

Foreign Direct Investment in the United States

New Investment in 2004

By Thomas W. Anderson

OUTLAYS by foreign direct investors to acquire or to establish U.S. businesses rose for the second consecutive year to \$79.8 billion in 2004, up 26 percent from a revised \$63.6 billion in 2003 (table 1 and chart 1). Despite the increases, outlays in 2004 were still less than in 1998–2001, when new investment outlays were historically high, ranging from \$147.1 billion to \$335.6 billion.

Outlays were boosted by the stepped-up growth in the U.S. economy, and the increase was part of a broader resurgence of worldwide merger and acquisition activity.¹ Transactions of more than \$5 billion continued to account for a sizable share of total outlays (table 2).

1. According to data from Thomson Financial Services, the total volume of worldwide mergers and acquisitions increased more than 40 percent in 2004.

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. Kozerka, Ronald L. McNeil, and Daniel K. Wakjira. Karen E. Poffel and Neeta B. Kapoor programmed the tables.

In 2004, outlays in “depository institutions (banking)” increased sharply, and outlays in other financial services industries continued to be large, as overseas banks and finance and insurance companies continued to seek access to the profitable and open U.S. financial market. Together, outlays in finance and in insurance

Chart 1. Outlays for New Investment in the United States by Foreign Direct Investors, 1980–2004

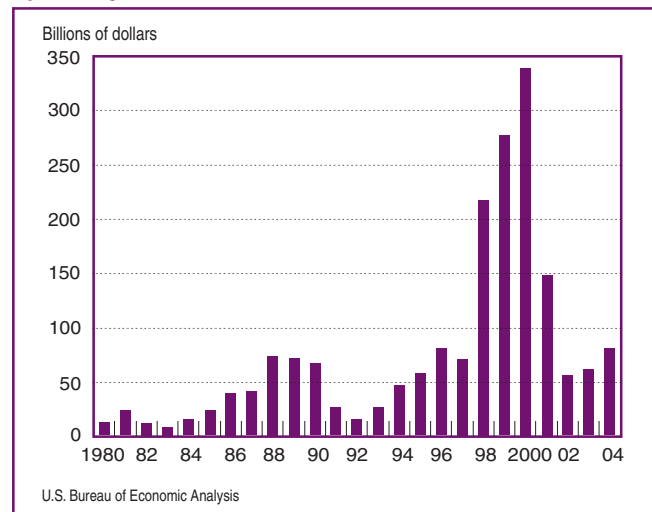


Table 1. Investment Outlays by Type of Investment and Investor, 1992–2004

[Millions of dollars]

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 ^r	2004 ^p
Total outlays	15,333	26,229	45,626	57,195	79,929	69,708	215,256	274,956	335,629	147,109	54,519	63,591	79,820
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	50,212	72,546
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	13,379	7,274
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	27,866	33,529
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	35,725	46,291

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Table 2. Distribution of Investment Outlays by Size, 1992–2004

[Percent]

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 ^r	2004 ^p
Total outlays	100	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)	(D)
\$2 billion–\$4.999 billion.....	0	(D)	27	18	29	12	11	16	20	22	18	(D)	17
\$100 million–\$1.999 billion.....	42	51	51	48	55	67	27	24	27	40	45	43	40
Less than \$100 million.....	58	(D)	22	(D)	16	21	7	5	5	9	(D)	12	(D)

p Preliminary.
r Revised.
D Suppressed to avoid disclosure of data of individual companies.

accounted for almost half of total outlays in 2004 (chart 2). Outlays in manufacturing, especially in chemicals, also increased substantially. Outlays in information declined for the fifth consecutive year.

Outlays by Canadian investors increased substantially and accounted for more than 40 percent of total outlays in 2004 (chart 2). Outlays from Europe increased only slightly; increases in outlays from the United Kingdom, Switzerland, and France were offset by decreases in outlays from Germany and other European countries. Outlays from Australia decreased. Outlays from Japan declined for the fourth consecutive year.

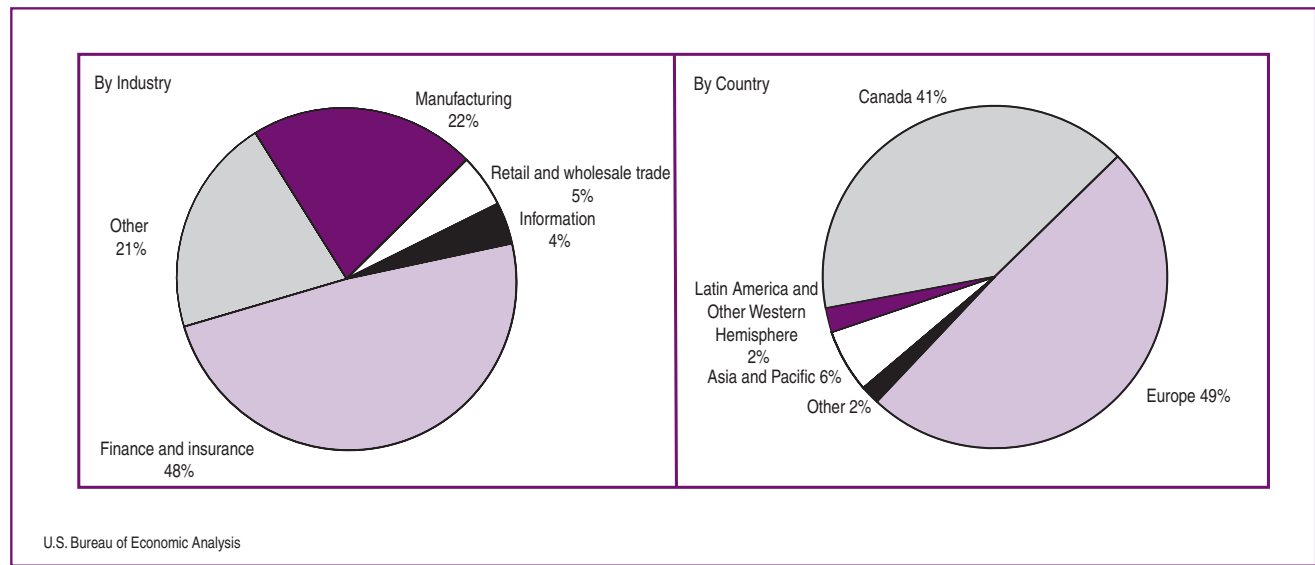
Spending in 2004

In 2004, as in previous years, outlays by foreign direct investors to acquire existing U.S. businesses (at \$72.5 billion) were far larger than outlays to establish new

U.S. businesses (at \$7.3 billion). In addition, outlays by or through U.S. affiliates (at \$46.3 billion) continued to be larger than outlays by foreign direct investors (at \$33.5 billion). Of the \$46.3 billion that was spent by U.S. affiliates, \$30.0 billion came from their foreign parent companies. Thus, through their own outlays and the funds they supplied to existing U.S. affiliates, foreign parent companies funded a total of \$63.6 billion, or 80 percent, of the total outlays of \$79.8 billion. These foreign parent funds are included in the capital inflows for foreign direct investment in the United States, as recorded in the financial account of the U.S. international transactions accounts.²

2. Capital inflows, unlike the data on investment outlays in this article, include financing of both existing and new U.S. affiliates. For preliminary estimates of these flows for 2004, see Christopher L. Bach, "U.S. International Transactions, 2004," SURVEY OF CURRENT BUSINESS 85 (April 2005): 24-68; revised estimates will be published in the July SURVEY.

Chart 2. Outlays for New Investment in the United States by Foreign Direct Investors by Industry and by Country, 2004



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 instrumentality 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.

Outlays in banking increased in 2004 to \$14.1 billion, up sharply from \$4.9 billion in 2003 (table 3). Outlays in "finance (except depository institutions) and insurance" rose slightly to \$24.9 billion from \$23.5 billion in 2003. Interest in manufacturing by foreign direct investors rebounded; expenditures were \$17.2 billion, up from \$10.8 billion in 2003. Within manufacturing, the largest increases were in chemicals, beverages and tobacco products, and computers and electronic products. Outlays in information continued to decline, dropping from \$9.2 billion in 2003 to \$3.1 billion in 2004.

Outlays by Canadian investors rose substantially to \$32.4 billion, up from \$9.2 billion in 2003 (table 4). Canadian outlays in "finance (except depository institutions) and insurance" were especially strong. Outlays from European investors rose only slightly to \$39.4 bil-

lion. Outlays from investors in the United Kingdom increased from \$20.4 billion to \$24.2 billion and were especially strong in banking. Outlays from French and Swiss investors increased, and outlays from German investors decreased. Outlays from Japanese investors continued to decline from an already low level to \$1.0 billion, down from a peak of \$26.0 billion in 2000; outlays from Japan have been depressed in recent years by weakness in the Japanese economy and by a redirection of investor interest towards opportunities in China and other Asian countries. Outlays from Australia decreased from \$9.0 billion to \$2.9 billion.

Operating data of acquired or established U.S. businesses

In 2004, newly acquired or established businesses employed 193,000 people, up from 166,100 in 2003 (table 5). Manufacturing, with 48,300 employees, accounted

Table 3. Investment Outlays by Industry of U.S. Business Enterprise, 2003–2004
[Millions of dollars]

	2003 ^r	2004 ^p
All industries	63,591	79,820
Manufacturing	10,750	17,178
Food	2,516	2,383
Beverages and tobacco products	(D)	3,777
Textiles, apparel, and leather products	(D)	(D)
Paper	(D)	(D)
Printing and related support activities	(D)	(D)
Petroleum and coal products	(D)	0
Chemicals	1,164	5,140
Plastics and rubber products	498	(D)
Nonmetallic mineral products	(D)	127
Primary metals	91	(D)
Fabricated metal products	123	(D)
Machinery	122	580
Computers and electronic products	2,125	2,818
Electrical equipment, appliances, and components	139	306
Transportation equipment	225	425
Other	462	539
Wholesale trade	1,086	951
Retail trade	941	3,055
Information	9,236	3,102
Publishing industries	1,431	(D)
Motion pictures and sound recording industries	278	0
Telecommunications	(D)	(D)
Other	(D)	2,857
Depository institutions	4,864	14,095
Finance (except depository institutions) and insurance	23,511	24,904
Real estate and rental and leasing	2,817	4,823
Professional, scientific, and technical services	1,955	4,048
Other industries	8,429	7,664

p Preliminary.

r Revised.

D Suppressed to avoid disclosure of data of individual companies.

Table 4. Investment Outlays by Country of Ultimate Beneficial Owner, 2003–2004
[Millions of dollars]

	2003 ^r	2004 ^p
All countries	63,591	79,820
Canada	9,157	32,378
Europe	39,024	39,424
France	2,955	4,661
Germany	8,830	5,020
Netherlands	1,077	253
Switzerland	649	3,523
United Kingdom	20,373	24,166
Other Europe	5,140	1,801
Latin America and Other Western Hemisphere	1,607	1,418
South and Central America	182	(D)
Other Western Hemisphere	1,425	(D)
Africa	(D)	(D)
Middle East	1,738	(D)
Asia and Pacific	11,469	4,800
Australia	9,032	2,885
Japan	1,544	986
Other Asia and Pacific	893	929
United States ¹	(D)	(D)

p Preliminary.

r Revised.

D Suppressed to avoid disclosure of data of individual companies.

1. The United States is the country of ultimate beneficial owner for businesses newly acquired or established by foreign investors that are 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 the country of each individual ultimate beneficial owner.

Table 5. Selected Operating Data of U.S. Business Enterprises Acquired or Established, by Industry of U.S. Business Enterprise, 2003–2004

	2003 ^r					2004 ^p				
	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	219,072	54,549	2,037	166.1	47,711	313,042	64,077	3,560	193.0	227,323
Manufacturing	12,105	9,530	76	34.9	1,456	29,191	20,695	899	48.3	4,568
Wholesale trade	1,388	3,478	2	4.2	166	(D)	1,904	24	1	23
Retail trade	1,551	6,399	(D)	30.0	(D)	(D)	(D)	(D)	K	(D)
Information	20,813	11,387	-767	14.0	(D)	3,058	(D)	-67	1.7	0
Depository institutions	42,541	2,933	602	11.8	(D)	60,886	3,960	(D)	13.6	71
Finance (except depository institutions) and insurance	115,576	11,201	2,043	31.6	79	193,612	20,461	1,505	23.4	139
Real estate and rental and leasing	3,829	539	79	1.1	4,344	6,766	791	62	H	3,659
Professional, scientific, and technical services	2,130	1,709	(D)	8.0	164	4,208	2,387	(D)	14.2	(D)
Other industries	19,138	7,372	229	30.4	40,404	9,713	4,252	275	38.5	218,816

p Preliminary.

r Revised.

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1. One hectare equals 2.471 acres. Thus, for all industries, acres of land owned in 2003 were 117,894, and in 2004, they were 561,715.

NOTES: 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.

The following ranges are given in employment cells that are suppressed: 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.

for the largest share of employment.

In 2004, the total assets of newly acquired or established businesses were \$313.0 billion, up from \$219.1 billion in 2003. A majority of these assets were accounted for by “finance (except depository institutions) and insurance,” with assets of \$193.6 billion, and by banks, with assets of \$60.9 billion.

Net income for newly acquired or established businesses was \$3.6 billion, and total sales were \$64.1 billion.

Revisions

The estimates of new foreign direct investment for 2004 are preliminary. The estimate of total outlays for 2003 has been revised up 5 percent from the preliminary estimate.³ In addition, the estimates of the employment, total assets, sales, and net income by U.S. businesses acquired or established by foreign direct investors have been revised. The estimate of employment has been revised up 3 percent, the estimate of total assets has been revised down 6 percent, the estimate of sales has been revised up 1 percent, and the estimate of net income has been revised up 19 percent.

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 2004, 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-

3. Thomas W. Anderson, “Foreign Direct Investment in the United States: New Investment in 2003,” *SURVEY* 84 (June 2004): 59–66.

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 acres or more 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 owns 200 acres or more of U.S. land. To reduce the reporting burden, smaller U.S. businesses 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

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

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>.

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 1980–2004 are available on BEA’s Web site at <www.bea.gov>. Under “International,” click on “Direct Investment”; under “Foreign Direct Investment in the United States,” click on “Financial and Operating Data,” and under “U.S. Business Enterprises Acquired or Established by Foreign Companies,” click on “Additional Data.”

published aggregates. For example, in 2003, the total assets of U.S. businesses that filed partial reports were \$242.0 million, about a tenth of 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 2003, BEA received 869 partial reports and 457 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 resources on ensuring compliance with reporting requirements by larger businesses.

Of the 457 full reports filed in 2003, 155 reported investments to acquire an existing U.S. business, and 302 reported investments to establish a new U.S. business. For 2004, BEA estimates that 552 businesses will have filed full reports by the time the revised estimates are published in 2006.⁶

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 of each of the data items covered by the survey is prepared, 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.

The number of full reports by size of outlay is shown in the table below.

	2002	2003 ^r	2004 ^p
Total	559	457	552
\$5 billion or more	1	2	2
\$2 billion–\$4.999 billion.....	3	2	4
\$100 million–\$1.999 billion.....	79	73	93
Less than \$100 million.....	476	380	453

^p Preliminary.
^r Revised.

For 2004, the number of investments in the two largest classes represents the number of reports that were received. The number of investments in the two smallest class sizes includes an estimate of the number of late reports that will be received before the revised estimates are published.

Industry and country presentation

Beginning with the revised 2003 estimates, the industry classifications are based on the 2002 North American Industry Classification System. The system now includes several new industries in the information sector. In addition, BEA's standard presentation of data by industry has been modified to better reflect the industry distribution of the affiliate data. The standard presentation of the data by country of ultimate beneficial owner (UBO) has also been updated to reflect changes in the pattern of foreign direct investment in the United States by country of UBO.

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 "Operations of U.S. Affiliates of Foreign Companies: Preliminary Results from the 2002 Benchmark Survey" in the August 2004 SURVEY OF CURRENT BUSINESS; the article includes a description of the three types of data. Summary estimates for 2003 are presented in the April 19, 2005, news release "Summary Estimates for Multinational Companies: Employment, Sales, and Capital Expenditures for 2003," which is available on the BEA's Web site. 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*, which is available on BEA's Web site.

The balance-of-payments and direct-investment-position data were published in "The International Investment Position of the United States at Yearend 2003" and "Direct Investment Positions for 2003: Country and Industry Detail" in the July 2004 issue of the SURVEY, in "Foreign Direct Investment in the United States: Detail for Historical Cost Position and Related Capital and Income Flows, 2003" in the September 2004 issue, and in "U.S. International Transactions, 2004" in the April 2005 issue. Revised and updated data will be published in the July and September 2005 issues.

Tables 6, 7.1, and 7.2 follow.

Table 6. Investment Outlays by Type of Investment and Investor, by Industry of U.S. Business Enterprise, 2003–2004
[Millions of dollars]

	2003 ^r					2004 ^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	63,591	50,212	13,379	27,866	35,725	79,820	72,546	7,274	33,529	46,291
Manufacturing	10,750	8,698	2,053	1,490	9,261	17,178	17,155	23	5,377	11,801
Food.....	2,516	2,516	0	(D)	(D)	2,383	2,383	0	(D)	(D)
Beverages and tobacco products.....	(D)	(D)	(D)	(D)	(D)	3,777	3,777	0	(D)	(D)
Textiles, apparel, and leather products.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	(D)	(D)
Paper.....	(D)	(D)	0	0	(D)	(D)	(D)	0	(D)	(D)
Printing and related support activities.....	(D)	(D)	0	0	(D)	(D)	0	(D)	(D)	0
Petroleum and coal products.....	(D)	(D)	0	0	(D)	0	0	0	0	0
Chemicals.....	1,164	(D)	(D)	303	861	5,140	(D)	(D)	3,613	1,527
Plastics and rubber products.....	498	(D)	(D)	(D)	(D)	(D)	0	(D)	(D)	(D)
Nonmetallic mineral products.....	(D)	(D)	(D)	(D)	(D)	127	122	5	(D)	(D)
Primary and fabricated metals.....	214	214	0	(D)	(D)	941	(D)	(D)	(D)	(D)
Machinery.....	122	122	0	(D)	(D)	580	580	0	0	580
Computers and electronic products.....	2,125	(D)	(D)	240	1,884	2,818	2,818	0	1,448	1,369
Electrical equipment, appliances, and components.....	139	139	0	(D)	(D)	306	306	0	0	306
Transportation equipment.....	225	225	0	5	220	425	425	0	(D)	(D)
Other.....	462	(D)	(D)	(D)	(D)	539	536	4	93	447
Wholesale trade	1,086	738	348	(D)	(D)	951	(D)	(D)	(D)	(D)
Motor vehicles and motor vehicle parts and supplies.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Electrical goods.....	(D)	(D)	0	(D)	(D)	0	0	0	0	0
Petroleum and petroleum products.....	(D)	0	(D)	(D)	(D)	0	0	0	0	0
Other.....	773	723	49	141	632	(D)	(D)	(D)	561	(D)
Retail trade	941	(D)	(D)	17	925	3,055	(D)	(D)	(D)	(D)
Information	9,236	9,099	137	148	9,088	3,102	(D)	(D)	411	2,691
Publishing industries.....	1,431	1,427	4	(D)	(D)	(D)	(D)	0	(D)	(D)
Motion picture and sound recording industries.....	278	(D)	(D)	(D)	(D)	0	0	0	0	0
Telecommunications.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Other.....	(D)	(D)	(D)	(D)	(D)	2,857	2,857	0	208	2,650
Depository institutions	4,864	(D)	(D)	(D)	(D)	14,095	(D)	(D)	0	14,095
Finance (except depository institutions) and insurance	23,511	16,925	6,587	20,456	3,055	24,904	20,452	4,452	20,571	4,333
Finance, except depository institutions.....	22,525	(D)	(D)	(D)	(D)	5,802	1,600	4,203	4,330	1,473
Insurance carriers and related activities.....	987	(D)	(D)	(D)	(D)	19,102	18,853	249	16,241	2,861
Real estate and rental and leasing	2,817	(D)	(D)	709	2,109	4,823	2,599	2,225	2,368	2,455
Real estate.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	2,225	(D)	2,455
Rental and leasing (except real estate).....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	(D)	0
Professional, scientific, and technical services	1,955	(D)	(D)	724	1,232	4,048	(D)	(D)	2,740	1,307
Other industries	8,429	8,065	364	502	7,927	7,664	7,158	506	1,149	6,515
Agriculture, forestry, fishing, and hunting.....	(D)	(D)	0	(D)	(D)	233	214	19	220	13
Mining.....	926	(D)	(D)	(D)	(D)	4,172	4,093	79	662	3,510
Utilities.....	5,401	(D)	(D)	(D)	(D)	433	(D)	(D)	0	433
Construction.....	427	(D)	(D)	(D)	(D)	158	(D)	(D)	(D)	(D)
Transportation and warehousing.....	1,251	(D)	(D)	(D)	(D)	2,127	2,127	0	(D)	(D)
Management of nonbank companies and enterprises.....	(D)	0	(D)	(D)	(D)	0	0	0	0	0
Administration, support, and waste management.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Health care and social assistance.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Accommodation and food services.....	89	(D)	(D)	(D)	(D)	(D)	0	(D)	(D)	0
Miscellaneous services.....	95	(D)	(D)	(D)	(D)	398	(D)	(D)	(D)	(D)

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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, 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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All countries	63,591	10,750	1,086	941	9,236	4,864	23,511	2,817	1,955	8,429
Canada	9,157	2,859	22	(D)	805	(D)	2,351	563	244	1,282
Europe	39,024	6,609	728	45	(D)	4,282	(D)	727	1,356	6,774
<i>Of which:</i>										
Belgium	594	403	(D)	(D)	0	0	(D)	(D)	(D)	(D)
France	2,955	(D)	(D)	0	(D)	0	(D)	(D)	(D)	(D)
Germany	8,830	721	14	(D)	(D)	(D)	(D)	540	20	(D)
Ireland	2,893	(D)	0	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Netherlands	1,077	(D)	(D)	0	(D)	0	(D)	(D)	(D)	527
Switzerland	649	(D)	(D)	(D)	(D)	0	(D)	(D)	3	(D)
United Kingdom	20,373	2,467	130	(D)	554	(D)	(D)	117	659	255
Latin America and Other Western Hemisphere	1,607	(D)	43	(D)	(D)	(D)	696	(D)	(D)	(D)
South and Central America	182	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Other Western Hemisphere	1,425	(D)	(D)	(D)	(D)	0	(D)	(D)	(D)	(D)
<i>Of which:</i>										
United Kingdom Islands, Caribbean	713	(D)	11	(D)	(D)	0	(D)	(D)	(D)	0
Africa	(D)	0	(D)	0	(D)	0	0	0	(D)	0
Middle East	1,738	(D)	(D)	(D)	(D)	0	(D)	(D)	(D)	(D)
<i>Of which:</i>										
Israel	(D)	(D)	0	(D)	0	0	(D)	0	(D)	(D)
Asia and Pacific	11,469	945	282	(D)	(D)	(D)	1,834	1,073	343	107
<i>Of which:</i>										
Australia	9,032	(D)	(D)	(D)	(D)	0	1,759	594	(D)	(D)
China	(D)	(D)	0	0	(D)	0	(D)	(D)	(D)	(D)
Hong Kong	623	(D)	(D)	(D)	0	0	(D)	(D)	(D)	(D)
Japan	1,544	825	155	(D)	131	(D)	(D)	28	227	7
United States ¹	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	(D)	(D)
Addenda:										
European Union (15) ²	37,779	6,211	500	(D)	1,438	4,282	(D)	698	1,352	6,369
OPEC ³	162	(D)	(D)	0	(D)	0	(D)	126	(D)	(D)

D Suppressed to avoid disclosure of data of individual companies.

1. The United States is the country of ultimate beneficial owner for businesses newly acquired or established by foreign investors that are 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.

Notes: Data for 2003 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.

This table presents the major regions, the European Union, OPEC, and the following countries: Australia, Canada, China, France, Germany, Hong Kong, Japan, the Netherlands, Switzerland, the United Kingdom, and the United States. In addition, it presents any country whose total outlays for 2003 were greater than \$500 million.

Table 7.2. Investment Outlays, Country of Ultimate Beneficial Owner by Industry of U.S. Business Enterprise, 2004

[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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All countries	79,820	17,178	951	3,055	3,102	14,095	24,904	4,823	4,048	7,664
Canada	32,378	1,395	478	(D)	570	(D)	17,525	806	1,897	6,720
Europe	39,424	13,664	457	489	1,198	13,458	5,709	2,811	1,237	402
<i>Of which:</i>										
France.....	4,661	1,083	(D)	0	(D)	(D)	1,838	(D)	(D)	0
Germany.....	5,020	4,158	(D)	0	0	0	634	0	(D)	0
Netherlands.....	253	167	0	0	(D)	0	(D)	78	0	0
Switzerland.....	3,523	770	0	(D)	(D)	0	(D)	(D)	8	227
United Kingdom.....	24,166	6,273	234	0	1,154	(D)	2,819	592	(D)	(D)
Latin America and Other Western Hemisphere	1,418	(D)	0	0	0	0	(D)	0	0	0
South and Central America.....	(D)	(D)	0	0	0	0	(D)	0	0	0
Other Western Hemisphere.....	(D)	0	0	0	0	0	(D)	0	0	0
Africa	(D)	0	(D)	0	0	0	0	0	0	0
Middle East	(D)	0	0	0	100	0	(D)	835	0	(D)
<i>Of which:</i>										
United Arab Emirates.....	(D)	0	0	0	0	0	0	(D)	0	(D)
Asia and Pacific	4,800	(D)	(D)	(D)	(D)	(D)	1,176	372	914	(D)
<i>Of which:</i>										
Australia.....	2,885	297	0	0	(D)	0	988	(D)	(D)	(D)
China.....	(D)	0	(D)	0	0	0	0	0	(D)	0
Hong Kong.....	115	(D)	0	0	(D)	0	(D)	0	0	0
Japan.....	986	524	(D)	(D)	52	(D)	(D)	14	0	(D)
Singapore.....	(D)	0	0	0	0	0	0	0	(D)	0
United States ¹	(D)	(D)	0	0	(D)	0	(D)	0	0	385
Addenda:										
European Union (25) ²	35,264	12,549	457	208	1,190	13,458	4,661	1,362	1,204	175
OPEC ³	852	0	0	0	(D)	0	(D)	835	0	(D)

D Suppressed to avoid disclosure of data of individual companies.

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

2. The European Union (25) comprises the European Union (15) whose member countries are listed in footnote 2 of table 7.1 and the 10 countries—Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia—that joined the Union in May 2004. Outlays include all investments made in 2004, even if the transactions occurred before the entry of the country into the European Union.

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.

NOTES. Data for 2004 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.

This table presents the major regions, the European Union, OPEC, and the following countries: Australia, Canada, China, France, Germany, Hong Kong, Japan, the Netherlands, Switzerland, the United Kingdom, and the United States. In addition, it presents any country whose total outlays for 2004 were greater than \$500 million.