

## Foreign Direct Investment in U.S. Energy 2003

*The purpose of this report is to provide an assessment of the extent of foreign ownership of energy assets in the United States. Section 657, Subpart 8 of the U.S. Department of Energy Organization Act (Public Law 95-91) requires an annual report to Congress which presents: “a summary of activities in the United States by companies which are foreign owned or controlled and which own or control United States energy sources and supplies ... .” EIA intends the information in this report for use by the U.S. Congress, Government agencies, industry analysts, and the general public.*

### Introduction

Foreign direct investment (FDI) in the United States is defined as the ownership or control, directly or indirectly, by one foreign investor of 10 percent or more of the voting securities of an incorporated U.S. business enterprise or the equivalent interest in an unincorporated U.S. business enterprise (or asset). Ownership or control of less than 10 percent of a business is not considered to be direct investment. In this report, an FDI-affiliate company or FDI affiliate is a U.S. business in which there is foreign direct investment.<sup>1</sup> This report describes the role of direct foreign ownership of U.S. energy enterprises with respect to their energy operations, capital investments, and net foreign investment flows (including net loans). In addition, since energy investments are made in a global context, the report examines patterns of direct investment in foreign energy enterprises by U.S.-based companies. For a discussion of acquisitions and divestitures of U.S. energy assets by foreign investors in 2003, see Energy Information Administration, *Acquisitions and Divestitures by Direct Foreign Investors of U.S. Energy Assets in 2003*, April 19, 2005.

FDI is one measure of the continuing influence or control of foreign investors, companies, or individuals over the management and disposition of U.S. assets of production.<sup>2</sup> However, determining influence or control over a company is a very complex and often subjective process in which many factors other than the percentage of voting rights or ownership must be considered. While holding 10 percent or more of a company’s voting rights often may constitute control of that company, it does not necessarily do so.<sup>3</sup>

### FDI Affiliates' Operations in U.S. Energy

From 2002 to 2003, many of the operations of the U.S. energy companies that were the affiliates of foreign direct investors experienced modest declines. The production of crude oil and natural gas liquids (oil) by affiliates declined, while the production of (dry) natural gas was essentially flat. (Table 1). The largest contributors to the decline in oil production were U.S. affiliates of BP (United Kingdom), whose production declined mostly in the onshore areas of the lower-48 States. BP’s affiliates also experiences a decline in their U.S. natural gas production, particularly in the Gulf of Mexico; however it was largely offset by an increase in natural gas production by U.S. affiliates of EnCana (Canada), which had two major acquisitions of U.S. oil and gas production assets in 2002.<sup>4</sup>

The number of branded retail outlets and total gasoline sales of U.S. affiliates both declined in 2003 (Table 2). The decline in branded retail outlets was led by U.S. affiliates of Royal Dutch/Shell (Netherlands and United Kingdom). At the end of 2003, these affiliates were part way through a plan to reduce the number of their service stations in the United States, which had increased in 2002 as a result of acquisitions of parts of Equilon Enterprises and Motiva Enterprises.

Costs incurred in oil and gas production and particularly capital expenditures in petroleum refining by U.S. affiliates of foreign investors both declined. In production, spending by U.S. affiliates of EnCana declined sharply, following its acquisitions of oil and gas properties in 2002 from Williams and El Paso Energy. In petroleum refining, U.S. affiliates of Royal Dutch/Shell had a substantial fall in capital expenditures in 2003, following their 2002 acquisitions of parts of Equilon and Motiva and their refinery assets (Table 3).

In electric power, the generating capacity of affiliates declined as two foreign direct investors exited the U.S. market (Table 4). British Energy (United Kingdom) was required to sell its stake in AmerGen Energy, which owned and operated 3 nuclear power stations in the U.S., as part of its restructuring agreement with its creditors. Marubeni (Japan) focused its overseas electric power activities in Asia by swapping its share of Sithe Energies for Sithe's Asian assets.

The production of uranium concentrate by the affiliates of Cameco (Canada), the only remaining substantial foreign direct investor in the U.S. industry, also fell from its 2002 level, when BHP Billiton (Australia and United Kingdom) withdrew from the U.S. industry (Table 5).

Petroleum refining capacity and coal production by U.S. affiliates of foreign direct investors were little changed in 2003 (Tables 6-7).

Over the longer term, recent trends in the participation of U.S. affiliates of foreign direct investors in U.S. energy markets were generally continued in 2003 (Figure 1). The affiliates have increased their share of uranium production in every year since 1999, culminating in them practically monopolizing that industry in the United States. The affiliates have generally maintained their relative positions in the other sectors of the U.S. energy industry over the past few years, notwithstanding small changing shares in natural gas production and petroleum refining.

## **Flow of FDI Funds into the United States**

The measure of FDI used in this report is net capital flows into the United States, that is, the net inflows of capital to FDI affiliates in the United States from foreign investors.<sup>5</sup> The inflows are recorded on a net basis, that is, the gross inflow of FDI to the United States from foreign investors minus the gross return of FDI to foreign investors. Net FDI capital inflows include net capital contributions to new and existing FDI affiliates, net earnings reinvested in FDI affiliates, and net loans to FDI affiliates.<sup>6</sup>

Net foreign direct investment capital flows into the U.S. energy industry were slightly negative in 2003, as net outflows in petroleum and natural gas exceeded net inflows to utilities (Figure 2). One possible<sup>7</sup> reason for the large net outflow in petroleum and natural gas may be that, given the high profit levels in the industry in 2003, one or more U.S. affiliates returned capital to its foreign parent, either in the form of retiring debt, repurchasing stock, or paying dividends.<sup>8</sup> The other notable FDI flow was a net inflow into U.S. utilities, which was, however, likely into water, sewage, and other systems, because the largest foreign acquisition of a U.S. utility was RWE's (Germany) \$7.7 billion purchase of American Water Works.

## **Flow of Direct Investment Abroad from the United States**

The counterpart to FDI capital flows is direct investment abroad (DIA) capital flows, that is, the net outflows of capital from U.S. investors to their DIA affiliates overseas. Net direct investment abroad in foreign energy industries was largely directed to its the petroleum and natural gas segment in 2003 (Figure 3); however, there were no large foreign acquisitions by U.S. energy companies. Part of the explanation for this may be that U.S. oil and gas production companies were sending capital to their foreign affiliates for use in overseas exploration, development, and production expenditures. It is clear that foreign upstream spending by the larger U.S. oil and gas producers has been generally rising since the mid-1990s.<sup>9</sup>

Since 1994, petroleum and natural gas has dominated utilities and coal mining in both FDI inflows and DIA outflows (Figures 2-3). Within segments, FDI inflows swamp DIA outflows in petroleum and natural gas, in large part because of BP's acquisitions of Amoco for \$53 billion in 1988 and ARCO for \$27 billion in 2000 (Figure 4). FDI inflows and DIA outflows are much more closely matched in utilities, with DIA dominating the 1994-1998 period and FDI dominating the 1999-2003 period, as foreign utilities began aggressively expanding into the United States.

## Endnotes

<sup>1</sup>The FDI-affiliate companies included in this report include all of the U.S. energy companies that could be determined to be FDI affiliates from publicly available information by the Energy Information Administration.

<sup>2</sup>The U.S. International Investment and Trade in Services Survey Act stipulates that "ownership or control of 10 percent or more of an enterprise's voting securities is considered evidence of a lasting interest in or a degree of influence over [the enterprise's] management sufficient to constitute direct investment." Alicia M. Quijano, "A Guide to BEA Statistics on Foreign Direct Investment in the United States," Survey of Current Business (Washington, DC, February 1990), p. 29.

<sup>3</sup>The percentage amount is, of necessity, arbitrary, because no exact percentage of ownership is necessary to achieve control of a company. Even ownership of greater than 50 percent of a company may not be sufficient for control, because agreements among the owners may require the approval of more than a majority for some actions to be taken. For further discussion and a comprehensive analysis of FDI in the United States, see Edward M. Graham and Paul R. Krugman, Foreign Direct Investment in the United States, 3rd ed. (Washington, DC: Institute for International Economics, 1995).

<sup>4</sup>See Acquisitions of U.S. Energy Assets by Foreign Investors in 2002 Remain High, December 23, 2004.

<sup>5</sup>An alternative measure is the FDI position, which is the "value of [foreign] direct investors' equity [including retained earnings] in, and net outstanding loans to, their [FDI] affiliates." See Maria Borga and Daniel R. Yorgason, "Direct Investment Positions for 2001, Country and Industry Detail," Survey of Current Business (July 2002), p. 26. FDI capital inflows are discussed in this report because the FDI position data that are available by industry and country are only based on book values, not transactions values. Changes in book values may not accurately represent actual FDI capital inflows.

<sup>6</sup>Net FDI capital flows are annual net international capital flows. They do not include the FDI affiliate's operating expenditures, allowance for depreciation, or changes in the value of capital owned.

<sup>7</sup>EIA cannot confirm this, because individual company data, which are collected by the Bureau of Economic Analysis, are not publicly available.

<sup>8</sup>See *Performance Profiles of Major Energy Producers 2003*, March 15, 2005.

<sup>9</sup>Energy Information Administration, Form EIA-28 (Financial Reporting System).

**Table 1. Net Production of Oil and Natural Gas in the United States by FDI-Affiliate Companies, 2001-2003**

Foreign Parent - FDI Affiliate	Crude Oil and Natural Gas Liquids				Dry Natural Gas			Percent Change 2002-2003
	(million barrels)			Percent Change 2002-2003	(billion cubic feet)			
	2001	2002	2003		2001	2002	2003	
BP - BP America <sup>a</sup>	243.0	254.0	237.0	-6.7	1,358.0	1,334.0	1,224.0	-8.2
Royal Dutch/Shell - Shell Oil	108.0	120.0	110.0	-8.3	581.0	611.0	555.0	-9.2
Royal Dutch/Shell - Meridian Resource	2.9	2.2	1.4	-36.6	22.1	15.6	20.1	29.3
Nexen - Nexen Petroleum USA	3.0	3.0	9.0	200.0	36.0	34.0	45.0	32.4
BHP Billiton - BHP Billiton Petroleum (Americas) <sup>b</sup>	1.8	7.1	5.4	-23.7	16.1	20.5	18.4	-10.5
EnCana - EnCana Oil & Gas (USA)	0.7	2.3	3.4	47.8	16.1	114.0	215.0	88.6
Total - Total Exploration Production USA	2.0	2.0	1.5	-27.0	81.0	78.0	107.3	37.6
RWE - Consol Energy <sup>c</sup>	0.0	0.0	0.0	-	30.4	41.3	44.4	7.6
Talisman Energy - Fortuna Energy	0.0	0.0	0.0	-	0.8	18.8	21.9	16.1
Petrobras <sup>d</sup> - Petrobras America	1.2	0.9	0.5	-45.8	16.8	12.0	11.6	-3.2
Nuon - North Coast Energy <sup>e</sup>	0.1	0.1	0.1	9.6	8.5	9.6	10.9	12.9
Total FDI-Affiliate Companies	362.8	391.6	368.3	-6.0	2,166.7	2,288.8	2,273.6	-0.7
Total United States	2,799.6	2,783.5	2,701.0	-3.0	19,616.0	18,928.0	19,036.0	0.6
Percent FDI-Affiliate Companies	13.0	14.1	13.6	-	11.0	12.1	11.9	-

<sup>a</sup>Includes natural gas consumed in Alaska operations.

<sup>b</sup>For years ending June 30, 2001, 2002, and 2003.

<sup>c</sup>For years ending June 30, 2001, and December 31, 2002, and 2003.

<sup>d</sup>Petróleo Brasileiro.

<sup>e</sup>2001 estimated.

Note: Calculations performed on unrounded numbers.

Sources: Company Data: Form 10-K and Form 20-F filed with the U.S. Securities and Exchange Commission, annual reports, and other company documents. U.S. Totals: Energy Information Administration, Monthly Energy Review, DOE/EIA-0035(2005/05) (Washington, DC, May 2005), Tables 3.1a and 4.1.

**Table 2. Branded Retail Outlets and Total Gasoline Sales in the United States by FDI-Affiliate Companies, 2001-2003**

Foreign Parent - FDI-Affiliate	2001	2002	2003	Percent Change
				2002-2003
	Number of Outlets <sup>a</sup>			
BP - BP America <sup>b</sup>	15,500	14,900	14,900	0.0
Petróleos de Venezuela (PDVSA) - CITGO Petroleum	13,397	13,540	13,844	2.2
Royal Dutch/Shell & Saudi Aramco - Motiva Enterprises <sup>c</sup>	13,000	20,715	18,279	-11.8
Royal Dutch/Shell - Shell Oil Products US <sup>d</sup>	8,800			
Ito-Yokado & Seven-Eleven Japan - 7-Eleven <sup>e</sup>	2,240	2,269	2,248	-0.9
Alimentation Couche-Tard <sup>f</sup>	87	220	1,815	724.5
Alon - Alon Us <sup>g</sup>	1,600	1,450	1,375	-5.2
Lukoil - Getty Petroleum Marketing	1,112	1,279	1,313	2.7
Delek - Deleco Us <sup>h</sup>	200	234	243	3.8
Suncor Energy - Suncor Energy (U.S.A.) <sup>i</sup>	0	0	193	-
<b>Total FDI-Affiliate Companies</b>	<b>55,936</b>	<b>54,607</b>	<b>54,210</b>	<b>-0.7</b>
<b>U.S. Total</b>	<b>170,018</b>	<b>167,571</b>	<b>167,346</b>	<b>-0.1</b>
<b>Percent FDI-Affiliate Companies</b>	<b>32.9</b>	<b>32.6</b>	<b>32.4</b>	<b>-</b>
	Total Gasoline Sales (thousand barrels per day)			
<b>Total FDI-Affiliate Companies</b>	<b>3,027</b>	<b>3,090</b>	<b>2,914</b>	<b>-5.7</b>
<b>U.S. Total</b>	<b>8,612</b>	<b>8,817</b>	<b>8,832</b>	<b>0.2</b>
<b>Percent FDI-Affiliate Companies</b>	<b>35.1</b>	<b>35.0</b>	<b>33.0</b>	<b>-</b>

<sup>a</sup>Includes company-owned and independent-dealer (jobbers) branded outlets.

<sup>b</sup>BP America sold motor gasoline under the "Amoco," "ARCO," and "BP" brand names in 2001-2003.

<sup>c</sup>Motiva Enterprises was a joint venture among Royal Dutch/Shell, Saudi Aramco, and Texaco. On March 1, 2002, Motiva became a joint venture between Royal Dutch/Shell and Saudi Aramco. Motiva sold motor gasoline under the "Shell" and "Texaco" brand names in 2001-2003. Station count reported in combination with Shell Oil Products in 2002 and 2003. 2002 revised.

<sup>d</sup>Formerly Equilon Enterprises, which was a joint venture between Royal Dutch/Shell and Texaco. On March 1, 2002, Equilon became a wholly owned subsidiary of Royal Dutch/Shell and was renamed Shell Oil Products US. Shell Oil Products US sold motor gasoline under the "Shell" and "Texaco" brand names in 2001-2003. Station count reported in combination with Motiva Enterprises in 2002 and 2003. 2002 revised.

<sup>e</sup>7-Eleven sells almost all of its motor gasoline under the "CITGO" brand name. Does not include Seven-Eleven (Hawaii). 2001, 2002, and 2003 estimated.

<sup>f</sup>Alimentation-Couche-Tard sells motor gasoline under the "Circle K," "Touche-Tard," and "Mac's" brand names. 2001, 2002, and 2003 estimated.

<sup>g</sup>Alon USA sells motor gasoline under the "Fina" brand name. 2002 and 2003 estimated.

<sup>h</sup>Delek US sells motor gasoline in the United States under the "Mapco Express," "Discount Food Mart," and "East Coast" brand names.

<sup>i</sup>Suncor Energy (U.S.A.) sells motor gasoline in the United States under the "Phillips 66" brand name.

Notes: The U.S. total number of outlets includes all establishments selling gasoline at retail. Total gasoline sales are by "Prime Suppliers." Calculations performed on unrounded numbers.

Sources: **Company station counts and U.S. Total Stations:** *National Petroleum News, Market Facts 2004* (July 2004), and previous issues, industry publications, and company reports and news releases. **FDI-Affiliate sales:** Energy Information Administration, Form EIA-782C, "Monthly Report of Prime Supplier Sales of Petroleum Products Sold for Local Consumption." **U.S. Total Sales:** Energy Information Administration, *Petroleum Marketing Annual 2003*, DOE/EIA-0487(2003) (Washington, DC, August 2004), Table 48, and previous issues.

**Table 3. Costs Incurred and Capital Expenditures by FDI-Affiliate Petroleum and Natural Gas Companies in the United States, 2001-2003**  
(Million Dollars)

Foreign Parent - FDI-Affiliate	Costs Incurred <sup>a</sup>			Percent Change 2002-2003	Capital Expenditures <sup>b</sup>			Percent Change 2002-2003
	2001	2002	2003		2001	2002	2003	
BP - BP America	4,038	4,088	3,776	-7.6	1,311	1,291	1,509	16.9
Royal Dutch/Shell - Shell Oil <sup>c</sup>	1,964	2,726	1,958	-28.2	3	4,408	722	-83.6
Royal Dutch/Shell - Meridian Resource	134	77	73	-4.5	0	0	0	-
EnCana - EnCana Oil & Gas USA	187	2,635	974	-63.0	0	0	0	-
Total <sup>d</sup>	535	606	255	-58.0	NA	NA	NA	-
Nexen <sup>e</sup>	279	418	444	6.1	0	0	0	-
BHP Billiton - BHP Billiton Petroleum (Americas) <sup>e</sup>	313	400	488	22.0	0	0	0	-
RWE - CONSOL Energy <sup>f</sup>	249	73	37	-49.7	0	0	0	-
Petróleos de Venezuela (PDVSA) - Citgo Petroleum	0	0	0	-	253	712	414	-41.9
<b>Total</b>	<b>7,698</b>	<b>11,023</b>	<b>8,004</b>	<b>-27.4</b>	<b>1,567</b>	<b>6,411</b>	<b>2,645</b>	<b>-58.7</b>

<sup>a</sup>Costs incurred in oil and gas property acquisition, exploration, and development.

<sup>b</sup>Capital expenditures in petroleum refining; may include some capital expenditures for other midstream activities.

<sup>c</sup>Does not include Royal Dutch/Shell's capital expenditures at facilities owned by Equilon Enterprises in 2001 or Motiva Enterprises in all years or operated by Shell's Chemicals division in all years.

<sup>d</sup>U.S. affiliates include Total Exploration Production USA and Atofina Petrochemicals. 2001 and 2002 revised.

<sup>e</sup>Name of U.S. affiliate(s) not known.

<sup>f</sup>For years ending June 30, 2001, 2002, and 2003. Includes costs in Trinidad and Tobago, Bolivia, and Brazil.

<sup>f</sup>For six months ending December 31, 2001, and years ending December 31, 2002 and 2003. 2001 and 2002 revised.

NA = Not available.

Note: Calculations performed on unrounded data.

Sources: Company reports and press releases.

**Table 4. Electricity Generating Capacity in the United States of FDI-Affiliate Companies, 2001-2003**  
(megawatts)

Foreign Parent - FDI-Affiliate	2001	2002	2003	Percent Change 2002-2003
E.ON - LG&E Energy <sup>a</sup>	9,744	9,199	9,073	-1.4
ScottishPower - PacifiCorp & PPM Energy <sup>b</sup>	7,832	8,575	9,055	5.6
International Power - various U.S. affiliates	3,020	4,415	4,418	0.1
TransAlta - TransAlta USA	1,581	2,077	2,077	0.0
TransCanada - various U.S. affiliates	684	984	984	0.0
Brascan - various U.S. affiliates	144	301	343	14.0
EPCOR Utilities - Frederickson Power	-	249	249	0.0
British Energy - AmerGen Energy <sup>c</sup>	2,398	2,481	0	-100.0
Marubeni - Sithe Energies <sup>d</sup>	3,371	1,321	0	-100.0
National Grid Transco - National Grid USA <sup>e</sup>	238	0	0	-
<b>Total FDI-Affiliate Companies</b>	<b>29,012</b>	<b>29,602</b>	<b>26,199</b>	<b>-11.5</b>
<b>Total United States</b>	<b>848,254</b>	<b>905,301</b>	<b>948,446</b>	<b>4.8</b>
<b>Percent FDI-Affiliate Companies</b>	<b>3.4</b>	<b>3.3</b>	<b>2.8</b>	<b>-</b>

<sup>a</sup>Includes regulated and unregulated generation. LG&E Energy was purchased by Powergen in December 2000; Powergen was purchased by E.On in July 2002.

<sup>b</sup>Regulated and unregulated subsidiaries, respectively. Includes capacity owned or controlled on March 31, 2001, 2002, and 2003.

<sup>c</sup>British Energy sold its interest in AmerGen Energy to Exelon in December 2003.

<sup>d</sup>Sithe Energies became a joint venture of Exelon and Reservoir Capital in November 2003.

<sup>e</sup>National Grid Transco sold its interests in its U.S. generating facilities in July and November 2002; data are for capacity on March 31, 2001, 2002, and 2003.

Note: Calculations performed on unrounded data.

Sources: **Companies:** Company reports and press releases. **U.S. Totals:** Energy Information Administration, *Electric Power Annual 2003* DOE/EIA-0348(2003) (Washington DC, December 2004), Table ES.

**Table 5. Uranium Concentrate Production in the United States by FDI-Affiliate Companies, 2001-2003**  
(thousand pounds U<sub>3</sub>O<sub>8</sub>)

Foreign Parent - FDI-Affiliate	2001	2002	2003	Percent Change 2002-2003
Cameco - Power Resources <sup>a</sup>	695	887	1,201	35.4
Cameco - Crow Butte Resources	815	768	823	7.2
BHP Billiton <sup>b</sup>	930	625	0	-100.0
<b>Total FDI-Affiliate Companies</b>	<b>2,440</b>	<b>2,280</b>	<b>2,024</b>	<b>-11.2</b>
<b>Total United States<sup>c</sup></b>	<b>2,639</b>	<b>2,344</b>	<b>2,000</b>	<b>-14.7</b>
<b>Percent FDI-Affiliate Companies</b>	<b>92.5</b>	<b>97.3</b>	<b>NM</b>	<b>-</b>

<sup>a</sup>Includes production at former BHP Billiton property beginning in July 2002.

<sup>b</sup>Property acquired by BHP Billiton as part of its acquisition of Rio Algom in October 2000; subsequently acquired by Cameco in July 2002.

<sup>c</sup>Data for 2002 and 2003 are approximate to avoid disclosure of individual company data.

NM = Not Meaningful

Note: Calculations performed on unrounded numbers.

Sources: **Companies: Publicly available** company reports and press releases. **U.S. Totals:** Energy Information Administration, *Domestic Uranium Production Report*, <http://www.eia.doe.gov/cneaf/nuclear/dupr/qupd.html> (May 11, 2005).



**Table 6. Number of Refineries and Refining Capacity in the United States of FDI-Affiliate Companies, 2001-2003**

Foreign Parent(s) - FDI Affiliate	Number of Refineries			Crude Oil Distillation Capacity (thousand barrels per day)			Percent Change 2002-2003
	2001	2002	2003	2001	2002	2003	
BP - BP America	7	6	6	1,560	1,502	1,505	0.2
Royal Dutch/Shell - Shell Oil <sup>a</sup>	2	6	6	135	604	599	-0.7
Royal Dutch/Shell - Equilon Enterprises <sup>b</sup>	4	0	0	469	0	0	-
Royal Dutch/Shell & Saudi Aramco - Motiva Enterprises <sup>c</sup>	4	4	4	873	880	887	0.8
Royal Dutch/Shell & Petróleos Mexicanos - Deer Park Refining	1	1	1	334	334	334	0.0
Petróleos de Venezuela (PDVSA) - Citgo Petroleum	5	5	5	703	698	718	2.8
Petróleos de Venezuela (PDVSA) - Lyondell-CITGO Refining <sup>d</sup>	1	1	1	275	270	270	0.0
Petróleos de Venezuela (PDVSA) - Chalmette Refining <sup>e</sup>	1	1	1	183	183	183	0.0
Total - Atofina Petrochemicals	1	1	1	179	175	175	0.0
Alon - Alon USA	1	1	1	59	59	61	4.3
Transworld Oil - Calcasieu Refining	1	1	1	29	29	30	2.0
<b>Total FDI-Affiliate Companies</b>	<b>28</b>	<b>27</b>	<b>27</b>	<b>4,797</b>	<b>4,733</b>	<b>4,761</b>	<b>0.6</b>
<b>Total United States</b>	<b>147</b>	<b>145</b>	<b>145</b>	<b>16,785</b>	<b>16,757</b>	<b>16,894</b>	<b>0.8</b>
<b>Percent FDI-Affiliate Companies</b>	<b>19.0</b>	<b>18.6</b>	<b>18.6</b>	<b>28.6</b>	<b>28.2</b>	<b>28.2</b>	<b>-</b>

<sup>a</sup>Includes two refineries owned by Shell Chemical, a subsidiary of Shell Oil.

<sup>b</sup>Equilon Enterprises had been a joint venture of Shell Oil and Texaco. On March 1, 2002, Equilon became a wholly owned subsidiary of Shell Oil, which is owned by Royal Dutch/Shell.

<sup>c</sup>Motiva Enterprises had been a joint venture of Royal Dutch/Shell, Saudi Aramco, and Texaco. On March 1, 2002, Motiva became a joint venture of Royal Dutch/Shell and Saudi Aramco.

<sup>d</sup>Joint venture with Lyondell Chemical.

<sup>e</sup>Joint venture with Exxon Mobil.

Notes: Calculations performed on unrounded numbers. Values are at year end.

Sources: Energy Information Administration, *Petroleum Supply Annual 2003*, vol. 1, DOE/EIA-0340(2003)/1 (Washington, DC, July 2004), Table 40, and previous issues.

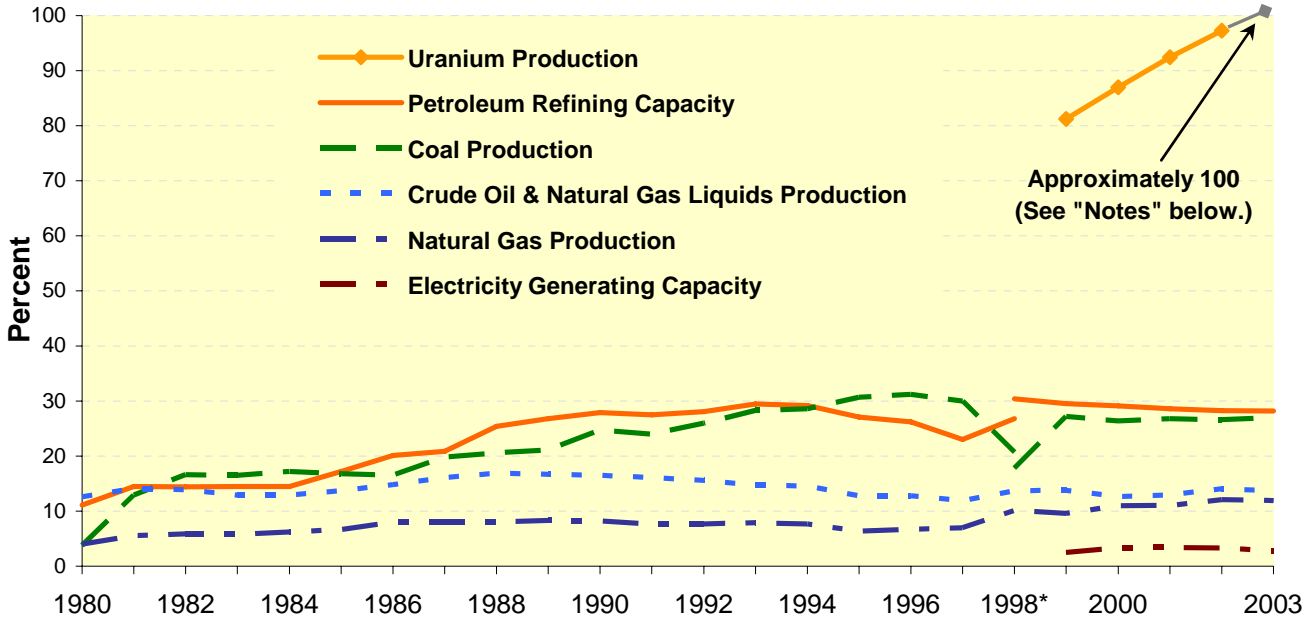
**Table 7. Coal Production in the United States by FDI-Affiliate Companies, 2001-2003**  
(Million Short Tons)

Foreign Parent - FDI-Affiliate	2001	2002	2003	Percent Change 2002 -2003
Rio Tinto - Kennecott Energy	118	116	119	2.7
RAG - RAG American Coal	66	66	72	9.1
RWE - CONSOL Energy	74	71	60	-14.9
BHP Billiton - BHP Minerals International	16	16	15	-5.1
ITOCHU - Canyon Fuel	13	13	13	4.0
Scottish Power - Interwest Mining	17	10	9	-5.1
<b>Total FDI-Affiliate Companies</b>	<b>302</b>	<b>291</b>	<b>289</b>	<b>-0.8</b>
<b>Total United States Production</b>	<b>1,128</b>	<b>1,094</b>	<b>1,072</b>	<b>-2.1</b>
<b>Percent FDI-Affiliate Companies</b>	<b>26.8</b>	<b>26.6</b>	<b>27.0</b>	<b>-</b>

Notes: Some company data may be output (which may include sales), not production. Calculations performed on unrounded numbers.

Sources: **Companies:** National Mining Association, "2003 Coal Producer Survey," (May 2004, Washington, DC) Table 1, and previous issues. **Canyon Fuel:** Arch Coal, 2003 Report to Securities and Exchange Commission on Form 10-KA1, and previous years. **U.S. Totals:** Energy Information Administration, *Annual Coal Report 2003*, DOE/EIA-0584(2003) (Washington, DC), Table ES1, and previous years.

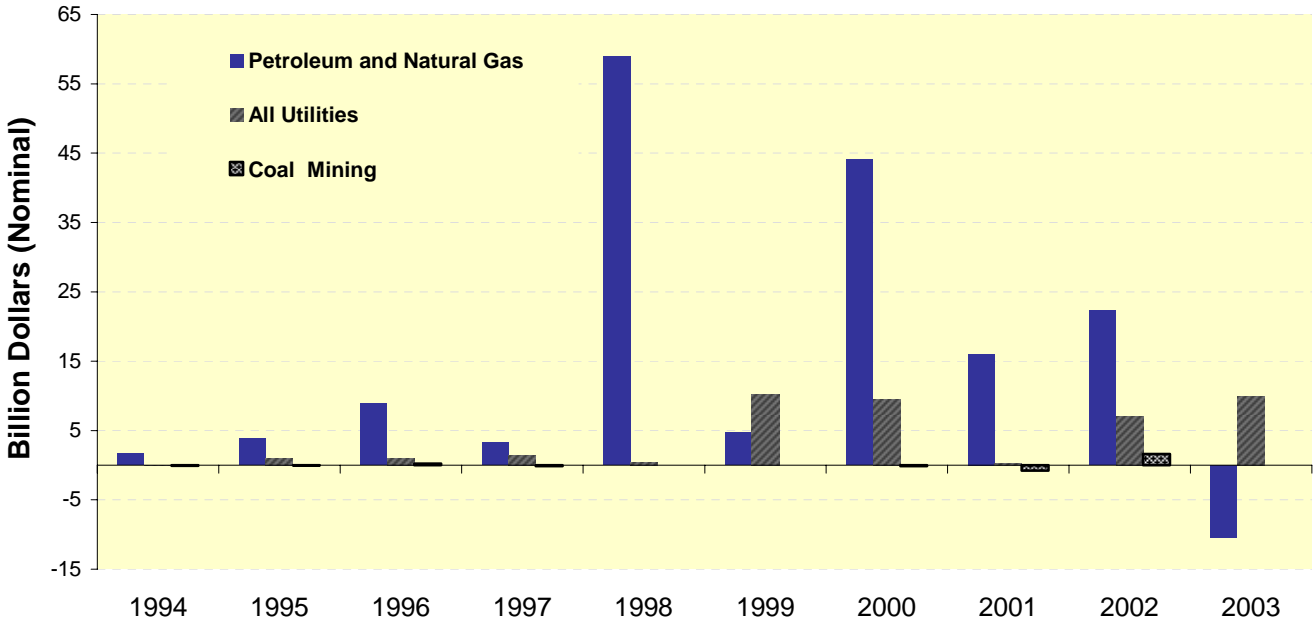
**Figure 1. FDI-Affiliate Companies' Share of U.S. Production of Oil and Gas, Coal, and Uranium and of U.S. Capacity for Petroleum Refining and Electricity Generation, 1980-2003**



Notes: Total U.S. uranium production in 2002 and 2003 was approximated by the Energy Information Administration (EIA) to avoid disclosure of individual company data. For 2003, the U.S. production reported publicly by FDI affiliates slightly exceeds the total approximated by EIA. Sources for data series for refining capacity and coal production changed in 1998.

Sources: **2001-2003:** Tables 1-6 of this report. **1980-2000:** Energy Information Administration, "Foreign Direct Investment in U.S. Energy 2000," Figure 1, [http://tonto.eia.doe.gov/FTP/ROOT/financial/2000\\_fdi.pdf](http://tonto.eia.doe.gov/FTP/ROOT/financial/2000_fdi.pdf).

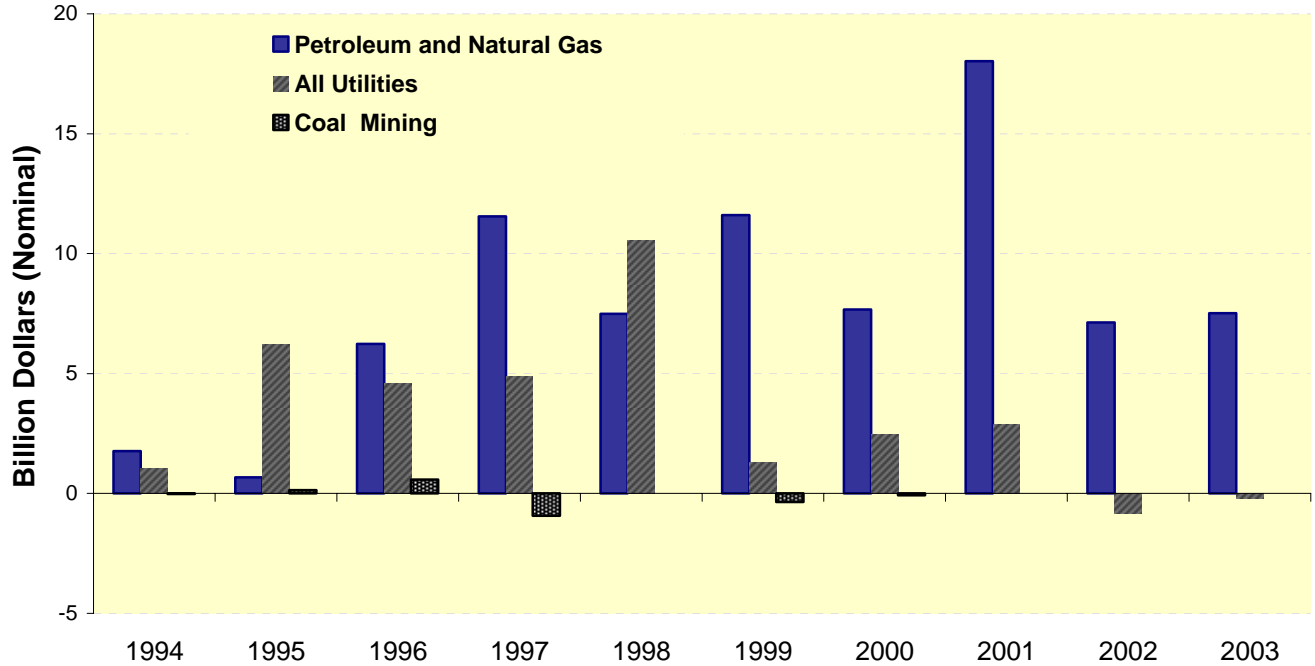
**Figure 2. Net Capital Flows of Foreign Direct Investment into the United States, 1994-2003**



Sources: Bureau of Economic Analysis, "Foreign Direct Investment in the United States," *Survey of Current Business* (Washington, DC, September 2004), Table 17, and preceding issues.

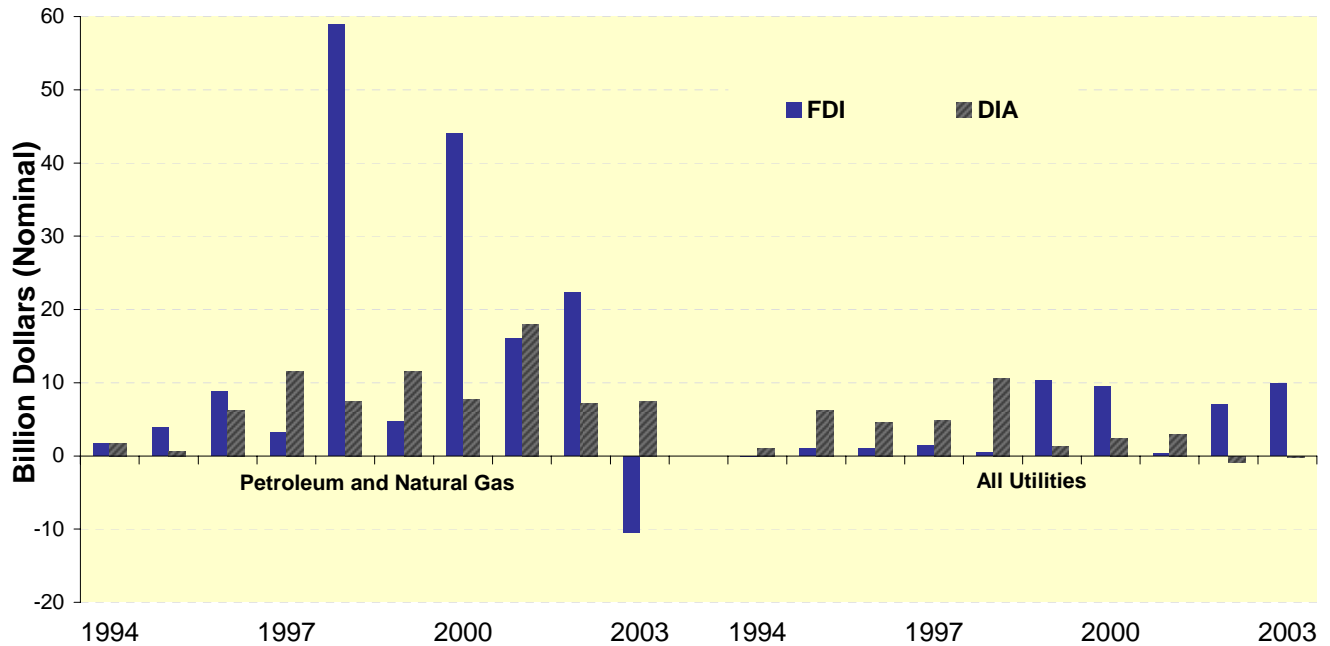


**Figure 3. Net Capital Flows of U.S. Direct Investment Abroad, 1994-2003**



Sources: Bureau of Economic Analysis, "U.S. Direct Investment Abroad," *Survey of Current Business* (Washington, DC, September 2004), Table 17, and previous issues.

**Figure 4. Net Capital Flows of U.S. Direct Investment Abroad and Foreign Direct Investment into the United States, 1994-2003**



Sources: Bureau of Economic Analysis, "Foreign Direct Investment in the United States" and "U.S. Direct Investment Abroad," *Survey of Current Business* (Washington, DC, September 2004), Table 17, and previous issues.