



U.S. Direct Investment Abroad

The Bureau of Economic Analysis produces comprehensive data on U.S. direct investment abroad that are essential to the compilation of the U.S. economic accounts and for the analysis of multinational companies. The data, which are widely recognized to be the world's most complete and accurate, are obtained from mandatory surveys.

U.S. direct investment abroad is defined as ownership by a U.S. investor of at least 10 percent of a foreign business. The direct investor is known as a U.S. parent, and the U.S.-owned foreign business is known as a foreign affiliate. The combined global operations of a U.S. parent company and its foreign affiliates constitute a U.S. multinational company.

The Bureau collects and publishes two broad sets of data on U.S. direct investment abroad: (1) International transactions and direct investment position data, and (2) financial and operating data of U.S. multinational companies. Both sets are available in considerable detail by industry and by country.

International transactions and direct investment position data

The international transactions data cover the foreign affiliates' transactions with their U.S. parent, so these data focus on the U.S. parent's share, or interest, in its affiliates rather than on the affiliates' overall size or level of operations. These data are essential to the compilation of the U.S. international transactions accounts, the international investment position, and the national income and product accounts. The major data items include capital flows, which measure the funds that U.S. parents provide to their foreign affiliates, and income, which measures the return on those funds. The data also cover royalties and license fees and other service charges that parents receive from or pay

to their affiliates. All of these items are flow data and provide measurement for a particular time frame, such as for a quarter or a year.

Direct investment position data are stock data and are cumulative; they measure the total outstanding level of U.S. direct investment abroad at yearend. Estimates are provided both at historical cost and in terms of current-period prices. Two alternative official measures of the position are presented in current-period prices—one with direct investment recorded at current cost, and the other with direct investment recorded at market value. For the historical-cost estimates, tables are published by country and by industry.

Financial and operating data

The financial and operating data provide a picture of the overall activities of foreign affiliates and U.S. parent companies using a wide variety of indicators of their financial structure and operations. The data on foreign affiliates cover the entire operations of the affiliate, irrespective of the percentage of U.S. ownership. These data cover items that are needed in analyzing the characteristics, performance, and economic impact of multinational companies, such as sales, gross product (value added), employment and compensation of employees, capital expenditures, exports and imports, and research and development expenditures. Separate tabulations are available for affiliates that are majority owned by their U.S. parent because the concept of majority control is often important in the analysis of multinational companies.

Uses of the data

The data can be used to measure the scale of the global business activity of U.S. multinational companies and its impact on the U.S. economy and on foreign-host

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economies. For example, the data can be used to measure:

- The current-dollar value of, and returns on, U.S. direct investment abroad
- The shares of U.S. and foreign gross domestic product, employment, exports and imports of goods, capital stock, and research and development accounted for by U.S. multinational companies

Researchers have used the data to analyze:

- The characteristics of firms, industries, and countries that influence the decision to undertake direct investment abroad
- The impact of U.S. direct investment abroad on employment, wages, productivity, and tax revenues

Availability

For more information on these data, see the following articles that appear annually in the SURVEY OF CURRENT BUSINESS, the monthly journal of the Bureau:

- “U.S. Direct Investment Abroad: Detail for Histori-

cal-Cost Position and Related Capital and Income Flows,” usually in the September issue of the SURVEY

- “Direct Investment Positions: Country and Industry Detail,” usually in the July issue of the SURVEY
- “U.S. Multinational Companies: Operations”

The SURVEY articles referenced above are available on our Web site at <www.bea.gov>.

Detailed tables on the operations of U.S. multinational companies are available in annual data publications and in compressed files that can be downloaded free of charge from our Web site. For information on these and other data products, see the International Investment Division Product Guide under the “International” section of our Web site.

For more information

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Table 1. U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 1999–2001

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital outflows (inflows (-))			Income		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
All countries, all industries	1,173,122	1,293,431	1,381,674	174,576	164,969	113,977	112,359	135,109	111,089
By country									
Canada.....	111,747	128,814	139,031	18,122	18,950	14,440	12,103	14,688	11,773
Europe.....	611,958	679,457	725,793	99,224	92,427	56,133	57,704	66,523	55,667
<i>Of which:</i>									
France.....	39,960	38,752	38,457	512	2,011	655	1,386	2,404	1,920
Germany.....	48,445	50,963	61,437	4,268	3,099	11,360	4,621	4,588	2,690
Netherlands.....	110,321	117,557	131,884	8,253	2,953	16,058	12,598	11,858	13,417
Switzerland.....	44,499	55,854	62,897	8,407	9,959	6,629	7,098	7,025	7,576
United Kingdom.....	228,574	241,663	249,201	47,839	35,763	13,231	14,915	20,655	12,051
Latin America and Other Western Hemisphere	237,748	251,863	269,556	34,277	23,442	26,510	19,636	18,703	18,718
<i>Of which:</i>									
Bermuda.....	51,613	56,594	61,929	7,786	6,532	5,865	4,373	6,036	5,045
Brazil.....	37,383	39,033	36,317	3,484	3,091	-17	1,511	1,579	756
Mexico.....	32,888	37,332	52,168	5,978	5,302	15,078	4,448	4,371	4,409
Panama.....	33,143	29,316	25,296	2,259	1,231	753	2,365	501	452
Africa.....	13,621	14,417	15,872	498	1,151	798	1,876	2,675	2,063
Middle East.....	10,712	11,087	12,643	5	1,635	1,269	1,180	2,254	1,314
Asia and Pacific.....	184,313	205,317	216,501	21,890	27,333	15,012	19,927	29,983	21,153
<i>Of which:</i>									
Australia.....	34,743	35,364	34,041	3,244	2,421	-423	2,472	3,586	1,690
Japan.....	56,393	59,441	64,103	9,449	6,279	5,474	4,749	7,805	5,683
International.....	3,024	2,476	2,278	560	31	-184	-68	282	402
By industry									
Petroleum.....	90,493	95,834	102,074	9,481	10,594	12,668	10,174	18,667	13,866
Manufacturing.....	306,156	353,550	376,259	34,939	58,049	36,381	33,213	38,965	28,806
Food and kindred products.....	34,225	35,933	35,496	1,359	2,913	1,692	3,821	3,868	4,029
Chemicals and allied products.....	81,656	100,872	108,663	7,346	16,462	10,800	9,250	9,882	10,355
Primary and fabricated metals.....	18,328	18,773	21,488	1,088	633	2,895	1,381	1,631	1,211
Industrial machinery and equipment.....	35,337	41,199	52,392	6,393	7,305	12,039	4,445	6,652	4,940
Electronic and other electric equipment.....	36,996	49,065	48,391	3,940	16,156	905	3,679	5,683	2,768
Transportation equipment.....	36,045	40,052	39,142	6,687	7,159	578	4,416	3,613	612
Other manufacturing.....	63,569	67,656	70,687	8,126	7,420	7,473	6,220	7,637	4,890
Wholesale trade.....	74,215	83,724	92,836	6,413	12,434	9,289	10,837	12,524	12,093
Depository institutions.....	38,365	38,071	49,319	533	-2,221	9,925	856	1,826	2,520
Finance, (except depository institutions), insurance, and real estate.....	498,468	542,641	572,545	86,419	54,147	34,983	45,906	52,938	46,135
Services.....	72,054	80,144	86,491	14,473	10,785	7,513	8,050	8,912	6,817
Other industries.....	93,371	99,469	102,150	22,318	21,182	3,217	3,323	1,277	854

NOTE: In this table, unlike in the international transactions accounts, income and capital outflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 16 and 17 in "U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 2001" in the September 2002 issue of the SURVEY OF CURRENT BUSINESS.

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Table 2. Selected Financial and Operating Data for Nonbank Foreign Affiliates of U.S. Companies by Country and by Industry of Affiliate, 2000

	All nonbank affiliates						Majority-owned nonbank foreign affiliates (MOFA's)						
	Millions of dollars					Thousands of employees	Millions of dollars						Thousands of employees
	Total assets	Sales	Net income	U.S. exports of goods shipped to affiliates	U.S. imports of goods shipped by affiliates		Total assets	Sales	Net income	Gross product	U.S. exports of goods shipped to MOFA's	U.S. imports of goods shipped by MOFA's	
All countries, all industries.....	5,260,182	2,891,497	209,605	203,007	215,300	9,606.9	4,647,439	2,486,855	191,115	605,888	195,951	201,374	8,064.7
By country													
Canada	428,185	366,701	18,897	61,511	82,226	1,145.4	376,574	328,026	16,712	72,398	59,508	77,827	1,038.7
Europe	3,046,124	1,438,611	113,288	51,783	38,244	4,095.8	2,840,082	1,302,959	105,202	333,375	50,816	36,594	3,687.9
<i>Of which:</i>													
France	186,053	137,511	3,307	(D)	3,391	586.3	163,929	124,751	3,445	35,754	5,005	3,124	544.0
Germany	300,512	236,095	9,806	8,590	4,488	657.8	258,561	200,192	8,347	54,819	8,535	4,467	605.2
Netherlands	361,574	145,337	17,345	7,611	(D)	197.0	343,897	126,261	15,735	23,371	7,572	1,770	169.0
United Kingdom	1,315,404	413,467	29,948	(D)	10,848	1,266.6	1,272,450	397,179	29,590	110,643	13,340	10,842	1,185.7
Latin America and Other Western Hemisphere	797,682	360,845	37,864	41,708	47,582	2,006.8	656,101	295,893	33,412	70,401	40,277	45,111	1,583.8
<i>Of which:</i>													
Brazil	137,776	80,024	3,341	3,722	(D)	403.6	100,130	61,895	2,998	19,413	3,650	2,182	343.5
Mexico	114,653	123,970	6,162	32,000	38,957	1,048.1	86,056	99,466	5,321	20,180	31,017	37,408	804.4
Africa	59,118	43,595	4,436	831	(D)	237.7	44,127	34,726	3,709	13,877	771	1,972	127.0
Middle East	54,491	33,111	4,185	1,068	1,831	94.1	21,578	16,131	2,166	6,910	857	1,831	64.7
Asia and Pacific	874,581	648,635	30,937	46,106	(D)	2,027.0	708,976	509,119	29,913	108,927	43,722	38,039	1,562.5
<i>Of which:</i>													
Australia	116,562	69,807	3,619	4,228	(D)	324.0	103,055	56,605	3,497	18,646	4,100	1,216	257.4
Japan	342,967	240,240	4,813	15,281	7,188	432.2	257,953	159,593	5,979	36,277	13,815	2,627	233.7
By industry													
Mining	226,750	103,583	21,088	1,335	8,316	157.6	198,715	92,211	18,487	60,060	1,034	7,585	136.7
Utilities	163,071	66,065	4,558	9	13	105.8	102,414	39,624	2,767	10,839	3	11	57.7
Manufacturing	1,176,742	1,380,870	65,861	143,189	186,356	5,067.4	996,919	1,197,293	61,830	317,339	137,960	173,295	4,352.5
<i>Of which:</i>													
Food	68,547	94,095	3,618	2,338	3,479	406.2	61,536	84,377	3,372	19,139	2,258	3,402	355.6
Chemicals	261,128	225,477	19,791	19,091	14,502	620.4	228,750	200,982	17,955	58,200	17,962	13,889	559.2
Primary and fabricated metals	64,704	49,753	2,321	4,110	4,857	269.4	58,134	43,213	2,155	13,249	3,907	4,660	245.9
Machinery	74,811	79,741	3,017	7,506	8,200	389.6	60,548	64,429	2,949	18,035	7,101	7,126	343.6
Computer and electronic products	175,761	227,081	12,056	35,555	46,899	816.9	168,785	222,380	12,134	41,886	35,268	46,065	777.1
Electrical equipment, appliances, and components	28,900	31,024	1,333	3,434	4,123	272.1	25,370	27,341	1,223	7,350	3,317	3,529	232.0
Transportation equipment	194,785	308,096	5,424	57,144	86,907	982.0	156,162	256,286	6,624	48,851	54,817	77,984	872.4
Wholesale trade	382,980	668,048	26,924	50,106	17,909	717.8	365,091	629,051	26,130	87,025	48,977	17,847	669.1
Information	283,101	153,265	4,445	863	220	698.8	119,966	76,042	307	22,364	846	220	333.0
Finance (except depository institutions) and insurance	1,841,581	207,633	24,502	4	0	343.7	1,770,932	194,933	24,007	23,307	4	0	309.8
Professional, scientific, and technical services	121,023	85,531	6,698	2,032	(D)	450.8	118,038	81,458	6,576	33,050	2,029	844	422.9
Other industries	1,064,934	226,501	55,529	5,469	(D)	2,065.1	975,364	176,243	51,012	51,904	5,097	1,572	1,782.9

D Suppressed to avoid disclosure of data of individual companies.

NOTE: The data in this table are from "U.S. Multinational Companies: Operations in 2000" in the December 2002 issue of the SURVEY OF CURRENT BUSINESS.