

Foreign Direct Investment in the United States

New Investment in 2003

By Thomas W. Anderson

IN 2003, outlays by foreign direct investors to acquire or to establish U.S. businesses rose 11 percent to \$60.3 billion, the first increase since 2000; outlays were \$54.5 billion in 2002 (table 1 and chart 1).¹ Despite the increase, outlays for 2003 were still far less than in 1998–2001, when new investment outlays ranged from \$147.1 billion to \$335.6 billion.

The lower levels of outlays since 2001 reflect a variety of factors. Market conditions in some industries in which foreign direct investors were active in previous years, such as telecommunications and manufacturing, have been weak since 2001. In addition, worldwide merger and acquisition activity has slowed sharply.²

1. The estimates for 2003 are preliminary. The estimate of total outlays for 2002 has been revised up 4 percent from the preliminary estimate published last year; see Thomas W. Anderson, "Foreign Direct Investment in the United States: New Investment in 2002," *SURVEY OF CURRENT BUSINESS* 83 (June 2003): 55–62. For information on the coverage of the estimates, see the "Technical Note."

2. According to information from Thomson Financial Securities Data, the worldwide value of completed mergers and acquisitions in 2003 was less than half of the value in 2001.

The data presented in this article are from BEA's survey of new foreign direct investment in the United States that was conducted under the supervision of Dorrett E. Williams, with contributions by Constance T. Deve, Edward J. Kozierka, Ronald L. McNeil, and Joseph N. Poist. Karen E. Poffel and Neeta B. Kapoor programmed the tables.

Outlays in 2003 were boosted by substantial spending in financial industries; foreign banks, whose expansion opportunities are sometimes limited by regulations in their home markets, sought to gain access to the large U.S. banking and consumer credit markets. As in other recent years, large investments of more than \$5 billion accounted for a sizable share of total outlays (table 2).

Chart 1. Outlays for New Investment in the United States by Foreign Direct Investors, 1980–2003

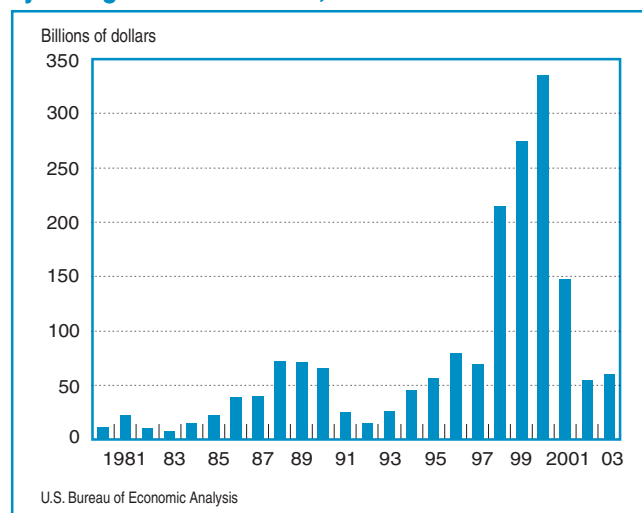


Table 1. Investment Outlays by Type of Investment and Investor, 1992–2003

[Millions of dollars]

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002 ¹	2003 ²
Total outlays	15,333	26,229	45,626	57,195	79,929	69,708	215,256	274,956	335,629	147,109	54,519	60,320
By type of investment:												
U.S. businesses acquired.....	10,616	21,761	38,753	47,179	68,733	60,733	182,357	265,127	322,703	138,091	43,442	52,580
U.S. businesses established	4,718	4,468	6,873	10,016	11,196	8,974	32,899	9,829	12,926	9,017	11,077	7,741
By type of investor:												
Foreign direct investors.....	4,058	6,720	13,628	11,927	32,230	13,899	120,828	120,878	105,151	23,134	13,650	26,974
U.S. affiliates	11,275	19,509	31,999	45,268	47,699	55,809	94,428	154,078	230,478	123,975	40,869	33,347

¹ Preliminary.

² Revised.

Table 2. Distribution of Investment Outlays by Size, 1992–2003

[Percent]

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002 ¹	2003 ²
Total outlays	100	100	100	100	100	100	100	100	100	100	100	100
\$5 billion or more.....	0	0	0	(D)	0	0	55	55	48	30	(D)	(D)
\$2 billion–\$4.999 billion.....	0	(D)	27	18	29	12	11	16	20	22	18	(D)
\$100 million–\$1.999 billion.....	42	51	51	48	55	67	27	24	27	40	45	38
Less than \$100 million.....	58	(D)	22	(D)	16	21	7	5	5	9	(D)	8

¹ Preliminary.

² Revised.

D Suppressed to avoid disclosure of data of individual companies.

In 2003, outlays in manufacturing decreased substantially for the third consecutive year; in 1998–2000 these outlays accounted for a large share of spending for new investment. Outlays in information also declined, especially in telecommunications, which continues to suffer from overcapacity due to aggressive capital spending in recent years.

Outlays from the United Kingdom and Germany increased, while outlays from France and several other European countries fell substantially. Outlays from Japan, which is slowly recovering from a long period of weak economic conditions, declined for the third consecutive year. Outlays from Australia increased substantially.

Spending in 2003

In 2003, as in previous years, outlays to acquire existing U.S. businesses—at \$52.6 billion—accounted for most of the total outlays. Outlays to establish new businesses totaled \$7.7 billion. As in most previous years, outlays made by, or through, existing U.S. affiliates—at \$33.3 billion—exceeded outlays made by the foreign direct investors—at \$27.0 billion. Of the \$33.3 billion that was spent by the U.S. affiliates, \$25.2 billion came from their foreign parents, who also funded all of their own outlays. Thus, \$52.2 billion, or 87 percent, of total outlays were funded by foreign parents. In 2002, 68 percent of outlays were funded by foreign parents. These foreign-parent funds are part of overall capital inflows for foreign direct investment in the United States, as recorded in the financial account of the U.S. international transactions accounts.³

3. Capital inflows also include funds provided to existing U.S. affiliates. For preliminary estimates of capital inflows for 2003, see Christopher L. Bach, “U.S. International Transactions, 2003,” SURVEY 84 (April 2004): 59–103; revised estimates will be published in the July SURVEY.

By industry, the largest outlays—at \$21.6 billion—were in “finance (except depository institutions) and insurance” (table 3). Outlays in depository institutions, at \$5.4 billion, were also relatively large, rebounding from outlays of \$0.6 billion in 2002. Outlays in information were \$10.0 billion, which were mostly investments in broadcasting, down from \$14.2 billion in 2002. Investment in manufacturing also continued to decline, falling to \$9.5 billion in 2003 from \$16.4 billion in 2002 and from \$143.3 billion in 2000. In manufacturing, the largest outlays were in food, at \$2.7 billion, and in computers and electronic products,

Table 3. Investment Outlays by Industry of U.S. Business Enterprise, 2000–2003
[Millions of dollars]

	2000	2001	2002 ^r	2003 ^p
All industries	335,629	147,109	54,519	60,320
Manufacturing	143,285	37,592	16,446	9,538
Food	(D)	(D)	(D)	2,699
Beverages and tobacco products	3,722	582	(D)	(D)
Petroleum and coal products	(D)	(D)	(D)	235
Chemicals	15,016	4,636	1,232	1,213
Plastics and rubber products	3,154	622	891	519
Nonmetallic mineral products	6,324	425	1,228	364
Primary metals	379	692	514	(D)
Fabricated metal products	638	758	94	(D)
Machinery	1,213	(D)	586	83
Computers and electronic products	42,600	10,052	590	2,328
Electrical equipment, appliances, and components	8,084	(D)	948	155
Transportation equipment	3,230	470	750	146
Other	6,529	5,214	2,170	1,559
Wholesale trade	8,561	3,982	871	623
Retail trade	1,672	1,913	551	964
Information	67,932	27,599	14,181	10,015
Publishing industries	10,135	9,545	(D)	1,488
Motion pictures and sound recording industries	(D)	1,179	(D)	121
Broadcasting and telecommunications	(D)	15,529	2,196	7,593
Information services and data processing services	12,228	1,345	(D)	813
Depository institutions	2,636	5,709	613	5,416
Finance (except depository institutions) and insurance	44,420	40,780	4,344	21,622
Real estate and rental and leasing	4,526	3,572	5,266	2,607
Professional, scientific, and technical services	32,332	7,044	4,012	1,397
Other industries	30,264	18,917	8,234	8,139

^p Preliminary.

^r Revised.

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

Key Terms

Foreign direct investment in the United States is ownership or control, directly or indirectly, by one foreign person of 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.

A *U.S. affiliate* is a U.S. business in which there is foreign direct investment.

A *person* is any individual, corporation, branch, partnership, associated group, association, estate, trust, or other organization, and any government (including any corporation, institution, or other entity or instrumental-ity of a government).

A *foreign person* is a person that resides outside the 50

States, the District of Columbia, the Commonwealth of Puerto Rico, and all U.S. territories and possessions.

The *ultimate beneficial owner (UBO)* is 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. The foreign parent is the first foreign person in the affiliate's ownership chain. 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.

at \$2.3 billion. Outlays in real estate fell to \$2.6 billion in 2003 from \$5.3 billion in 2002.

By country of ultimate beneficial owner (UBO), the largest outlays were by investors from the United Kingdom, which increased to \$22.5 billion in 2003 from \$12.2 billion in 2002 (table 4 and chart 2). Outlays of \$9.0 billion by investors from Germany were also higher than those in 2002, but outlays by investors from several other European countries—such as France (\$1.1 billion), the Netherlands (\$0.7 billion), and Switzerland (\$0.5 billion)—were far lower in 2003 than in 2002. These decreases may have reflected both sluggish economic conditions in these countries and the attraction of Eastern Europe as an alternative investment destination in anticipation of the entry of several countries in the area into the European Union in 2004. Outlays by investors from Japan, which continued to recover slowly from weak economic conditions, decreased for the third consecutive year, to \$1.5 billion. Outlays by investors from Australia increased substantially, to \$11.3 billion; these outlays were especially strong in information and in finance. Outlays by investors from Canada rose to \$6.9 billion in 2003 from \$4.3 billion in 2002.

Operating data of acquired or established U.S. businesses

Newly acquired or established businesses employed 160,900 people in 2003, down from 218,500 in 2002 (table 5). The largest shares of employment were accounted for by “finance (except depository institutions) and insurance,” with 34,000, by manufacturing, with 33,100 employees, and by retail trade, with 27,500 employees.

The assets of newly acquired or established businesses totaled \$232.6 billion in 2003, up from \$105.5 billion in 2002. Assets in “finance (except depository institutions) and insurance” were \$122.4 billion, accounting for more than half of the total.

Table 4. Investment Outlays by Country of Ultimate Beneficial Owner, 2000–2003

[Millions of dollars]

	2000	2001	2002 ¹	2003 ²
All countries	335,629	147,109	54,519	60,320
Canada	28,346	16,646	4,333	6,858
Europe	249,167	78,328	39,644	39,076
France.....	26,149	5,772	15,196	1,135
Germany.....	18,452	12,733	3,067	9,034
Netherlands.....	47,686	14,879	3,476	712
Switzerland.....	22,789	16,468	2,656	534
United Kingdom.....	110,208	17,095	12,188	22,492
Other Europe.....	23,883	11,381	3,061	5,169
Latin America and Other Western Hemisphere	15,400	15,274	3,487	644
South and Central America.....	5,334	431	373	172
Other Western Hemisphere.....	10,066	14,843	3,114	472
Africa	(D)	(D)	(D)	(D)
Middle East	947	(D)	(D)	198
Asia and Pacific	40,282	11,383	5,131	13,518
Australia.....	(D)	4,869	1,565	11,313
Japan.....	26,044	5,345	3,275	1,487
Other Asia and Pacific.....	(D)	1,169	291	718
United States ¹	(D)	(D)	804	(D)

² Preliminary.

¹ Revised.

D Suppressed to avoid disclosure of data of individual companies.

1. The United States is shown as the country of ultimate beneficial owner for businesses newly acquired or established by foreign investors that are, in turn, ultimately owned by persons located in the United States (see the box “Key Terms”).

NOTE: For investments in which more than one investor participated, each investor and each investor's outlays are classified by country of each ultimate beneficial owner.

Chart 2. Outlays for New Investment in the United States by Foreign Direct Investors, from Selected Countries, 1992–2003

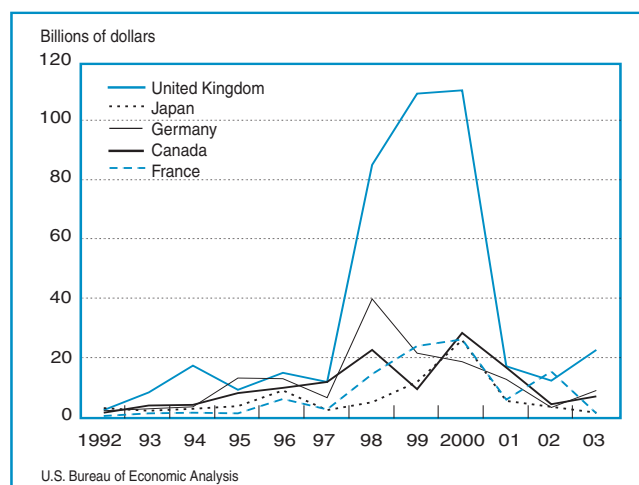


Table 5. Selected Operating Data of U.S. Business Enterprises Acquired or Established, by Industry of U.S. Business Enterprise, 2002–2003

	2002 ¹					2003 ²				
	Millions of dollars			Thousands of employees	Hectares of land ¹	Millions of dollars			Thousands of employees	Hectares of land ¹
	Total assets	Sales	Net income			Total assets	Sales	Net income		
All industries	105,516	55,680	1,675	218.5	106,567	232,643	54,114	1,709	160.9	45,016
Manufacturing.....	24,237	21,809	213	73.4	10,886	11,402	8,801	58	33.1	1,145
Wholesale trade.....	1,240	2,284	(D)	3.7	58	721	2,863	9	3.4	(D)
Retail trade.....	646	1,276	(D)	10.7	119	1,558	6,516	(D)	27.5	(D)
Information.....	15,656	6,746	319	25.5	1,127	22,954	12,015	-773	14.6	518
Depository institutions.....	4,503	265	33	0.9	(D)	48,641	3,130	(D)	12.3	223
Finance (except depository institutions) and insurance.....	12,369	1,606	85	5.2	(D)	122,426	12,102	(D)	34.0	38
Real estate and rental and leasing.....	12,366	2,723	262	2.3	6,649	3,309	461	34	1.1	4,327
Professional, scientific, and technical services.....	1,274	847	-59	4.5	(D)	1,525	876	-162	3.9	30
Other industries.....	33,225	18,126	737	92.3	87,640	20,106	7,348	268	31.0	38,211

² Preliminary.

¹ Revised.

D Suppressed to avoid disclosure of data of individual companies.

1. One hectare equals 2.471 acres. Thus, for all industries, acres of land owned in 2002 were 263,327, and in 2003 they were 111,235.

NOTE: For newly acquired businesses, the data cover the most recent financial reporting year preceding acquisition. For newly established businesses, the data are projections for the first full year of operations.

Net income for newly acquired or established businesses was \$1.7 billion, up slightly from 2002. Total sales by these businesses were \$54.1 billion in 2003, down from \$55.7 billion in 2002.

Technical Note

The estimates of new foreign direct investment, which cover U.S. business enterprises that were acquired or established by foreign direct investors during the year, are based on data reported in surveys conducted by the Bureau of Economic Analysis (BEA) and, for the preliminary estimates for 2003, from BEA estimates for reports not yet received.

For the survey, a U.S. business enterprise is categorized as “established” if the foreign parent or its existing U.S. affiliate creates a new legal entity that is organized and that is operated as a new U.S. business enterprise or that directly purchases U.S. real estate.⁴ A U.S. business enterprise is categorized as “acquired” (1) if a foreign parent or its U.S. affiliate obtains a voting interest of 10 percent or more in the equity of an existing U.S. business enterprise and continues to operate the enterprise as a separate legal entity; (2) if a foreign parent or its affiliate purchases a business seg-

4. The number of new U.S. businesses established is not the same as the number of “greenfield” investments, which typically refers to the construction of new plants or other business facilities. First, direct purchases of U.S. real estate—which often involve purchases of existing office buildings, hotels, retail stores, shopping centers, or other property—are included in the “established” measure but are not considered “greenfield” investments. Second, new plants that are built by existing U.S. affiliates are considered “greenfield” investments, but they are included in these data—as “established” businesses—only if they are set up as separate legal entities.

ment or an operating unit of an existing U.S. business and organizes it as a new separate legal entity; or (3) if an existing U.S. affiliate purchases a U.S. business, a segment of a U.S. business, or an operating unit of a U.S. business and merges it into its own operations.

The estimates of new foreign direct investment do not cover the acquisition of additional equity in an existing U.S. affiliate, the acquisition of an existing U.S. affiliate by one foreign investor from another, or the expansion in the operations of an existing U.S. affiliate when no separate legal entity is created. Selloffs or other disinvestments are not netted against the new investments. (For more information, see the box “Data on Foreign Direct Investment in the United States.”)

A U.S. business that is acquired or established by a foreign direct investor or by an existing U.S. affiliate of a foreign investor and that has total assets of more than \$3 million or owns 200 or more acres of U.S. land is required to file a full report with BEA. In addition, a U.S. business enterprise that is acquired by an existing U.S. affiliate of a foreign investor and merged into the operations of the affiliate must file a full report if the total cost of the acquisition exceeds \$3 million or if the acquired enterprise owned 200 or more acres of U.S. land. To reduce the reporting burden, smaller U.S. businesses—those that have total assets of \$3 million or less and that own fewer than 200 acres of U.S. land—are permitted to file shorter, partial reports.⁵

5. Survey forms for both the full reports (BE-13) and the partial reports (BE-13, supplement C) are available on BEA’s Web site at <www.bea.gov/bea/surveys/fdiusurv.htm>.

Data on Foreign Direct Investment in the United States

In addition to the data on new foreign direct investments presented in this article, BEA collects and publishes two other broad sets of data on foreign direct investment in the United States: Financial and operating data of U.S. affiliates and balance-of-payments and direct-investment-position data.

Financial and operating data of U.S. affiliates are published at both the enterprise level and the establishment level. Detailed enterprise-level financial and operating data were most recently published in “U.S. Affiliates of Foreign Companies: Operations in 2001” in the August 2003 SURVEY OF CURRENT BUSINESS; the article includes a description of the three types of data. Summary estimates for 2002 are presented in the April 16, 2004, news release “Summary Estimates for Multinational Companies: Employment, Sales, and Capital Expenditures for 2002.” Financial and operating data at the establishment level are available for selected years as a result of a project

that links BEA’s enterprise data for U.S. affiliates with the establishment data for all U.S. companies from the Bureau of the Census. The most recent data are published in *Foreign Direct Investment in the United States: Establishment Data for 1997* (Washington DC: U.S. Government Printing Office, March 2003).

The balance-of-payments and direct-investment-position data were published in “The International Investment Position of the United States at Yearend 2002” and “Direct Investment Positions for 2002: Country and Industry Detail” in the July 2003 SURVEY; “Foreign Direct Investment in the United States: Detail for Historical Cost Position and Related Capital and Income Flows, 2002” in the September 2003 issue; and “U.S. International Transactions, 2003,” in the April 2004 issue. Revised and updated balance-of-payments direct-investment-position data will be published in the July and September 2004 issues.

Availability of New Investment Data

Summary estimates of the outlays by foreign direct investors to acquire or to establish businesses in the United States are presented in this article. More detailed estimates by industry and by country for 1980–2003 are available on BEA's Web site at <www.bea.gov>. Click on "Direct Investment" and under "Foreign Direct Investment in the United States," click on "Financial and Operating Data" for "U.S. Business Enterprises Acquired or Established by Foreign Companies."

BEA prepares estimates of the data items that are not collected on the partial reports and combines the estimates with the data it collects on the partial reports and the full reports. Because the businesses that file partial reports are so small, their estimated and reported values generally have a negligible impact on the published aggregates. For example, in 2002, the total assets of U.S. businesses that filed partial reports were \$265 million, less than 1 percent of the total assets of all new investments.

Although the values for the partial reports are generally negligible, the number of partial reports is significant. For example, in 2002, BEA received 853 partial reports and 559 full reports. Furthermore, the number of businesses that are subject to partial reporting may be higher than the actual number of partial reports that BEA receives, because not all of the smaller U.S. businesses acquired or established by foreigners file reports. BEA makes every effort to contact all U.S. businesses that may have been newly acquired or established by foreigners, but it must concentrate its limited resources on ensuring compliance with reporting requirements by larger businesses.

Of the 559 full reports filed in 2002, 375 reported investments to acquire an existing U.S. business, and 184 reported investments to establish a new U.S.

business. For 2003, BEA estimates that 408 businesses will have filed full reports by the time the revised estimates are published next year.⁶

The number of full reports by size of outlay is shown in the table below. For 2003, the numbers for the three largest classes represent the number of reports actually received. The number for investments of less than \$100 million includes an estimate of the number of late reports that will be received before the revised estimates are published.

	2001	2002 ¹	2003 ²
Total	821	559	408
\$5 billion or more	4	1	2
\$2 billion–\$4.999 billion	10	3	2
\$100 million–\$1.999 billion	148	79	49
Less than \$100 million	659	476	355

² Preliminary.
¹ Revised.

The number of new investments for 1998–2003 is not comparable with the number of new investments for 1980–97, because in 1998, the dollar threshold for filing full reports was raised from \$1 million in total assets to \$3 million. The incomparability affects only the total number and the number in the smallest size class. In addition, before 1998, the values for new investments did not include estimated values for partial reports. Because these estimated values would have been negligible, the previously published values for 1980–97 are reasonably comparable with those for 1998 forward.

6. Each year, BEA receives survey reports after the preliminary estimates are published. To make the preliminary estimates as accurate as possible, BEA augments the reported data with estimates for late reports. An estimate is made for each of the data items covered by the survey, and these estimates cover both full and partial reports. BEA also estimates the number of full reports, but it does not estimate the number of partial reports, because this number fluctuates considerably from year to year.

Tables 6, 7.1, and 7.1 follow.

Table 6. Investment Outlays by Type of Investment and Investor, by Industry of U.S. Business Enterprise, 2002-2003

[Millions of dollars]

	2002 ^r					2003 ^p				
	Total	By type of investment		By type of investor		Total	By type of investment		By type of investor	
		U.S. businesses acquired	U.S. businesses established	Foreign direct investors	U.S. affiliates		U.S. businesses acquired	U.S. businesses established	Foreign direct investors	U.S. affiliates
All industries	54,519	43,442	11,077	13,650	40,869	60,320	52,580	7,741	26,974	33,347
Manufacturing	16,446	15,489	957	6,330	10,116	9,538	8,615	924	1,182	8,357
Food.....	(D)	(D)	(D)	(D)	(D)	2,699	2,699	0	(D)	(D)
Beverages and tobacco.....	(D)	(D)	(*)	(D)	(D)	(D)	(D)	0	0	(D)
Textiles, apparel, and leather products.....	68	(D)	(D)	(D)	(D)	(D)	0	(D)	(D)	0
Wood products.....	(D)	(D)	0	0	(D)	0	0	0	0	0
Paper.....	(D)	(D)	0	(D)	(D)	(D)	(D)	0	0	(D)
Printing and related support activities.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Petroleum and coal products.....	(D)	(D)	0	0	(D)	235	235	0	0	235
Chemicals.....	1,232	1,206	26	189	1,044	1,213	1,213	0	337	876
Basic chemicals.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Resins and synthetic rubber, fibers, and filaments.....	55	(D)	(D)	(D)	(D)	261	261	0	0	261
Pharmaceuticals and medicines.....	(D)	(D)	0	(D)	(D)	722	722	0	(D)	(D)
Soap, cleaning compounds, and toilet preparations.....	171	(D)	(D)	(D)	(D)	0	0	0	0	0
Other.....	493	(D)	(D)	(D)	(D)	(D)	(D)	0	(D)	(D)
Plastics and rubber products.....	891	(D)	(D)	(D)	(D)	519	(D)	(D)	(D)	(D)
Nonmetallic mineral products.....	1,228	(D)	(D)	(D)	(D)	364	(D)	(D)	(D)	(D)
Primary and fabricated metals.....	609	571	38	(D)	(D)	179	179	0	0	179
Primary metals.....	514	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Fabricated metal products.....	94	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Machinery.....	586	544	42	63	523	83	83	0	0	83
Agriculture, construction, and mining machinery.....	(D)	(D)	0	0	(D)	0	0	0	0	0
Industrial machinery.....	(D)	(D)	(D)	(D)	(D)	0	0	0	0	0
Other.....	432	(D)	(D)	(D)	(D)	83	83	0	0	83
Computers and electronic products.....	590	(D)	(D)	196	395	2,328	1,507	821	249	2,079
Computer and peripheral equipment.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	(D)	(D)
Communications equipment.....	249	(D)	(D)	(D)	(D)	(D)	(D)	0	(D)	(D)
Audio and video equipment.....	0	0	0	0	0	0	0	0	0	0
Semiconductors and other electronic components.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Navigational, measuring, and other instruments.....	275	(D)	(D)	(D)	(D)	0	0	0	0	0
Magnetic and optical media.....	0	0	0	0	0	1,311	(D)	(D)	(D)	(D)
Electrical equipment, appliances, and components.....	948	(D)	(D)	(D)	(D)	155	155	0	(D)	(D)
Transportation equipment.....	750	(D)	(D)	(D)	(D)	146	146	0	5	141
Motor vehicles, bodies and trailers, and parts.....	537	(D)	(D)	(D)	(D)	(D)	(D)	0	5	(D)
Other.....	213	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Furniture and related products.....	(D)	(D)	0	0	(D)	0	0	0	0	0
Miscellaneous manufacturing.....	845	(D)	(D)	384	460	139	(D)	(D)	(D)	(D)
Wholesale trade	871	817	54	(D)	(D)	623	(D)	(D)	(D)	(D)
Motor vehicles and motor vehicle parts and supplies.....	(D)	(D)	(D)	(D)	(D)	(D)	0	(D)	(D)	0
Professional and commercial equipment and supplies.....	92	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Electrical goods.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Other durable goods.....	343	300	43	158	185	549	543	6	38	511
Petroleum and petroleum products.....	(D)	(D)	0	0	0	0	0	0	0	0
Other nondurable goods.....	426	(D)	(D)	(D)	(D)	59	59	0	(D)	(D)
Retail trade	551	(D)	(D)	(D)	(D)	964	964	0	(D)	(D)
Food and beverage stores.....	50	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Other.....	502	(D)	(D)	(D)	(D)	(D)	(D)	0	(D)	(D)
Information	14,181	(D)	(D)	172	14,009	10,015	9,967	48	30	9,985
Publishing industries.....	(D)	988	(D)	(D)	(D)	981	1,488	4	4	1,485
Motion pictures and sound recording industries.....	(D)	(D)	(D)	(D)	(D)	121	(D)	(D)	(D)	(D)
Broadcasting and telecommunications.....	2,196	(D)	(D)	(D)	(D)	7,593	(D)	(D)	(D)	(D)
Broadcasting, cable networks, and program distribution.....	(D)	(D)	(D)	(D)	(D)	7,593	(D)	(D)	(D)	(D)
Telecommunications.....	(D)	(D)	(D)	(D)	(D)	0	0	0	0	0
Information services and data processing services.....	(D)	(D)	(D)	(D)	(D)	393	813	(D)	0	813
Depository institutions	613	(D)	(D)	0	613	5,416	3,913	1,503	4,010	1,405
Finance, (except depository institutions) and insurance	4,344	3,217	1,127	684	3,661	21,622	18,455	3,167	19,791	1,831
Finance, except depository institutions.....	3,246	(D)	(D)	684	2,562	21,238	18,070	3,167	19,791	1,447
Insurance carriers and related activities.....	1,098	(D)	(D)	(*)	1,098	384	384	0	0	384
Real estate and rental and leasing	5,266	1,214	4,051	856	4,410	2,607	(D)	(D)	1,014	1,594
Real estate.....	4,999	958	4,041	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Rental and leasing (except real estate).....	267	256	10	(D)	(D)	(D)	(D)	0	(D)	(D)
Professional, scientific, and technical services	4,012	(D)	(D)	(D)	(D)	1,397	(D)	(D)	419	977
Architectural, engineering, and related services.....	(D)	(D)	(D)	(D)	(D)	204	110	0	0	110
Computer systems design and related services.....	(D)	189	(D)	118	(D)	631	631	0	231	399
Management, scientific, and technical consulting.....	36	(D)	(D)	(D)	(D)	0	0	0	0	0
Other.....	(D)	(D)	(D)	(D)	(D)	656	(D)	(D)	188	468
Other industries	8,234	6,979	1,256	1,726	6,508	8,139	8,017	122	465	7,673
Agriculture, forestry, fishing, and hunting.....	30	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Mining.....	380	(D)	(D)	5	376	612	(D)	(D)	(D)	(D)
Utilities.....	3,746	(D)	(D)	(D)	(D)	5,783	5,783	0	0	5,783
Construction.....	173	171	2	(D)	(D)	409	(D)	(D)	(D)	(D)
Transportation and warehousing.....	1,305	(D)	(D)	(D)	(D)	1,261	(D)	(D)	0	1,261
Management of nonbank companies and enterprises.....	(D)	0	(D)	(D)	(D)	(D)	0	(D)	(D)	(D)
Administration, support, and waste management.....	1,115	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Health care and social assistance.....	(D)	(D)	(D)	(D)	(D)	7	0	0	0	0
Accommodation and food services.....	246	214	32	(D)	(D)	(D)	0	(D)	(D)	(D)
Accommodation.....	(D)	(D)	(D)	(D)	(D)	0	0	(D)	(D)	(D)
Food services and drinking places.....	(D)	(D)	(D)	(D)	(D)	0	0	0	0	0
Miscellaneous services.....	442	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)

^p Preliminary.^r Revised.

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

Table 7.1. Investment Outlays, Country of Ultimate Beneficial Owner by Industry of U.S. Business Enterprise, 2002
(Millions of dollars)

	All industries	Manufacturing								Wholesale trade	Retail trade	Information	Depository institutions	Finance, (except depository institutions) and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
		Total	Of which:														
			Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
All countries.....	54,519	16,446	(D)	1,232	609	586	590	948	750	871	551	14,181	613	4,344	5,266	4,012	8,234
Canada	4,333	709	58	(D)	(D)	(D)	(D)	0	426	38	(D)	32	(D)	1,040	1,306	59	545
Europe	39,644	11,356	(D)	1,116	555	503	478	67	(D)	552	(D)	12,977	(D)	2,339	2,402	3,897	5,674
Austria.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Belgium.....	(D)	69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Denmark.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Finland.....	619	537	0	(D)	(D)	(D)	(D)	0	0	0	0	0	0	0	0	0	0
France.....	15,196	683	0	(D)	(D)	(D)	(D)	0	(D)	96	(D)	(D)	0	(D)	(D)	(D)	136
Germany.....	3,067	510	0	(D)	(D)	8	(D)	(D)	(D)	(D)	(D)	0	0	0	1,402	6	482
Ireland.....	660	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Italy.....	237	(D)	0	0	4	(D)	0	0	0	0	(D)	0	0	0	0	0	(D)
Liechtenstein.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Luxembourg.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands.....	3,476	(D)	0	(D)	0	0	(D)	0	0	(D)	(D)	0	0	543	632	(D)	128
Norway.....	176	(D)	0	0	0	(D)	0	0	0	0	0	0	0	0	0	0	0
Spain.....	289	(D)	0	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0
Sweden.....	304	253	0	0	(D)	(D)	0	0	(D)	0	0	0	0	0	0	0	0
Switzerland.....	2,656	2,408	(D)	(D)	(D)	(D)	(D)	0	0	0	0	0	0	0	0	0	29
United Kingdom.....	12,188	4,385	0	(D)	(D)	(D)	(D)	(D)	56	189	(D)	2,158	(D)	694	326	139	3,999
Other.....	167	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(D)
Latin America and Other Western Hemisphere	3,487	(D)	0	0	0	0	(D)	(D)	0	(D)	(D)	(D)	0	423	(D)	(D)	203
South and Central America	373	(D)	0	0	0	0	0	0	0	0	0	0	0	4	(D)	(D)	(D)
Brazil.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mexico.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Panama.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Venezuela.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Western Hemisphere.....	3,114	(D)	0	0	0	0	0	0	0	0	0	0	0	419	(D)	(D)	(D)
Bahamas.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bermuda.....	1,560	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	32
Netherlands Antilles.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
United Kingdom Islands, Caribbean.....	1,553	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Africa.....	(D)	(D)	0	0	(D)	0	0	0	0	(D)	0	(D)	0	0	(D)	0	(D)
South Africa.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Middle East.....	(D)	(D)	0	0	0	0	0	0	(D)	(D)	(D)	(D)	0	0	(D)	(D)	(D)
Israel.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kuwait.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lebanon.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Saudi Arabia.....	78	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
United Arab Emirates.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other.....	425	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asia and Pacific.....	5,131	2,283	(D)	(D)	25	32	(D)	(D)	151	147	(D)	(D)	(D)	476	(D)	(D)	1,350
Australia.....	1,565	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
China.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hong Kong.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indonesia.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Japan.....	3,275	1,589	(D)	(D)	8	(D)	(D)	(D)	72	61	(D)	(D)	(D)	(D)	(D)	(D)	1,237
Korea, Republic of.....	58	9	0	0	(D)	0	0	0	(D)	(D)	0	0	0	0	0	(D)	(D)
Malaysia.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Zealand.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Philippines.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Singapore.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taiwan.....	80	28	0	(D)	(D)	(D)	(D)	0	0	0	(D)	0	0	0	0	0	0
Other.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
United States¹.....	804	(D)	0	0	(D)	0	0	0	0	0	(D)	0	(D)	(D)	(D)	(D)	
Addenda:																	
European Union (15) ²	36,778	8,934	(D)	907	497	429	469	67	142	542	(D)	12,795	(D)	2,160	2,400	3,855	5,645
OPEC ³	136	(D)	0	0	0	0	0	0	(D)	(D)	(D)	0	0	104	(D)	(D)	

(*) Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. The United States is shown as the country of ultimate beneficial owner for businesses newly acquired or established by foreign investors that are, in turn, ultimately owned by persons located in the United States (see the box "Key Terms").

2. The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy,

Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

3. 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: Data for 2002 are revised. For investments in which more than one investor participated, each investor and each investor's outlays are classified by the country of each individual ultimate beneficial owner.

Table 7.2. Investment Outlays, Country of Ultimate Beneficial Owner by Industry of U.S. Business Enterprise, 2003

[Millions of dollars]

	All industries	Manufacturing								Wholesale trade	Retail trade	Information	Depository institutions	Finance, (except depository institutions) and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
		Total	Of which:														
			Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
All countries	60,320	9,538	2,699	1,213	179	83	2,328	155	146	623	964	10,015	5,416	21,622	2,607	1,397	8,139
Canada	6,858	3,111	(D)	0	(D)	0	1,295	0	94	(D)	918	(D)	(D)	(D)	(D)	(D)	536
Europe	39,076	5,389	(D)	(D)	(D)	(D)	205	(D)	(D)	(D)	(D)	1,573	4,924	17,614	684	932	7,547
Austria.....	(D)	0	0	0	0	0	0	0	0	(D)	0	0	0	0	0	0	0
Belgium.....	348	273	0	(D)	(D)	0	0	(D)	(D)	(D)	0	0	0	(D)	0	(D)	0
Denmark.....	530	(D)	0	(D)	0	0	0	0	0	0	0	0	0	0	0	(D)	0
Finland.....	(D)	(D)	0	0	0	0	(D)	0	0	0	0	0	0	0	0	0	0
France.....	1,135	187	0	0	0	0	(D)	(D)	(D)	(D)	0	(D)	0	0	0	0	0
Germany.....	9,034	601	0	200	0	0	0	0	0	(D)	0	(D)	(D)	(D)	504	0	6,455
Ireland.....	3,300	542	(D)	(D)	0	0	0	0	0	0	0	0	(D)	0	0	0	(D)
Italy.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(D)
Liechtenstein.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Luxembourg.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands.....	712	(D)	(D)	0	0	0	0	0	0	0	(D)	0	112	(D)	(D)	(D)	0
Norway.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Spain.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sweden.....	475	183	0	(D)	0	0	0	0	(D)	0	0	0	0	0	(D)	0	(D)
Switzerland.....	534	(D)	0	(D)	0	0	0	0	0	(D)	162	0	(D)	0	0	0	(D)
United Kingdom.....	22,492	2,549	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	408	(D)	17,447	(D)	588	217
Other.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(D)
Latin America and Other Western Hemisphere	644	(D)	0	0	0	0	0	0	0	42	(D)	(D)	(D)	(D)	316	(D)	0
South and Central America.....	172	(D)	0	0	0	0	0	0	0	(D)	(D)	0	(D)	(D)	(D)	0	0
Brazil.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mexico.....	158	0	0	0	0	0	0	0	0	(D)	0	(D)	0	(D)	0	0	0
Panama.....	(D)	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Venezuela.....	(D)	0	0	0	0	0	0	0	0	0	0	0	(D)	0	0	0	0
Other.....	(D)	0	0	0	0	0	0	0	(D)	0	0	0	0	0	0	0	0
Other Western Hemisphere.....	472	(D)	0	0	0	0	0	0	0	(D)	0	(D)	0	(D)	(D)	(D)	0
Bahamas.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bermuda.....	116	0	0	0	0	0	0	0	(D)	0	0	0	(D)	0	0	0	0
Netherlands Antilles.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
United Kingdom Islands, Caribbean.....	356	(D)	0	0	0	0	0	0	(D)	0	(D)	0	0	(D)	(D)	0	0
Other.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Africa	(D)	0	0	0	0	0	0	0	0	(D)	0	0	0	0	0	0	0
South Africa.....	(D)	0	0	0	0	0	0	0	0	(D)	0	0	0	0	0	0	0
Other.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Middle East	198	0	0	0	0	0	0	0	0	0	0	0	0	0	(D)	0	(D)
Israel.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kuwait.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lebanon.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Saudi Arabia.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	(D)	0	(D)	0
United Arab Emirates.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(D)
Other.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asia and Pacific	13,518	1,004	0	(D)	0	0	829	(D)	0	163	0	7,732	(D)	2,808	1,385	291	(D)
Australia.....	11,313	0	0	0	0	0	0	0	0	(D)	0	7,574	0	(D)	(D)	0	(D)
China.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hong Kong.....	616	(D)	0	0	0	0	0	(D)	0	0	0	0	0	0	(D)	0	0
Indonesia.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Japan.....	1,487	875	0	(D)	0	0	(D)	0	(D)	0	(D)	(D)	(D)	0	0	255	0
Korea, Republic of.....	(D)	0	0	0	0	0	0	0	(D)	0	0	0	0	0	0	0	0
Malaysia.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Zealand.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Philippines.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Singapore.....	(D)	0	0	0	0	0	0	0	0	0	(D)	0	0	0	0	(D)	0
Taiwan.....	(D)	(D)	0	0	0	0	(D)	0	0	0	0	0	0	0	0	0	0
Other.....	47	0	0	0	0	0	0	0	(D)	0	0	0	0	0	0	(D)	0
United States ¹	(D)	(D)	0	0	0	(D)	0	0	(D)	0	0	0	0	0	0	0	0
Addenda:																	
European Union (15) ²	38,131	5,096	2,689	900	173	(D)	205	34	(D)	403	0	1,411	4,924	17,593	684	932	7,088
OPEC ³	198	0	0	0	0	0	0	0	0	0	0	0	0	(D)	(D)	0	(D)

(*) Less than \$500,000.

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2. The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy,

Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

3. 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. Data for 2003 are preliminary. For investments in which more than one investor participated, each investor and each investor's outlays are classified by the country of each individual ultimate beneficial owner.