114.5	103.8	6.8	6.7	6.1	6.0	6.3	5.8
Machinery	200.6	200.7	211.7	185.3	186.5	197.3	14.2	13.9	15.1	13.1	12.9	14.1
Computer and electronic products	258.4	277.0	278.9	237.2	251.9	261.9	15.3	16.5	17.3	14.0	15.0	16.2
Electrical equipment, appliances, and components	115.5	116.0	131.7	110.4	111.5	126.0	19.4	19.3	22.5	18.6	18.5	21.5
Transportation equipment	242.2	363.9	385.4	220.7	343.2	357.6	13.1	19.0	20.2	11.9	18.0	18.8
Motor vehicles, bodies and trailers, and parts	210.9	328.5	343.0	190.2	308.6	320.5	18.5	28.2	29.3	16.7	26.5	27.4
Other	31.4	35.4	42.4	30.5	34.5	37.1	4.4	4.8	5.8	4.3	4.6	5.0
Furniture and related products	16.3	15.6	15.6	15.6	15.4	15.4	2.7	2.6	2.5	2.6	2.6	2.5
Miscellaneous manufacturing	82.5	80.9	75.1	70.9	75.0	71.8	11.4	11.0	10.2	9.8	10.2	9.8
Wholesale trade	379.2	392.4	407.1	339.5	355.9	367.2	6.5	6.7	6.8	5.9	6.0	6.1
Retail trade	718.6	711.2	761.6	530.0	535.6	585.7	5.1	5.0	5.3	3.8	3.8	4.0
Transportation and warehousing	182.2	152.4	179.7	123.2	139.3	168.8	6.2	4.4	5.0	4.2	4.0	4.7
Information	266.5	252.3	301.1	140.7	164.8	197.9	8.7	8.0	9.3	4.6	5.2	6.1
Publishing industries	71.5	93.1	101.1	62.0	82.9	87.2	7.1	9.2	10.1	6.2	8.2	8.7
Motion picture and sound recording industries	35.3	32.7	35.3	33.8	32.5	34.7	12.8	11.6	12.0	12.2	11.5	11.8
Broadcasting and telecommunications	129.0	96.8	127.2	14.9	22.0	42.7	9.0	6.6	8.5	1.0	1.5	2.8
Information services and data processing services	30.6	29.7	37.5	30.1	27.5	33.3	8.8	7.7	8.7	8.6	7.1	7.7
Finance (except depository institutions) and insurance	221.3	236.3	258.8	192.8	199.3	223.2	5.8	6.2	6.5	5.1	5.2	5.6
Finance, except depository institutions	78.1	93.8	103.8	73.1	82.2	91.2	5.3	6.2	6.3	5.0	5.4	5.5
Insurance carriers and related activities	143.3	142.5	155.0	119.7	117.1	132.1	6.1	5.2	6.6	5.1	5.1	5.6
Real estate and rental and leasing	54.7	62.5	72.1	42.8	44.5	49.3	3.2	3.4	3.8	2.5	2.5	2.6
Professional, scientific, and technical services ⁵	135.4	154.1	152.8	121.3	131.7	135.4	2.6	2.6	2.4	2.3	2.2	2.2
Management of nonbank companies and enterprises	3.1	2.4	.9	2.6	2.2	.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Administration, support, waste management, and remediation services	276.3	389.0	491.4	218.0	292.8	403.7	3.8	5.0	5.9	3.0	3.8	4.8
Educational services ⁵	7.1	10.0	9.3	6.0	7.6	6.4	2.8	n.a.	n.a.	2.4	n.a.	n.a.
Health care and social assistance ⁵	122.0	133.6	100.4	92.4	103.9	71.9	2.0	2.1	1.6	1.5	1.6	1.1
Arts, entertainment, and recreation ⁵	39.6	42.8	48.3	32.6	32.9	36.9	3.3	3.6	3.9	2.7	2.7	3.0
Accommodation and food services	293.2	354.4	401.5	218.8	M	252.8	3.1	3.7	4.2	2.3	(D)	2.6
Other services (except public administration and private households) ⁵	51.4	61.0	51.6	48.2	55.8	45.0	2.1	n.a.	n.a.	1.9	n.a.	n.a.
Auxiliaries, except management of companies and enterprises	149.2	191.2	295.6	126.6	166.8	260.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unspecified ⁶	33.8	41.0	21.9	32.8	39.8	21.9						

^D Suppressed to avoid disclosure of data of individual companies.

n.a. Data required to compute shares are not available.

1. The data on U.S. employment in private industries that were used in calculating these percentages are classified by industry of establishment.

For "all industries," they are from table 6.4C of the "National Income and Product Accounts (NIPA) Tables" in this issue of the SURVEY OF CURRENT BUSINESS. For industries at the sectoral level or below, the data for 1997 are from the Census Bureau's 1997 Economic Census, and the data for 1998 and 1999 are from the Census Bureau's County Business Patterns. For "all industries," the total for U.S. employment in nonbank private industries is equal to employment in private industries less the employment of depository institutions and private households. The U.S. private-industry employment totals used to calculate the affiliate shares in "all industries" in this table differ from the U.S. employment totals used to calculate affiliate shares in table 6; the latter are from BEA's Regional Economic Information System. The estimates in table 6, unlike those used for this table, do not exclude employment in depository institutions. In addition, the estimates used for table 6, unlike those used for this table, exclude U.S. residents temporarily employed abroad by U.S. businesses. They may also differ from NIPA estimates used for "all industries" in this table because of different definitions and revision schedules.

2. For consistency with the coverage of the data on U.S. employment in private industries, U.S.-affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate employment total when the percentage shares on this line were computed.

3. Total affiliate manufacturing employment and the shares of all-U.S.-business manufacturing employment accounted for by affiliates shown in this table differ from those shown in table 7. In this table, employment is classified by industry of sales, and the total for manufacturing includes some nonmanufacturing employees (see the box "Using Employment Data to Estimate Affiliate Shares of the Economy by Industry"), whereas in table 7, affiliate manufacturing employment consists only of employees on the payrolls of manufacturing plants. Data on the latter basis are

not available for the industries within manufacturing shown in this table. In addition, the total for manufacturing in this table includes oil and gas extraction, which is excluded from the total in table 7.

4. For both U.S. affiliates and all U.S. businesses, includes oil and gas extraction. (See note below.)

5. The data on U.S. employment used to calculate the percentages shown on this line cover taxable establishments only. For this industry, a breakdown between employment in taxable and tax-exempt establishments is included in data from the 1997 Economic Census but not in the data from County Business Patterns. Employment in taxable establishments in 1998 and 1999 was estimated by applying the ratio of employment in taxable establishments to total employment in the industry from the 1997 Economic Census data to the employment data from County Business Patterns.

6. This line includes all employment that U.S. affiliates did not specify in terms of industry of sales when they filled out their survey form. Affiliates that filed the long form (that is, affiliates with assets, sales, or net income or loss greater than \$100 million) had to specify only their 10 largest sales categories, and affiliates that filed the short form had to specify only their 4 largest sales categories.

NOTES.—A significant portion of U.S.-affiliate employment in petroleum and coal products is accounted for by integrated petroleum companies that have, in addition to their manufacturing employees, substantial numbers of employees in petroleum extraction; because these employees cannot be identified separately, they are included in petroleum and coal products manufacturing. For consistency, employees of affiliates classified in the "oil and gas extraction without refining" industry and employees of all U.S. businesses in oil and gas extraction are also included in petroleum and coal products manufacturing rather than in mining.

Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

Table 6.—Employment by Nonbank U.S. Affiliates by State, 1997–99

	Thousands of employees						Percentage of total private industry employment in the State ¹					
	All nonbank affiliates			Majority-owned nonbank affiliates			All nonbank affiliates			Majority-owned nonbank affiliates		
	1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999
Total ²	5,201.9	5,646.1	6,003.3	4,269.1	4,669.5	5,031.1	4.9	5.1	5.3	4.0	4.2	4.5
New England	344.8	378.4	399.7	302.0	327.9	347.8	5.9	6.3	6.5	5.1	5.4	5.7
Connecticut	89.1	98.9	103.4	81.8	89.9	93.7	6.1	6.7	6.9	5.6	6.1	6.2
Maine	32.0	32.9	32.6	22.3	22.7	21.7	6.8	6.8	6.5	4.7	4.7	4.3
Massachusetts	163.6	177.6	194.1	145.7	156.9	174.0	5.8	6.1	6.6	5.2	5.4	5.9
New Hampshire	31.6	35.6	36.1	26.9	29.8	30.0	6.2	6.8	6.7	5.3	5.7	5.6
Rhode Island	19.1	22.2	21.6	18.2	20.1	19.5	4.8	5.5	5.2	4.6	4.9	4.7
Vermont	9.4	11.2	11.9	7.1	8.5	8.9	3.9	4.5	4.7	2.9	3.4	3.5
Mideast	913.3	1,001.9	1,059.1	774.2	841.9	916.1	5.2	5.6	5.7	4.4	4.7	5.0
Delaware	19.1	24.8	28.3	14.9	19.9	24.4	5.6	7.0	7.7	4.3	5.6	6.6
District of Columbia	11.2	13.8	15.3	7.3	10.2	13.3	2.7	3.3	3.5	1.8	2.5	3.1
Maryland	91.8	95.5	98.7	62.6	67.7	89.0	4.8	4.9	4.9	3.3	3.5	4.4
New Jersey	212.5	237.2	245.1	192.3	200.9	210.0	6.6	7.2	7.3	6.0	6.1	6.3
New York	353.5	389.2	410.2	297.4	328.0	347.6	5.1	5.5	5.7	4.3	4.7	4.8
Pennsylvania	225.2	241.4	261.5	199.7	215.2	231.8	4.7	4.9	5.2	4.1	4.4	4.6
Great Lakes	839.6	1,012.3	1,055.2	723.1	878.6	922.9	4.5	5.3	5.4	3.9	4.6	4.8
Illinois	224.9	267.3	283.5	193.7	223.9	238.2	4.4	5.1	5.4	3.8	4.3	4.5
Indiana	128.9	160.9	165.1	113.0	140.1	145.0	5.1	6.2	6.2	4.5	5.4	5.5
Michigan	171.6	236.5	246.1	141.1	210.2	220.7	4.4	6.0	6.1	3.6	5.3	5.5
Ohio	236.3	258.7	260.1	204.5	223.5	227.3	4.9	5.3	5.3	4.3	4.6	4.6
Wisconsin	77.9	88.9	100.4	70.8	80.9	91.7	3.3	3.7	4.1	3.0	3.4	3.7
Plains	301.8	300.6	327.0	222.2	237.8	256.4	3.7	3.6	3.9	2.8	2.9	3.0
Iowa	37.9	36.1	40.1	32.1	31.8	34.9	3.1	2.9	3.2	2.7	2.6	2.7
Kansas	45.8	49.3	55.1	30.5	31.2	33.4	4.3	4.4	4.9	2.8	2.8	3.0
Minnesota	99.0	84.8	91.8	63.9	71.1	77.4	4.5	3.7	4.0	2.9	3.1	3.3
Missouri	85.0	92.9	100.5	68.5	74.0	80.8	3.7	4.0	4.2	3.0	3.2	3.4
Nebraska	20.3	21.5	25.3	14.3	14.9	19.3	2.8	2.9	3.3	2.0	2.0	2.5
North Dakota	3.7	5.6	7.7	3.3	5.1	4.8	1.4	2.1	2.9	1.3	2.0	1.8
South Dakota	10.1	10.4	6.5	9.6	9.7	5.8	3.4	3.4	2.1	3.2	3.2	1.8
Southeast	1,372.7	1,452.7	1,549.4	1,124.2	1,195.7	1,294.6	5.4	5.5	5.8	4.4	4.6	4.8
Alabama	66.0	73.9	78.3	52.5	57.9	61.6	4.2	4.6	4.8	3.3	3.6	3.8
Arkansas	34.0	37.2	37.8	29.6	31.1	31.3	3.6	3.9	3.9	3.1	3.2	3.2
Florida	242.3	263.2	286.0	174.3	190.1	207.9	4.3	4.5	4.7	3.1	3.2	3.4
Georgia	191.0	202.0	216.0	160.6	173.0	189.0	6.1	6.2	6.4	5.1	5.3	5.6
Kentucky	90.0	93.8	97.7	71.9	75.0	81.4	6.1	6.3	6.4	4.9	5.0	5.3
Louisiana	58.3	59.8	63.1	46.2	45.8	49.2	3.8	3.8	4.0	3.0	2.9	3.1
Mississippi	22.9	23.8	25.6	17.3	18.2	19.8	2.5	2.5	2.7	1.9	1.9	2.1
North Carolina	226.3	239.9	258.8	195.6	208.5	226.0	7.1	7.4	7.7	6.1	6.4	6.8
South Carolina	119.5	126.3	136.0	111.4	117.4	126.9	8.1	8.3	8.7	7.5	7.7	8.1
Tennessee	147.5	148.7	151.8	127.1	128.3	132.8	6.5	6.4	6.4	5.6	5.5	5.6
Virginia	147.3	155.0	170.5	117.5	126.5	144.9	5.4	5.6	6.0	4.3	4.6	5.1
West Virginia	27.6	29.1	27.8	20.2	23.9	23.8	4.9	5.1	4.8	3.6	4.2	4.1
Southwest	463.9	508.1	541.3	356.4	397.1	425.4	4.3	4.5	4.7	3.3	3.5	3.7
Arizona	59.7	64.4	70.8	43.0	46.4	53.5	3.4	3.5	3.7	2.5	2.5	2.8
New Mexico	18.3	17.8	16.4	11.3	11.2	10.2	3.3	3.2	2.9	2.0	2.0	1.8
Oklahoma	34.7	40.2	43.9	29.2	30.9	33.3	3.0	3.4	3.6	2.5	2.6	2.7
Texas	351.2	385.7	410.2	272.9	308.6	328.4	4.8	5.0	5.2	3.7	4.0	4.2
Rocky Mountain	140.9	140.3	165.2	95.4	97.2	122.7	4.0	3.9	4.4	2.7	2.7	3.3
Colorado	81.6	77.3	91.4	56.1	56.1	72.2	4.7	4.3	4.9	3.2	3.1	3.9
Idaho	12.4	14.3	18.4	7.1	7.8	11.0	2.9	3.2	4.0	1.7	1.8	2.4
Montana	4.5	7.0	13.7	2.8	4.8	9.7	1.5	2.3	4.4	.9	1.6	3.1
Utah	35.3	33.9	35.0	24.2	22.6	24.6	4.1	3.8	3.9	2.8	2.6	2.7
Wyoming	7.1	7.8	6.7	5.2	5.9	5.2	4.1	4.4	3.7	3.0	3.4	2.9
Far West	795.4	827.5	881.4	648.5	671.7	721.7	4.8	4.8	5.0	3.9	3.9	4.1
Alaska	9.1	10.5	10.5	8.5	9.3	9.1	4.5	5.1	5.0	4.2	4.5	4.3
California	569.6	598.7	638.8	467.7	487.0	526.7	4.9	5.0	5.1	4.0	4.0	4.2
Hawaii	50.2	43.4	44.4	43.5	38.9	39.3	11.4	9.9	10.1	9.9	8.9	8.9
Nevada	26.5	28.3	32.7	19.7	21.3	24.9	3.2	3.3	3.6	2.4	2.5	2.8
Oregon	52.4	55.2	58.3	41.8	43.4	46.3	4.0	4.1	4.3	3.2	3.2	3.4
Washington	87.6	91.4	96.7	67.3	71.8	75.4	4.1	4.1	4.3	3.1	3.2	3.3
Puerto Rico	17.4	17.0	17.2	13.8	14.4	15.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other U.S. areas ³	10.2	7.1	7.7	7.5	6.8	7.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Foreign ⁴	1.9	(*)	.1	1.9	(*)	.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

* Less than 50 employees.

1. The data on employment in private industries used to calculate the shares shown in this table are from BEA's Regional Economic Information System. The totals are equal to employment in private industries less employment of private households. The U.S. employment totals used to calculate affiliate shares in this table differ from those used for table 4 and the all-industries line of table 5, which are from table 6.4C of the "National Income and Product Accounts (NIPA) Tables." They differ from the NIPA estimates of employment because they include depository institutions, and, by definition, they exclude U.S. residents temporarily employed abroad by U.S. businesses. They also

may differ from the NIPA estimates because of different definitions and revision schedules.

2. For consistency with the coverage of the private-industry employment data, U.S.-affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate employment total when the percentage shares on this line were computed.

3. Consists of the U.S. Virgin Islands, Guam, American Samoa, and all other outlying U.S. areas.

4. Consists of employees of U.S. affiliates working abroad.
n.a. Not available.

Table 7.—Manufacturing Employment by Nonbank U.S. Affiliates by State, 1997–99

	Thousands of employees						Percentage of total manufacturing employment in the State ¹					
	All nonbank affiliates			Majority-owned nonbank affiliates			All nonbank affiliates			Majority-owned nonbank affiliates		
	1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999
Total ²	2,063.7	2,256.9	2,250.1	1,846.3	2,030.3	2,045.4	12.2	13.3	13.5	10.9	11.9	12.2
New England	108.7	116.4	124.5	100.1	109.2	117.4	11.2	12.2	13.3	10.3	11.4	12.5
Connecticut	26.7	31.3	32.0	24.2	28.9	29.3	10.6	12.7	13.5	9.6	11.7	12.3
Maine	12.9	12.5	11.7	11.5	11.3	10.9	15.7	15.4	14.5	14.0	14.0	13.5
Massachusetts	43.8	44.7	53.2	40.3	42.4	50.8	10.5	10.9	13.1	9.7	10.3	12.6
New Hampshire	14.6	17.1	17.4	13.9	16.4	16.8	14.8	16.9	17.9	14.0	16.2	17.3
Rhode Island	7.2	8.1	6.5	7.0	7.7	6.3	9.5	10.9	9.1	9.3	10.4	8.8
Vermont	3.5	2.8	3.7	3.2	2.5	3.3	8.2	6.3	8.3	7.5	5.6	7.4
Mideast	284.6	309.6	293.9	M	M	274.5	12.8	14.2	13.8	(D)	(D)	12.9
Delaware	7.6	8.7	7.9	I	I	7.0	18.5	19.9	19.1	(D)	(D)	16.9
District of Columbia .....	.5	.6	.5	.5	.5	.4	17.5	18.4	16.6	17.5	16.7	13.8
Maryland	22.2	22.4	19.8	19.9	20.9	18.6	13.5	13.7	12.4	12.1	12.8	11.7
New Jersey	76.5	79.3	68.5	72.2	74.8	65.6	18.7	19.6	17.6	17.6	18.5	16.8
New York	75.0	82.4	76.0	68.2	74.9	68.7	9.5	11.0	10.4	8.7	10.0	9.4
Pennsylvania	102.8	116.4	121.1	96.8	109.9	114.2	12.4	14.2	15.0	11.7	13.4	14.1
Great Lakes	454.6	553.1	547.5	408.7	496.3	499.1	11.7	14.1	14.1	10.5	12.7	12.9
Illinois	104.4	115.8	111.6	95.3	104.2	101.0	11.8	13.1	13.0	10.7	11.8	11.7
Indiana	85.5	114.9	112.0	79.0	104.2	102.8	13.7	18.1	17.6	12.6	16.4	16.1
Michigan	84.1	126.1	126.6	72.1	111.3	113.4	10.1	15.2	15.5	8.7	13.4	13.9
Ohio	135.9	144.0	140.8	120.8	127.4	128.6	13.8	14.5	14.3	12.3	12.8	13.1
Wisconsin	44.7	52.2	56.5	41.5	49.2	53.3	7.9	9.2	9.8	7.4	8.7	9.3
Plains	127.3	140.3	143.6	116.5	127.4	131.2	9.4	10.1	10.5	8.6	9.2	9.6
Iowa	21.4	22.2	23.6	21.1	20.8	22.0	9.1	9.0	9.6	8.9	8.5	8.9
Kansas	17.2	18.6	19.4	15.3	16.9	18.2	8.9	9.5	9.9	7.9	8.6	9.3
Minnesota	32.5	34.5	33.9	28.8	30.8	30.2	8.5	9.1	8.9	7.5	8.1	8.0
Missouri	42.1	49.1	48.8	37.9	44.0	44.6	11.3	12.8	13.1	10.2	11.5	12.0
Nebraska	9.0	9.7	10.9	8.4	8.9	10.2	8.4	8.8	10.0	7.9	8.1	9.4
North Dakota	1.5	2.1	3.2	1.5	2.0	2.3	6.8	9.1	14.1	6.8	8.6	10.0
South Dakota	3.6	4.2	3.9	3.5	4.0	3.7	7.7	8.7	8.2	7.5	8.3	7.7
Southeast	629.4	650.2	653.5	562.4	580.8	590.8	14.7	15.2	15.5	13.1	13.6	14.0
Alabama	42.7	46.8	47.7	36.2	41.4	40.6	12.1	13.3	14.0	10.3	11.7	11.9
Arkansas	24.7	25.9	26.2	21.6	22.7	22.0	10.7	11.1	11.4	9.4	9.8	9.6
Florida	46.7	50.6	48.5	41.2	43.9	42.6	10.8	11.8	11.5	9.5	10.2	10.1
Georgia	83.8	89.8	83.0	75.4	81.1	76.7	15.7	16.8	15.6	14.1	15.2	14.5
Kentucky	63.5	66.5	69.6	50.1	53.2	58.5	22.0	23.8	23.8	17.4	18.3	20.0
Louisiana	21.0	21.6	24.1	18.9	18.9	22.2	12.7	12.6	14.6	11.4	11.0	13.4
Mississippi	12.3	12.4	13.8	10.5	10.7	11.9	5.4	5.4	6.2	4.6	4.6	5.3
North Carolina	117.5	117.5	122.6	107.7	107.3	114.3	15.2	15.2	16.2	13.9	13.9	15.1
South Carolina	68.5	70.9	72.4	65.1	66.4	68.2	19.8	20.7	21.5	18.8	19.3	20.3
Tennessee	86.8	85.1	81.0	80.0	78.3	75.6	17.9	17.6	17.0	16.5	16.2	15.9
Virginia	47.8	49.2	50.9	44.3	45.8	46.2	12.9	13.4	13.9	12.0	12.4	12.6
West Virginia	14.1	13.9	13.6	11.4	11.1	12.0	19.4	18.6	18.7	15.7	14.9	16.4
Southwest	166.9	186.2	184.4	150.9	171.9	171.3	12.3	13.3	13.6	11.1	12.3	12.7
Arizona	15.5	16.6	16.6	13.4	14.1	15.3	8.0	8.3	8.6	6.9	7.1	7.9
New Mexico	3.9	2.9	2.9	3.8	2.8	2.8	9.8	7.1	7.5	9.6	6.9	7.3
Oklahoma	15.6	15.9	15.7	15.1	14.9	15.2	9.5	9.4	9.4	9.2	8.9	9.1
Texas	131.9	150.8	149.2	118.6	140.1	138.0	13.7	15.3	15.6	12.4	14.2	14.4
Rocky Mountain	34.4	36.8	37.4	K	K	32.4	8.9	9.3	9.8	(D)	(D)	8.5
Colorado	19.4	18.4	18.4	16.7	14.8	15.4	11.2	10.6	11.2	9.6	8.5	9.3
Idaho	3.6	4.2	4.9	3.5	4.1	4.8	5.4	6.3	7.4	5.3	6.1	7.3
Montana .....	.6	1.2	2.7	F	F	2.1	3.1	5.8	13.2	(D)	(D)	10.2
Utah	9.3	11.6	10.3	8.2	9.3	9.0	7.8	9.3	8.4	6.9	7.5	7.4
Wyoming	1.5	1.4	1.1	1.4	1.4	1.1	17.8	16.0	11.2	16.6	15.7	11.6
Far West	245.4	255.4	256.0	206.3	218.3	220.3	10.2	10.5	10.7	8.5	8.9	9.2
Alaska	1.5	1.8	1.6	1.5	1.5	1.3	13.9	14.8	13.8	13.9	12.4	11.0
California	185.3	194.6	199.3	154.4	164.5	170.7	10.2	10.6	11.1	8.5	9.0	9.5
Hawaii	1.4	1.3	1.4	1.3	1.2	1.2	9.3	8.7	9.9	8.6	8.3	8.3
Nevada	5.2	5.2	5.2	5.0	4.9	4.7	13.7	13.2	13.3	13.2	12.6	12.1
Oregon	21.7	21.0	20.4	19.0	18.3	17.8	10.2	9.9	9.7	8.9	8.6	8.5
Washington	30.3	31.6	28.0	25.1	27.9	24.6	9.2	9.4	8.5	7.6	8.3	7.4
Puerto Rico	9.7	8.6	8.8	7.5	7.3	8.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other U.S. areas ³	2.7	.2	.4	.2	.2	.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Foreign ⁴	0	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

^D Suppressed to avoid disclosure of data of individual companies.

1. The data on employment in manufacturing used to calculate these shares for 1997 are from the Census Bureau's 1997 Economic Census; for 1998 and 1999, the data are from the Census Bureau's *County Business Patterns*.

2. Total affiliate manufacturing employment and the shares of all-U.S.-business manufacturing employment accounted for by affiliates in this table differ from those shown in table 5 (see footnote 3 to table 5). For consistency with the coverage of the employment data for all U.S. manufacturing plants, U.S. affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate total when the percentage shares

on this line were computed.

3. Consists of the U.S. Virgin Islands, Guam, American Samoa, and all other outlying U.S. areas.

4. Consists of employees of U.S. affiliates working abroad.

n.a. Not available.

NOTE.—Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

Trade in Goods

U.S. affiliates of foreign companies have a major presence in U.S. trade in goods. In most years since 1977, they have accounted for 20–25 percent of U.S. exports of goods and for 30–35 percent of U.S. imports of goods; these shares are much higher than affiliates' shares of either gross product or employment (table 8).⁹ The relatively high affiliate shares in trade partly reflect the concentration of foreign direct investment activity in manufacturing, a sector that is much more trade intensive than most service sectors. They also reflect the activity of wholesale trade affiliates, which have served as conduits for flows of goods between the United States and the foreign investing countries.¹⁰ Trade in goods by U.S. affiliates has been dominated by majority-owned affiliates: In the past de-

cade, these affiliates have consistently accounted for more than 80 percent of affiliate exports and more than 90 percent of affiliate imports.

Much of the trade in goods by affiliates—about 40 percent of exports and 70 percent of imports—is intrafirm trade (that is, trade between the affiliates and their foreign parents or other member companies of their foreign parent groups). In most years, U.S.-affiliate intrafirm trade has accounted for 8–12 percent of U.S. exports and for 20–28 percent of U.S. imports; almost all of this trade has been by majority-owned affiliates.

Exports

In 1999, exports of goods by U.S. affiliates increased 1 percent, to \$152.2 billion (table 8). The increase was slightly slower than the 2-percent

9. U.S. trade flows with foreign affiliates of U.S. parent companies have accounted for roughly comparable shares of U.S. exports and imports of goods—about 25–30 percent of exports and about 20 percent of imports in most years since 1982.

10. In 1999, affiliates in wholesale trade accounted for 32 percent of affiliate exports and for 51 percent of affiliate imports. These affiliates played an even larger role in U.S.-affiliate trade in earlier years: In each year in 1977–91, wholesale trade affiliates accounted for more than 50 percent of affiliate exports and for more than 60 percent of affiliate imports.

Table 8.—U.S. Trade in Goods by Nonbank U.S. Affiliates, 1977–99

	Millions of dollars				U.S. exports of goods shipped by affiliates as a percentage of total U.S. exports of goods		U.S. imports of goods shipped to affiliates as a percentage of total U.S. imports of goods	
	U.S. exports of goods shipped by affiliates		U.S. imports of goods shipped to affiliates		Total	Of which: To the foreign parent group	Total	Of which: From the foreign parent group
	Total	Of which: To the foreign parent group	Total	Of which: From the foreign parent group				
All nonbank affiliates:								
1977	24,858	11,691	43,896	30,878	20.2	9.5	29.0	20.4
1978	32,169	16,570	56,567	39,466	22.1	11.4	32.1	22.4
1979	44,341	22,073	63,039	45,295	23.8	11.8	30.0	21.5
1980	52,199	20,983	75,803	47,010	23.1	9.3	30.9	19.2
1981	64,066	26,911	82,259	52,196	26.8	11.3	31.5	20.0
1982	60,236	25,024	84,290	51,915	27.8	11.6	34.6	21.3
1983	53,854	22,577	81,464	54,802	26.2	11.0	31.6	21.2
1984	58,186	27,072	100,489	70,451	26.0	12.1	30.4	21.3
1985	56,401	25,900	113,331	81,740	25.8	11.8	33.7	24.3
1986	49,560	21,873	125,732	93,418	21.9	9.7	34.4	25.5
1987	48,091	19,109	143,537	108,201	18.9	7.5	35.3	26.6
1988	69,541	26,425	155,533	118,362	21.5	8.2	35.2	26.8
1989	86,316	34,276	171,847	129,926	23.8	9.4	36.3	27.4
1990	92,308	37,764	182,936	137,458	23.5	9.6	36.9	27.8
1991	96,933	42,222	178,702	132,166	23.0	10.0	36.7	27.1
1992	103,925	48,767	184,464	137,799	23.2	10.9	34.6	25.9
1993	106,615	47,350	200,599	150,789	22.9	10.2	34.6	26.0
1994	120,683	51,147	232,362	174,641	23.5	10.0	35.0	26.3
1995	135,153	57,246	250,824	191,222	23.1	9.8	33.7	25.7
1996	140,886	60,831	268,673	197,656	22.5	9.7	33.8	24.9
1997	141,305	63,025	264,924	202,355	20.5	9.1	30.5	23.3
1998 ^r	151,005	57,565	292,046	205,181	22.1	8.4	32.0	22.5
1999 ^p	152,229	59,516	307,111	225,831	21.9	8.6	30.0	22.0
Majority-owned nonbank affiliates:								
1988	57,209	26,001	144,896	112,012	17.7	8.0	32.8	25.3
1989	72,413	33,778	158,792	122,899	19.9	9.3	33.5	26.0
1990	79,368	37,177	170,677	131,665	20.2	9.5	34.5	26.6
1991	85,254	41,373	169,362	128,143	20.2	9.8	34.8	26.3
1992	91,686	47,567	172,260	132,217	20.5	10.6	32.3	24.8
1993	94,329	46,241	186,369	144,698	20.3	9.9	32.1	24.9
1994	107,057	49,864	214,485	166,085	20.9	9.7	32.3	25.0
1995	121,277	55,842	232,250	182,148	20.7	9.5	31.2	24.5
1996	125,897	59,544	248,562	187,889	20.1	9.5	31.3	23.6
1997	128,394	61,288	249,310	193,969	18.6	8.9	28.7	22.3
1998 ^r	136,949	56,115	277,909	199,524	20.1	8.2	30.5	21.9
1999 ^p	139,272	58,012	294,794	221,068	20.0	8.3	28.8	21.6

^p Preliminary.

^r Revised.

NOTE.—The data on total U.S. exports and imports of goods that were used to calculate the shares shown in

this table are Census-based data published in BEA's international transactions accounts (see table 2, lines A1 and A9 in Douglas B. Weinberg, "U.S. International Transactions, First Quarter 2001," SURVEY OF CURRENT BUSINESS 81 (July 2001): 56–57).

growth rate for total U.S. exports of goods; as a result, the affiliate share of U.S. exports of goods decreased slightly from 22.1 percent in 1998 to 21.9 percent in 1999. In 1998, affiliate exports had increased 7 percent despite a decrease in total U.S. exports, mainly as a result of foreign acquisitions of U.S. manufacturing companies with large exports.

The slow growth in affiliate exports in 1999 can be attributed to a \$4.8 billion, or 10-percent, decrease in exports by Japanese-owned affiliates; exports by affiliates with UBO's in other countries increased 6 percent (table 9). The decrease in exports by Japanese-owned affiliates, which followed a 12-percent decrease in 1998, partly reflected sluggish growth in the Japanese economy, which held down Japanese demand for U.S. goods.¹¹ The decreases in both years were mainly accounted for by reduced exports by wholesale trade affiliates, particularly affiliates of Japan's large general trading companies, which have long played a central role in handling shipments of U.S. goods to Japan. As a result of the decreases in exports, the Japa-

nese-owned affiliates' share of total U.S.-affiliate exports of goods dropped from 37 percent in 1997 to 27 percent in 1999.

Among affiliates of other investing countries, exports by German-owned affiliates increased \$2.8 billion in 1999, largely as a result of expanded exports by affiliates in the motor vehicle and electrical equipment industries; the German-owned affiliates' share of U.S.-affiliate exports of goods increased from 19 percent to 21 percent. Exports by the Netherlands-owned affiliates increased \$1.2 billion, mainly as a result of expanded exports by affiliates in the computer and electronic products industry.

Imports

In 1999, imports of goods by U.S. affiliates increased 5 percent, to \$307.1 billion. Total U.S. imports of goods increased at a much faster rate of 12 percent, so the affiliate share of U.S. imports of goods decreased from 32.0 percent in 1998 to 30.0 percent in 1999. The affiliate share had increased in 1998 as a result of foreign acquisitions of companies with large imports.

The decrease in the affiliate share of U.S. imports was partly attributable to large increases in imports by other U.S. firms from countries, such

11. Data on the destination of U.S.-affiliate exports, which were most recently collected in the 1997 Benchmark Survey of Foreign Direct Investment in the United States, indicate that exports to Japan accounted for 52 percent of the total exports of Japanese-owned affiliates in 1997.

Table 9.—U.S. Trade in Goods of Nonbank U.S. Affiliates by Selected Country of Ultimate Beneficial Owner, 1997–99

	Millions of dollars			Percentage of all-countries total			Percentage of total U.S. exports or imports of goods			Addendum: Percent change in affiliate exports or imports, 1998–99
	1997	1998	1999	1997	1998	1999	1997	1998	1999	
U.S. exports shipped by affiliates:										
All countries	141,305	151,005	152,229	100.0	100.0	100.0	20.5	22.1	21.9	.8
Canada	8,155	7,958	7,515	5.8	5.3	4.9	1.2	1.2	1.1	-5.6
France	14,112	15,172	16,358	10.0	10.0	10.7	2.0	2.2	2.4	7.8
Germany	14,114	28,848	31,637	10.0	19.1	20.8	2.0	4.2	4.5	9.7
Netherlands	4,713	4,151	5,309	3.3	2.7	3.5	.7	.6	.8	27.9
Sweden	3,665	4,463	4,274	2.6	3.0	2.8	.5	.7	.6	-4.2
Switzerland	5,857	5,411	5,353	4.1	3.6	3.5	.8	.8	.8	1.1
United Kingdom	14,461	15,690	15,713	10.2	10.4	10.3	2.1	2.3	2.3	.1
Japan	52,524	45,998	41,180	37.2	30.5	27.1	7.6	6.7	5.9	-10.5
Korea, Republic of	5,064	4,848	5,766	3.6	3.2	3.8	.7	.7	.8	18.9
Other	18,640	18,466	19,124	13.2	12.2	12.6	2.7	2.7	2.7	3.6
U.S. imports shipped to affiliates:										
All countries	264,924	292,046	307,111	100.0	100.0	100.0	30.5	32.0	30.0	5.2
Canada	15,333	15,494	16,292	5.8	5.3	5.3	1.8	1.7	1.6	5.2
France	12,847	12,684	15,331	4.8	4.3	5.0	1.5	1.4	1.5	20.9
Germany	32,206	55,076	53,194	12.2	18.9	17.3	3.7	6.0	5.2	-3.4
Netherlands	11,435	10,416	15,932	4.3	3.6	5.2	1.3	1.1	1.6	53.0
Sweden	5,510	6,874	4,344	2.1	2.4	1.4	.6	.8	.4	-36.8
Switzerland	6,633	6,769	6,907	2.5	2.3	2.2	.8	.7	.7	2.0
United Kingdom	15,309	16,683	19,028	5.8	5.7	6.2	1.8	1.8	1.9	14.1
Japan	120,693	122,567	123,867	45.6	42.0	40.3	13.9	13.4	12.1	1.1
Korea, Republic of	9,229	12,439	15,507	3.5	4.3	5.0	1.1	1.4	1.5	24.7
Other	35,729	33,044	36,709	13.5	11.3	12.0	4.1	3.6	3.6	11.1

NOTE.—Affiliates of the nine countries listed in this table accounted for the largest shares of affiliate trade in each of the years 1997–99.

as Mexico and China, that do not have a major investment presence in the United States and thus for which U.S.-affiliate trade has been relatively minor.¹²

By country of UBO, imports increased only marginally for Japanese-owned affiliates (which

12. Data on the origin of U.S.-affiliate imports, which were collected most recently in the 1997 benchmark survey, indicate that affiliates accounted for only 14 percent of U.S. imports from Mexico and only 4 percent of U.S. imports from China. In contrast, affiliates accounted for 37 percent of U.S. imports from Europe and 82 percent of U.S. imports from Japan.

accounted for the largest share of affiliate imports) and decreased 3 percent for German-owned affiliates (which accounted for the second-largest share). The low rate of increase for Japanese-owned affiliates was partly due to reduced imports by wholesale trade affiliates. The decrease for German-owned affiliates was mainly a result of reduced imports by manufacturing affiliates.


Tables 10 and 11 follow. 

Table 10.1—Selected Data of Nonbank U.S. Affiliates by Industry of Affiliate, 1998

	Millions of dollars							Thou- sands of employ- ees	Millions of dollars	
	Total assets	Gross property, plant, and equipment	Expendi- tures for prop- erty, plant, and equip- ment	Sales	Net income	Gross product	Com- pen- sation of employees		U.S. ex- ports of goods shipped by affil- iates	U.S. im- ports of goods shipped to affil- iates
All industries	3,534,509	990,332	136,292	1,875,489	32,312	419,828	262,112	5,646.1	151,005	292,046
Manufacturing	875,574	506,474	59,087	831,401	17,634	224,850	135,830	2,547.0	88,088	130,203
Food	44,698	21,677	1,996	49,571	750	11,048	7,032	163.4	2,380	3,521
Beverages and tobacco products	27,518	6,429	563	15,119	830	4,679	2,067	40.1	1,519	1,242
Textiles, apparel, and leather products	8,096	5,613	430	8,774	207	3,180	2,257	69.1	455	518
Wood products	1,695	1,198	96	2,225	135	690	433	11.8	222	236
Paper	28,413	19,647	1,272	19,723	28	7,411	4,521	87.2	1,756	627
Printing and related support activities	6,509	4,650	417	6,862	-180	2,720	2,402	44.8	152	294
Petroleum and coal products	106,887	121,617	10,720	93,659	304	24,819	5,880	76.5	2,908	9,133
Chemicals	195,855	95,188	10,692	142,124	3,373	42,576	25,350	379.0	14,892	14,403
Basic chemicals	47,848	38,704	4,420	35,335	939	9,917	5,512	83.7	4,579	3,663
Resins and synthetic rubber, fibers, and filaments	19,719	10,397	1,181	15,682	-18	4,099	2,450	39.1	2,490	1,367
Pharmaceuticals and medicines	81,651	26,311	2,955	53,397	1,507	18,297	11,406	144.9	4,172	7,400
Soap, cleaning compounds, and toilet preparations	21,552	7,376	630	20,228	1,038	5,502	3,218	55.4	947	436
Other	25,086	12,402	1,506	17,481	-93	4,762	2,764	55.9	2,704	1,536
Plastics and rubber products	25,179	19,508	2,368	26,174	295	9,170	6,448	138.9	2,316	3,633
Nonmetallic mineral products	36,301	27,690	2,516	29,768	1,947	11,852	6,581	136.4	870	1,624
Primary and fabricated metals	63,126	41,972	4,307	66,458	1,494	17,064	11,165	218.1	5,193	8,651
Primary metals	37,537	30,842	2,982	42,042	728	10,075	6,258	102.7	3,133	6,275
Fabricated metal products	25,590	11,130	1,325	24,416	766	6,989	4,908	115.3	2,060	2,376
Machinery	41,357	15,119	1,637	47,837	948	14,277	10,248	205.6	7,403	6,980
Agriculture, construction, and mining machinery	8,154	2,522	332	9,488	292	2,524	1,537	35.5	1,290	1,884
Industrial machinery	5,041	2,272	229	5,738	-144	1,817	1,383	24.3	1,236	1,040
Other	28,162	10,325	1,076	32,611	800	9,936	7,328	145.9	4,877	4,056
Computers and electronic products	84,530	34,737	6,328	96,718	-2,009	19,862	16,595	289.4	15,782	29,072
Computers and peripheral equipment	9,457	3,103	447	16,064	-1,074	1,738	2,019	35.6	2,748	(P)
Communications equipment	23,286	6,315	1,115	26,351	-1,090	5,108	4,681	82.7	4,475	5,922
Audio and video equipment	(P)	(P)	(P)	(P)	(P)	(P)	(P)	K	(P)	(P)
Semiconductors and other electronic components	21,202	13,940	2,830	20,669	15	5,327	3,753	74.7	3,132	5,277
Navigational, measuring, and other instruments	11,216	3,017	712	(P)	(P)	2,867	2,495	43.0	(P)	668
Magnetic and optical media	(P)	(P)	(P)	2,854	-179	(P)	(P)	J	305	386
Electrical equipment, appliances, and components	30,381	13,163	1,400	32,388	1,235	9,958	7,277	166.3	4,906	2,968
Transportation equipment	148,706	68,915	13,205	171,886	7,287	37,147	21,869	383.6	25,253	45,999
Motor vehicles, bodies and trailers, and parts	138,678	66,851	12,853	163,143	7,078	34,585	19,914	341.4	23,288	44,455
Other	10,028	2,065	352	8,743	210	2,562	1,955	42.2	1,965	1,544
Furniture and related products	1,034	521	77	1,739	77	599	427	14.8	71	64
Miscellaneous manufacturing	25,289	8,829	1,063	20,376	913	7,797	5,277	122.1	2,011	1,240
Wholesale trade	290,419	104,795	24,685	496,320	4,251	51,781	27,536	520.7	55,821	154,483
Motor vehicles and motor vehicle parts and supplies	90,871	46,239	15,700	111,894	1,087	10,095	4,228	69.2	4,017	46,409
Professional and commercial equipment and supplies	23,107	7,673	1,744	38,742	428	5,893	3,766	73.4	2,293	17,668
Electrical goods	30,397	9,064	1,532	53,858	164	6,892	4,221	75.9	4,775	25,360
Other durable goods	51,414	14,132	1,720	95,299	1,000	10,774	6,444	123.0	13,821	31,716
Petroleum and petroleum products	21,929	7,205	672	52,647	44	4,847	864	11.5	3,559	6,426
Other nondurable goods	72,701	20,482	3,317	143,879	1,528	13,280	8,012	167.7	27,356	26,903
Retail trade	52,616	34,348	4,398	99,526	1,021	26,990	15,427	685.1	1,400	4,008
Food and beverage stores	30,820	24,901	3,039	70,574	1,298	19,006	10,601	495.3	14	424
Other	21,797	9,447	1,359	28,953	-277	7,984	4,826	189.8	1,385	3,583
Information	156,137	58,162	9,343	74,039	-1,027	23,147	14,928	270.1	838	209
Publishing industries	54,481	7,454	1,132	27,891	1,090	10,610	6,726	119.7	(P)	(P)
Motion picture and sound recording industries	20,828	3,083	423	7,739	243	1,402	1,299	27.4	(P)	0
Broadcasting and telecommunications	76,823	46,255	7,594	34,809	-2,535	9,585	5,876	107.4	1	(P)
Broadcasting, cable networks, and program distribution	25,843	3,486	532	10,913	-174	2,457	1,334	19.9	0	0
Telecommunications	50,980	42,769	7,062	23,896	-2,361	7,129	4,542	87.5	1	(P)
Information services and data processing services	4,005	1,370	194	3,600	175	1,549	1,027	15.6	2	0
Finance (except depository institutions) and insurance	1,791,843	41,039	8,220	181,630	9,986	23,780	22,665	235.1	0	2
Finance, except depository institutions	1,017,842	8,916	3,103	71,643	1,343	7,408	11,325	65.7	0	2
Insurance carriers and related activities	774,001	32,123	5,117	109,987	8,642	16,371	11,340	169.5	0	0
Real estate and rental and leasing	124,154	100,377	14,030	20,660	1,312	9,765	1,823	40.9	35	226
Real estate	108,897	93,316	12,286	16,462	891	7,796	1,177	22.6	(P)	(P)
Rental and leasing (except real estate)	15,257	7,061	1,743	4,197	420	1,970	646	18.3	(P)	(P)
Professional, scientific, and technical services	24,124	5,199	742	20,441	-273	7,961	7,335	108.8	288	228
Architectural, engineering, and related services	3,928	1,354	173	5,353	157	1,811	1,602	28.0	147	(P)
Computer systems design and related services	8,190	1,758	313	7,267	-495	3,018	2,944	39.2	97	(P)
Management, scientific, and technical consulting	1,026	79	15	555	60	335	249	2.5	(P)	0
Other	10,979	2,008	240	7,266	5	2,797	2,539	39.1	(P)	4
Other industries	219,641	139,938	15,788	151,473	-591	51,555	36,568	1,238.5	4,535	2,687
Agriculture, forestry, fishing, and hunting	5,041	3,371	420	2,127	104	726	444	12.3	304	92
Mining	50,172	49,477	4,685	22,737	-1,796	8,704	4,655	66.7	3,602	471
Utilities	19,758	12,603	1,383	23,896	689	2,460	594	9.3	53	1,831
Construction	15,449	6,697	1,693	27,026	-314	5,170	4,613	83.6	278	100
Transportation and warehousing	34,295	24,753	3,376	25,010	845	9,136	5,806	174.7	173	38
Management of nonbank companies and enterprises	16,145	239	57	(P)	(P)	-277	49	1.0	(*)	3
Administration, support, and waste management	16,317	6,837	975	18,013	-484	10,031	9,005	367.3	(P)	4
Health care and social assistance	12,393	3,882	418	8,784	-177	4,350	3,403	111.2	(P)	(P)
Accommodation and food services	32,996	24,796	1,551	17,529	202	9,057	6,139	332.1	(*)	3
Accommodation	26,175	21,514	1,199	8,368	63	4,470	2,367	95.9	(*)	3
Food services and drinking places	6,821	3,282	351	9,161	139	4,586	3,772	236.1	0	0
Miscellaneous services	17,075	7,283	1,229	(P)	(P)	2,199	1,861	80.2	43	(P)

* Less than \$500,000.

(P) Suppressed to avoid disclosure of data of individual companies.

Estimates for 1998 are revised.

NOTES.—Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

Table 10.2—Selected Data of Nonbank U.S. Affiliates by Industry of Affiliate, 1999

	Millions of dollars							Thousands of employees	Millions of dollars	
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Gross product	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All industries	4,135,217	1,069,209	136,283	2,035,356	27,535	451,656	289,958	6,003.3	152,229	307,111
Manufacturing	982,809	540,825	62,905	906,382	16,514	236,165	143,419	2,616.7	96,527	140,924
Food	43,908	21,840	2,061	50,426	255	10,950	6,333	156.3	2,441	4,162
Beverages and tobacco products	15,841	5,547	553	14,041	554	4,740	1,681	37.2	1,286	679
Textiles, apparel, and leather products	10,595	6,320	453	10,943	-655	2,805	2,523	71.2	531	826
Wood products	1,732	1,279	100	2,482	147	794	505	12.5	229	223
Paper	27,070	18,547	1,109	19,006	279	6,943	4,578	80.6	1,705	585
Printing and related support activities	9,746	5,887	994	9,258	-84	3,687	2,892	57.2	394	1,151
Petroleum and coal products	108,252	118,832	6,931	109,551	4,432	26,042	5,032	60.7	3,139	13,661
Chemicals	206,151	98,419	9,186	142,527	3,359	41,288	25,693	363.2	14,575	15,373
Basic chemicals	59,213	42,535	3,571	39,610	288	11,854	7,001	94.3	5,828	4,666
Resins and synthetic rubber, fibers, and filaments	14,678	9,208	796	11,297	162	2,647	1,552	30.6	1,207	1,015
Pharmaceuticals and medicines	88,881	26,376	2,617	53,618	2,247	16,303	10,796	130.7	4,166	7,841
Soap, cleaning compounds, and toilet preparations	21,611	8,227	774	21,430	938	6,339	3,606	60.8	910	407
Other	21,767	12,074	1,428	16,572	-277	4,146	2,738	46.9	2,463	1,444
Plastics and rubber products	28,723	20,804	2,425	30,372	884	10,039	7,098	144.0	2,651	4,332
Nonmetallic mineral products	44,280	33,098	3,482	33,997	1,948	12,948	7,243	143.0	971	1,871
Primary and fabricated metals	64,822	40,494	3,074	59,500	650	15,498	10,969	211.6	4,421	7,549
Primary metals	33,388	28,599	1,861	34,173	-176	7,541	5,264	89.6	2,368	5,275
Fabricated metal products	31,434	11,895	1,213	25,327	826	7,958	5,705	122.1	2,053	2,274
Machinery	62,054	17,411	1,896	50,952	-26	14,664	11,660	222.6	7,086	7,104
Agriculture, construction, and mining machinery	19,071	3,940	518	13,212	-49	2,836	2,300	47.6	2,143	2,104
Industrial machinery	6,957	2,959	231	6,786	-289	1,926	1,635	28.7	1,319	957
Other	36,026	10,511	1,146	30,954	313	9,903	7,724	146.2	3,625	4,043
Computers and electronic products	98,773	35,679	4,754	108,226	-2,878	22,454	18,792	291.0	16,991	33,685
Computers and peripheral equipment	5,558	2,160	277	13,215	-387	1,405	1,408	23.3	2,463	6,947
Communications equipment	34,671	7,728	1,207	34,799	-2,474	6,393	7,436	102.7	4,783	7,957
Audio and video equipment	(^D)	(^D)	754	(^D)	(^D)	4,007	3,187	35.8	(^D)	(^D)
Semiconductors and other electronic components	29,952	15,580	2,037	27,737	230	7,268	4,228	78.1	5,686	7,203
Navigational, measuring, and other instruments	8,796	2,685	306	(^D)	(^D)	2,691	2,047	37.0	(^D)	658
Magnetic and optical media	(^D)	(^D)	173	2,323	-580	689	485	14.2	26	(^D)
Electrical equipment, appliances, and components	41,001	14,887	1,810	39,974	128	10,744	8,494	189.9	7,187	3,246
Transportation equipment	185,592	89,087	22,341	201,609	7,767	43,211	23,606	422.6	30,476	45,064
Motor vehicles, bodies and trailers, and parts	172,456	86,583	21,905	191,837	7,754	40,693	21,433	380.6	28,332	43,439
Other	13,137	2,504	436	9,772	13	2,518	2,173	42.1	2,143	1,625
Furniture and related products	1,155	590	75	1,893	81	618	437	15.0	90	67
Miscellaneous manufacturing	33,116	12,104	1,664	21,626	-326	8,738	5,884	138.1	2,354	1,348
Wholesale trade	303,806	99,287	18,302	500,839	5,350	54,664	30,096	518.4	48,629	157,366
Motor vehicles and motor vehicle parts and supplies	83,519	42,794	12,042	112,896	2,043	10,656	4,222	66.1	2,651	50,070
Professional and commercial equipment and supplies	25,793	8,495	1,132	42,467	-7	6,610	4,803	76.3	4,012	16,970
Electrical goods	29,206	8,292	1,080	53,946	184	6,978	4,141	70.3	4,937	27,159
Other durable goods	48,798	12,424	1,131	87,881	1,062	9,482	6,124	119.5	10,437	29,736
Petroleum and petroleum products	21,788	6,562	517	54,988	-21	5,221	983	10.2	3,221	7,968
Other nondurable goods	94,702	20,721	2,400	148,661	2,089	15,718	9,823	176.1	23,372	25,463
Retail trade	70,956	37,694	5,226	114,300	1,555	28,359	16,794	737.0	1,521	4,303
Food and beverage stores	36,191	27,814	3,847	75,663	1,479	18,895	11,140	510.2	4	430
Other	34,765	9,880	1,379	38,637	76	9,464	5,654	226.8	1,517	3,873
Information	212,450	77,803	12,881	91,453	-3,423	27,581	19,534	332.2	1,053	160
Publishing industries	62,715	8,552	1,236	32,183	416	11,605	8,059	133.8	(^D)	(^D)
Motion picture and sound recording industries	26,015	4,292	762	8,035	312	1,581	1,304	34.6	(^D)	0
Broadcasting and telecommunications	117,541	63,330	10,432	46,671	-4,278	12,502	8,780	142.5	6	(^D)
Broadcasting, cable networks, and program distribution	29,223	2,765	546	(^D)	(^D)	2,106	1,465	18.6	0	0
Telecommunications	88,318	60,565	9,886	(^D)	(^D)	10,396	7,315	123.9	6	(^D)
Information services and data processing services	6,179	1,628	450	4,565	127	1,893	1,391	21.3	5	0
Finance (except depository institutions) and insurance	2,162,809	51,872	8,985	206,641	9,750	27,969	27,760	263.6	0	1
Finance, except depository institutions	1,156,694	14,090	3,436	73,807	232	10,415	14,025	73.6	0	1
Insurance carriers and related activities	1,006,115	37,782	5,549	132,834	9,517	17,554	13,735	190.0	0	0
Real estate and rental and leasing	131,014	108,546	11,029	26,037	903	11,850	2,650	52.2	(^D)	562
Real estate	113,120	98,314	9,338	19,851	644	9,148	1,356	22.4	(^D)	(^D)
Rental and leasing (except real estate)	17,894	10,232	1,691	6,187	259	2,702	1,294	29.8	(^D)	(^D)
Professional, scientific, and technical services	27,319	6,114	1,023	21,865	-1,002	7,991	8,021	119.3	(^D)	357
Architectural, engineering, and related services	5,330	1,716	358	5,723	(*)	2,200	1,993	33.3	239	(^D)
Computer systems design and related services	8,952	1,971	367	7,649	-646	3,113	3,270	41.6	(^D)	(^D)
Management, scientific, and technical consulting	1,273	109	12	648	38	344	273	3.3	0	0
Other	11,765	2,318	287	7,844	-394	2,334	2,486	41.2	36	9
Other industries	244,053	147,068	15,931	167,840	-2,112	57,078	41,684	1,363.7	3,777	3,440
Agriculture, forestry, fishing, and hunting	6,290	4,070	523	2,813	115	1,040	598	16.2	355	144
Mining	45,189	43,429	3,671	20,047	-783	7,681	4,399	59.5	2,720	531
Utilities	28,234	16,939	2,831	32,358	526	2,417	708	12.7	146	2,481
Construction	17,184	6,946	1,995	30,615	86	6,342	5,249	85.7	189	29
Transportation and warehousing	37,063	31,922	2,473	27,307	-1,324	10,542	6,646	177.6	220	(^D)
Management of nonbank companies and enterprises	26,255	274	50	135	52	-1,054	94	1.2	(^D)	(^D)
Administration, support, and waste management	14,300	5,727	421	17,174	164	11,281	10,556	452.5	21	1
Health care and social assistance	11,619	3,697	287	8,727	-500	4,294	3,385	105.0	(^D)	(^D)
Accommodation and food services	32,471	25,733	2,053	22,134	-74	11,520	7,901	373.5	(^D)	2
Accommodation	24,313	21,038	1,453	8,602	-339	4,574	2,386	98.7	(^D)	2
Food services and drinking places	8,157	4,696	600	13,532	265	6,946	5,515	274.8	0	0
Miscellaneous services	25,450	8,331	1,626	6,530	-374	3,015	2,147	79.8	(^D)	62

* Less than \$500,000.

^D Suppressed to avoid disclosure of individual companies.

NOTE.—Estimates for 1999 are preliminary.

Table 11.1—Selected Data of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1998

	Millions of dollars							Thousands of employees	Millions of dollars	
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Gross product	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All countries	3,534,509	990,332	136,292	1,875,489	32,312	419,828	262,112	5,646.1	151,005	292,046
Canada	369,955	94,817	11,573	153,648	2,174	39,853	26,802	665.9	7,958	15,494
Europe	2,240,155	567,748	73,078	1,072,226	26,049	268,466	169,027	3,566.6	79,698	120,418
Austria	8,022	777	101	2,731	43	414	349	7.1	448	504
Belgium	16,464	13,189	1,484	22,580	778	6,099	3,021	130.8	497	1,206
Denmark	5,332	1,643	169	4,102	50	945	647	16.0	469	846
Finland	10,091	4,163	549	11,763	391	2,808	1,729	32.3	1,184	2,088
France	389,809	86,677	10,813	142,309	1,783	37,443	25,259	527.5	15,172	12,684
Germany	426,034	128,583	21,906	281,774	8,869	66,852	42,761	786.8	28,848	55,076
Ireland	22,967	9,263	785	14,150	-124	5,154	3,191	66.6	360	338
Italy	21,986	7,129	1,031	16,794	-52	3,499	2,755	62.2	1,341	2,983
Liechtenstein	795	456	37	776	20	243	175	2.8	66	221
Luxembourg	3,229	1,881	150	3,403	112	702	341	11.4	(P)	(P)
Netherlands	321,598	91,885	12,065	140,527	1,072	29,165	16,127	408.6	4,151	10,416
Norway	10,777	4,401	961	19,662	-279	2,141	1,750	42.4	756	841
Spain	3,559	1,465	254	2,047	-96	453	403	8.8	(P)	291
Sweden	54,076	13,763	1,915	37,913	953	8,811	5,408	110.7	4,463	6,874
Switzerland	454,802	32,112	4,300	104,620	4,201	28,207	21,391	378.9	5,411	6,769
United Kingdom	487,855	169,673	16,492	264,372	8,314	75,310	43,570	970.8	15,690	16,683
Other	2,759	688	66	2,702	14	217	153	2.9	46	(P)
Latin America and Other Western Hemisphere	74,620	33,148	3,514	59,844	1,078	17,346	8,863	223.2	5,572	9,888
South and Central America	36,647	18,702	1,295	33,236	482	8,471	3,090	63.4	2,352	8,601
Brazil	9,561	1,272	223	3,784	29	180	297	4.7	(P)	1,150
Mexico	8,309	3,194	307	9,143	123	1,644	1,120	30.9	817	2,890
Panama	3,380	1,318	71	2,602	-189	(P)	(P)	J	603	198
Venezuela	12,150	10,185	443	15,321	548	5,275	740	8.9	114	(P)
Other	3,246	2,733	251	2,386	-28	(P)	(P)	1	(P)	(P)
Other Western Hemisphere	37,973	14,446	2,219	26,608	595	8,875	5,773	159.7	3,219	1,287
Bahamas	1,217	881	62	937	-146	249	217	7.1	(P)	(P)
Bermuda	24,592	8,344	1,293	18,272	702	5,809	3,724	118.1	(P)	749
Netherlands Antilles	4,965	3,265	421	4,196	-5	1,616	1,239	15.8	(P)	141
United Kingdom Islands, Caribbean	7,105	1,900	436	3,114	50	1,182	575	18.2	17	350
Other	95	56	6	88	-5	18	19	.5	2	(P)
Africa	13,492	11,203	(P)	13,180	300	2,912	1,587	23.9	785	939
South Africa	8,483	(P)	402	11,560	321	2,027	1,126	18.3	(P)	(P)
Other	5,008	(P)	(P)	1,620	-21	884	462	5.6	(P)	(P)
Middle East	17,819	11,302	1,208	15,995	514	4,628	2,083	73.7	805	2,331
Israel	3,124	908	71	2,501	-23	525	431	9.3	388	(P)
Kuwait	2,073	2,064	79	839	149	433	76	2.7	(P)	12
Lebanon	961	907	51	487	206	196	101	2.5	(P)	(P)
Saudi Arabia	6,589	3,707	(P)	8,249	235	2,319	776	20.9	(P)	(P)
United Arab Emirates	2,489	2,472	(P)	559	43	243	67	2.1	66	74
Other	2,583	1,244	167	3,360	-96	912	632	36.1	(P)	42
Asia and Pacific	673,224	245,173	41,621	534,748	-1,000	79,039	50,601	1,032.2	55,221	142,092
Australia	61,468	17,159	3,416	28,199	-683	6,835	4,144	83.8	1,410	1,304
China	1,212	568	53	1,664	49	285	127	2.4	(P)	62
Hong Kong	9,036	6,408	816	6,794	-91	1,605	886	30.8	90	1,587
Indonesia	747	419	43	1,172	27	284	210	5.9	(P)	38
Japan	560,119	195,770	33,962	453,646	1,152	65,034	41,752	837.5	45,998	122,567
Korea, Republic of	15,069	6,906	1,505	22,535	-313	1,911	1,171	19.3	4,848	12,439
Malaysia	1,877	936	115	1,298	-2	350	288	7.0	158	14
New Zealand	597	173	11	1,239	-31	103	107	3.3	(P)	(P)
Philippines	237	156	13	124	53	102	21	.9	4	21
Singapore	7,416	5,174	520	4,804	-289	888	562	10.7	240	450
Taiwan	13,988	10,450	1,067	12,357	-799	1,405	1,127	26.0	1,101	3,051
Other	1,458	1,054	101	914	-73	236	206	4.5	(P)	(P)
United States	145,244	26,941	(P)	25,848	3,197	7,585	3,148	60.6	966	884
Addenda:										
European Union (15) ¹	1,771,735	530,458	67,736	945,057	22,114	237,730	145,598	3,140.2	73,421	111,533
OPEC ²	28,352	23,873	2,111	26,880	974	9,069	2,050	42.1	437	5,136

* Less than \$500,000.

^P Suppressed to avoid disclosure of data of individual companies.

1. The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indo-

nesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTES.—Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

Estimates for 1998 are revised.

Table 11.2—Selected Data of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1999

	Millions of dollars							Thousands of employees	Millions of dollars	
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Gross product	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All countries	4,135,217	1,069,209	136,283	2,035,356	27,535	451,656	289,958	6,003.3	152,229	307,111
Canada	410,254	102,411	11,096	159,743	-584	43,037	30,965	665.2	7,515	16,292
Europe	2,707,203	634,501	82,951	1,199,123	24,545	294,501	187,989	3,901.1	84,693	128,625
Austria	8,662	1,211	135	3,240	-51	500	516	10.9	335	595
Belgium	18,372	10,050	1,611	19,491	620	5,382	3,001	123.3	592	1,558
Denmark	7,044	1,649	148	4,334	66	993	709	13.7	376	652
Finland	10,263	4,760	689	13,869	81	3,057	1,975	35.2	1,351	2,754
France	512,368	107,917	13,283	167,417	-1,822	42,243	31,465	604.9	16,358	15,331
Germany	507,652	155,303	33,001	313,152	7,702	70,181	44,754	847.7	31,637	53,194
Ireland	22,488	8,397	677	13,596	239	4,841	3,347	64.2	318	310
Italy	35,114	9,455	1,074	21,303	-231	4,493	3,820	99.9	1,678	3,335
Liechtenstein	809	478	37	881	9	255	186	3.4	68	288
Luxembourg	3,281	1,990	160	3,301	154	676	298	8.6	411	(P)
Netherlands	449,446	97,944	7,502	182,093	4,360	35,618	19,322	484.8	5,309	15,932
Norway	9,213	4,380	1,051	22,293	-1,486	1,019	1,796	41.6	686	1,167
Spain	6,969	3,746	264	3,785	-69	960	549	11.5	154	762
Sweden	68,619	14,920	1,812	43,021	1,600	10,849	7,247	147.6	4,274	4,344
Switzerland	507,157	31,919	3,614	104,189	4,166	31,153	23,208	434.6	5,353	6,907
United Kingdom	536,127	179,499	17,767	279,117	9,189	81,981	45,583	965.6	15,713	19,028
Other	3,621	884	127	4,043	18	300	214	3.8	81	(P)
Latin America and Other Western Hemisphere	121,614	44,437	5,691	76,125	-1,303	20,731	12,211	290.7	6,139	12,164
South and Central America	31,406	18,856	1,549	36,479	130	8,226	3,109	62.6	2,209	10,201
Brazil	2,513	1,277	172	3,285	29	376	185	3.5	(P)	1,344
Mexico	11,293	5,253	769	10,394	-142	1,754	1,241	33.9	864	2,770
Panama	3,659	1,315	117	2,252	67	898	769	12.4	(P)	166
Venezuela	12,844	10,566	452	18,502	204	4,974	758	8.7	169	4,925
Other	1,098	445	40	2,046	-28	223	157	4.1	163	995
Other Western Hemisphere	90,208	25,581	4,142	39,646	-1,433	12,505	9,102	228.1	3,930	1,963
Bahamas	1,213	956	(P)	867	-258	205	214	6.7	(P)	43
Bermuda	49,590	15,996	2,465	26,206	-590	8,898	5,958	168.6	(P)	1,204
Netherlands Antilles	4,806	3,318	(P)	3,157	-36	1,682	1,404	15.9	(P)	(P)
United Kingdom Islands, Caribbean	34,405	5,181	1,021	9,251	-548	1,677	1,494	36.0	78	(P)
Other	194	130	9	165	-1	43	33	.8	6	8
Africa	5,411	3,012	342	4,704	89	1,250	898	13.2	375	215
South Africa	3,714	1,812	178	3,481	115	878	572	8.5	(P)	(P)
Other	1,697	1,199	164	1,223	-26	372	325	4.7	(P)	(P)
Middle East	18,103	10,500	932	12,599	348	2,863	1,757	48.6	696	1,194
Israel	3,795	955	73	2,606	-131	405	452	9.7	354	(P)
Kuwait	2,143	1,943	56	826	68	282	71	2.7	(P)	(P)
Lebanon	1,158	1,038	126	649	70	281	147	4.1	(P)	(*)
Saudi Arabia	6,771	3,573	308	6,120	244	1,136	661	15.3	98	(P)
United Arab Emirates	2,697	2,312	290	531	120	302	78	2.0	62	39
Other	1,538	679	79	1,867	-22	456	349	14.8	5	33
Asia and Pacific	654,272	243,584	30,455	543,281	-521	79,454	52,501	1,018.3	50,852	147,074
Australia	67,343	18,219	1,827	31,184	612	6,760	4,653	84.8	1,375	1,465
China	1,178	576	56	1,486	-5	197	129	2.4	1,017	105
Hong Kong	10,125	6,600	1,101	7,003	-327	1,302	809	25.5	110	1,809
Indonesia	676	422	35	1,030	-1	252	200	4.5	(P)	42
Japan	534,484	193,203	24,798	453,423	-327	64,721	43,154	834.2	41,180	123,867
Korea, Republic of	15,579	7,097	984	28,357	186	2,361	1,198	18.1	5,766	15,507
Malaysia	1,755	850	80	1,144	-38	279	253	5.9	(P)	15
New Zealand	587	85	10	1,179	-6	139	101	1.9	55	(P)
Philippines	270	161	14	197	20	54	20	.7	5	(P)
Singapore	7,499	4,894	497	4,231	-195	1,098	606	10.7	289	408
Taiwan	13,358	10,376	995	13,105	-409	2,004	1,159	25.0	924	3,183
Other	1,417	1,100	58	943	-32	287	220	4.5	12	76
United States	218,361	30,763	4,816	39,781	4,961	9,820	3,637	66.2	1,959	1,548
Addenda:										
European Union (15) ¹	2,187,693	597,339	78,179	1,068,696	21,846	261,913	162,686	3,419.2	78,538	119,450
OPEC ²	25,986	18,959	1,164	27,210	642	6,979	1,797	33.7	522	5,415

* Less than \$500,000.

^P Suppressed to avoid disclosure of data of individual companies.¹ The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, 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 1999 are preliminary.