Direct Investment Positions for 2004

Country and Industry Detail

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IN 2004, the historical-cost position of U.S. direct investment abroad (USDIA) grew 15 percent after growing 11 percent in 2003. The historical-cost position of foreign direct investment in the United States (FDIUS) grew 8 percent after growing 5 percent in 2003 (table A and chart 1). The growth in the positions largely resulted from high reinvested earnings and strong equity capital flows.

Highlights of the USDIA estimates include the following:

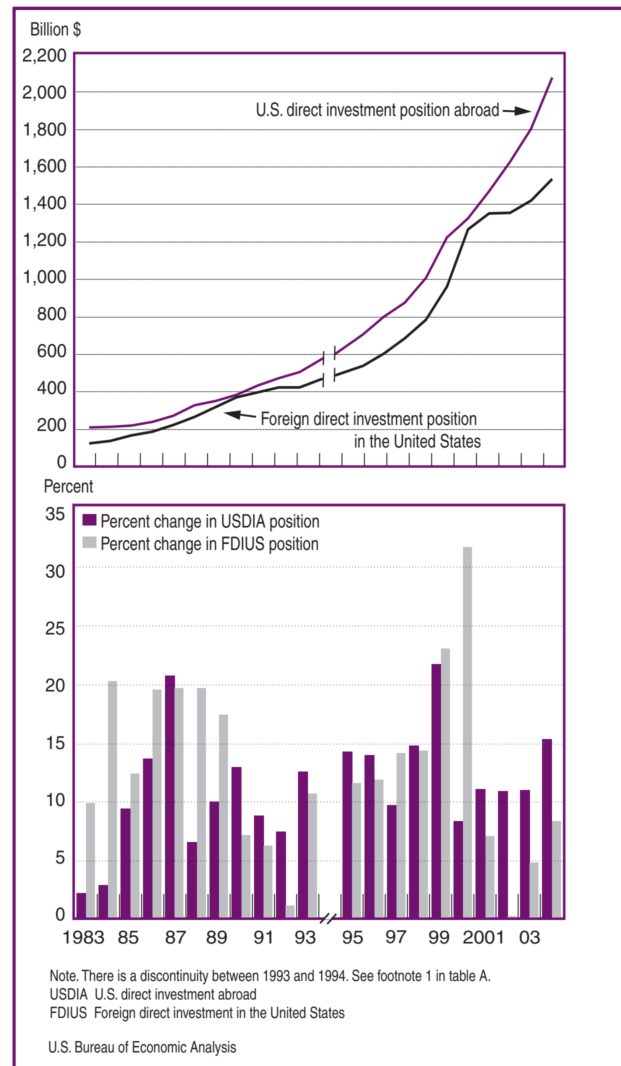
- The 15-percent increase in 2004 was the largest increase since 1999. For 1994–2003, the average annual growth rate was 13 percent.
- Reinvested earnings was the largest contributor to the increase, as it had been in the previous 2 years. Earnings reinvested abroad increased 40 percent in 2004, reflecting an increase in the earnings of affiliates and a high reinvestment rate. The increase in earnings partly reflected a continued drop in the value of the U.S. dollar (which tends to raise foreign-currency-denominated earnings as translated into dollars) and coincided with a pickup in economic growth in a number of host countries during 2004.

Table A. USDIA and FDIUS Positions on a Historical-Cost Basis, 1982–2004

Yearend	Billions of dollars		Percent change from preceding year	
	USDIA	FDIUS	USDIA	FDIUS
1982	207.8	124.7	....	....
1983	212.2	137.1	2.1	9.9
1984	218.1	164.6	2.8	20.1
1985	238.4	184.6	9.3	12.2
1986	270.5	220.4	13.5	19.4
1987	326.3	263.4	20.6	19.5
1988	347.2	314.8	6.4	19.5
1989	381.8	368.9	10.0	17.2
1990	430.5	394.9	12.8	7.0
1991	467.8	419.1	8.7	6.1
1992	502.1	423.1	7.3	1.0
1993	564.3	467.4	12.4	10.5
1994	612.9	480.7	([1])	([1])
1995	699.0	535.6	14.1	11.4
1996	795.2	598.0	13.8	11.7
1997	871.3	681.8	9.6	14.0
1998	1,000.7	778.4	14.8	14.2
1999	1,216.0	955.7	21.5	22.8
2000	1,316.2	1,256.9	8.2	31.5
2001	1,460.4	1,344.0	10.9	6.9
2002 r	1,616.5	1,344.7	10.7	0.1
2003 r	1,791.9	1,410.7	10.8	4.9
2004 p	2,064.0	1,526.3	15.2	8.2

p Preliminary.
r Revised.
1. The USDIA and FDIUS positions reflect a discontinuity between 1993 and 1994 because of the reclassification from direct investment to other investment accounts of intercompany debt between parent companies and affiliates that are nondepository financial intermediaries.
USDIA U.S. direct investment abroad
FDIUS Foreign direct investment in the United States

Chart 1. Direct Investment Positions on a Historical-Cost Basis, 1983–2004



- Equity capital outflows were strong. The outflows (in dollars) were more than four times larger than in 2003 and the second highest on record. A single corporate restructuring had a disproportionate effect on total equity capital outflows, but even excluding this, equity capital outflows were higher than in the previous year.

Alternative Measures of the Direct Investment Positions

The detailed estimates of the positions of the U.S. direct investment abroad and of foreign direct investment in the United States by country and industry are prepared only on a historical-cost basis, so these estimates largely reflect the price levels of earlier periods. The estimates are also prepared on current-cost and market-value bases, but only at an aggregate level. The current-cost estimates value the U.S. and foreign parents' shares of their affiliates' investment in plant and equipment, using the current cost of capital equipment; in land, using general price indexes; and in inventories, using estimates of their replacement cost. The market-value estimates value the equity portion of direct investment, using indexes of stock market prices.

The historical-cost estimates are not ordinarily adjusted to reflect the changes in the current costs or the replacement costs of tangible assets or in the stock market valuations of firms. Over time, the current costs of tangible assets and the stock market valuations of firms tend to increase. As a result, the historical-cost estimates of the positions are less than the current-cost and market-value estimates of the positions. The current-cost and market-value estimates of the position are discussed in "The International Investment Position of the United States at Yearend 2004" in this issue.

Alternative Direct Investment Position Estimates, 2003 and 2004

[Millions of dollars]

Valuation method	Position at yearend 2003 r	Changes in 2004			Position at yearend 2004 p
		Total	Capital flows	Valuation adjustments	
USDIA:					
Historical cost	1,791,891	272,107	229,294	42,813	2,063,998
Current cost	2,062,551	304,835	252,012	52,823	2,367,386
Market value	2,718,203	569,170	252,012	317,158	3,287,373
FDIUS:					
Historical cost	1,410,672	115,634	95,859	19,775	1,526,306
Current cost	1,585,898	122,979	106,832	16,147	1,708,877
Market value	2,457,217	229,673	106,832	122,841	2,686,890

p Preliminary.
r Revised.

Highlights of the FDIUS estimates include the following:

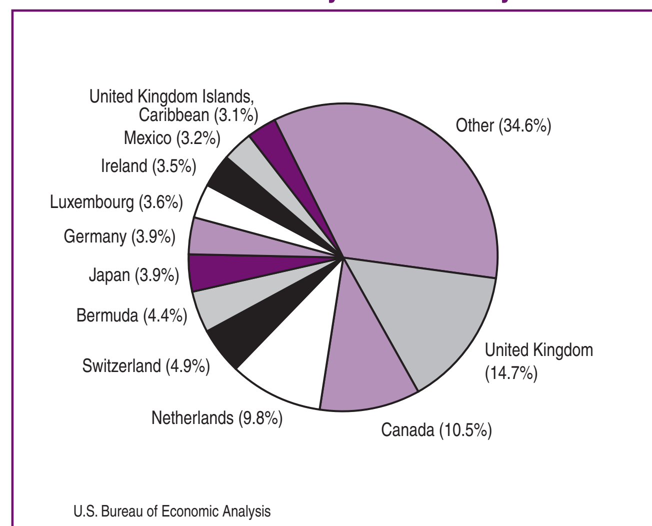
- The 8-percent increase in the FDIUS position in 2004 was the most rapid growth since an extraordinary 32-percent increase in 2000. In 1994–2003, the average annual growth rate was 13 percent.
- Equity capital inflows contributed the most to the increase in the FDIUS position in 2004, despite dropping from the previous year. These inflows have historically been the largest contributor to the change in position and reflect the funding of both new and existing affiliates.
- Reinvested earnings—broadly spread across countries—far exceeded those in any previous year and accounted for much of the growth of the FDIUS position in 2004. The growth in reinvested earnings reflects the stronger underlying earnings of U.S. affiliates and an increase in the share of those earnings that was reinvested.

This article provides a discussion of the USDIA position by type of capital flow and by host country and the FDIUS position by type of capital flow and by country of foreign parent.

U.S. Direct Investment Abroad

The USDIA position valued at historical cost—the book value of U.S. direct investors' equity in, and net outstanding loans to, their foreign affiliates—was $2,064.0 billion at yearend 2004 (table A and chart 1). Three host countries—the United Kingdom, Canada, and the Netherlands—accounted for more than a third of the total position (table 1.2 and chart 2), though the shares of each declined slightly from 2003. The position in the United Kingdom was $302.5 billion, or

Chart 2. USDIA Position by Host Country in 2004



15 percent of the total position. The position in Canada was $216.6 billion (11 percent), and the position in the Netherlands was $201.9 billion (10 percent).

The USDIA position increased $272.1 billion in 2004, a 15-percent increase. The increase was the largest dollar increase and the second largest percentage increase since 1994.

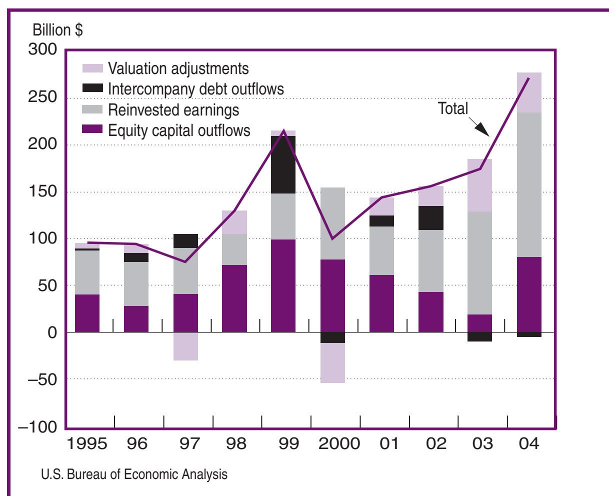
Changes by component

The $272.1 billion increase in the USDIA position consisted of capital outflows of $229.3 billion, or 84 percent of the total increase, and valuation adjustments of $42.8 billion, or 16 percent of the total (table B and chart 3).

Table B. Change in the USDIA Position by Account
[Billions of dollars]

	2003	2004
Total	175.3	272.1
Capital outflows	119.4	229.3
Equity capital	19.2	80.7
Increases	48.5	123.0
Decreases	29.3	42.4
Intercompany debt	–9.6	–5.2
Reinvested earnings	109.8	153.8
Valuation adjustments	55.9	42.8
Currency translation	41.8	23.8
Other	14.1	19.0

Chart 3. Changes in the USDIA Position by Account, 1995–2004



Capital outflows

Capital outflows increased from $119.4 billion in 2003 to $229.3 billion in 2004. The outflows in 2004 were composed of $153.8 billion of reinvested earnings and $80.7 billion of equity capital outflows, offset in small part by $5.2 billion of *inflows* of intercompany debt.[1]

Equity capital outflows. Equity capital outflows increased to $80.7 billion in 2004, up from $19.2 billion in 2003, and accounted for 35 percent of total USDIA capital outflows in 2004. Equity capital increases rose $74.6 billion to $123.0 billion, while equity capital decreases rose $13.1 billion to $42.4 billion. Of the equity capital increases, $89.0 billion, or 72 percent, financed the acquisition or establishment of new foreign affiliates. Capital contributions to existing foreign affiliates accounted for the remaining $34.1 billion, or 28 percent.

Equity capital increases were largest in Asia and Pacific and in Europe. In Asia and Pacific, they were dominated by the restructuring of a large Australian media company as a U.S. company.[2] In Europe, the United Kingdom accounted for more than half of the equity capital increases, with increases in medical equipment and supplies manufacturing especially prominent. Elsewhere, increases in Canada, particularly in printing and other support activities, were relatively strong.

Decreases in equity capital were primarily due to sales or liquidations of affiliates (rather than returns of capital from continuing affiliates) and were largest in Asia and Pacific and in Europe.

Reinvested earnings. Earnings that were reinvested in foreign affiliates increased from $109.8 billion in 2003 to $153.8 billion in 2004 and accounted for two-thirds of the capital outflows. Reinvested earnings also increased substantially in 2002 and in 2003. As a result, reinvested earnings in 2004 were nearly triple their 2001 value.

Earnings increased $38.3 billion in 2004, to $204.2 billion. In part, the increase was due to the larger USDIA position in 2004. In addition, host-country growth was relatively strong in 2004, and the U.S. dollar declined in value against the currencies of several important host countries.[3] Earnings grew sharply in several industries, including mining (which includes

1. Capital outflows arise from transactions that decrease U.S. liabilities or increase U.S. assets. Capital inflows arise from transactions that increase U.S. liabilities or decrease U.S. assets.

2. To preserve the confidentiality of company information, individual country position data have been suppressed for Australia in tables C and 1.2 and in chart 2.

3. Calculations using data published by the Organisation for Economic Co-operation and Development (OECD) show that total member country gross domestic product growth in countries other than the United States increased from 1.7 percent in 2003 to 3.1 percent in 2004 (data downloaded from the OECD Web site, on June 2, 2004). The OECD includes most of the major host countries for U.S. direct investment.

oil and gas extraction—higher oil prices contributed to earnings growth in this industry); a number of manufacturing industries; information; and professional, scientific, and technical services.

The share of earnings that was reinvested was 75 percent, a large share by historical standards, despite recent legislation—the American Jobs Creation Act of 2004—that provided tax benefits to U.S. companies who received dividends from their foreign affiliates.[4] The effect of the act on 2004 dividends may have been mitigated because the act was signed late in the year and because of companies' desire to obtain regulatory guidance before proceeding.[5]

Reinvested earnings were highest in Europe and in Asia and Pacific, primarily reflecting the large existing positions there, followed by Latin America and Other Western Hemisphere, where the share of earnings that were reinvested rose 21 percentage points to 71 percent. Among individual countries, the highest reinvested earnings were in Canada. By industry, reinvested earnings were highest in holding companies (in "other industries" in table 1.2), in "finance (except depository institutions) and insurance," and in wholesale trade.

Intercompany debt. In 2004, there were net *inflows* of intercompany debt of $5.2 billion; there were also inflows in 2003 ($9.6 billion). In both years, there were net increases in both borrowing by U.S. parent companies from their foreign affiliates and borrowing by foreign affiliates from their U.S. parents, but the increase in borrowing by the parents was larger. The inflows in 2004 were largest from Europe, particularly from the Netherlands and the United Kingdom, and Latin America and Other Western Hemisphere, particularly from Bermuda.

Valuation adjustments

Valuation adjustments were $42.8 billion and accounted for 16 percent of the change in the direct investment position (see the box "Key Terms"). Currency-translation adjustments accounted for the majority of the adjustments and largely resulted from the euro's continued appreciation against the dollar.

Changes by area and by country

The USDIA position increased in each of the major geographic areas (table C). The position grew by 38 percent in Asia and Pacific and by more than 10 percent in the other areas except for Latin America and Other Western Hemisphere.

Asia and Pacific. The USDIA position grew $107.7 billion, the largest dollar and percentage increase of the major geographic areas. The increase in the position was dominated by the restructuring of the large Australian media company. Even excluding this transaction, however, the position grew at a rapid rate. Increases in Japan, Singapore, Hong Kong, Korea, and China were all substantial. In Japan and Singapore, reinvested earnings of affiliates in "finance (except depository institutions) and insurance" and in holding companies, respectively, accounted for much of the increases. In Hong Kong, the position grew in "finance (except depository institutions) and insurance," partly because of intercompany debt outflows. In Korea, the position grew sharply in depository institutions, as equity capital increases were substantial. In China, the

Table C. Change in the USDIA Position by Country of Foreign Affiliate

	Change (2003–2004)	
	Billions of dollars	Percent
All countries	272.1	15
Canada	26.8	14
Europe	107.2	11
Of which:		
United Kingdom	23.8	9
Netherlands	15.8	8
Switzerland	11.8	13
Germany	11.2	16
France	10.7	22
Ireland	10.6	17
Luxembourg	4.9	7
Spain	4.8	12
Italy	3.8	13
Latin America and Other Western Hemisphere	25.2	8
Of which:		
Mexico	7.5	13
United Kingdom Islands-Caribbean	6.4	11
Bermuda	6.2	7
Africa	3.3	17
Middle East	1.9	11
Asia and Pacific	107.7	38
Of which:		
Australia	(D)	(D)
Japan	12.1	18
Singapore	6.6	13
Hong Kong	6.2	16
Korea, Republic of	4.3	33
China	3.9	34

D Suppressed to avoid disclosure of data of individual companies.

4. In BEA's estimates of USDIA, an increase in distributed earnings reduces reinvested earnings for any given level of earnings. This act, which was signed into law on October 22, 2004, allows dividends from foreign subsidiaries during a specified period (calendar year 2004 or calendar year 2005, at taxpayer option, for calendar year taxpayers) to be taxed at reduced rates. One condition that must be satisfied to realize the tax savings is the development of a domestic reinvestment plan for those funds. Another condition is that the dividends must exceed the amount that had historically been paid. (For more information on this act and its likely effects on BEA's international accounts, see "U.S. International Transactions: First Quarter of 2005" in this issue and FAQs on this topic on BEA's Web site at <www.bea.gov/bea/faq/international/FAQ.htm>.)

5. Regulatory guidance was issued by the Department of Treasury in early 2005, and data collected by BEA for the first quarter of 2005 show some evidence of increases in dividends in response to the act.

position grew in several manufacturing industries, because of equity capital flows and reinvested earnings.

Africa. Nearly 85 percent of the increase in the USDIA position occurred in three countries: South Africa, Equatorial Guinea, and Egypt. In the first two of these, the increases were roughly one-third of the respective 2003 country positions. The increase in South Africa was spread over several industries. The increases in Equatorial Guinea and Egypt were concentrated in mining, particularly oil and gas extraction. Most of the increases were accounted for by reinvested earnings, reflecting increases in petroleum prices that boosted earnings in this industry.

Canada. The increase in the position was due in large part to reinvested earnings of affiliates in several industries including mining, "finance (except depository institutions) and insurance," and holding companies. Positions also rose significantly for affiliates in a number of manufacturing industries.

Europe. The increase in the USDIA position, while lower in percentage terms than in some other regions, was essentially equal to the increase in Asia and Pacific in dollar terms. Overall in Europe, the largest component of the increase in the position was reinvested earnings. The depreciation of the U.S. dollar against European currencies was a factor contributing to an increase in the level of earnings available for reinvestment.[6] Position increases in six countries—the United Kingdom, the Netherlands, Switzerland, Germany, France, and Ireland—accounted for nearly four-fifths of the increase in Europe. In the United Kingdom, the USDIA position increased in several industries, including "finance (except depository institutions) and insurance," medical equipment and supplies manufacturing, holding companies, and professional, scientific, and technical services; with contributions from both reinvested earnings and equity capital outflows. In the Netherlands and Switzerland, reinvested earnings of affiliates in holding companies accounted for a majority of the increases. In Germany and France, increases were broadly based, both by type of flow and by industry. The increase in Ireland was primarily due to reinvested earnings of affiliates in information, chemicals, and holding companies.

Middle East. Increases were largely due to intercompany debt flows and reinvested earnings of affiliates in oil and gas extraction (included in mining) in Qatar and reinvested earnings of affiliates in holding companies (with U.S. parents in the oil industry) in Saudi Arabia. Increased petroleum prices contributed to increased earnings of these affiliates.

Latin America and Other Western Hemisphere. A substantial majority (94 percent) of the increase in the position was attributable to the reinvestment of affiliate earnings. Reinvested earnings of affiliates in "finance (except depository institutions) and insurance" in Mexico, the United Kingdom Islands-Caribbean, and Bermuda were particularly strong. In the United Kingdom Islands-Caribbean and in Bermuda, reinvested earnings were also strong for affiliates in holding companies.[7]

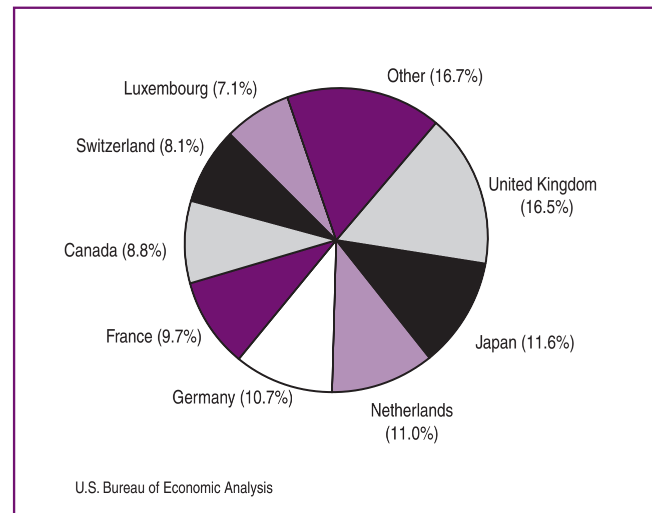
6. For example, the U.S. dollar depreciated 8 percent against the Swiss franc, 9 percent against the euro, and 11 percent against the British pound in 2004.

Foreign Direct Investment in the United States

The FDIUS position valued at historical cost—the book value of foreign direct investors' equity in, and outstanding loans to, their U.S. affiliates—was $1,526.3 billion at the end of 2004 (table A and chart 1). In 2004, as in 2003, the United Kingdom and Japan had the two largest positions. The position of the United Kingdom was $251.6 billion, or 17 percent of the total position, and the position of Japan was $176.9 billion, or 12 percent of the total (table 2.2 and chart 4). The Netherlands, Germany, and France had the next largest positions, with each accounting for about

7. Holding companies derive virtually all of their earnings from affiliates that operate in other industries and that, in many cases, are located in other foreign countries. For more information, see the box "Holding Companies in the Data on U.S. Direct Investment Abroad."

Chart 4. FDIUS Position by Country of Foreign Parent in 2004



a tenth of the total FDIUS position.

The FDIUS position increased $115.6 billion, or 8 percent, in 2004. This was the largest increase, in both dollar and percentage terms, since 2000.

Changes by component

The $115.6 billion increase in the FDIUS position consisted of capital inflows of $95.9 billion, or 83 percent of the increase, and valuation adjustments of $19.8 billion, or 17 percent of the increase (table D and chart 5).

Capital inflows

In 2004, capital inflows increased from $56.8 billion in 2003 to $95.9 billion. This marked the first increase in capital inflows following 3 years of decline; capital

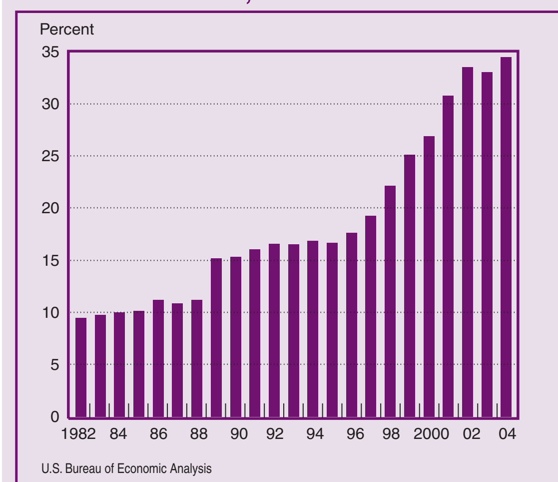
Holding Companies in the Data on U.S. Direct Investment Abroad

For the past two decades, U.S. parent companies have been funneling an increasing share of their direct investments abroad through holding company affiliates.[1] In 2004, foreign affiliates classified as holding companies accounted for 34 percent of the U.S. direct investment position abroad; in 1982, they accounted for only 9 percent of the position (see the chart). The increased use of these affiliates is part of a broader trend in which U.S. parents own foreign affiliates that own other foreign affiliates.

Estimates of the USDIA position and of related flows for recent years do not reflect as closely the industries and the countries in which the production of goods and services by foreign affiliates occurs as estimates for earlier years, because the estimates are allocated to the countries and industries of the affiliates with which the U.S. parent companies have direct transactions and positions rather than to the countries and industries of the affiliates whose operations the parents ultimately own or control.[2]

The Bureau of Economic Analysis also prepares estimates of the operations of U.S. parent companies and their foreign affiliates.[3] Because the estimates of the operations of these foreign affiliates are classified in the country where the affiliate's physical assets are located or where its primary activity is carried out and because they are classified in the industry that reflects the affiliate's primary activity, these estimates more accurately reflect the industries and countries in which the production of goods and services by foreign affiliates actually occurs. (However, as measures of overall operations, these estimates are not adjusted for the percentage of U.S. ownership nor for double-counting in some measures of affiliate size or operations—such as assets, liabilities, and earnings—when foreign affiliates hold ownership interests or debt positions in one another.)

Chart A. Holding Companies as a Percentage of the USDIA Position, 1982–2004



As a result of the use of holding-company affiliates, the industry patterns and the country patterns of the position estimates differ from those of the estimates of the operations of foreign affiliates.[4] For example, in a comparison of the estimates of the USDIA position with the closely related estimates of the net property, plant, and equipment (PP&E) of foreign affiliates, the 21-percent share of the position accounted for by manufacturing differs sharply from the 41-percent share of PP&E accounted for by manufacturing. By country, the share of the direct investment position accounted for by the Netherlands was 10 percent, but its share of PP&E was only 3 percent.

For a further discussion of the effect of holding companies on the estimates of USDIA series, see the "Technical Note" in Maria Borga and Raymond J. Mataloni Jr., "Direct Investment Positions for 2000: Country and Industry Detail," SURVEY OF CURRENT BUSINESS 81 (July 2001): 23–25.

1. A holding company is a company whose primary activity is holding the securities or financial assets of other companies.

2. This convention for allocating these estimates by country and by industry follows international guidelines in the International Monetary Fund's *Balance of Payments Manual*, 5th edition, and in the Organisation for Economic Co-operation and Development's *Benchmark Definition of Foreign Direct Investment*, 3rd edition.

3. The operations estimates include items such as assets, sales, employment, value added, and net property, plant, and equipment.

4. The use of holding-company affiliates appears to be the primary factor for the differences in the patterns of investment by country or by industry between the position estimates and PP&E in the operations estimates, but other factors might also contribute.

inflows peaked at $314.0 billion in 2000. The inflows in 2004 were composed of equity capital inflows of $68.7 billion, reinvested earnings of $45.0 billion, and partly offsetting intercompany debt *outflows* of $17.8 billion.

Equity capital inflows. Inflows of equity capital were $68.7 billion in 2004, down from $87.0 billion in 2003. This decrease marks the fourth consecutive year of decline since equity capital inflows reached their peak of $259.6 billion in 2000. Equity capital increases—which reflect both new acquisitions and additional funding to existing affiliates—were $84.8 billion in 2004. Equity capital decreases of $16.1 billion partly offset these increases.

In 2004, the largest acquisitions by foreign direct investors were in "finance (except depository institutions) and insurance," depository institutions, "other industries" (mainly oil and gas extraction), and chemicals manufacturing.[8] In "finance (except depository institutions) and insurance," Canada had the largest equity capital increases, while the United Kingdom accounted for much of the increase in depository institutions. The continued strength of merger activity in banking and other finance industries reflects foreign investors' attempts to tap the large, profitable, and relatively open U.S. market, and it parallels the overall movement toward increasing consolidation in that industry. In "other industries," Canada had the largest equity capital increases. Germany had the largest increases in chemicals manufacturing.

Reinvested earnings. In 2004, reinvested earnings increased sharply to $45.0 billion, up from just $1.5 billion in 2003 and far above those recorded in any previous year. Both earnings and the share of earnings reinvested—at 58 percent, up from 3 percent—increased sharply. This contrasts with the negative reinvested earnings that persisted from 1998 until the shift to small positive reinvested earnings in 2003.[9] In 2004, reinvested earnings either increased or shifted from negative to positive in all of the major industries shown in table 2.2. The largest change was in wholesale trade, where reinvested earnings shifted from negative to positive. The upturn reflected both stronger earnings in recent years and a return of dividends, which were unusually large in 2003, to more modest levels. Following wholesale trade, reinvested earnings growth was strongest in information and in "finance (except depository institutions) and insurance."

U.S. affiliates' earnings grew strongly in 2004—increasing 76 percent, to $77.0 billion. Overall U.S. corporate profits for domestic industries rose 17 percent, reflecting improved business conditions and economic expansion. U.S. affiliate earnings increased in many major industries and shifted from losses to profits in the other major industries. The industry with the largest increase was wholesale trade, which includes petroleum and automobile wholesaling. The increase mainly reflected higher oil prices and growth in foreign automakers' U.S. sales.

Earnings growth also reflected factors particular

8. According to preliminary data from BEA's survey of new foreign direct investment, total outlays to acquire or establish U.S. businesses, including those financed by capital inflows from foreign parents, were $79.8 billion in 2004. See Thomas W. Anderson, "Foreign Direct Investment in the United States: New Investment in 2004," Survey of Current Business 85 (June 2005): 30–37. These data include only those transactions in which U.S. businesses are newly acquired or established by foreign direct investors, regardless of whether the source of financing is funding from foreign parents or funding by existing U.S. affiliates. In contrast, changes to the FDIUS position reflect transactions of both new and existing U.S. affiliates with members of their foreign parent group, as well as valuation adjustments. Changes to the FDIUS position do not include financing from sources other than the foreign parent group.

Despite these differences, the two types of data are related. Any outlays to acquire or establish U.S. businesses that are funded by foreign parent groups are included in the capital flows that largely determine changes in the FDIUS position. Data from the new investment survey indicate that foreign parent groups financed 80 percent of outlays to acquire or establish U.S. businesses in 2004.

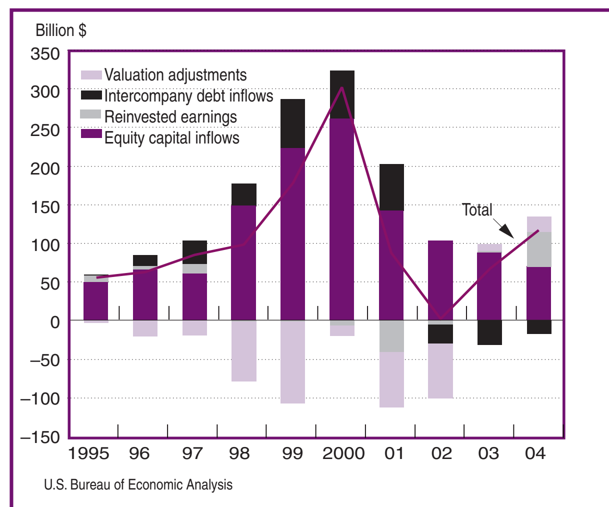
9. Negative reinvested earnings result when an affiliate incurs losses or distributes dividends to parents that exceed its current earnings.

Table D. Change in the FDIUS Position by Account

[Billions of dollars]

	2003	2004
Total	66.0	115.6
Capital inflows	56.8	95.9
Equity capital	87.0	68.7
Increases	104.2	84.8
Decreases	17.1	16.1
Intercompany debt	–31.7	–17.8
Reinvested earnings	1.5	45.0
Valuation adjustments	9.1	19.8
Currency translation	2.8	1.9
Other	6.4	17.8

Chart 5. Changes in the FDIUS Position by Account, 1995–2004



Key Terms

The key terms used in this statistical presentation are described in this box. For a more detailed discussion of these terms and the methodologies used to prepare the estimates, see *Foreign Direct Investment in the United States: Final Results From the 1997 Benchmark Survey* and *U.S. Direct Investment Abroad: Final Results From the 1999 Benchmark Survey* on BEA's Web site at <www.bea.gov>.

Direct investment. Investment in which a resident of one country obtains a lasting interest in, and a degree of influence over the management of, a business enterprise in another country. In the United States, the criterion used to distinguish direct investment from other types of investment is ownership of at least 10 percent of the voting securities of an incorporated business enterprise or the equivalent interest in an unincorporated business enterprise.

U.S. direct investment abroad (USDIA). The ownership or control, directly or indirectly, by one U.S. resident of 10 percent or more of the voting securities of an incorporated foreign business enterprise or the equivalent interest in an unincorporated foreign business enterprise.

Foreign direct investment in the United States (FDIUS). The ownership or control, directly or indirectly, by one foreign resident 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.

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

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, that 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. 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.

Direct investment capital flows. Funds that parent companies provide to their affiliates net of funds that affiliates provide to their parents. For USDIA, capital flows include the funds that U.S. direct investors pay to unaffiliated foreign parties when affiliates are acquired, the funds that U.S. investors receive from them when affiliates are sold, and debt and equity transactions between U.S. parents and their foreign affiliates. Similarly, FDIUS capital flows include the funds that foreign direct investors pay to unaffiliated U.S. residents when affiliates are acquired, the funds that foreign investors receive from them when affiliates are sold, and debt and equity transactions between U.S. affiliates and members of their foreign parent group. Capital **inflows** arise from transactions that increase U.S. liabilities or decrease U.S. assets. Capital **outflows** arise from transactions that decrease U.S. liabilities or increase U.S. assets.

Direct investment capital flows consist of equity capital, intercompany debt, and reinvested earnings. **Equity capital flows** are the net of equity capital increases and decreases. Equity capital increases consist of U.S. parents' establishments of new affiliates, payments by parents to unaffiliated third parties for the purchase of capital stock when they acquire an existing business, payments made to acquire additional ownership interests in their affiliates, and capital contributions to their affiliates. Equity capital decreases are the funds parents receive when they reduce their equity interest in their affiliates. **Intercompany debt flows** result from changes in net outstanding loans between parents (and for FDIUS, other members of the foreign parent groups) and their affiliates, including loans by parents to affiliates and loans by affiliates to parents. **Reinvested earnings** are the parents' claim on the current-period undistributed earnings of their affiliates.

Direct investment position. The value of direct investors' equity in, and net outstanding loans to, their affiliates. The position may be viewed as the direct investors' net financial claims on their affiliates, whether in the form of equity (including retained earnings) or debt.

BEA prepares estimates of the positions for USDIA and for FDIUS that are valued on three bases-historical cost, current cost, and market value. See the box "Alternative Measures of the Direct Investment Positions" in this article.

Valuation adjustments to the historical-cost position. Adjustments that are made to account for the differences between changes in the historical-cost position, which are measured at book value, and direct investment capital flows, which are measured at transaction value. (Unlike the positions on a current-cost and market-value basis, the historical-cost position is not ordinarily adjusted to account for changes in the replacement cost of the tangible assets of affiliates or in the market value of parent companies' equity in affiliates.)

Valuation adjustments to the historical-cost position consist of currency-translation and "other" adjustments. **Currency-translation adjustments** are made to account for changes in the exchange rates that are used to translate affiliates' foreign-currency-denominated assets and liabilities into U.S. dollars. The effects of currency fluctuations on these adjustments depend on the value and currency composition of affiliates' assets and liabilities. If an affiliate's assets exceed its liabilities denominated in a particular foreign currency, depreciation (appreciation) of the currency against the dollar will result in negative (positive) translation adjustments. In the less common, but not unusual, case of a net liability position in a foreign currency, depreciation (appreciation) of the currency will result in positive (negative) translation adjustments.

"Other" valuation adjustments are made to account for differences between the proceeds from the sale or liquidation of affiliates and their book values, for differences between the purchase prices of affiliates and their book values, for writeoffs resulting from uncompensated expropriations of affiliates, and for capital gains and losses (other than currency-translation adjustments) that represent the revaluation of the assets of ongoing affiliates for reasons other than exchange-rate changes, such as the sale of assets (other than inventory) for an amount different from their book value. In addition, for individual industries, adjustments may be made to effect changes in the industry of an affiliate. For individual countries, offsetting adjustments are made when the political boundaries of countries change, such as when countries merge or are newly formed. In addition, for FDIUS, offsetting adjustments are made when transactions between foreign residents result in a change in the country of the foreign parent.

to FDIUS. First, growth in the FDIUS position in recent years has provided a larger base on which earnings can accrue. Additionally, as U.S. affiliates have matured and gained experience, their profitability has improved.[10] This is especially true for affiliates established during the merger and acquisition wave of 1998–2000, which as a group have recently reduced their debt and improved profitability.

Intercompany debt. In 2004, the inflows for equity capital and reinvested earnings were partly offset by intercompany debt *outflows*. These outflows decreased to $17.8 billion from $31.7 billion, reversing the trend of the past 2 years toward increasingly large outflows. The intercompany debt outflows in 2002 and 2003 resulted partly because U.S. affiliates in several industries continued to reduce outstanding debt to their foreign parents by paying back loans, many of which had been used to finance acquisitions in previous years. Although debt repayment continued in some industries in 2004, several other industries had decreased outflows or shifted from outflows to inflows. The largest decreases in outflows occurred in “finance (except depository institutions) and insurance” and in machinery manufacturing. Wholesale trade had the largest shift to inflows, followed by real estate, rental, and leasing.

Valuation adjustments

Positive valuation adjustments also contributed to the increase in the FDIUS position in 2004. Valuation adjustments totaled $19.8 billion, a $10.6 billion increase from 2003. Currency-translation adjustments, which reflected the dollar’s continued depreciation against many major foreign currencies, accounted for $1.9 billion of total valuation adjustments.

Changes by area and by country

In 2004, U.S. affiliates with parents in Europe accounted for the largest dollar increase in FDIUS position (table E). Outside Europe, the position of Canada had the largest increase, followed by Asia and Pacific.

Europe. Parents in European countries accounted for almost half of the increase in position in 2004. The United Kingdom had the largest increase, followed by the Netherlands, France, and Germany. Parents in Switzerland had the largest decrease, both in Europe and overall. Within Europe, transfers of ownership of U.S. affiliates to parents in the United Kingdom and the Netherlands from members of foreign parent groups located in other countries boosted the positions of these two countries. While the transfers increased the FDIUS positions of these countries, the overall FDIUS position was not affected, because there were offsetting decreases in the positions of the countries from which ownership was transferred.

The United Kingdom accounted for 28 percent of the increase in the total FDIUS position in 2004. Acquisitions of depository institutions and the above-mentioned transfers of ownership contributed to its high share of the overall increase. The increase for the Netherlands was accounted for by the increases in petroleum manufacturing and in “finance (except depository institutions) and insurance.” In petroleum manufacturing, transfers of ownership to Dutch parents and strong reinvested earnings—boosted by higher earnings—contributed to the increase. In “finance (except depository institutions) and insurance,” the increase was attributable to additional funding of existing affiliates. The increase in the position of France was boosted by acquisitions and reinvested earnings in “finance (except depository institutions) and insurance” and by acquisitions in depository institutions. For Germany, the increase was largely attributable to equity capital inflows associated with acquisitions in chemicals manufacturing. Germany’s position also grew in wholesale trade and in “finance (except depository institutions) and insurance.”

Canada. The FDIUS position of Canada increased 32 percent in 2004, and it had the largest dollar in-

Table E. Change in the FDIUS Position by Country of Foreign Parent

	Change (2003–2004)	
	Billions of dollars	Percent
All countries	115.6	8
Canada	32.2	32
Europe	56.9	6
Of which:		
United Kingdom	31.8	14
Netherlands	14.6	10
France	9.0	6
Germany	7.1	5
Sweden	3.5	17
Ireland	–3.1	–13
Switzerland	–6.1	–5
Latin America and Other Western Hemisphere	4.1	5
Of which:		
Panama	1.5	16
Venezuela	1.2	27
Africa	–0.6	–26
Middle East	0.6	7
Asia and Pacific	22.4	11
Of which:		
Japan	16.5	10
Australia	3.1	13

10. For a discussion of the profitability of U.S. affiliates, see Raymond J. Mataloni Jr., “An Examination of the Low Rates of Return of Foreign-Owned U.S. Companies,” SURVEY 80 (March 2000): 55–73.

crease ($32.2 billion) of any single country, accounting for 28 percent of the total increase in the FDIUS position. The increase was largely due to acquisitions in “finance (except depository institutions) and insurance,” in “other industries” (mainly in oil and gas extraction) and in retail trade.

Asia and Pacific. Parents in Japan accounted for almost three-fourths of the increase in the position. The increase for Japan was mostly due to growth in wholesale trade and in computers and electronic products manufacturing. In wholesale trade, inflows of intercompany debt and reinvested earnings—boosted by strengthened earnings of automobile wholesalers in particular—contributed to the increase. In computers and electronic products manufacturing, reinvested earnings—fueled by a shift to profits in that industry—accounted for most of the increase.

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The estimates of the foreign direct investment position in the United States are based on data from BEA’s quarterly survey of transactions between U.S. affiliates of foreign companies and their foreign parents. The survey was conducted under the supervision of Gregory G. Fouch, who was assisted by Peter J. Fox, Michelle L. Granson, Barbara C. Huang, Y. Louise Ku-Graf, Susan M. LaPorte, and Beverly E. Palmer. Computer programming for data estimation and tabulation was provided by Karen E. Poffel, Paula D. Brown, and Tracy K. Leigh.

Revisions

The estimates of direct investment positions presented here for 2004 are preliminary. The revised estimates of the USDIA and FDIUS positions for 2002–2003 incorporate new information from BEA’s quarterly, annual and benchmark surveys.[11]

The historical-cost USDIA position for 2002 was revised up $15.1 billion, to $1,616.5 billion, as capital outflows were revised up $19.5 billion and valuation adjustments were revised down $4.4 billion. The preliminary estimate for the 2003 USDIA position was revised up $3.0 billion, to $1,791.9 billion. This revision is the net result of the $15.1 billion upward revision to the 2002 position, a $32.5 billion downward revision to 2003 capital outflows, and a $20.4 billion upward revision to 2003 valuation adjustments.

The historical-cost FDIUS position for 2002 was revised up $4.7 billion, to $1,344.7 billion. The revision is the net result of an $8.4 billion upward revision to capital inflows and a $3.8 billion downward revision (to a larger negative value) to valuation adjustments. The estimate for the 2003 FDIUS position was revised up $32.7 billion, to $1,410.7 billion. This revision resulted from the $4.7 billion upward revision to the 2002 position, a $27.0 billion upward revision to 2003 capital inflows, and a $0.9 billion upward revision to 2003 valuation adjustments.

11. For the previously published estimates, see Maria Borga and Daniel R. Yorgason, “Direct Investment Positions for 2003: Country and Industry Detail,” SURVEY 84 (July 2004): 40–51.

Tables 1.1–2.2 follow.

Table 1.1. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 2003

[Millions of dollars]

	All industries	Mining	Utilities	Manufacturing								Wholesale trade	Information	Depository institutions	Finance (except depository institutions) and insurance	Professional, scientific, and technical services	Other industries
					Of which:												
				Total	Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment						
All countries	**1,791,891**	**87,697**	**21,822**	**375,250**	**23,851**	**96,283**	**22,126**	**21,077**	**51,099**	**10,985**	**47,496**	**121,956**	**49,057**	**62,611**	**328,916**	**35,268**	**709,314**
Canada	**189,754**	**24,104**	**2,256**	**70,091**	**3,639**	**12,859**	**4,028**	**3,126**	**4,013**	**1,499**	**18,134**	**10,466**	**2,308**	**2,449**	**31,036**	**2,103**	**44,940**
Europe	**982,737**	**21,007**	**6,105**	**187,237**	**12,523**	**59,368**	**10,435**	**11,737**	**23,624**	**6,704**	**17,715**	**72,283**	**28,667**	**36,323**	**151,197**	**18,432**	**461,486**
Austria	4,920	1	0	2,023	(D)	(D)	60	106	892	–9	(D)	485	–26	(D)	23	133	(D)
Belgium	26,477	14	0	8,200	324	4,837	–26	117	23	(D)	924	3,069	–288	672	8,428	987	5,395
Czech Republic	1,642	(*)	8	804	32	203	16	90	–57	14	327	–10	(D)	(D)	226	98	136
Denmark	6,464	(D)	0	1,764	73	41	(D)	(D)	(D)	(*)	2	1,747	(D)	0	(D)	158	(D)
Finland	1,620	0	0	764	4	81	20	101	235	16	199	654	–2	0	1	151	52
France	48,268	53	0	18,303	1,204	4,657	1,832	693	1,526	635	1,788	4,224	325	2,959	3,508	1,385	17,512
Germany	68,358	358	3	17,198	202	2,814	1,744	1,118	3,046	1,507	3,784	13,896	1,639	1,485	9,322	2,988	21,469
Greece	1,056	2	0	138	–4	125	(*)	0	–1	0	0	524	2	(D)	(D)	25	227
Hungary	2,824	(*)	0	2,023	18	99	(D)	1	–64	(D)	516	273	28	(D)	26	63	(D)
Ireland	62,547	(D)	1	17,869	183	8,557	33	24	4,417	(D)	279	4,042	13,881	445	9,895	2,231	(D)
Italy	29,611	–21	75	19,841	1,722	3,747	196	3,123	6,938	541	1,133	2,330	1,844	121	1,867	986	2,568
Luxembourg	70,025	0	(*)	5,762	0	(D)	(D)	7	0	4	0	202	(D)	575	1,246	23	(D)
Netherlands	186,102	3,218	18	23,788	3,782	11,683	2,361	859	1,330	541	1,249	13,297	3,553	29	23,310	1,000	117,890
Norway	7,677	4,557	(*)	818	25	16	30	334	–21	(*)	–24	394	95	29	(D)	196	(D)
Poland	4,632	(D)	(D)	2,120	351	288	128	17	12	12	296	10	356	1,488	242	78	317
Portugal	3,027	(*)	0	669	47	61	18	(D)	(D)	2	(D)	483	314	3	655	48	855
Russia	1,753	1,089	0	113	238	106	0	12	23	2	69	26	46	439	–84	16	108
Spain	40,439	13	88	9,837	530	3,004	225	46	377	674	1,396	2,875	900	1,659	3,603	287	21,178
Sweden	34,927	0	0	1,768	(D)	254	158	111	398	–214	183	993	221	(D)	4,284	195	(D)
Switzerland	88,940	(D)	0	8,088	–26	3,707	191	330	–74	(D)	(D)	9,198	–2,240	7,127	3,689	355	(D)
Turkey	1,985	17	89	578	158	–141	1	(*)	(*)	–9	331	556	6	496	36	41	166
United Kingdom	278,745	7,568	5,667	43,260	2,998	12,234	1,953	4,483	3,317	727	4,348	12,577	6,903	16,700	77,443	6,947	101,679
Other	10,700	(D)	(D)	1,511	199	67	(D)	2	15	22	(D)	438	(D)	186	(D)	40	(D)
Latin America and Other Western Hemisphere	**300,690**	**12,572**	**7,149**	**43,347**	**4,557**	**10,486**	**4,714**	**2,098**	**–1,565**	**1,021**	**4,925**	**11,119**	**7,849**	**9,998**	**87,339**	**1,929**	**119,389**
South America	70,184	6,910	5,184	19,006	2,179	5,688	1,105	1,327	(D)	92	(D)	3,955	4,681	4,355	8,328	908	16,859
Argentina	10,948	312	500	1,828	(D)	991	11	123	39	–66	–305	280	1,001	345	909	23	5,751
Brazil	31,741	1,205	2,748	10,507	710	3,181	1,082	1,073	(D)	88	555	2,118	708	2,346	4,461	309	7,339
Chile	9,218	694	(D)	1,893	10	489	39	32	2	16	(D)	665	471	1,014	2,157	38	(D)
Colombia	2,956	226	125	1,111	59	461	13	0	(*)	13	(D)	280	583	(D)	245	28	(D)
Ecuador	1,082	532	(*)	43	37	1	–3	0	0	0	(D)	84	(D)	(D)	12	–2	(D)
Peru	3,678	1,652	172	226	65	98	–58	(*)	0	(*)	–1	71	(D)	(D)	127	42	1,005
Venezuela	9,119	1,850	206	3,188	489	393	21	94	1	41	436	224	(D)	(D)	328	455	1,412
Other	1,441	438	(D)	211	(D)	73	(*)	5	0	0	17	233	119	196	89	15	(D)
Central America	67,010	521	1,131	19,398	2,362	3,698	(D)	758	–2,604	921	(D)	2,791	1,428	16,211	10,288	473	14,767
Costa Rica	863	(*)	0	718	97	137	31	1	–10	107	0	60	26	0	21	20	20
Honduras	262	0	(*)	197	12	(*)	0	0	0	3	(D)	33	(*)	(D)	7	0	(D)
Mexico	59,070	424	677	17,759	2,154	3,351	(D)	757	–2,672	812	(D)	1,917	1,298	16,005	9,350	473	11,167
Panama	5,538	(D)	158	158	26	(D)	(*)	0	0	0	–5	592	(D)	158	889	–20	3,430
Other	1,276	(D)	296	567	74	(D)	–7	0	78	(*)	0	189	(D)	(D)	22	1	(D)
Other Western Hemisphere	163,496	5,141	834	4,942	16	1,100	(D)	13	(D)	7	–13	4,373	1,740	–10,568	68,723	548	87,763
Barbados	1,022	4	(D)	71	21	8	6	11	(D)	5	–13	443	(D)	26	–272	–7	126
Bermuda	85,077	42	93	77	1	73	0	1	1	0	0	1,799	362	0	46,155	75	36,475
Dominican Republic	816	(*)	132	433	37	33	(D)	0	0	0	0	140	(D)	(D)	–49	1	22
United Kingdom Islands-Caribbean	56,670	1,881	38	1,127	(D)	(D)	–37	(*)	(D)	0	(*)	1,310	506	–9,933	(D)	631	(D)
Other	19,911	3,214	(D)	3,235	(D)	(D)	(D)	1	1	3	0	681	(D)	(D)	(D)	–152	(D)
Africa	**18,978**	**11,149**	**316**	**1,930**	**210**	**482**	**55**	**273**	**–119**	**–18**	**500**	**771**	**1,130**	**615**	**120**	**80**	**2,866**
Egypt	3,518	2,918	0	228	2	–33	7	110	0	5	(D)	113	6	(D)	(D)	3	(D)
Nigeria	1,080	543	0	65	(*)	13	0	0	0	0	(D)	172	0	(D)	0	–1	(D)
South Africa	3,754	72	0	1,210	21	448	–21	161	4	(D)	436	226	1,201	(D)	44	55	(D)
Other	10,627	7,616	316	428	186	54	69	2	–123	(D)	17	261	–77	241	(D)	23	(D)
Middle East	**17,363**	**4,688**	**138**	**4,496**	**60**	**496**	**45**	**161**	**3,236**	**–6**	**–7**	**494**	**2,234**	**785**	**869**	**716**	**2,944**
Israel	7,036	5	(D)	3,591	53	12	–9	60	3,233	–21	–22	784	(D)	–1	194	462	(D)
Saudi Arabia	3,513	141	2	353	6	98	29	22	3	15	14	206	(D)	580	–61	182	(D)
United Arab Emirates	2,016	1,357	(D)	(D)	0	(D)	(D)	(D)	0	0	(*)	–508	11	(D)	(D)	36	157
Other	4,798	3,185	(D)	(D)	(*)	(D)	(D)	(D)	0	0	0	12	7	(D)	(D)	35	(D)
Asia and Pacific	**282,370**	**14,178**	**5,859**	**68,149**	**2,861**	**12,590**	**2,848**	**3,682**	**21,911**	**1,784**	**6,230**	**26,822**	**6,869**	**12,442**	**58,355**	**12,008**	**77,689**
Australia	48,858	5,274	2,419	11,883	1,045	2,035	2,081	615	468	42	1,795	2,690	401	2,595	4,654	1,705	17,236
China	11,541	1,263	509	5,910	530	1,322	140	356	852	479	1,243	1,502	205	413	–49	472	1,316
Hong Kong	37,567	(*)	47	3,117	10	216	63	53	935	171	24	8,237	880	2,093	9,024	1,110	13,060
India	4,831	21	767	1,345	37	312	(D)	415	265	(D)	–57	430	142	691	337	345	754
Indonesia	(D)	4,960	728	(D)	37	(D)	(D)	(D)	6	13	(D)	102	–186	406	(D)	34	1,998
Japan	68,097	16	0	11,804	193	3,316	–70	817	2,863	616	954	7,615	3,200	609	32,733	6,265	5,855
Korea, Republic of	13,030	1	0	6,798	552	1,147	118	364	2,247	149	743	861	114	2,038	1,207	635	1,376
Malaysia	7,270	527	0	3,228	–11	270	15	103	2,398	(D)	21	260	254	(D)	(D)	155	(D)
New Zealand	3,886	272	0	630	(D)	78	27	14	42	(*)	10	513	90	(D)	699	44	(D)
Philippines	5,790	(D)	1,355	2,205	232	230	21	23	1,031	2	1	305	41	(D)	908	–61	334
Singapore	50,343	–90	3	13,289	12	985	67	612	8,385	216	1,241	2,619	1,519	(D)	(D)	430	(D)
Taiwan	12,148	(*)	0	3,987	106	1,324	113	229	1,594	57	(D)	1,258	73	942	5,349	116	421
Thailand	7,098	700	(*)	3,228	4	1,016	97	83	818	16	30	514	(D)	588	645	752	(D)
Other	(D)	(D)	31	(D)	(D)	(D)	–3	(D)	7	0	(D)	–85	(D)	241	–4	6	1,975
Addenda:																	
European Union (15)[1]	862,586	11,641	5,852	171,184	11,527	55,024	8,737	10,952	23,790	5,427	15,763	61,399	30,127	25,969	145,313	17,544	393,557
OPEC[2]	32,031	15,064	1,041	4,604	532	1,154	104	182	11	69	480	199	1,763	1,348	986	739	6,286

* Less than $500,000 (+/–).
D Suppressed to avoid disclosure of data of individual companies.
1. The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.
2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.
NOTE. Estimates for 2003 are revised.

Table 1.2. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 2004

[Millions of dollars]

	All industries	Mining	Utilities	Manufacturing: Total	Manufacturing, of which: Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment	Wholesale trade	Information	Depository institutions	Finance (except depository institutions) and insurance	Professional, scientific, and technical services	Other industries
All countries	**2,063,998**	**101,477**	**18,985**	**428,235**	**26,021**	**107,908**	**26,328**	**24,543**	**58,615**	**12,392**	**48,418**	**136,949**	**56,422**	**68,100**	**370,965**	**42,110**	**840,755**
Canada	**216,571**	**30,879**	**1,387**	**76,786**	**3,762**	**14,280**	**4,497**	**4,029**	**5,736**	**1,669**	**15,344**	**11,797**	**3,485**	**2,981**	**36,889**	**2,281**	**50,085**
Europe	**1,089,941**	**21,813**	**5,366**	**217,088**	**14,010**	**67,234**	**11,733**	**13,025**	**27,121**	**7,248**	**19,771**	**81,805**	**34,849**	**40,293**	**163,393**	**21,987**	**503,346**
Austria	5,278	1	0	2,122	290	100	73	127	(D)	(D)	(D)	641	89	(D)	11	161	(D)
Belgium	27,761	13	0	8,912	336	5,273	–7	56	59	(D)	1,014	4,085	–306	809	8,240	1,129	4,880
Czech Republic	2,188	(*)	22	870	31	232	10	117	–71	14	358	–34	89	(D)	439	57	(D)
Denmark	6,618	–137	0	2,337	93	35	85	210	1,474	(*)	2	1,851	203	0	(D)	189	(D)
Finland	2,071	0	0	1,116	4	112	24	144	404	39	228	774	–12	0	1	122	71
France	58,927	59	0	21,330	1,387	5,954	2,106	645	1,368	644	1,953	5,778	1,238	3,269	4,407	1,724	21,122
Germany	79,579	579	23	20,147	237	3,337	2,325	1,404	3,665	1,595	4,251	16,406	2,216	1,674	10,518	3,646	24,371
Greece	1,255	(*)	0	168	–15	148	–1	0	4	0	0	730	2	–125	204	24	251
Hungary	3,285	(*)	(D)	2,238	15	96	(D)	3	–54	(D)	564	291	52	(D)	36	41	(D)
Ireland	73,153	(D)	1	21,290	241	10,019	51	26	5,571	491	285	4,598	17,029	(D)	11,101	1,968	16,094
Italy	33,378	(D)	(D)	22,039	1,961	4,389	361	3,358	7,268	664	1,183	2,664	2,862	–26	2,135	969	(D)
Luxembourg	74,902	0	(*)	6,632	0	3,373	(D)	7	5	3	0	179	(D)	667	2,083	29	(D)
Netherlands	201,918	3,850	102	24,977	4,075	12,069	2,591	851	1,503	215	1,216	13,397	4,431	34	22,495	1,573	131,059
Norway	9,104	5,333	(*)	1,002	26	31	30	445	–30	(*)	–17	547	143	40	(D)	298	(D)
Poland	6,059	(D)	22	3,071	510	397	155	(D)	14	12	559	61	364	1,583	(D)	84	544
Portugal	3,151	(*)	0	703	50	93	18	(D)	(D)	2	260	586	339	3	630	54	837
Russia	2,231	1,674	0	36	198	186	0	–42	29	1	90	–138	74	439	–75	12	210
Spain	45,251	(D)	91	11,359	706	3,669	199	42	444	817	1,382	2,933	1,295	1,861	4,672	(D)	22,751
Sweden	36,399	0	0	1,435	(D)	323	154	138	385	–207	–279	1,100	227	(D)	4,344	243	(D)
Switzerland	100,727	(D)	0	10,785	55	4,758	214	726	(D)	481	(D)	10,083	–2,373	7,920	4,528	513	(D)
Turkey	2,225	17	116	575	(D)	–191	1	(*)	(*)	–13	355	616	10	624	39	41	187
United Kingdom	302,523	5,544	4,835	52,295	3,249	12,755	1,853	4,758	3,625	876	5,564	14,146	6,217	18,009	84,475	8,772	108,230
Other	11,956	4,298	(D)	1,650	233	76	1,098	(D)	13	27	48	513	(D)	234	409	(D)	(D)
Latin America and Other Western Hemisphere	**325,891**	**15,388**	**7,041**	**46,913**	**4,710**	**11,030**	**5,237**	**2,310**	**–1,244**	**1,284**	**4,678**	**11,118**	**7,061**	**8,555**	**98,998**	**2,194**	**128,622**
South America	72,584	8,340	5,151	20,444	2,140	6,075	1,262	1,592	1,114	155	834	2,832	3,028	4,791	9,312	1,206	17,481
Argentina	11,629	236	458	1,562	(D)	780	(*)	130	41	–81	–305	345	1,099	450	1,177	26	6,276
Brazil	33,267	1,576	2,831	12,220	982	3,560	1,253	1,321	1,069	159	405	755	732	2,433	4,688	378	7,654
Chile	10,196	1,274	(D)	1,767	12	626	42	34	2	16	(D)	693	522	1,184	2,329	38	(D)
Colombia	2,987	590	21	995	82	457	12	0	(*)	14	(D)	387	69	(D)	296	26	(D)
Ecuador	814	499	(*)	22	38	9	–3	0	0	0	(D)	95	2	(D)	19	–2	(D)
Peru	3,934	1,830	(D)	250	70	107	–70	(*)	0	(*)	–1	77	86	(D)	143	39	(D)
Venezuela	8,493	1,888	229	3,438	162	459	29	103	1	47	462	239	410	(D)	543	690	(D)
Other	1,264	447	16	190	(D)	77	(*)	4	0	0	(D)	241	108	156	118	11	–24
Central America	75,433	1,796	1,171	21,279	2,531	4,158	894	738	–2,586	1,122	3,792	3,056	1,565	17,048	12,118	579	16,821
Costa Rica	1,098	(*)	0	791	96	106	33	1	(D)	108	0	216	(D)	0	(D)	27	(D)
Honduras	339	0	(*)	213	14	(*)	0	0	0	3	(D)	89	(*)	(D)	(D)	0	(D)
Mexico	66,554	1,703	568	19,438	2,289	3,809	871	738	–2,676	1,010	(D)	1,954	1,495	16,811	11,160	567	12,858
Panama	5,868	84	172	183	32	137	(*)	0	0	0	–5	611	(*)	184	899	–15	3,751
Other	1,574	10	429	655	100	105	–10	0	(D)	(*)	0	187	(D)	(D)	29	1	(D)
Other Western Hemisphere	177,873	5,252	719	5,190	39	796	3,080	–20	228	7	52	5,230	2,468	–13,284	77,568	409	94,320
Barbados	1,369	4	(D)	128	24	8	6	(D)	(D)	5	(D)	517	(D)	26	–395	–2	150
Bermuda	91,265	–5	111	–42	1	–77	0	(D)	1	0	(D)	1,691	487	0	50,960	111	37,953
Dominican Republic	1,041	(*)	94	484	(D)	29	44	0	0	0	0	158	(D)	(D)	–57	1	27
United Kingdom Islands-Caribbean	63,066	1,749	–72	1,255	7	(D)	–39	(*)	(D)	0	(*)	2,337	668	–12,452	22,881	479	46,221
Other	21,133	3,505	(D)	3,365	(D)	(D)	3,069	1	1	3	0	528	258	(D)	4,180	–180	9,968
Africa	**22,259**	**12,746**	**332**	**2,255**	**180**	**534**	**13**	**313**	**–120**	**–3**	**833**	**1,116**	**1,273**	**797**	**141**	**141**	**3,459**
Egypt	4,240	3,550	0	144	(*)	–45	5	118	0	5	(D)	119	6	(D)	9	3	(D)
Nigeria	955	303	0	67	(*)	14	0	0	0	0	(D)	168	0	(D)	0	–1	(D)
South Africa	4,966	120	0	1,679	14	511	–15	193	4	(D)	762	436	1,468	(D)	51	113	(D)
Other	12,097	8,773	332	364	166	54	23	2	–124	(D)	(D)	394	–202	247	81	26	2,083
Middle East	**19,235**	**5,571**	**248**	**4,657**	**73**	**616**	**49**	**198**	**3,177**	**–9**	**–13**	**581**	**1,745**	**237**	**1,064**	**852**	**4,280**
Israel	6,790	22	(D)	3,592	65	3	–15	88	3,174	–27	(D)	769	(D)	(D)	293	466	297
Saudi Arabia	3,835	138	2	364	8	108	31	23	3	17	(D)	244	(D)	0	–58	216	(D)
United Arab Emirates	2,368	1,468	89	(D)	0	(D)	30	74	0	0	(*)	–442	–1	(D)	634	(D)	(D)
Other	6,242	3,943	(D)	(D)	(*)	(D)	2	13	0	0	0	10	8	(D)	195	(D)	1,279
Asia and Pacific	**390,101**	**15,080**	**4,610**	**80,537**	**3,285**	**14,214**	**4,799**	**4,668**	**23,945**	**2,204**	**7,804**	**30,531**	**8,010**	**15,237**	**70,480**	**14,654**	**150,963**
Australia	(D)	4,495	502	13,915	1,118	2,391	3,759	757	547	103	1,919	3,162	486	2,898	5,284	1,718	(D)
China	15,430	1,740	(D)	8,222	593	1,643	149	455	1,341	493	1,832	1,825	368	534	–2	688	(D)
Hong Kong	43,743	(*)	47	3,608	29	196	66	111	983	241	27	8,625	927	2,178	12,291	1,451	14,614
India	6,203	–1	919	1,555	40	415	(D)	481	249	(D)	–43	555	217	889	528	735	806
Indonesia	(D)	6,027	(D)	(D)	47	(D)	36	181	–1	16	19	132	(D)	440	113	39	(D)
Japan	80,246	10	0	14,598	245	2,858	123	987	3,048	704	1,167	8,242	3,701	244	39,189	7,697	6,565
Korea, Republic of	17,332	1	0	7,826	680	1,424	126	419	2,551	209	870	1,089	211	3,833	2,062	781	1,529
Malaysia	8,690	555	0	4,003	–11	483	15	123	2,796	(D)	94	261	370	(D)	260	153	(D)
New Zealand	4,481	265	0	857	144	104	30	18	52	1	11	632	105	(D)	924	103	(D)
Philippines	6,338	333	1,718	2,291	250	266	(D)	31	1,065	3	–4	(D)	46	(D)	1,005	–61	(D)
Singapore	56,900	–209	0	14,435	14	1,316	82	681	8,804	288	1,469	(D)	1,383	835	2,529	425	(D)
Taiwan	(D)	(*)	0	4,564	99	1,573	124	272	1,749	64	(D)	(D)	73	1,099	5,685	146	270
Thailand	7,747	724	(*)	3,637	1	1,126	108	148	754	19	140	706	166	660	611	773	470
Other	(D)	1,140	–3	(D)	36	(D)	–1	3	7	0	(D)	–13	(D)	260	(*)	6	2,463
Addenda:																	
European Union (25)[1]	965,379	10,150	5,212	204,253	13,392	62,432	11,337	11,883	26,961	6,772	18,833	70,187	36,779	31,113	157,841	21,107	428,738
OPEC[2]	34,482	16,727	1,335	5,286	217	1,421	127	388	3	80	498	341	749	(D)	1,249	1,112	(D)

* Less than $500,000 (+/–).

D Suppressed to avoid disclosure of data of individual companies.

1. The European Union (25) comprises the European Union (15) whose member countries are listed in footnote 1 of table 1.1 and the 10 countries—Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia—that joined the Union in May 2004.

2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE. Estimates for 2004 are preliminary.

Table 2.1. Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 2003

[Millions of dollars]

	All industries	Manufacturing									Wholesale trade	Retail trade	Information	Depository institutions	Finance (except depository institutions) and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
		Total	*Of which:* Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment									
All countries	**1,410,672**	**491,963**	**19,517**	**136,466**	**17,702**	**48,093**	**44,026**	**12,573**	**66,455**	**180,802**	**23,656**	**124,734**	**87,512**	**190,152**	**44,450**	**34,507**	**232,896**
Canada	**101,568**	**27,680**	**1,035**	**4,186**	**2,614**	**608**	**5,083**	**117**	**3,789**	**2,357**	**1,424**	**5,183**	**12,286**	**22,602**	**4,428**	**1,167**	**24,441**
Europe	**1,021,349**	**381,881**	**16,087**	**123,886**	**12,840**	**29,457**	**27,767**	**9,753**	**38,746**	**104,113**	**17,851**	**104,031**	**60,094**	**132,530**	**21,755**	**32,109**	**166,984**
Austria	3,775	2,223	2	(D)	268	97	(D)	0	39	322	(D)	–2	(D)	1	38	(D)	–3
Belgium	10,871	3,950	(D)	2,607	(D)	113	15	8	–54	1,594	(D)	(D)	(D)	446	317	–58	1,401
Denmark	4,561	2,404	234	(D)	–1	312	413	0	3	(D)	(D)	–1	(D)	–4	(D)	(D)	1,243
Finland	5,446	3,679	(*)	716	(D)	695	(D)	7	7	(D)	(D)	237	(D)	2	(D)	(D)	201
France	139,265	47,096	2,130	17,703	578	(D)	3,791	2,644	1,596	11,450	631	26,051	11,107	28,038	399	4,939	9,554
Germany	156,290	54,413	169	19,929	3,748	5,208	895	545	18,258	10,447	1,424	24,232	18,707	17,882	5,146	479	23,560
Ireland	24,228	3,223	865	–144	(D)	100	(D)	(D)	(*)	3,136	(D)	(D)	(D)	2,645	1,543	(D)	9,199
Italy	6,820	971	338	260	–17	96	93	(D)	62	1,063	1,189	(D)	1,288	(D)	86	(D)	1,563
Liechtenstein	267	30	–1	(*)	–3	(*)	(*)	5	(D)	137	0	0	0	3	77	(*)	20
Luxembourg	108,124	26,726	351	7	(D)	3,149	(D)	(D)	173	1,557	(D)	6,093	0	(D)	152	(D)	66,959
Netherlands	152,708	67,445	4,489	25,418	312	4,709	7,032	(D)	(D)	8,331	(D)	9,239	(D)	35,645	4,724	2,629	12,671
Norway	4,036	2,820	2	2,235	554	(D)	1	(*)	–2	663	(*)	(D)	(D)	(D)	26	410	–51
Spain	5,603	1,702	(D)	277	(D)	1	(*)	–1	(D)	204	(D)	(D)	2,274	499	(D)	(D)	(D)
Sweden	20,388	7,733	0	(D)	795	878	132	(D)	(D)	5,847	(D)	77	(D)	64	(D)	339	3,657
Switzerland	129,032	85,792	5,336	39,060	1,772	3,100	540	(D)	(D)	4,456	292	13,491	(D)	16,740	600	557	(D)
United Kingdom	219,735	61,482	1,982	14,284	2,730	3,731	12,542	478	8,327	52,454	1,901	14,659	17,164	28,881	5,008	14,820	23,367
Other	30,201	10,192	(D)	(D)	(D)	(D)	(D)	(D)	361	725	(D)	(D)	700	596	(D)	(D)	6,494
Latin America and Other Western Hemisphere	**81,768**	**20,291**	**1,152**	**1,277**	**–301**	**14,639**	**–799**	**2,295**	**–13**	**8,981**	**1,464**	**3,787**	**3,092**	**17,159**	**5,902**	**–254**	**21,346**
South and Central America	22,172	121	1,005	–60	–489	–160	–273	–4	–181	5,542	(D)	149	2,467	8,892	597	(D)	3,559
Brazil	666	–210	(D)	–81	7	–73	–84	(*)	34	553	(D)	16	477	72	(D)	–10	–443
Mexico	7,707	407	(D)	–150	–35	12	–126	5	–213	1,305	(D)	119	572	504	47	(D)	3,935
Panama	9,203	(D)	(D)	(D)	(D)	–51	–18	(*)	(*)	4	3	–6	72	(D)	356	16	(D)
Venezuela	4,359	176	–3	–1	2	–16	–3	(*)	–1	(D)	0	–3	781	2	–24	1	(D)
Other	237	(D)	255	(D)	(D)	–33	–42	–9	–2	(D)	(D)	23	565	(D)	(D)	–3	–369
Other Western Hemisphere	59,596	20,171	147	1,337	188	14,799	–526	2,299	168	3,439	(D)	3,637	624	8,267	5,305	(D)	17,787
Bahamas	1,112	(D)	(D)	1	(D)	(*)	(*)	(D)	0	463	(D)	1	(D)	8	(D)	1	–128
Bermuda	8,837	2,677	(D)	(D)	(D)	(D)	–170	2,269	0	–36	148	1,549	(D)	(D)	(D)	–617	5,248
Netherlands Antilles	4,144	581	2	(D)	–7	4	–6	1	–3	341	(D)	(D)	161	17	890	–13	1,785
United Kingdom Islands-Caribbean	25,575	2,041	70	(D)	(D)	(D)	(D)	0	171	2,315	269	(D)	115	4,836	3,127	(D)	10,562
Other	19,929	(D)	10	4	6	(D)	(D)	(D)	0	357	(D)	(D)	31	(D)	105	–2	320
Africa	**2,179**	**602**	**(D)**	**(D)**	**–5**	**(D)**	**7**	**–3**	**–33**	**447**	**(D)**	**(D)**	**(D)**	**(D)**	**(D)**	**(D)**	**611**
South Africa	399	–37	(*)	–5	0	–5	7	0	(D)	(D)	0	(D)	0	(D)	–1	(D)	(*)
Other	1,780	639	(D)	(D)	–5	(D)	(*)	–3	(D)	(D)	(D)	(D)	(D)	(D)	(D)	2	611
Middle East	**7,641**	**1,415**	**(D)**	**(D)**	**1**	**(D)**	**262**	**–18**	**(*)**	**2,901**	**(D)**	**(D)**	**(D)**	**(D)**	**(D)**	**(D)**	**451**
Israel	3,777	1,426	(D)	(D)	0	(D)	266	(*)	(*)	200	7	(D)	1,487	(D)	10	(D)	366
Kuwait	1,069	2	0	(*)	0	0	(*)	2	0	(D)	0	0	(D)	(D)	(D)	0	(D)
Lebanon	1	(*)	0	0	0	0	0	0	0	0	0	0	0	0	(*)	0	(*)
Saudi Arabia	(D)	–18	0	–1	0	(*)	2	–20	0	(D)	0	6	(D)	2	57	(*)	5
United Arab Emirates	45	5	0	–1	0	10	–5	0	(*)	–1	(D)	(*)	(D)	1	8	0	–8
Other	(D)	1	0	0	1	0	0	0	0	(D)	0	(D)	–48	0	(D)	(*)	(D)
Asia and Pacific	**196,167**	**60,093**	**1,167**	**6,124**	**2,554**	**3,147**	**11,706**	**429**	**23,966**	**62,002**	**2,871**	**11,491**	**10,448**	**17,739**	**11,051**	**1,409**	**19,062**
Australia	24,934	3,512	(D)	118	(D)	171	–3	–78	–18	505	–4	(D)	(D)	3,754	2,835	(D)	3,223
Hong Kong	1,831	618	(*)	–32	(*)	–14	370	3	–3	331	–5	(D)	279	(D)	86	–6	305
Japan	160,452	55,305	1,277	5,305	2,177	3,020	11,751	421	23,909	58,739	(D)	(D)	6,991	12,449	7,178	1,094	14,472
Korea, Republic of	2,558	727	(D)	28	102	2	475	–3	29	1,232	43	10	327	95	53	54	18
Malaysia	264	–63	(*)	3	–1	1	–84	–2	1	–15	(D)	4	(D)	(D)	1	3	225
New Zealand	644	(*)	6	4	0	–2	–7	–1	–1	(D)	(D)	9	0	0	(D)	–1	310
Philippines	22	–14	0	–12	(*)	–1	(D)	4	1	2	0	–2	14	14	7	–1	1
Singapore	1,484	–1,043	–36	–82	(*)	–4	–978	21	26	–117	(D)	(D)	245	1,363	(D)	7	176
Taiwan	2,956	990	(*)	815	1	(D)	159	28	–4	863	24	34	728	34	40	39	204
Other	1,021	61	–20	–23	(D)	(D)	(D)	36	26	(D)	2	10	(D)	19	(D)	(D)	128
Addenda:																	
European Union (15)[1]	858,694	283,415	10,625	82,001	10,425	25,671	25,582	6,630	37,652	98,113	17,285	81,109	59,145	115,190	20,062	30,174	154,202
OPEC[2]	8,251	155	–3	–6	2	–7	–7	–19	–1	(D)	(D)	7	981	7	(D)	1	112

* Less than $500,000 (+/–).
D Suppressed to avoid disclosure of data of individual companies.
1. The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and the United Kingdom.
2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.
NOTE. Estimates for 2003 are revised.

Table 2.2. Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 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
		Total	*Of which:* Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment									
All countries	**1,526,306**	**519,410**	**21,108**	**147,952**	**18,897**	**49,541**	**41,883**	**13,593**	**70,022**	**201,101**	**26,122**	**117,190**	**123,304**	**206,533**	**47,577**	**38,778**	**246,290**
Canada	**133,761**	**29,148**	**1,424**	**5,066**	**2,395**	**585**	**5,743**	**29**	**3,744**	**3,159**	**4,027**	**5,368**	**13,157**	**39,336**	**4,716**	**2,116**	**32,733**
Europe	**1,078,287**	**402,349**	**16,988**	**133,339**	**13,633**	**29,636**	**24,184**	**10,726**	**41,423**	**114,590**	**17,549**	**93,509**	**93,755**	**127,592**	**23,859**	**35,060**	**170,025**
Austria	3,720	2,122	(*)	(D)	(D)	121	(D)	–1	35	472	(D)	1	(D)	(*)	38	206	–2
Belgium	11,285	3,966	(D)	2,907	(D)	113	30	5	(D)	1,767	(D)	(D)	(D)	522	(D)	(D)	1,542
Denmark	5,450	3,116	(D)	216	0	399	687	–1	4	601	(D)	2	(D)	–4	(D)	44	1,305
Finland	5,509	(D)	1	743	(D)	(D)	45	7	(*)	1,392	(D)	(D)	(D)	3	(D)	(D)	127
France	148,242	48,318	1,611	18,482	611	5,934	3,514	3,533	1,950	13,512	598	26,670	13,474	31,130	376	4,319	9,846
Germany	163,372	59,749	172	24,389	4,068	5,528	766	478	19,661	14,612	1,507	21,405	18,034	19,750	5,314	127	22,874
Ireland	21,153	4,074	1,219	–61	(D)	3	–1	(*)	(*)	(D)	(D)	410	(D)	(D)	(D)	(D)	9,968
Italy	7,421	761	29	215	(*)	157	112	(D)	57	1,174	1,755	(D)	1,309	(D)	85	114	1,687
Liechtenstein	310	(D)	–1	(*)	(D)	(*)	1	5	(D)	159	0	0	0	3	(D)	(*)	20
Luxembourg	107,842	25,137	(D)	(D)	190	(D)	(D)	(D)	(D)	1,688	(D)	6,486	0	(D)	(D)	(D)	(D)
Netherlands	167,280	81,420	5,773	24,641	680	6,047	7,404	746	6,393	7,265	6,257	5,097	6,668	39,455	4,623	3,114	13,380
Norway	3,136	1,996	2	(D)	(D)	(D)	1	1	(D)	674	(*)	(D)	(D)	2	28	414	–146
Spain	5,669	1,726	9	(D)	(D)	2	–19	(*)	99	(D)	53	–57	2,400	500	11	(D)	(D)
Sweden	23,853	9,998	0	(D)	987	1,043	127	(D)	3,215	6,917	6	61	(D)	248	(D)	325	3,589
Switzerland	122,944	77,280	5,291	29,954	(D)	2,486	480	575	717	4,918	261	(D)	(D)	16,914	(D)	539	(D)
United Kingdom	251,562	66,959	2,127	25,416	2,354	2,604	8,747	561	8,763	57,497	2,336	11,726	(D)	15,362	5,673	18,330	(D)
Other	29,539	12,004	137	(D)	(D)	(D)	1,512	(D)	377	700	(D)	7,273	766	544	978	(D)	6,278
Latin America and Other Western Hemisphere	**85,864**	**21,473**	**1,215**	**1,741**	**–169**	**(D)**	**–1,189**	**(D)**	**81**	**7,213**	**1,628**	**4,556**	**3,377**	**19,496**	**6,174**	**–385**	**22,332**
South and Central America	26,295	938	1,024	263	–342	200	–231	1	–44	5,571	(D)	121	2,737	10,150	655	(D)	5,154
Brazil	1,286	–178	5	–72	32	–47	–85	(*)	49	672	(D)	15	495	(D)	(D)	–13	36
Mexico	7,880	1,251	(D)	129	71	351	–98	11	–85	218	(D)	104	661	(D)	(D)	(D)	4,682
Panama	10,707	–380	0	(D)	(D)	(D)	(D)	(*)	(*)	–4	3	–5	75	(D)	464	15	(D)
Venezuela	5,548	208	(D)	9	–1	–13	–2	–1	0	(D)	0	–4	913	(*)	–25	(*)	(D)
Other	874	37	(D)	(D)	(D)	(D)	(D)	–9	–7	(D)	(D)	11	594	(D)	(D)	–4	–43
Other Western Hemisphere	59,569	20,534	191	1,478	173	(D)	–957	(D)	125	1,642	(D)	4,435	640	9,346	5,519	(D)	17,178
Bahamas	1,179	(D)	(D)	1	(D)	(*)	(*)	0	0	555	(D)	1	(D)	8	274	1	–266
Bermuda	8,442	1,886	(D)	13	(D)	(D)	(D)	(D)	0	–1,104	0	4,118	(D)	–1,177	611	(D)	4,980
Netherlands Antilles	4,749	643	–1	(D)	–7	4	–6	1	–3	(D)	(D)	(D)	164	(D)	860	(D)	1,938
United Kingdom Islands-Caribbean	24,243	2,030	132	(D)	(D)	237	(D)	0	127	1,601	632	338	122	5,365	3,668	202	10,285
Other	20,956	(D)	(D)	(D)	(*)	(D)	(*)	(D)	0	(D)	(D)	(D)	(D)	(D)	106	–10	241
Africa	**1,611**	**661**	**(D)**	**(D)**	**(D)**	**–6**	**4**	**–1**	**(D)**	**–147**	**(D)**	**(D)**	**(D)**	**(D)**	**271**	**(*)**	**602**
South Africa	356	–35	–1	–6	0	–6	7	–1	(D)	(D)	0	(D)	0	(D)	(*)	–2	–1
Other	1,255	696	(D)	(D)	(D)	0	–2	(*)	–4	(D)	(D)	(D)	(D)	(D)	271	2	603
Middle East	**8,200**	**1,705**	**(D)**	**(D)**	**(D)**	**(D)**	**267**	**(D)**	**(D)**	**2,918**	**(D)**	**(D)**	**(D)**	**(D)**	**1,176**	**75**	**446**
Israel	4,107	1,677	(D)	(D)	0	(D)	272	(*)	(*)	205	8	227	1,545	3	10	75	357
Kuwait	1,238	(D)	0	(*)	0	0	(*)	2	(D)	(*)	0	0	(D)	(D)	(D)	0	98
Lebanon	1	(*)	0	0	0	0	0	0	0	0	0	0	0	0	(*)	0	(*)
Saudi Arabia	(D)	–2	0	0	0	(*)	2	(D)	0	(D)	0	13	(D)	2	58	(*)	3
United Arab Emirates	24	–11	0	0	0	(D)	–7	0	(*)	(D)	(D)	(*)	(D)	1	10	0	2
Other	(D)	(D)	0	0	(D)	0	0	(*)	0	(D)	0	(D)	(D)	0	(D)	(*)	–15
Asia and Pacific	**218,583**	**64,075**	**1,472**	**6,529**	**3,010**	**3,632**	**12,874**	**464**	**24,755**	**73,369**	**2,870**	**13,482**	**11,327**	**20,016**	**11,380**	**1,913**	**20,152**
Australia	28,083	3,788	145	–293	393	159	–16	(D)	–65	431	–3	(D)	(D)	4,875	2,972	301	3,445
Hong Kong	1,709	560	(*)	–55	–1	–9	375	14	–2	247	–8	(D)	283	(D)	86	–7	(D)
Japan	176,906	59,980	1,359	6,072	2,389	3,519	13,784	463	24,741	68,192	2,632	1,748	7,718	13,548	7,341	1,214	14,533
Korea, Republic of	4,212	512	(D)	13	140	3	(D)	–4	(D)	2,684	(D)	(D)	247	141	57	54	4
Malaysia	335	7	–2	–4	(D)	–4	(D)	(D)	(D)	–15	(D)	4	(D)	(D)	1	3	236
New Zealand	814	2	8	3	0	1	–8	–1	–2	228	(D)	9	0	0	(D)	–1	469
Philippines	25	–11	0	–3	0	–1	(D)	(*)	6	9	0	–2	10	(D)	(D)	–7	1
Singapore	1,801	–2,048	(D)	–104	1	–3	–1,685	(D)	9	491	(D)	38	262	(D)	752	8	(D)
Taiwan	3,227	1,158	(*)	912	1	–7	218	21	–13	802	25	35	869	40	45	38	215
Other	1,470	127	3	–11	(D)	–26	(D)	19	26	300	3	(D)	383	17	(D)	310	149
Addenda:																	
European Union (25)[1]	941,679	318,409	11,655	99,493	11,174	25,811	23,696	10,149	40,680	108,792	17,288	75,041	93,673	110,578	21,791	33,149	162,958
OPEC[2]	9,007	223	3	–2	–1	–17	–7	–4	(D)	6,385	(D)	11	1,116	5	(D)	–1	100

* Less than $500,000 (+/–).

D Suppressed to avoid disclosure of data of individual companies.

1. The European Union (25) comprises the European Union (15) whose member countries are listed in footnote 1 of table 2.1 and the 10 countries—Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia—that joined the Union in May 2004.

2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE. Estimates for 2004 are preliminary.