

Foreign Direct Investment in the United States

New Investment in 2005

By Lawrence R. McNeil

OUTLAYS by foreign direct investors to acquire or establish U.S. businesses were \$86.8 billion in 2005, little changed from \$86.2 billion in 2004 (table 1 and chart 1). Outlays remained considerably below those in 1998–2001, when new investment outlays were historically high, ranging from \$147.1 billion to \$335.6 billion.

The relatively flat outlays for new foreign direct investment in the United States occurred as overall merger and acquisition activity in the United States increased significantly.¹ A number of factors may have limited the expansion of outlays, including slower U.S. and foreign economic growth, particularly in Europe. For the first time since 1997, new investment outlays included no transactions of more than \$5 billion (table 2).

Outlays increased substantially in manufacturing,

1. According to data from Thomson Financial Services, the dollar volume of announced merger and acquisition activity in the United States increased 33 percent in 2005 and exceeded \$1 trillion for the first time since 2000.

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 Carmene T. Brown, Constance T. Deve, Edward J. Kozerka, Ronald L. McNeil, and Daniel K. Wakjira. Karen E. Poffel and Neeta B. Kapoor programmed the tables.

information, and depository institutions. Together, these three sectors accounted for 58 percent of total outlays (table 3). The increase in information was the first since 1999. Outlays in "finance (except depository institutions) and insurance" declined sharply—by \$20.0 billion, or 76 percent.

Outlays from Europe increased substantially, particularly those by investors in the United Kingdom, Germany, and the Netherlands; the outlays from Europe accounted for nearly two-thirds of the worldwide total

Chart 1. Outlays for New Investment in the United States by Foreign Direct Investors, 1980–2005

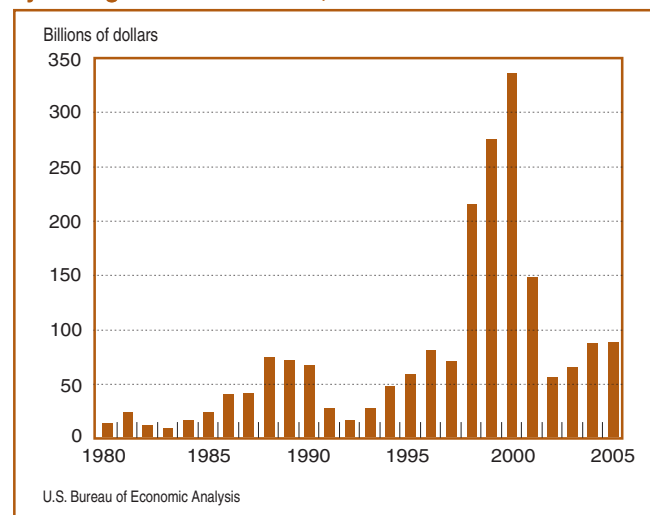


Table 1. Investment Outlays by Type of Investment and Investor, 1992–2005

[Millions of dollars]

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^r	2005 ^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	86,219	86,823
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	72,738	79,220
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	13,481	7,603
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	34,184	43,579
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	52,035	43,244

^p Preliminary

^r Revised

Table 2. Distribution of Investment Outlays by Size, 1992–2005

[Percent]

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^r	2005 ^p
Total outlays	100	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)	0
\$2 billion — \$4.999 billion.....	0	(D)	27	18	29	12	11	16	20	22	18	(D)	13	27
\$100 million — \$1.999 billion.....	42	51	51	48	55	67	27	24	27	40	45	43	47	65
Less than \$100 million.....	58	(D)	22	(D)	16	21	7	5	5	9	(D)	12	(D)	7

^p Preliminary

^r Revised

D Suppressed to avoid disclosure of data of individual companies.

and represented by far the largest portion of total investment outlays by region (chart 2). Outlays from the Asia and Pacific region and the Middle East region also increased substantially. For the Asia and Pacific region, the increase was largely accounted for by Japanese and Australian investments. These increases were offset by a 58-percent decline in investment outlays from Canada.

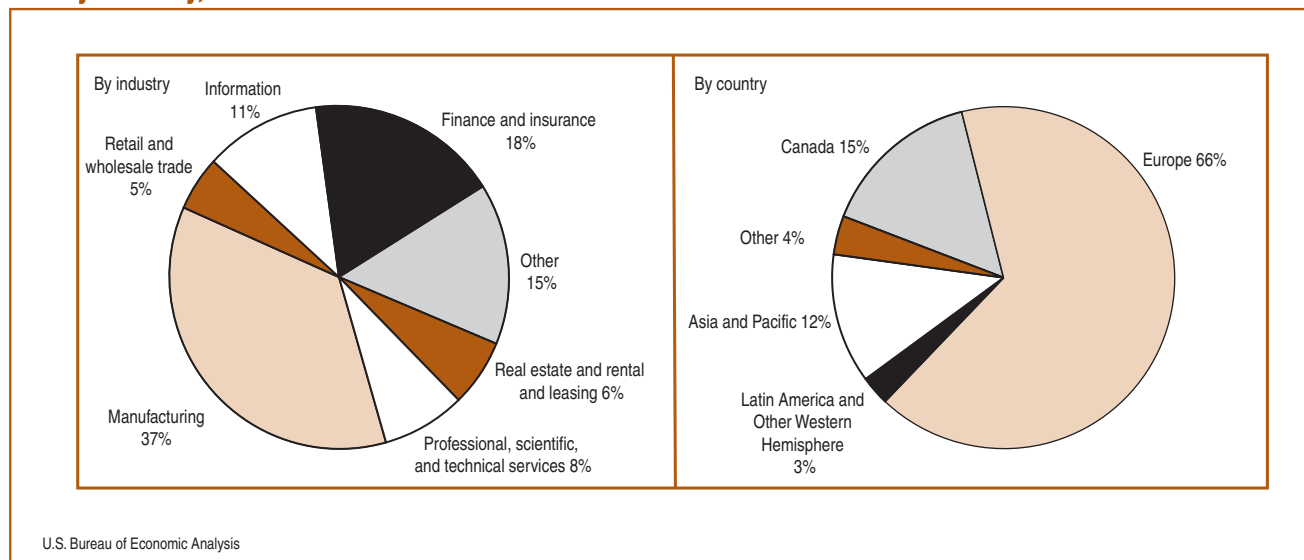
Spending in 2005

In 2005, outlays by foreign direct investors to acquire existing U.S. businesses were \$79.2 billion, which, as in previous years, were significantly larger than the \$7.6 billion in outlays to establish new U.S. businesses. Outlays made by, or through, existing U.S. affiliates were \$43.2 billion, which, for the first time since 1998, were

smaller than the \$43.6 billion in outlays made directly by foreign investors. Of the \$43.2 billion that was spent by U.S. affiliates, \$24.7 billion came from their foreign parent groups. Thus, through their own outlays and the funds they supplied to existing U.S. affiliates, foreign parent groups funded a total of \$68.3 billion, or 79 percent, of the total outlays of \$86.8 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 2005, see Christopher L. Bach, "U.S. International Transactions in 2005," *SURVEY OF CURRENT BUSINESS* 86 (April 2006): 22-68; revised estimates will be published in the July 2006 *SURVEY*.

Chart 2. Outlays for New Investment in the United States by Foreign Direct Investors by Industry and by Country, 2005



Key Terms

Person. 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).

Foreign person. A person that resides outside the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and all U.S. territories and possessions.

Foreign direct investment in the United States. The 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.

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

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

Foreign parent group. This 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.

Outlays in manufacturing increased to \$31.3 billion in 2005 from \$18.3 billion in 2004, a 71-percent increase (table 3). Within manufacturing, the largest increases were in transportation equipment, primary metals, and chemicals. Most of the increase in transportation equipment was accounted for by investment growth in industries other than motor vehicles. Outlays in information, which were 11 percent of total outlays, increased for the first time since 1999, to \$9.6 billion from \$4.3 billion; however, these outlays remained far below those in 1999–2000, when they averaged almost \$80 billion a year. Within information, the telecommunications and publishing subsectors had the largest increases. The “finance (except depository institutions) and insurance” sector posted the largest decrease in outlays, in both percentage and value terms. Outlays in this sector decreased to \$6.2 billion from \$26.2 billion in 2004, or 76 percent.

Table 3. Investment Outlays by Industry of U.S. Business Enterprise, 2003–2005
[Millions of dollars]

	2003	2004 ^r	2005 ^p
All industries	63,591	86,219	86,823
Manufacturing	10,750	18,251	31,286
Food.....	2,516	2,146	736
Beverages and tobacco products.....	(D)	(D)	(D)
Textiles, apparel, and leather products.....	(D)	(D)	0
Paper.....	(D)	120	0
Printing and related support activities.....	(D)	(D)	116
Petroleum and coal products.....	(D)	(D)	219
Chemicals.....	1,164	4,751	6,067
Plastics and rubber products.....	498	84	1,157
Nonmetallic mineral products.....	(D)	153	(D)
Primary metals.....	91	(D)	5,546
Fabricated metal products.....	123	(D)	116
Machinery.....	122	642	287
Computers and electronic products.....	2,125	2,934	4,030
Electrical equipment, appliances, and components.....	139	(D)	861
Transportation equipment.....	225	1,199	7,086
Other.....	462	969	4,923
Wholesale trade	1,086	(D)	2,292
Retail trade	941	3,073	2,166
Information	9,236	4,315	9,639
Publishing industries.....	1,431	1,274	2,822
Motion picture and sound recording industries.....	278	(D)	(D)
Telecommunications.....	(D)	(D)	4,219
Other.....	(D)	2,783	(D)
Depository institutions	4,864	(D)	9,609
Finance (except depository institutions) and insurance	23,511	26,234	6,196
Real estate and rental and leasing	2,817	6,335	5,532
Professional, scientific, and technical services	1,955	(D)	6,879
Other industries	8,429	10,121	13,224

^p Preliminary

^r Revised

D Suppressed to avoid disclosure of data of individual companies.

Outlays by European investors increased 31 percent, to \$57.2 billion from \$43.8 billion in 2004, and accounted for 66 percent of total outlays (table 4). Outlays in the manufacturing and information industries fueled much of the growth. British investment accounted for over half of European outlays. Investment from the Netherlands increased almost sixfold to \$3.1 billion. Outlays from investors in the Asia and Pacific region also rose in 2005, increasing to \$10.7 billion from \$6.0 billion. This increase reflected larger outlays from Australia and the first increase in outlays from Japan since 2000. The increase in outlays by Japanese investors coincided with stronger growth of the Japanese economy. Outlays by Canadian investors declined 58 percent, to \$13.3 billion from \$31.5 billion.

Operating data of acquired or established U.S. businesses

In 2005, newly acquired or established businesses employed 223,800 people, up 6 percent from 211,600 in 2004 (table 5). Manufacturing accounted for the

Table 4. Investment Outlays by Country of Ultimate Beneficial Owner, 2003–2005
[Millions of dollars]

	2003	2004 ^r	2005 ^p
All countries	63,591	86,219	86,823
Canada	9,157	31,502	13,269
Europe	39,024	43,815	57,244
France.....	2,955	6,415	6,105
Germany.....	8,830	4,788	7,110
Netherlands.....	1,077	461	3,110
Switzerland.....	649	6,505	2,237
United Kingdom.....	20,373	23,288	30,310
Other Europe.....	5,140	2,358	8,372
Latin America and Other Western Hemisphere	1,607	2,629	2,398
South and Central America.....	182	1,382	763
Other Western Hemisphere.....	1,425	1,247	1,634
Africa	(D)	(D)	0
Middle East	1,738	1,318	3,156
Asia and Pacific	11,469	6,015	10,655
Australia.....	9,032	3,850	5,148
Japan.....	1,544	1,027	3,565
Other Asia and Pacific.....	893	1,139	1,942
United States ¹	(D)	(D)	101

^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, 2004–2005

	2004 ^r					2005 ^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	308,638	67,336	3,644	211.6	169,963	170,462	65,934	2,757	223.8	35,721
Manufacturing.....	33,008	22,089	954	61.5	(D)	37,911	40,308	1,819	92.2	15,030
Wholesale trade.....	(D)	3,305	71	9.4	157	2,283	2,962	41	6.0	155
Retail trade.....	(D)	9,742	137	K	149	3,099	3,012	48	14.4	(D)
Information.....	4,426	1,424	-87	H	(D)	12,985	4,837	-73	8.7	(D)
Depository institutions.....	(D)	(D)	(D)	11.8	62	59,398	3,194	348	17.0	303
Finance (except depository institutions) and insurance.....	184,747	18,700	1,335	20.9	(D)	17,681	1,536	197	5.6	(D)
Real estate and rental and leasing.....	8,285	(D)	(D)	2.8	4,019	15,099	1,218	283	2.7	12,524
Professional, scientific, and technical services.....	3,973	2,296	-7	13.9	(D)	6,430	2,581	-64	17.4	(D)
Other industries.....	13,952	(D)	(D)	44.7	33,469	15,577	6,285	158	59.8	7,697

^p Preliminary

^r 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 2004 were 419,979 and in 2005 were 88,267.

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.

largest share of employment, with 92,200 employees. Professional, scientific, and technical services accounted for 17,400 employees, and depository institutions accounted for 17,000 employees. Combined, these three sectors accounted for 57 percent of total employment by newly acquired or established businesses.

In 2005, the total assets of newly acquired or established businesses were \$170.5 billion, down from \$308.6 billion in 2004. Depository institutions accounted for \$59.4 billion, manufacturing accounted for \$37.9 billion, and “finance (except depository institutions) and insurance” accounted for \$17.7 billion of the total. Together, these three industries accounted for 67 percent of total assets.

Net income for newly acquired or established businesses was \$2.8 billion in 2005, down from \$3.6 billion in 2004. Total sales were \$65.9 billion in 2005, down slightly from \$67.3 billion in 2004.

Revisions

The estimates of new foreign direct investment for 2005 are preliminary. The estimate of total outlays for 2004 has been revised up 8 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 10 percent from the preliminary estimate, the estimate of total assets has been revised down 1 percent, the estimate of sales has been revised up 5 percent, and the estimate of net income has been revised up 2 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 pre-

3. See Thomas W. Anderson, “Foreign Direct Investment in the United States: New Investment in 2004,” *SURVEY* 85 (June 2005): 30–37.

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 1980–2005 are available on BEA’s Web site at <www.bea.gov>. Click on “Direct Investment.” Then, under “Foreign Direct Investment in the United States” and “Financial and Operating Data,” click on “Selected Tables” for “U.S. Business Enterprises Acquired or Established by Foreign Companies.”

liminary estimates for 2005, 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 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 segment 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 owned 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

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.

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

reported values generally have a negligible impact on the published aggregates. For example, in 2004, the total assets of U.S. businesses that filed partial reports were \$245.3 million, about a 10th 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 2004, BEA received 868 partial reports and 584 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 584 full reports filed in 2004, 192 reported investments to acquire an existing U.S. business, and 392 reported investments to establish a new U.S. business. For 2005, BEA estimates that 503 businesses will have filed full reports by the time the revised estimates

are published in 2006.⁶

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

	2003	2004 ^r	2005 ^p
Total	457	584	503
\$5 billion or more	2	2	0
\$2 billion–\$4.999 billion	2	4	6
\$100 million–\$1.999 billion	73	109	148
Less than \$100 million	380	469	349

p Preliminary.
r Revised.

For 2005, 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.

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.

Data on Foreign Direct Investment in the United States

In addition to the data on new foreign direct investment 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 2003,” in the August 2005 SURVEY OF CURRENT BUSINESS; the article includes a description of the three types of data. Summary estimates for 2004 were presented in the April 20, 2006, news release “Summary Estimates for Multinational Companies: Employment, Sales, and Capital Expenditures for 2004,” which is available on BEA’s Web site. Financial and oper-

ating 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 Census Bureau’s establishment data for all U.S. companies. The most recent data are published in *Foreign Direct Investment in the United States: Establishment Data for 1997*, which is available on the BEA Web site.

The balance of payments and direct investment position data were published in “The International Investment Position of the United States at Yearend 2004” and “Direct Investment Positions for 2004: Country and Industry Detail” in the July 2005 SURVEY, in “Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 2004” in the September 2005 SURVEY, and in “U.S. International Transactions in 2005” in the April 2006 SURVEY. Revised and updated data will be published in the July and September 2006 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, 2004–2005
[Millions of dollars]

	2004 ^r					2005 ^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	86,219	72,738	13,481	34,184	52,035	86,823	79,220	7,603	43,579	43,244
Manufacturing	18,251	16,948	1,303	5,190	13,061	31,286	31,218	68	17,556	13,730
Food.....	2,146	(D)	(D)	(D)	(D)	736	736	0	(D)	(D)
Beverages and tobacco products.....	(D)	(D)	0	(D)	(D)	(D)	(D)	0	(D)	(D)
Textiles, apparel, and leather products.....	(D)	(D)	(D)	(D)	(D)	0	0	0	0	0
Paper.....	120	120	0	(D)	(D)	0	0	0	0	0
Printing and related support activities.....	(D)	(D)	(D)	(D)	(D)	116	116	0	0	116
Petroleum and coal products.....	(D)	(D)	0	0	(D)	219	219	0	0	219
Chemicals.....	4,751	(D)	(D)	(D)	(D)	6,067	6,067	0	3,527	2,540
Plastics and rubber products.....	84	(D)	(D)	(D)	(D)	1,157	(D)	(D)	531	625
Nonmetallic mineral products.....	153	146	7	31	123	(D)	(D)	0	(D)	(D)
Primary and fabricated metals.....	1,199	(D)	(D)	(D)	(D)	5,662	(D)	(D)	5,343	319
Machinery.....	642	(D)	(D)	(D)	(D)	287	287	0	150	137
Computers and electronic products.....	2,934	(D)	(D)	(D)	(D)	4,030	(D)	(D)	3,274	756
Electrical equipment, appliances, and components.....	(D)	(D)	(D)	(D)	(D)	861	861	0	0	861
Transportation equipment.....	1,199	(D)	(D)	(D)	(D)	7,086	7,086	0	755	6,331
Other.....	969	964	5	556	412	4,923	(D)	(D)	3,544	1,379
Wholesale trade	(D)	(D)	(D)	(D)	990	2,292	(D)	(D)	1,852	440
Motor vehicles and motor vehicle parts and supplies.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	(D)	(D)
Electrical goods.....	(D)	(D)	(D)	(D)	(D)	0	0	0	0	0
Petroleum and petroleum products.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Other.....	1,556	1,533	23	789	767	2,010	(D)	(D)	(D)	(D)
Retail trade	3,073	3,054	19	(D)	(D)	2,166	2,067	99	357	1,809
Information	4,315	4,300	15	513	3,802	9,639	(D)	(D)	179	9,460
Publishing industries.....	1,274	(D)	(D)	(D)	(D)	2,822	(D)	(D)	(D)	(D)
Motion picture and sound recording industries.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Telecommunications.....	(D)	(D)	(D)	(D)	(D)	4,219	4,219	0	(D)	(D)
Other.....	2,783	(D)	(D)	222	2,561	(D)	2,342	(D)	158	(D)
Depository institutions	(D)	(D)	(D)	(D)	(D)	9,609	9,609	0	5,913	3,696
Finance (except depository institutions) and insurance	26,234	18,677	7,557	20,143	6,091	6,196	1,629	4,567	4,348	1,848
Finance, except depository institutions.....	(D)	(D)	(D)	(D)	3,587	5,429	979	4,450	4,203	1,226
Insurance carriers and related activities.....	(D)	(D)	(D)	(D)	2,504	767	650	117	145	622
Real estate and rental and leasing	6,335	3,202	3,133	3,485	2,850	5,532	3,044	2,488	1,870	3,662
Real estate.....	(D)	(D)	(D)	(D)	(D)	4,605	(D)	(D)	(D)	(D)
Rental and leasing (except real estate).....	(D)	(D)	(D)	(D)	(D)	926	(D)	(D)	(D)	(D)
Professional, scientific, and technical services	(D)	3,784	(D)	2,568	(D)	6,879	6,819	60	3,539	3,340
Other industries	10,121	8,817	1,304	1,380	8,740	13,224	12,907	317	7,965	5,259
Agriculture, forestry, fishing, and hunting.....	209	190	20	193	17	0	0	0	0	0
Mining.....	3,624	(D)	(D)	(D)	(D)	3,995	3,995	0	3,224	771
Utilities.....	1,852	(D)	(D)	(D)	(D)	252	252	0	(D)	(D)
Construction.....	257	(D)	(D)	(D)	(D)	312	(D)	(D)	(D)	(D)
Transportation and warehousing.....	2,387	2,384	3	(D)	(D)	4,370	(D)	(D)	(D)	(D)
Management of nonbank companies and enterprises.....	(D)	(D)	(D)	(D)	(D)	0	0	0	0	0
Administration, support, and waste management.....	439	(D)	(D)	(D)	(D)	1,096	(D)	(D)	(D)	(D)
Health care and social assistance.....	(D)	132	(D)	0	(D)	2,010	2,010	0	(D)	(D)
Accommodation and food services.....	407	(D)	(D)	(D)	(D)	702	(D)	(D)	(D)	(D)
Miscellaneous services.....	403	398	6	(D)	(D)	487	487	0	312	174

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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, 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	86,219	18,251	(D)	3,073	4,315	(D)	26,234	6,335	(D)	10,121
Canada	31,502	2,059	425	(D)	(D)	(D)	(D)	936	1,673	7,502
Europe	43,815	13,948	(D)	480	2,068	(D)	9,091	2,675	1,119	1,492
<i>Of which:</i>										
France	6,415	1,176	(D)	0	(D)	(D)	(D)	(D)	(D)	(D)
Germany	4,788	(D)	244	(D)	(D)	0	(D)	606	(D)	176
Netherlands	461	156	(D)	0	(D)	0	(D)	151	(D)	(D)
Switzerland	6,505	1,122	(D)	(D)	(D)	0	3,218	(D)	14	200
United Kingdom	23,288	6,459	596	(D)	1,453	(D)	2,554	(D)	1,070	545
Latin America and Other Western Hemisphere	2,629	941	(D)	(D)	(D)	(D)	878	(D)	(D)	117
South and Central America	1,382	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
<i>Of which:</i>										
Brazil	(D)	(D)	0	0	0	0	0	0	0	(D)
Mexico	761	(D)	(D)	(D)	(D)	0	(D)	(D)	(D)	(D)
Other Western Hemisphere	1,247	(D)	(D)	(D)	(D)	0	(D)	(D)	(D)	(D)
<i>Of which:</i>										
United Kingdom Islands, Caribbean	842	(D)	(D)	(D)	(D)	0	(D)	(D)	(D)	(D)
Africa	(D)	0	(D)	0	0	0	(D)	0	(D)	(D)
Middle East	1,318	(D)	(D)	(D)	(D)	0	(D)	661	(D)	(D)
<i>Of which:</i>										
Israel	622	(D)	(D)	(D)	(D)	0	0	0	(D)	(D)
United Arab Emirates	519	0	0	0	0	0	0	(D)	0	(D)
Asia and Pacific	6,015	1,054	81	(D)	(D)	(D)	878	1,202	1,010	508
<i>Of which:</i>										
Australia	3,850	428	(D)	(D)	(D)	0	(D)	(D)	(D)	(D)
China	93	(D)	7	0	0	0	0	0	(D)	0
Hong Kong	132	(D)	(D)	0	(D)	0	(D)	0	0	(D)
Japan	1,027	475	14	(D)	(D)	(D)	114	102	(D)	69
Singapore	(D)	(D)	0	0	0	0	0	0	(D)	0
United States ¹	(D)	(D)	0	0	(D)	0	(D)	(D)	0	(D)
Addenda:										
European Union (25) ²	36,644	12,521	1,182	(D)	1,598	(D)	5,874	1,201	1,105	1,264
OPEC ³	703	0	(D)	(D)	(D)	0	(D)	662	0	25

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 (25) comprises Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom. Outlays include all investments made in 2004, even if the transactions occurred before the entry of the 10 countries that joined the European Union in May 2004.

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 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 2005 were greater than \$500 million.

Table 7.2. Investment Outlays, Country of Ultimate Beneficial Owner by Industry of U.S. Business Enterprise, 2005

[Millions of dollars]

	All industries	Manufacturing	Wholesale trade	Retail trade	Information	Depository institutions	Finance (except depository institutions) and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All countries	86,823	31,286	2,292	2,166	9,639	9,609	6,196	5,532	6,879	13,224
Canada	13,269	2,676	451	(D)	(D)	5,135	334	(D)	1,101	3,035
Europe	57,244	24,610	608	1,388	8,819	4,474	4,537	1,395	5,282	6,132
<i>Of which:</i>										
Belgium.....	535	(D)	0	0	0	0	0	0	(D)	0
France.....	6,105	3,254	(D)	0	(D)	(D)	(D)	0	(D)	275
Germany.....	7,110	2,647	19	(D)	3,031	0	(D)	670	(D)	(D)
Netherlands.....	3,110	(D)	0	(D)	(D)	0	(D)	(D)	(D)	331
Norway.....	3,238	(D)	0	0	(D)	0	0	0	(D)	(D)
Spain.....	3,131	(D)	0	0	0	(D)	0	(D)	(D)	2,145
Switzerland.....	2,237	1,069	0	(D)	894	0	0	(D)	(D)	109
United Kingdom.....	30,310	15,071	189	(D)	4,349	(D)	4,344	(D)	3,980	286
Latin America and Other Western Hemisphere	2,398	(D)	(D)	0	0	0	567	890	(D)	0
South and Central America.....	763	311	(D)	0	0	0	0	(D)	0	0
Other Western Hemisphere.....	1,634	(D)	(D)	0	0	0	567	(D)	(D)	0
<i>Of which:</i>										
United Kingdom Islands, Caribbean.....	1,533	(D)	(D)	0	0	0	(D)	(D)	0	0
Africa	0	0	0	0	0	0	0	0	0	0
Middle East	3,156	(D)	(D)	0	0	0	0	(D)	9	2,346
<i>Of which:</i>										
Israel.....	550	(D)	0	0	0	0	0	(D)	9	0
Kuwait.....	(D)	0	0	0	0	0	0	0	0	(D)
United Arab Emirates.....	1,938	0	0	0	0	0	0	(D)	0	(D)
Asia and Pacific	10,655	2,601	1,023	(D)	(D)	0	759	2,678	(D)	1,711
<i>Of which:</i>										
Australia.....	5,148	506	0	(D)	0	0	(D)	2,208	(D)	1,597
China.....	73	0	(D)	0	0	0	(D)	0	0	0
Hong Kong.....	716	393	(D)	(D)	0	0	0	0	0	(D)
Japan.....	3,565	1,489	(D)	0	771	0	0	(D)	(D)	(D)
Singapore.....	1,092	(D)	0	(D)	0	0	0	(D)	0	0
United States ¹	101	(D)	0	0	0	0	0	(D)	0	0
Addenda:										
European Union (25) ²	50,817	22,598	608	1,369	7,779	4,474	4,537	1,323	5,121	3,008
OPEC ³	2,461	0	0	0	0	0	0	115	0	2,346

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

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 2005 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 2005 were greater than \$500 million.