

U.S. Affiliates of Foreign Companies

Operations in 2000

By William J. Zeile

ACCORDING to preliminary results from BEA's latest annual survey of foreign direct investment in the United States (FDIUS), record levels of new foreign investment helped boost the current-dollar gross product of U.S. nonbank affiliates of foreign companies 14 percent in 2000—the fastest rate of increase in more than a decade. The increase was mainly due to foreign

acquisitions of existing U.S. companies rather than growth from existing affiliate operations.

The gross product of U.S. affiliates rose from \$458 billion (revised) in 1999 to \$522 billion in 2000; as a result, the affiliate share of U.S. gross domestic product (GDP) in private industries rose from 6.5 percent to a record 7.0 percent, continuing a 5-year uptrend (table 1 and chart 1).¹ For affiliates that were majority-owned by foreign direct investors, the share increased from 5.6 percent to 6.0 percent.

Table 1. Gross Product of Nonbank U.S. Affiliates of Foreign Companies, 1977–2000

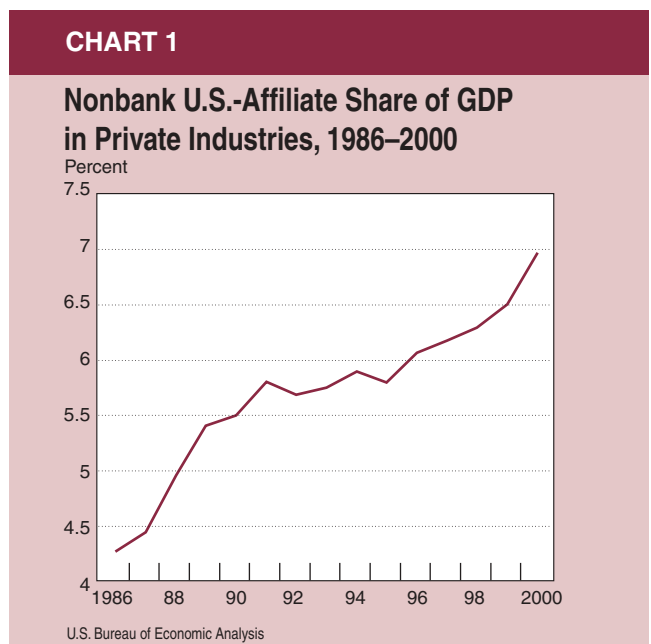
	Millions of dollars		Percentage of U.S. private-industry gross domestic product		Addendum: Gross product of majority-owned nonbank affiliates as a percentage of that of all nonbank affiliates
	All nonbank affiliates	Majority-owned nonbank affiliates	All nonbank affiliates	Majority-owned nonbank affiliates	
1977	35,222	n.a.	2.3	n.a.	n.a.
1978	42,920	n.a.	2.4	n.a.	n.a.
1979	55,424	n.a.	2.8	n.a.	n.a.
1980	70,906	n.a.	3.3	n.a.	n.a.
1981	98,828	n.a.	4.2	n.a.	n.a.
1982	103,489	n.a.	4.3	n.a.	n.a.
1983	111,490	n.a.	4.2	n.a.	n.a.
1984	128,761	n.a.	4.4	n.a.	n.a.
1985	134,852	n.a.	4.3	n.a.	n.a.
1986	142,120	n.a.	4.3	n.a.	n.a.
1987	157,869	n.a.	4.4	n.a.	n.a.
1988	190,384	146,424	4.9	3.8	76.9
1989	223,420	168,547	5.4	4.1	75.4
1990	239,279	190,477	5.5	4.4	79.6
1991	257,634	207,126	5.8	4.7	80.4
1992	266,333	214,781	5.7	4.6	80.6
1993	285,738	223,008	5.7	4.5	78.0
1994	312,981	244,690	5.9	4.6	78.2
1995	322,631	254,938	5.8	4.6	79.0
1996	358,085	283,422	6.1	4.8	79.1
1997	389,432	313,655	6.2	5.0	80.5
1998	419,828	353,860	6.3	5.3	84.3
1999 ^p	457,707	397,295	6.5	5.6	86.8
2000 ^p	522,238	449,396	7.0	6.0	86.1
Percent change from the preceding year:					
1989	17.4	15.1	.....	.....	.....
1990	7.1	13.0	.....	.....	.....
1991	7.7	8.7	.....	.....	.....
1992	3.4	3.7	.....	.....	.....
1993	7.3	3.8	.....	.....	.....
1994	9.5	9.7	.....	.....	.....
1995	3.1	4.2	.....	.....	.....
1996	11.0	11.2	.....	.....	.....
1997	8.8	10.7	.....	.....	.....
1998	7.8	12.8	.....	.....	.....
1999 ^r	9.0	12.3	.....	.....	.....
2000 ^p	14.1	13.1	.....	.....	.....

^p Preliminary. ^r Revised. n.a. Not available.
 Note. For improved comparability with U.S.-affiliate gross product, U.S. private-industry gross domestic product was adjusted to exclude gross product originating in depository institutions and private households, imputed rental income from owner-occupied housing, and business transfer payments. For the latest estimates of U.S. private-industry gross domestic product, see Sherlene K.S. Lum and Brian C. Moyer, "Gross Domestic Product by Industry for 1998–2000" SURVEY OF CURRENT BUSINESS 81 (November 2001): 17–33.

1. The estimates of gross product of U.S. affiliates are conceptually consistent with those of total U.S. GDP, or gross product originating, by industry (see the box "Key Terms").

The financial and operating data of nonbank U.S. affiliates presented in this article cover the entire operations of each U.S. affiliate irrespective of the percentage of foreign ownership. All data are on a fiscal year basis, so an individual affiliate's fiscal year 2000 is its financial reporting year that ended in calendar year 2000.

The estimates of gross product and the other data items for affiliate operations for 2000 are preliminary. The estimates for 1999 are revised; for most of the key data items, the revisions to the totals ranged from 0.4 percent to 1.8 percent.



The 14-percent increase in affiliate gross product in 2000 followed increases of 8 percent in 1998 and 9 percent in 1999. In all 3 years, the levels of foreign spending to acquire or establish U.S. companies were unprecedented.² Foreign investment spending was par-

ticularly strong in 2000; however, it subsequently dropped by more than half in 2001, reflecting a slowdown in the U.S. economy and a sharp decrease in merger and acquisition activity worldwide.

In 1998, the new investments were heavily concentrated in petroleum and transportation equipment manufacturing, and in 1999, they were concentrated in telecommunications, computers and electronic products, and insurance. In contrast, in 2000, the investments were spread across a wide variety of industries. In terms of the contribution to affiliate gross product, the largest investments in 2000 included acquisitions in such diverse industries as electric utilities, petroleum and coal products, computers and electronic products, retail trade, telecommunications, finance, technical consulting services, advertising, and employ-

2. According to data from BEA's annual survey of new foreign investments, outlays by foreign direct investors to acquire or establish businesses in the United States (which before 1998 had never exceeded \$80 billion) jumped to \$215.3 billion in 1998, \$275.0 billion in 1999, and \$335.6 billion in 2000 (and then fell to \$132.9 billion in 2001); see Thomas W. Anderson, "Foreign Direct Investment in the United States: New Investment in 2001," *SURVEY OF CURRENT BUSINESS* 81 (June 2002): 28-35. The foreign direct investment position in the United States, which measures financing provided to U.S. affiliates by members of their foreign parent groups, also grew rapidly: At historical cost, the position increased 14 percent in 1998, 23 percent in 1999, and 27 percent in 2000 (and 9 percent in 2001); see Maria Borga and Daniel R. Yorgason, "Direct Investment Positions for 2001: Country and Industry Detail," *SURVEY* 82 (July 2002): 21-31.

Key Terms

The following key terms are used to describe U.S. affiliates of foreign companies and their operations.

U.S. affiliate. A U.S. business enterprise in which there is foreign direct investment—that is, in which a single foreign person owns or controls, directly or indirectly, 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise. "Person" is broadly defined to include any individual, corporation, branch, partnership, associated group, association, estate, trust, or other organization and any government (including any corporation, institution, or other entity or instrumentality of a government). A "foreign person" is any person resident outside the United States—that is, outside the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and all U.S. territories and possessions.

Majority-owned U.S. affiliate. A U.S. affiliate that is owned more than 50 percent by foreign direct investors.

Foreign parent. The first person outside the United States in a U.S. affiliate's ownership chain that has a direct investment interest in the affiliate.

Ultimate beneficial owner (UBO). That person, proceeding up a U.S. affiliate's ownership chain, beginning with and including the foreign parent, that is not owned more than 50 percent by another person. Unlike the foreign parent, the UBO of an affiliate may be located in the United States. The UBO of each U.S. affiliate is identified to ascertain the person that ultimately owns or controls the U.S. affiliate and that therefore ultimately derives the benefits from ownership or control.

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.

Gross product. The contribution to U.S. gross domestic product, which is the market value of the goods and services produced by labor and property located in the United States. Gross product, often referred to as "value added," can be measured as gross output (sales or receipts and other operating income plus inventory change) minus intermediate inputs (purchased goods and services). Alternatively, it can be measured as the sum of the costs incurred (except for intermediate inputs) and the profits earned in production. The gross product estimates presented in this article were prepared by summing cost and profit data collected in the annual and benchmark surveys of foreign direct investment in the United States.

The estimates of gross product of U.S. affiliates are conceptually consistent with BEA's estimates of U.S. GDP by industry; both sets of estimates are measured as the sum of the costs incurred (except for intermediate inputs) and the profits earned in production. However, there are some minor differences in measurement. For example, in the profits measure used to estimate U.S.-affiliate gross product, the amortization of intangible assets is treated as an expense, but it is not treated as an expense in the profits measure used to estimate U.S. GDP by industry. This difference and others are small relative to total affiliate gross product and thus have a negligible effect on the affiliate shares of private-industry GDP in tables 1 and 2.

ment services.

New acquisitions also contributed to a 7-percent increase in employment by affiliates in 2000; the affiliate share of U.S. private-industry employment increased from 5.4 percent to 5.6 percent.³ The increase in employment, which followed a 7-percent increase in 1999, was partly held in check by foreign selloffs of minority-

3. Because U.S. affiliates tend to be concentrated in less labor-intensive sectors of the economy (such as manufacturing), their share of U.S. employment has consistently been lower than their share of U.S. gross product.

owned affiliates in very labor-intensive industries. For minority-owned affiliates, the reduction in employment from these selloffs greatly exceeded the addition in employment that resulted from new acquisitions, which were concentrated in capital-intensive industries and so had a much larger impact on affiliate gross product than on affiliate employment.

Employment by affiliates that are majority-owned by foreign parent companies—and thus are unambiguously under their control—increased 10 percent, the

Data on Foreign Direct Investment in the United States

BEA collects three broad sets of data on foreign direct investment in the United States (FDIUS): (1) Financial and operating data of U.S. affiliates, (2) data on U.S. businesses newly acquired or established by foreign direct investors (new investment data), and (3) international transactions (balance of payments) and direct investment position data. This article presents the financial and operating data. The new investment data were published in "Foreign Direct Investment in the United States: New Investment in 2001" in the June 2002 issue of the SURVEY OF CURRENT BUSINESS; the international transactions and direct investment position data were published in the articles "The International Investment Position of the United States at Yearend 2001," "U.S. International Transactions, First Quarter 2002," and "Direct Investment Positions for 2001: Country and Industry Detail," in the July 2002 SURVEY.

Each of the three data sets focuses on a distinct aspect of FDIUS. The financial and operating data provide a picture of the overall activities of the U.S. affiliates; the new investment data provide information about U.S. businesses that are newly acquired or established by foreign direct investors, regardless of whether the invested funds were raised in the United States or abroad; and the international transactions and direct investment position data cover foreign investors' transactions with, and positions in, both new and existing U.S. affiliates.¹

Financial and operating data of U.S. affiliates. The data on the overall operations of U.S. affiliates are collected in BEA's annual and benchmark surveys of FDIUS.

1. For a more detailed discussion of the differences between these three sets of data, see Alicia M. Quijano, "A Guide to BEA Statistics on Foreign Direct Investment in the United States," SURVEY 70 (February 1990): 29–37. This guide is also available on BEA's Web site; go to <www.bea.gov/bea/ail.htm>.

For a comparison of the data on affiliate operations with the data on new investment, see the appendix "Sources of Data" in Mahnaz Fahim-Nader and William J. Zeile, "Foreign Direct Investment in the United States: New Investment in 1994 and Affiliate Operations in 1993," SURVEY 75 (May 1995): 68–70.

(Benchmark surveys, which are BEA's most comprehensive surveys of foreign direct investment in terms of both coverage of companies and subject matter, are conducted once every 5 years.) The data cover U.S. affiliates' balance sheets and income statements, employment and compensation of employees, trade in goods, research and development expenditures, sources of finance, and selected data by State. In addition, the gross product of affiliates is estimated from data reported in these surveys.

Except in benchmark survey years, these data, unlike the new investment data, cover only nonbank affiliates. The financial and operating data for affiliates are on a fiscal year basis. The data cover the entire operations of the U.S. affiliate, irrespective of the percentage of foreign ownership.

New investment data. The data on outlays by foreign direct investors to acquire or establish affiliates in the United States are collected on a calendar year basis in BEA's survey of new FDIUS. In addition, the new investment survey collects selected data on the operations of the newly acquired or established affiliates. For newly acquired affiliates, these data are for (or as of the end of) the most recent fiscal year preceding the acquisition, and for newly established businesses, they are projected for (or as of the end of) the first year of operation. The data cover the entire operations of the business irrespective of the percentage of foreign ownership.

International transactions and direct investment position data. These data are collected in the quarterly survey of FDIUS. The data cover the U.S. affiliate's transactions and positions with its foreign parent or other members of its foreign parent group, so these data focus on the foreign parent's share, or interest, in the affiliate rather than on the affiliate's overall size or level of operations. The major items included in the U.S. international transactions (balance of payments) accounts are direct investment financial flows, direct investment income, royalties and license fees, and other services transactions with the foreign parent group.

fastest rate since 1989.⁴ As a result, the share of U.S. private-industry employment accounted for by majority-owned affiliates increased from 4.5 percent to 4.9 percent.

In contrast to the increases in U.S.-affiliate shares of GDP and of employment, the affiliate shares of U.S. trade in goods decreased in 2000: The share of exports decreased from 22.1 percent to 21.1 percent, and the share of imports decreased from 31.7 percent to 30.1 percent. (Affiliates' shares of exports and imports have consistently been much larger than their shares of GDP and employment because of the heavy trade orientation of affiliates in manufacturing and wholesale trade.) In 2000, affiliate exports and imports both increased at a faster pace than in 1999, but total U.S. exports and imports grew even faster. Exports of goods by affiliates increased 8 percent, to \$165.3 billion, and imports of goods by affiliates increased 13 percent, to \$366.6 billion. Affiliate exports and imports of goods were little affected by the new investments in 2000, many of which were in service sectors.⁵

The following are additional highlights of the operations of U.S. affiliates in 2000.

- By country of ownership, the United Kingdom remained the largest investing country in terms of affiliate gross product. As a result of several acquisitions, the share of British-owned affiliates in the gross product of all affiliates increased to more than 20 percent.
- By industry, the affiliate share of U.S. employment in the utilities sector more than doubled, to more than 4 percent, as a result of foreign acquisitions. Within the manufacturing sector, the affiliate share increased substantially in beverages and tobacco products (to 20 percent) and in computer and electronic products (to 20 percent).
- By State, the affiliate share of private-industry employment was highest in Hawaii, followed by Delaware, South Carolina, and New Hampshire. In Delaware, the affiliate share of manufacturing employment increased to 25 percent, the highest share among States.

4. Because of the presumption of foreign control, majority ownership is viewed by many as the preferred basis for selecting firms for the analysis of the role of foreign multinational enterprises in host-country production, employment, and trade. For an extensive discussion of the concepts of foreign ownership and control, see Robert E. Lipsey, "Foreign Direct Investment and the Operations of Multinational Firms: Concepts, History, and Data," National Bureau of Economic Research Working Paper 8665 (December 2001).

5. The new investments did contribute substantially to a 14-percent increase in affiliate sales of services to foreigners, from \$25.3 billion to \$28.8 billion. Data on affiliate imports of services are not available.

- Japanese- and German-owned affiliates continued to account for the largest shares of affiliate exports and imports of goods, but their shares of both exports and imports each decreased.

This article examines changes in the gross product, employment, and trade in goods of U.S. affiliates in 2000, particularly as they relate to changes in the corresponding totals for the U.S. economy. For each of these measures, changes in affiliate operations are examined, both in the aggregate and by major investing country. For gross product, the changes are also examined by industry of affiliate, and for employment, the affiliate shares of the economy are examined by industry and by State. Several additional measures of U.S.-affiliate operations are presented in tables at the end of this article.

Gross Product

In 2000, the gross product (or value added) of non-bank U.S. affiliates in current dollars increased 14 percent, from \$458 billion to \$522 billion. In comparison, total U.S. GDP in private nonbank industries increased 6 percent.⁶ The U.S. affiliates' share of total U.S. GDP in private industries increased from 6.5 percent in 1999 to a record 7.0 percent in 2000, continuing a 5-year uptrend.

The gross product of U.S. affiliates that are majority-owned by foreign direct investors increased 13 percent; their share of U.S. GDP in private industries increased from 5.6 percent to 6.0 percent. The gross product of U.S. affiliates that are minority-owned increased at a faster pace—21 percent—reflecting several acquisitions of minority-ownership shares in U.S. companies with very large value added. The majority-owned affiliates' share of the gross product of all affiliates thus dipped slightly, from 87 percent to 86 percent.

By country of ownership

Affiliates with ultimate beneficial owners (UBO's) in seven major investing countries—Canada, France, Germany, Japan, the Netherlands, Switzerland, and the United Kingdom—have accounted for more than 80 percent of the gross product of all nonbank affiliates

6. The rate of change in U.S. private-industry GDP serves as a convenient benchmark against which the increase in U.S.-affiliate gross product can be evaluated, but the two growth rates are not strictly comparable, because the growth rate of U.S. affiliate gross product partly reflects transfers in ownership that do not represent increased production for the whole economy. Similarly, changes in U.S.-affiliate employment, exports, and imports partly reflect changes in ownership and so are not strictly comparable with the corresponding changes in the whole economy.

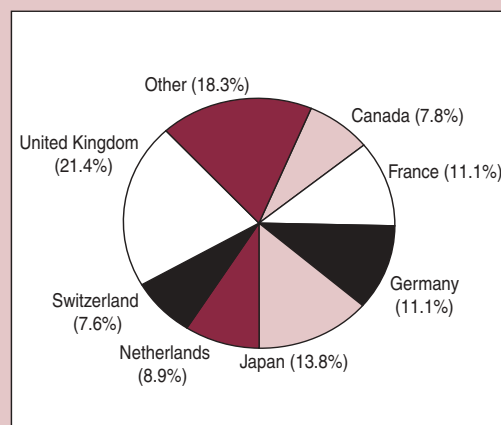
since at least 1977, the first year for which annual data on affiliate operations are available. In 2000, as throughout 1977–99, the largest investing country in terms of affiliate gross product was the United Kingdom: British-owned affiliates accounted for 21.4 percent of affiliate gross product and for 1.5 percent of total U.S. GDP in private industries (table 2 and chart 2). Japanese-owned affiliates accounted for the second-largest share of affiliate gross product (13.8 percent), and German-owned affiliates accounted for the third-largest share (11.1 percent). Germany had ranked as the second-largest investing country in terms of affiliate gross product in 1998 and 1999, temporarily surpassing Japan, which had ranked as the second-largest country in each year in 1991–97.

In 2000, the gross product of British-owned affiliates increased by a third, to \$112 billion. The increase—which accounted for more than 40 percent of the increase in gross product for all U.S. affiliates—was partly attributable to several acquisitions in such diverse industries as oil and gas extraction, electric

CHART 2

Investing-Country Shares of the Gross Product of All Nonbank U.S. Affiliates, 2000

Percent



U.S. Bureau of Economic Analysis

Table 2. Gross Product of Nonbank Affiliates by Country of Ultimate Beneficial Owner, 1998–2000

	Millions of dollars			Percentage of all-countries total			Percentage of U.S. private-industry gross product			Addendum: Percent change in affiliate gross product, 1999–2000
	1998	1999	2000	1998	1999	2000	1998	1999	2000	
All nonbank affiliates:										
All countries	419,828	457,707	522,238	100.0	100.0	100.0	6.3	6.5	7.0	14.1
Canada	39,853	42,673	40,514	9.5	9.3	7.8	0.6	0.6	0.5	-5.1
Europe	268,466	298,861	349,863	63.9	65.3	67.0	4.0	4.2	4.7	17.1
France	37,443	44,779	57,762	8.9	9.8	11.1	0.6	0.6	0.8	29.0
Germany	66,852	70,614	57,995	15.9	15.4	11.1	1.0	1.0	0.8	-17.9
Netherlands	29,165	35,651	46,620	6.9	7.8	8.9	0.4	0.5	0.6	30.8
Switzerland	28,207	31,620	39,924	6.7	6.9	7.6	0.4	0.4	0.5	26.3
United Kingdom	75,310	83,309	111,871	17.9	18.2	21.4	1.1	1.2	1.5	34.3
Other	31,489	32,888	35,691	7.5	7.2	6.8	0.5	0.5	0.5	8.5
Latin America and Other Western Hemisphere	17,346	20,426	26,597	4.1	4.5	5.1	0.3	0.3	0.4	30.2
Africa	2,912	1,249	1,322	0.7	0.3	0.3	(*)	(*)	(*)	5.9
Middle East	4,628	2,946	3,150	1.1	0.6	0.6	0.1	(*)	(*)	6.9
Asia and Pacific	79,039	81,469	89,282	18.8	17.8	17.1	1.2	1.2	1.2	9.6
Japan	65,034	65,127	72,041	15.5	14.2	13.8	1.0	0.9	1.0	10.6
Other	14,005	16,342	17,241	3.3	3.6	3.3	0.2	0.2	0.2	5.5
United States	7,585	10,082	11,510	1.8	2.2	2.2	0.1	0.1	0.2	14.2
Majority-owned nonbank affiliates:										
All countries	353,860	397,295	449,396	100.0	100.0	100.0	5.3	5.6	6.0	13.1
Canada	34,174	36,400	36,272	9.7	9.2	8.1	0.5	0.5	0.5	-0.4
Europe	228,775	261,473	301,085	64.7	65.8	67.0	3.4	3.7	4.0	15.1
France	25,268	31,790	38,854	7.1	8.0	8.6	0.4	0.5	0.5	22.2
Germany	57,975	61,569	54,033	16.4	15.5	12.0	0.9	0.9	0.7	-12.2
Netherlands	26,094	31,482	42,641	7.4	7.9	9.5	0.4	0.4	0.6	35.4
Switzerland	22,798	25,996	34,015	6.4	6.5	7.6	0.3	0.4	0.5	30.8
United Kingdom	70,602	80,391	100,143	20.0	20.2	22.3	1.1	1.1	1.3	24.6
Other	26,038	30,244	31,399	7.4	7.6	7.0	0.4	0.4	0.4	3.8
Latin America and Other Western Hemisphere	15,732	19,120	25,073	4.4	4.8	5.6	0.2	0.3	0.3	31.1
Africa	(D)	1,211	1,283	(D)	0.3	0.3	(D)	(*)	(*)	5.9
Middle East	2,460	2,131	2,434	0.7	0.5	0.5	(*)	(*)	(*)	14.2
Asia and Pacific	68,005	71,836	77,928	19.2	18.1	17.3	1.0	1.0	1.0	8.5
Japan	56,291	57,622	62,241	15.9	14.5	13.8	0.8	0.8	0.8	8.0
Other	11,714	14,214	15,686	3.3	3.6	3.5	0.2	0.2	0.2	10.4
United States	(D)	5,124	5,320	(D)	1.3	1.2	(D)	0.1	0.1	3.8

* Less than 0.05 percent.

D Suppressed to avoid disclosure of data of individual companies.

utilities, electronic products manufacturing, telecommunications, transportation, and finance.⁷ Some of the largest acquisitions were acquisitions of minority-ownership shares in U.S. companies; the gross product of British majority-owned affiliates increased by a fourth, a more modest pace than the increase for all British-owned affiliates. In addition, a substantial portion of the increase in the gross product of British-owned affiliates can be attributed to increases in existing affiliate operations, partly reflecting improved market conditions for companies with operations in petroleum production and sales.

Acquisitions and the improved market for petroleum products were also the major factors behind a 31-percent increase in the gross product of affiliates with UBO's in the Netherlands. In contrast to British-owned affiliates, virtually all of the increase in gross product from acquisitions was for majority-owned affiliates. The gross product of the Netherlands majority-owned affiliates increased 35 percent, raising the Netherlands ranking among investing countries for majority-owned affiliates from the sixth largest to the fourth largest.⁸

In a major reversal from large and sustained increases in the 1990s, the gross product of Ger-

man-owned affiliates dropped 18 percent in 2000, the first decrease since 1986. As a result, Germany's ranking among investing countries slipped from second to third. Much of the decrease in gross product was related to revenue shortfalls and associated operating losses of large affiliates in manufacturing. The decrease also reflected selloffs of German ownership interests in U.S. companies, particularly selloffs of minority-owned affiliates. Increases in gross product due to new acquisitions were relatively small.⁹

The gross product of Canadian-owned affiliates also decreased, reflecting both selloffs and decreases in value added from existing affiliate operations. For the first time, Canada's ranking among investing countries slipped to sixth (from fifth in 1999); in 1977-94, Canada had ranked as either the second-largest or the third-largest investing country.

By industry of affiliate

In 2000, affiliates classified in manufacturing accounted for nearly half of the gross product of all non-bank affiliates (table 3). Wholesale trade, which includes a number of large affiliates with substantial secondary operations in manufacturing, accounted for the next largest share of affiliate gross product.

7. In 2000, outlays by British direct investors to acquire or establish businesses in the United States totaled \$110 billion, 33 percent of the total outlays by all direct investors. See table 4 in Anderson, "New Investment in 2001," 30.

8. Among the three largest investing countries, the rankings for majority-owned affiliates were the same as those for all affiliates; however, France remained the fourth-largest investing country for all affiliates, partly reflecting the continued presence of French minority holdings in a number of large U.S. companies.

9. In 2000, total outlays by German direct investors to acquire or establish U.S. businesses (at \$18 billion) amounted to less than the total for any of the other major investing countries; see Anderson, "New Investment in 2001," 30.

Acknowledgments

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Data Availability

This article summarizes the preliminary estimates from the 2000 annual survey of foreign direct investment in the United States. More detailed estimates will be published this fall; the availability of these estimates will be announced on the inside back cover of the SURVEY. Revised estimates will be published next year.

Estimates of U.S. affiliate operations in 1977-99 are available in compressed files that can be downloaded from BEA's Web site. The estimates for 1992, 1996, and 1998-99 are also available in publications that can be ordered from the U.S. Government Printing Office.

For more information on these products and how to order them, see the International Investment Division Product Guide on BEA's Web site at <www.bea.gov/bea/ai/iidguide.htm>, send an e-mail to InternationalAccounts@bea.gov, or write to the Research Branch (BE-50), International Investment Division, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

Manufacturing's share of total affiliate gross product decreased from 52 percent in 1999 to 45 percent in 2000. In contrast, wholesale trade's share increased from 13 percent to 17 percent. The changes in the shares of these two sectors were partly the result of shifts in the industry classification of affiliates that had sales in multiple industries; because the industry composition of their sales changed, some affiliates were reclassified from manufacturing to wholesale trade.¹⁰

10. Each U.S. affiliate is classified in the industry that accounts for the largest portion of its sales. Many U.S. affiliates are involved in a variety of business activities; changes in the mix of these activities can cause an affiliate's industry classification to change, but an affiliate is reclassified only if the changes are significant or have persisted for at least 2 years.

Within manufacturing, the effect of these shifts was particularly pronounced in petroleum and coal products, whose share of total affiliate gross product decreased from 6 percent to 3 percent. Shifts in industry classification were also a major reason for an increase in the share of electrical equipment, appliances, and components and a corresponding decrease in the share of "other manufacturing."

In addition to changes in the industry classification of affiliates, the decrease in manufacturing's share of affiliate gross product reflected substantial reductions in value added from manufacturing-affiliate operations—particularly for affiliates in transportation equipment—and increases in the gross product of

Table 3. Gross Product of Nonbank U.S. Affiliates by Industry of Affiliate, 1998–2000

	Millions of dollars			Percentage of all-countries total			Addendum: Percent change in affiliate gross product, 1999–2000
	1998	1999	2000	1998	1999	2000	
All nonbank affiliates:							
All industries	419,828	457,707	522,238	100.0	100.0	100.0	14.1
Manufacturing	224,850	238,590	237,032	53.6	52.1	45.4	-0.7
Food	11,048	10,465	11,018	2.6	2.3	2.1	5.3
Petroleum and coal products	24,819	26,199	14,597	5.9	5.7	2.8	-44.3
Chemicals	42,576	41,853	44,832	10.1	9.1	8.6	7.1
Plastics and rubber products	9,170	10,159	10,111	2.2	2.2	1.9	-0.5
Nonmetallic mineral products	11,852	13,429	15,214	2.8	2.9	2.9	13.3
Primary metals	10,075	7,770	9,678	2.4	1.7	1.9	24.6
Fabricated metal products	6,989	7,523	7,603	1.7	1.6	1.5	1.1
Machinery	14,277	14,241	15,506	3.4	3.1	3.0	8.9
Computers and electronic products	19,862	24,298	28,705	4.7	5.3	5.5	18.1
Electrical equipment, appliances, and components	9,958	10,515	19,878	2.4	2.3	3.8	89.0
Transportation equipment	37,147	44,030	35,016	8.8	9.6	6.7	-20.5
Other	27,075	28,108	24,873	6.4	6.1	4.8	-11.5
Wholesale trade	51,781	57,842	86,444	12.3	12.6	16.6	49.5
Retail trade	26,990	28,346	24,676	6.4	6.2	4.7	-12.9
Information	23,147	28,129	41,878	5.5	6.1	8.0	48.9
Finance (except depository institutions) and insurance	23,780	26,068	41,433	5.7	5.7	7.9	58.9
Real estate and rental and leasing	9,765	11,813	10,936	2.3	2.6	2.1	-7.4
Professional, scientific, and technical services	7,961	7,364	9,672	1.9	1.6	1.9	31.3
Other industries	51,555	59,556	70,167	12.3	13.0	13.4	17.8
Majority-owned nonbank affiliates							
All industries	353,860	397,295	449,396	100.0	100.0	100.0	13.1
Manufacturing	201,116	219,141	217,358	56.8	55.2	48.4	-0.8
Food	9,947	10,095	10,631	2.8	2.5	2.4	5.3
Petroleum and coal products	21,637	(D)	(D)	6.1	(D)	(D)	(D)
Chemicals	39,022	37,698	40,821	11.0	9.5	9.1	8.3
Plastics and rubber products	8,506	9,326	8,813	2.4	2.3	2.0	-5.5
Nonmetallic mineral products	11,265	12,805	14,531	3.2	3.2	3.2	13.5
Primary metals	6,541	6,214	7,992	1.8	1.6	1.8	28.6
Fabricated metal products	6,333	6,561	7,077	1.8	1.7	1.6	7.9
Machinery	13,342	13,803	15,323	3.8	3.5	3.4	11.0
Computers and electronic products	17,826	23,095	27,229	5.0	5.8	6.1	17.9
Electrical equipment, appliances, and components	(D)	10,011	19,737	(D)	2.5	4.4	97.2
Transportation equipment	34,982	41,227	32,278	9.9	10.4	7.2	-21.7
Other	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Wholesale trade	47,877	55,536	82,849	13.5	14.0	18.4	49.2
Retail trade	17,990	19,938	22,346	5.1	5.0	5.0	12.1
Information	13,767	18,841	19,959	3.9	4.7	4.4	5.9
Finance (except depository institutions) and insurance	19,808	21,029	33,260	5.6	5.3	7.4	58.2
Real estate and rental and leasing	7,604	9,302	9,418	2.1	2.3	2.1	1.3
Professional, scientific, and technical services	6,743	7,526	9,038	1.9	1.9	2.0	20.1
Other industries	38,955	45,983	55,169	11.0	11.6	12.3	20.0

D Suppressed to avoid disclosure of data of individual companies.

affiliates in other sectors.

Among other sectors, the gross product of affiliates in finance and insurance and in information increased substantially. In finance and insurance, the increase reflected both new foreign investments and increases in value added from existing affiliate operations. In the information sector, the increase was primarily due to new foreign acquisitions of minority-ownership shares in telecommunications companies; the gross product of majority-owned affiliates increased only modestly, and their share of the gross product of all majority-owned affiliates decreased.

Employment

In 2000, employment by U.S. affiliates of foreign companies increased 7 percent, the same rate as in 1999 (table 4). The increase from 6.0 million employees to 6.4 million employees was mainly the result of several foreign acquisitions of U.S. companies. Increases in employment due to acquisitions were partly offset by reductions due to foreign selloffs, particularly selloffs of minority-owned affiliates (total employment by minority-owned affiliates decreased 10 percent).¹¹ Employment by majority-owned affiliates, which was relatively unaffected by selloffs, increased 10 percent, the fastest rate of increase since 1989. As a result, their share of the employment of all U.S. affiliates increased from 84 percent to 87 percent.

Continuing an uptrend associated with the 3 years of record foreign investment, the affiliate share of U.S. private-industry employment increased from 5.4 percent in 1999 to a record 5.6 percent in 2000. The share of majority-owned affiliates increased from 4.5 percent to 4.9 percent.

By industry

In 2000, as in earlier years, the affiliate share of U.S. employment at the sector level was highest in mining (16.2 percent), followed by manufacturing (13.9 percent) (table 5).¹² Within manufacturing, the affiliate share was highest in chemicals (32.3 percent), followed by nonmetallic mineral products (23.7 percent), elec-

11. The drop in employment by minority-owned affiliates was largely due to selloffs in such labor-intensive industries as retail trade and business support services. In contrast, the gross product of minority-owned affiliates increased 21 percent, reflecting acquisitions of businesses with large value added per employee.

12. The estimates of shares are based on employment data by industry of sales; this basis approximates the establishment-based disaggregation of the corresponding data for all U.S. businesses. See the box "Using Employment Data to Estimate Affiliate Shares of the U.S. Economy by Industry."

Table 4. Employment of Nonbank U.S. Affiliates of Foreign Companies, 1977–2000

	Thousands of employees		Percentage of U.S. private-industry employment		Addendum: Employment of majority-owned nonbank affiliates as a percentage of that of all nonbank affiliates
	All nonbank affiliates	Majority-owned nonbank affiliates	All nonbank affiliates	Majority-owned nonbank affiliates	
1977.....	1,218.7	n.a.	1.7	n.a.	n.a.
1978.....	1,429.9	n.a.	1.9	n.a.	n.a.
1979.....	1,753.2	n.a.	2.3	n.a.	n.a.
1980.....	2,033.9	n.a.	2.7	n.a.	n.a.
1981.....	2,416.6	n.a.	3.1	n.a.	n.a.
1982.....	2,448.1	n.a.	3.2	n.a.	n.a.
1983.....	2,546.5	n.a.	3.3	n.a.	n.a.
1984.....	2,714.3	n.a.	3.4	n.a.	n.a.
1985.....	2,862.2	n.a.	3.4	n.a.	n.a.
1986.....	2,937.9	n.a.	3.5	n.a.	n.a.
1987.....	3,224.3	2,602.7	3.7	3.0	80.7
1988.....	3,844.2	3,119.0	4.3	3.5	81.1
1989.....	4,511.5	3,573.4	4.9	3.9	79.2
1990.....	4,734.5	3,841.7	5.1	4.2	81.1
1991.....	4,871.9	3,991.3	5.3	4.4	81.9
1992.....	4,715.4	3,903.9	5.1	4.3	82.8
1993.....	4,765.6	3,851.7	5.0	4.1	80.8
1994.....	4,840.5	3,954.0	4.9	4.1	81.7
1995.....	4,941.8	4,022.6	4.9	4.0	81.4
1996.....	5,105.0	4,155.6	5.0	4.1	81.4
1997.....	5,201.9	4,269.1	4.9	4.0	82.1
1998.....	5,646.1	4,669.5	5.2	4.3	82.7
1999 ^r	6,027.6	5,064.3	5.4	4.5	84.0
2000 ^p	6,429.2	5,562.6	5.6	4.9	86.5
Percent change from the preceding year:					
1988.....	19.2	19.8	.....	.....	.....
1989.....	17.4	14.6	.....	.....	.....
1990.....	4.9	7.5	.....	.....	.....
1991.....	2.9	3.9	.....	.....	.....
1992.....	-3.2	-2.2	.....	.....	.....
1993.....	1.1	-1.3	.....	.....	.....
1994.....	1.6	2.7	.....	.....	.....
1995.....	2.1	1.7	.....	.....	.....
1996.....	3.3	3.3	.....	.....	.....
1997.....	1.9	2.7	.....	.....	.....
1998.....	8.5	9.4	.....	.....	.....
1999 ^r	6.8	8.5	.....	.....	.....
2000 ^p	6.7	9.8	.....	.....	.....

^p Preliminary. ^r Revised. n.a. Not available.
 Notes: For improved comparability with U.S.-affiliate employment, U.S. private-industry employment was adjusted to exclude employment in depository institutions and private households.
 For consistency with the coverage of the data on U.S. private-industry employment, U.S.-affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S. affiliate total when the employment shares were computed.

trical equipment, appliances, and components (20.9 percent), and transportation equipment (20.6 percent); these four industries also had the highest shares for majority-owned affiliates.

In both mining and manufacturing, the affiliate shares were slightly higher in 2000 than in 1999, reflecting increases in employment associated with acquisitions. Within manufacturing, the shares increased the most in beverages and tobacco products and in computer and electronic products. In beverages and tobacco products, the affiliate share of increased from 17.5 percent to 20.3 percent, mainly as a result of acquisitions. In computer and electronic products, the share increased from 17.4 percent to 20.1 percent, reflecting acquisitions that were concentrated in semiconductors and other electronic components and in

communications equipment. The affiliate share decreased the most in textile product mills; the decrease, from 7.0 percent to 4.9 percent, was mainly due to the

selloffs of foreign ownership interests in U.S. companies.

Among other sectors, the affiliate share of employ-

Table 5. Employment by Nonbank U.S. Affiliates by Industry of Sales, 1998–2000

	Thousand of employees						Percentage of total U.S. employment in nonbank private industries ¹					
	All nonbank affiliates			Majority-owned nonbank affiliates			All nonbank affiliates			Majority-owned nonbank affiliates		
	1998	1999	2000	1998	1999	2000	1998	1999	2000	1998	1999	2000
All industries ²	5,646.1	6,027.6	6,429.2	4,669.5	5,064.3	5,562.6	5.2	5.4	5.6	4.3	4.5	4.9
Agriculture, forestry, fishing, and hunting.....	24.2	27.4	25.2	J	13.7	12.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mining, excluding oil and gas extraction.....	63.3	58.5	60.4	56.2	52.5	54.5	15.8	15.9	16.2	14.0	14.3	14.6
Utilities.....	7.6	11.4	28.7	4.6	6.9	24.7	1.1	1.7	4.4	0.7	1.0	3.8
Construction.....	73.7	78.6	80.4	57.9	67.5	69.8	1.3	1.3	1.2	1.0	1.1	1.1
Manufacturing ³	2,290.8	2,269.4	2,309.5	2,053.2	2,059.6	2,115.7	13.4	13.5	13.9	12.0	12.3	12.8
Food.....	143.9	127.6	142.4	126.6	122.1	137.7	9.8	8.7	9.7	8.6	8.3	9.4
Beverages and tobacco products.....	36.1	30.1	34.3	K	J	K	20.9	17.5	20.3	(D)	(D)	(D)
Textile mills.....	26.2	25.0	23.0	22.6	22.3	20.4	6.8	6.9	6.8	5.9	6.2	6.0
Textile product mills.....	16.1	15.6	10.6	11.7	10.4	7.6	7.4	7.0	4.9	5.4	4.7	3.5
Apparel.....	28.7	30.0	26.4	17.2	22.6	19.3	4.3	5.2	5.2	2.6	3.9	3.8
Leather and allied products.....	2.9	1.8	1.4	2.0	1.4	1.1	3.7	2.4	2.1	2.6	1.8	1.6
Wood products.....	14.0	15.6	16.2	10.1	11.4	14.9	2.4	2.6	2.7	1.7	1.9	2.5
Paper.....	86.6	80.9	73.4	47.2	K	K	15.2	14.5	13.3	8.3	(D)	(D)
Printing and related support activities.....	47.6	51.0	59.0	45.2	48.3	L	5.6	6.1	7.3	5.4	5.8	(D)
Petroleum and coal products ⁴	37.7	35.5	31.5	K	29.2	25.7	18.1	17.8	16.4	(D)	14.7	13.4
Chemicals.....	306.8	294.5	286.2	278.1	269.7	265.5	34.1	33.2	32.3	30.9	30.4	30.0
Plastics and rubber products.....	148.4	141.6	149.2	137.6	126.1	131.7	14.4	13.5	14.1	13.4	12.0	12.5
Nonmetallic mineral products.....	118.5	119.7	123.9	112.2	115.6	119.7	23.3	23.5	23.7	22.1	22.6	22.9
Primary metals.....	102.2	97.9	93.0	80.4	83.1	84.1	16.6	16.4	15.5	13.1	13.9	14.0
Fabricated metal products.....	121.0	107.6	110.8	114.5	99.8	106.5	6.7	6.0	6.2	6.3	5.6	5.9
Machinery.....	200.7	211.4	211.2	186.5	199.3	204.1	13.9	15.1	15.3	12.9	14.3	14.8
Computer and electronic products.....	277.0	280.6	313.5	251.9	262.0	286.0	16.5	17.4	20.1	15.0	16.2	18.4
Electrical equipment, appliances, and components.....	116.0	131.9	123.0	111.5	126.0	119.0	19.3	22.5	20.9	18.5	21.5	20.2
Transportation equipment.....	363.9	379.6	385.6	343.2	352.5	358.5	19.0	19.9	20.6	18.0	18.5	19.1
Motor vehicles, bodies and trailers, and parts.....	328.5	336.7	335.3	308.6	315.1	314.3	28.2	28.8	28.0	26.5	26.9	26.2
Other.....	35.4	42.9	50.3	34.5	37.4	44.3	4.8	5.8	7.5	4.6	5.1	6.6
Furniture and related products.....	15.6	15.5	15.5	15.4	15.3	15.4	2.6	2.5	2.4	2.6	2.5	2.4
Miscellaneous manufacturing.....	80.9	76.2	79.4	75.0	72.8	76.8	11.0	10.4	10.9	10.2	9.9	10.5
Wholesale trade.....	392.4	403.2	467.4	355.9	363.3	409.7	6.7	6.8	7.6	6.0	6.1	6.7
Retail trade.....	711.2	767.9	697.2	535.6	589.4	637.4	5.0	5.3	4.7	3.8	4.1	4.3
Transportation and warehousing.....	152.4	181.1	233.4	139.3	169.1	219.8	4.4	5.0	6.2	4.0	4.7	5.8
Information.....	252.3	309.6	345.5	164.8	205.8	213.1	8.0	9.6	9.7	5.2	6.4	6.0
Publishing industries.....	93.1	101.6	101.9	82.9	87.8	85.7	9.2	10.1	9.4	8.2	8.7	7.9
Motion picture and sound recording industries.....	32.7	34.0	33.8	32.5	33.4	33.2	11.6	11.6	11.1	11.5	11.4	10.9
Broadcasting and telecommunications.....	96.8	131.3	154.1	22.0	46.8	45.6	6.6	8.7	9.4	1.5	3.1	2.8
Information services and data processing services.....	29.7	42.7	55.7	27.5	37.8	48.6	7.7	9.9	10.5	7.1	8.8	9.2
Finance (except depository institutions) and insurance.....	236.3	260.8	284.5	199.3	225.2	247.9	6.2	6.5	7.1	5.2	5.6	6.2
Finance, except depository institutions.....	93.8	104.2	126.0	82.2	91.6	115.4	6.2	6.3	7.3	5.4	5.5	6.7
Insurance carriers and related activities.....	142.5	156.5	158.6	117.1	133.6	132.5	5.2	6.7	6.9	5.1	5.7	5.8
Real estate and rental and leasing.....	62.5	72.1	62.7	44.5	49.3	52.1	3.4	3.8	3.2	2.5	2.6	2.7
Professional, scientific, and technical services ⁵	154.1	154.9	212.2	131.7	147.6	195.6	2.6	2.5	3.2	2.2	2.4	3.0
Management of nonbank companies and enterprises.....	2.4	2.0	2.1	2.2	1.8	1.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Administration, support, waste management, and remediation services.....	389.0	491.9	634.3	292.8	403.8	558.1	5.0	5.9	6.9	3.8	4.8	6.1
Educational services.....	10.0	9.3	8.8	7.6	6.4	6.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Health care and social assistance ⁵	133.6	100.4	95.3	103.9	71.9	L	2.1	1.6	1.5	1.6	1.1	(D)
Arts, entertainment, and recreation ⁵	42.8	48.9	46.2	32.9	37.4	35.4	3.6	3.9	3.5	2.7	3.0	2.7
Accommodation and food services.....	354.4	398.2	417.7	M	255.1	M	3.7	4.1	4.2	(D)	2.6	(D)
Other services (except public administration and private households) ⁵	61.0	52.1	59.3	55.8	45.2	36.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Auxiliaries, except management of companies and enterprises.....	191.2	308.2	317.5	166.8	271.0	283.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unspecified ⁶	41.0	21.9	41.0	39.8	21.8	40.9	.....	.....	.....	.....	.....	.....

D Suppressed to avoid disclosure of data of individual companies.

n.a. Not available.

1. The data on U.S. employment in private industries that were used in calculating these percentages are classified by industry of establishment. For "all industries," they are from table 6.4C in the "National Income and Product Accounts (NIPA) Tables" in this issue of the SURVEY OF CURRENT BUSINESS. For industries at the sectoral level or below, the data are from the Census Bureau's *County Business Patterns*.

For "all industries," the total for U.S. employment in nonbank private industries is equal to employment in private industries less the employment of depository institutions and private households. The U.S. private-industry employment totals used to calculate the affiliate shares in "all industries" in this table differ from the U.S. employment totals used to calculate affiliate shares in table 6; the latter are from BEA's Regional Economic Information System. The estimates in table 6, unlike those used for this table, do not exclude employment in depository institutions. In addition, the estimates used for table 6, unlike those used for this table, exclude U.S. residents temporarily employed abroad by U.S. businesses. They may also differ from NIPA estimates used for "all industries" in this table because of different definitions and revision schedules.

2. For consistency with the coverage of the data on U.S. employment in private industries, U.S.-affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate employment total when the percentage shares on this line were computed.

3. Total affiliate manufacturing employment and the shares of all-U.S.-business manufacturing employment accounted for by affiliates shown in this table differ from those shown in table 7. In this table, employment is classified by industry of sales, and the total for manufacturing includes some nonmanufacturing employees (see the box "Using Employment Data to Estimate Affiliate Shares of the U.S. Economy by Industry"), whereas in table 7, affiliate manufacturing employment consists only of employees on the payrolls of manufacturing

plants. Data on the latter basis are not available for the industries within manufacturing shown in this table. In addition, the total for manufacturing in this table includes oil and gas extraction, which is excluded from the total in table 7.

4. For both U.S. affiliates and all U.S. businesses, includes oil and gas extraction. (see note below)

5. The data on U.S. employment used to calculate the percentages shown on this line cover taxable establishments only. For this industry, employment in taxable establishments was estimated by applying the ratio of employment in taxable establishments to total employment in the industry from the Census Bureau's 1997 Economic Census data to the employment data from *County Business Patterns*.

6. This line includes all employment that U.S. affiliates did not specify in terms of industry of sales when they filled out their survey form. Affiliates that filed the long form (that is, affiliates with assets, sales, or net income or loss greater than \$100 million) had to specify only their 10 largest sales categories, and affiliates that filed the short form had to specify only their 4 largest sales categories.

NOTES: A significant portion of U.S.-affiliate employment in petroleum and coal products is accounted for by integrated petroleum companies that have, in addition to their manufacturing employees, substantial numbers of employees in petroleum extraction; because these employees cannot be identified separately, they are included in petroleum and coal products manufacturing. For consistency, employees of affiliates classified in the "oil and gas extraction without refining" industry and employees of all U.S. businesses in oil and gas extraction are also included in petroleum and coal products manufacturing rather than in mining.

The following ranges are given in employment cells that are suppressed: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; and M—100,000 or more.

ment increased substantially in utilities, in transportation and warehousing, and in “administration, support, waste management, and remediation services.” In utilities, the affiliate share more than doubled, from 1.7 percent to 4.4 percent, largely as a result of a number of British acquisitions in the electric power industry. In transportation and warehousing, the share increased from 5.0 percent to 6.2 percent, also largely as a result of acquisitions by British investors. In “administration, support, waste management, and remediation services,” the share increased from 5.9 percent to 6.9 percent, reflecting a number of foreign acquisitions of companies in employment services, business support services, and investigation and security services.

In retail trade, the affiliate share of employment decreased from 5.3 percent to 4.7 percent, mainly as a result of selloffs of foreign minority-ownership shares in a few large retailing companies. The share of U.S. employment accounted for by majority-owned affiliates increased slightly, to 4.3 percent, reflecting acquisitions.

By State

Among the 50 States and the District of Columbia, the

U.S.-affiliate share of private-industry employment in 2000 was highest in Hawaii (9.5 percent), followed by Delaware (8.9 percent), South Carolina (8.7 percent), and New Hampshire (8.3 percent) (table 6). Hawaii, which has substantial Japanese direct investment in the accommodation and food services industry, has had the highest affiliate share of employment since 1992. In 1999, South Carolina had the second-highest affiliate share, followed by North Carolina and Delaware. In Delaware, the affiliate share of employment increased from 7.6 percent in 1999 to 8.9 percent in 2000, reflecting acquisitions by affiliates in such diverse industries as manufacturing; wholesale trade; professional, scientific and technical services; and employment services. In New Hampshire, the affiliate share increased from 6.6 percent to 8.3 percent, largely as a result of acquisitions by affiliates in retail trade (a very labor-intensive industry) and in manufacturing.

In manufacturing, the affiliate shares of employment in 2000 were highest in Delaware (25.1 percent), the District of Columbia (24.5 percent), New Hampshire (23.0 percent), Kentucky (22.7 percent) and South Carolina (22.6 percent) (table 7). The shares in Delaware, the District of Columbia, and New Hamp-

Using Employment Data to Estimate Affiliate Shares of the U.S. Economy by Industry

In this article, data on employment are used to estimate affiliate shares of the U.S. economy by North American Industry Classification System (NAICS) industry because these data can be disaggregated by industry of sales, a basis that approximates the disaggregation of the data for all U.S. businesses by industry of establishment.¹ Thus, the data on affiliate employment can be used to calculate the affiliate shares of the U.S. economy at a greater level of industry detail than can be calculated using the gross product estimates or other data, which can only be disaggregated on the basis of industry of affiliate.²

In the classification by industry of sales, the data on

affiliate employment (and sales) are distributed among all of the industries in which the affiliate reports sales. As a result, employment classified by industry of sales should approximate that classified by industry of establishment (or plant), because an affiliate that has an establishment in an industry usually also has sales in that industry.³

In contrast, in the classification by industry of affiliate, all of the operations data (including the employment data) for an affiliate are assigned to that affiliate’s “primary” industry—that is, the industry in which it has the most sales.⁴ As a result, any affiliate operations that take place in secondary industries will be classified as operations in the primary industry.

1. The data for all U.S. businesses used to compute the affiliate shares of employment by NAICS industry are from the Census Bureau (see table 5, footnote 1).

2. Establishment-level data from a joint project of BEA and the Census Bureau can be used to calculate affiliate shares at an even greater level of detail. These data show each four-digit manufacturing industry in the Standard Industrial Classification; they are currently available for 1987–92. The data for foreign-owned manufacturing establishments are analyzed in a number of SURVEY articles that can be accessed at BEA’s Web site at <www.bea.gov/bea/ai1.htm>. A forthcoming publication that will be available this fall will present establishment data for both manufacturing and nonmanufacturing industries in the economic census year 1997 and will be on a NAICS basis.

3. However, this is not the case if one establishment of an affiliate provides all of its output to another establishment of that affiliate. For example, if an affiliate operates both a metal mine and a metal-manufacturing plant and if the entire output of the mine is used by the manufacturing plant, all of the affiliate’s sales would be in metal manufacturing, and none, in metal mining. Thus, when the mining employment is distributed by industry of sales, all of it would be classified in manufacturing even though the industry of the establishment is mining.

4. An affiliate’s primary industry is based on a breakdown of the affiliate’s sales by BEA International Surveys Industry classification code.

shire were substantially higher in 2000 than in 1999, mainly due to acquisitions. The relatively high affiliate share in the District of Columbia partly reflects the very small amount of manufacturing employment in

the District.¹³

13. According to data from the Census Bureau's *County Business Patterns*, only 2,600 manufacturing employees were in the District of Columbia in 2000; about half of these employees were in printing and support activities.

Table 6. Employment by Nonbank U.S. Affiliates by State, 1998–2000

	Thousand of employees						Percentage of total private-industry employment in the State ¹					
	All nonbank affiliates			Majority-owned nonbank affiliates			All nonbank affiliates			Majority-owned nonbank affiliates		
	1998	1999	2000	1998	1999	2000	1998	1999	2000	1998	1999	2000
Total ²	5,646.1	6,027.6	6,429.2	4,669.5	5,064.3	5,562.6	5.1	5.4	5.6	4.2	4.5	4.8
New England.....	378.4	399.8	454.5	327.9	349.2	414.3	6.3	6.5	7.2	5.4	5.7	6.6
Connecticut.....	98.9	103.4	116.0	89.9	93.3	103.1	6.7	6.9	7.6	6.1	6.2	6.8
Maine.....	32.9	32.8	33.4	22.7	22.0	31.3	6.8	6.6	6.5	4.7	4.4	6.1
Massachusetts.....	177.6	194.6	223.2	156.9	175.9	204.3	6.2	6.6	7.4	5.4	6.0	6.8
New Hampshire.....	35.6	35.9	45.9	29.8	29.9	43.3	6.8	6.6	8.3	5.7	5.5	7.8
Rhode Island.....	22.2	21.6	24.4	20.1	19.5	22.5	5.5	5.2	5.7	4.9	4.7	5.3
Vermont.....	11.2	11.6	11.6	8.5	8.6	9.9	4.5	4.5	4.4	3.4	3.4	3.8
Mideast.....	1,001.9	1,060.2	1,182.5	841.9	917.5	1,038.2	5.6	5.8	6.3	4.7	5.0	5.5
Delaware.....	24.8	28.0	33.4	19.9	24.0	29.3	7.0	7.6	8.9	5.6	6.5	7.8
District of Columbia.....	13.8	15.6	17.1	10.2	13.9	14.7	3.3	3.6	3.7	2.5	3.2	3.2
Maryland.....	95.5	98.3	110.4	67.7	88.7	102.3	4.9	4.9	5.3	3.5	4.4	4.9
New Jersey.....	237.2	246.6	269.1	200.9	211.3	231.5	7.2	7.4	7.7	6.1	6.3	6.7
New York.....	389.2	410.3	471.6	328.0	348.3	408.6	5.5	5.7	6.4	4.7	4.8	5.5
Pennsylvania.....	241.4	261.5	280.8	215.2	231.3	251.8	4.9	5.2	5.5	4.4	4.6	4.9
Great Lakes.....	1,012.3	1,061.1	1,095.7	878.6	925.5	959.8	5.3	5.5	5.6	4.6	4.8	4.9
Illinois.....	267.3	285.8	317.1	223.9	241.2	268.7	5.1	5.4	5.9	4.3	4.6	5.0
Indiana.....	160.9	164.9	165.9	140.1	144.3	141.2	6.2	6.2	6.2	5.4	5.5	5.3
Michigan.....	236.5	247.4	246.5	210.2	221.2	224.4	6.0	6.1	6.0	5.3	5.5	5.5
Ohio.....	258.7	263.7	259.4	223.5	228.7	227.2	5.3	5.3	5.2	4.6	4.6	4.6
Wisconsin.....	88.9	99.4	106.8	80.9	90.1	98.2	3.7	4.1	4.3	3.4	3.7	3.9
Plains.....	300.6	327.2	346.4	237.8	257.9	279.9	3.6	3.9	4.0	2.9	3.1	3.3
Iowa.....	36.1	40.6	40.3	31.8	35.5	35.9	2.9	3.2	3.2	2.6	2.8	2.8
Kansas.....	49.3	54.9	60.6	31.2	33.4	37.5	4.4	4.9	5.3	2.8	3.0	3.3
Minnesota.....	84.8	91.1	103.1	71.1	77.3	87.5	3.7	3.9	4.3	3.1	3.3	3.7
Missouri.....	92.9	101.0	105.1	74.0	81.7	87.1	4.0	4.3	4.4	3.2	3.4	3.6
Nebraska.....	21.5	25.2	21.8	14.9	19.3	19.3	2.9	3.3	2.8	2.0	2.5	2.5
North Dakota.....	5.6	7.7	8.6	5.1	4.9	6.1	2.1	2.9	3.2	2.0	1.8	2.3
South Dakota.....	10.4	6.5	6.9	9.7	5.8	6.4	3.4	2.1	2.2	3.2	1.9	2.0
Southeast.....	1,452.7	1,555.3	1,591.6	1,195.7	1,307.3	1,373.5	5.5	5.8	5.8	4.6	4.9	5.0
Alabama.....	73.9	80.6	76.8	57.9	64.1	63.8	4.6	5.0	4.7	3.6	4.0	3.9
Arkansas.....	37.2	38.1	40.4	31.1	31.6	34.0	3.9	3.9	4.1	3.2	3.2	3.4
Florida.....	263.2	286.5	306.9	190.1	210.7	239.3	4.5	4.7	4.8	3.2	3.4	3.8
Georgia.....	202.0	215.7	223.9	173.0	189.3	196.0	6.2	6.4	6.5	5.3	5.6	5.7
Kentucky.....	93.8	97.0	104.1	75.0	82.2	92.5	6.3	6.3	6.7	5.0	5.4	5.9
Louisiana.....	59.8	62.7	61.1	45.8	49.3	50.7	3.8	4.0	3.8	2.9	3.1	3.2
Mississippi.....	23.8	25.3	23.9	18.2	19.8	19.8	2.5	2.6	2.5	1.9	2.1	2.1
North Carolina.....	239.9	261.8	261.6	208.5	229.4	235.6	7.3	7.8	7.7	6.4	6.9	6.9
South Carolina.....	126.3	137.0	137.6	117.4	128.0	128.9	8.3	8.8	8.7	7.7	8.2	8.2
Tennessee.....	148.7	151.7	148.6	128.3	132.8	133.1	6.4	6.4	6.2	5.5	5.6	5.5
Virginia.....	155.0	171.1	179.2	126.5	146.5	155.4	5.6	6.0	6.1	4.5	5.1	5.3
West Virginia.....	29.1	27.6	27.6	23.9	23.7	24.5	5.1	4.8	4.8	4.2	4.1	4.2
Southwest.....	508.1	547.0	571.2	397.1	432.6	487.2	4.5	4.7	4.8	3.5	3.7	4.1
Arizona.....	64.4	70.7	75.2	46.4	53.6	62.4	3.5	3.7	3.8	2.5	2.8	3.2
New Mexico.....	17.8	16.4	16.3	11.2	10.2	11.7	3.2	2.9	2.8	2.0	1.8	2.0
Oklahoma.....	40.2	44.0	41.8	30.9	33.4	34.7	3.4	3.6	3.4	2.6	2.8	2.8
Texas.....	385.7	416.0	437.9	308.6	335.3	378.4	5.0	5.3	5.4	4.0	4.3	4.7
Rocky Mountain.....	140.3	166.6	167.2	97.2	124.8	141.9	3.9	4.5	4.3	2.7	3.3	3.7
Colorado.....	77.3	92.5	101.0	56.1	73.7	86.6	4.3	4.9	5.2	3.1	3.9	4.4
Idaho.....	14.3	18.4	14.2	7.8	11.0	10.8	3.2	4.0	3.0	1.8	2.4	2.3
Montana.....	7.0	13.7	6.8	4.8	9.7	5.0	2.3	4.4	2.1	1.6	3.1	1.6
Utah.....	33.9	35.2	37.4	22.6	25.1	32.2	3.8	3.9	4.0	2.6	2.8	3.5
Wyoming.....	7.8	6.7	7.8	5.9	5.2	7.2	4.4	3.7	4.2	3.4	2.9	3.9
Far West.....	827.5	885.6	994.6	671.7	726.4	844.7	4.8	5.0	5.5	3.9	4.1	4.6
Alaska.....	10.5	10.7	11.6	9.3	8.9	9.9	5.1	5.1	5.4	4.5	4.2	4.6
California.....	598.7	641.4	737.6	487.0	529.6	626.1	5.0	5.2	5.7	4.0	4.3	4.9
Hawaii.....	43.4	44.3	43.3	38.9	39.4	38.0	9.9	10.0	9.5	8.9	8.9	8.4
Nevada.....	28.3	34.0	35.7	21.3	26.2	30.1	3.3	3.8	3.8	2.5	2.9	3.2
Oregon.....	55.2	58.8	62.3	43.4	46.9	56.2	4.1	4.3	4.5	3.2	3.4	4.0
Washington.....	91.4	96.4	104.2	71.8	75.4	84.3	4.1	4.2	4.5	3.2	3.3	3.6
Puerto Rico.....	17.0	16.7	17.9	14.4	15.2	16.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other U.S. areas ³	7.1	7.9	7.1	6.8	7.6	6.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Foreign ⁴	(*)	0.3	0.5	(*)	0.3	0.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

* Less than 50 employees.
n.a. Not available.

1. The data on employment in private industries used to calculate the shares in this table are from BEA's Regional Economic Information System. The totals are equal to employment in private industries less employment of private households. The U.S. employment totals used to calculate affiliate shares differ from those used for table 4 and the all-industries line in table 5, which are from table 6.4C in the "National Income and Product Accounts (NIPA) Tables." They differ from the NIPA estimates of employment because they include depository

institutions and, by definition, they exclude U.S. residents temporarily employed abroad by U.S. businesses. They may also differ from the NIPA estimates because of different definitions and revision schedules.

2. For consistency with the coverage of the private-industry employment data, U.S.-affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate employment total when the percentage shares on this line were computed.

3. Consists of the U.S. Virgin Islands, Guam, American Samoa, and all other outlying U.S. areas.

4. Consists of employees of U.S. affiliates working abroad.

In terms of employment levels, more than a third of the total increase in affiliate employment in 2000 was accounted for by two States: California and New York. Employment by affiliates increased 96,000 in Califor-

nia and 61,000 in New York; in both States, the increases were mainly due to foreign acquisitions of companies in service industries.

Table 7. Manufacturing Employment by Nonbank U.S. Affiliates by State, 1998–2000

	Thousand of employees						Percentage of total manufacturing employment in the State ¹					
	All nonbank affiliates			Majority-owned nonbank affiliates			All nonbank affiliates			Majority-owned nonbank affiliates		
	1998	1999	2000	1998	1999	2000	1998	1999	2000	1998	1999	2000
Total ²	2,256.9	2,240.9	2,284.7	2,030.3	2,036.5	2,095.0	13.3	13.4	13.8	11.9	12.2	12.7
New England.....	116.4	123.0	132.7	109.2	115.3	125.9	12.2	13.1	14.5	11.4	12.3	13.7
Connecticut.....	31.3	31.6	32.8	28.9	28.7	30.5	12.7	13.3	14.1	11.7	12.1	13.1
Maine.....	12.5	11.8	11.3	11.3	11.0	10.8	15.4	14.6	14.2	14.0	13.6	13.6
Massachusetts.....	44.7	52.7	56.9	42.4	50.0	53.9	10.9	13.0	14.3	10.3	12.4	13.6
New Hampshire.....	17.1	17.1	21.4	16.4	16.4	20.6	16.9	17.6	23.0	16.2	16.9	22.1
Rhode Island.....	8.1	6.5	6.3	7.7	6.3	6.2	10.9	9.0	9.2	10.4	8.8	9.0
Vermont.....	2.8	3.2	3.9	2.5	2.8	3.9	6.3	7.2	8.7	5.6	6.3	8.7
Mideast.....	309.6	287.3	305.0	M	267.8	M	14.2	13.5	14.6	(D)	12.6	(D)
Delaware.....	8.7	8.1	10.5	I	7.2	I	19.9	19.6	25.1	(D)	17.3	(D)
District of Columbia.....	0.6	0.5	0.6	0.5	0.4	0.4	18.4	15.6	24.5	16.7	13.5	15.9
Maryland.....	22.4	19.6	22.5	20.9	18.5	21.8	13.7	12.3	14.2	12.8	11.6	13.8
New Jersey.....	79.3	68.4	70.0	74.8	65.4	66.5	19.6	17.5	18.1	18.5	16.8	17.2
New York.....	82.4	73.8	83.3	74.9	66.5	76.9	11.0	10.1	11.8	10.0	9.1	10.9
Pennsylvania.....	116.4	117.0	118.0	109.9	109.9	110.3	14.2	14.4	14.8	13.4	13.6	13.8
Great Lakes.....	553.1	547.6	548.1	496.3	498.0	505.9	14.1	14.1	14.2	12.7	12.9	13.1
Illinois.....	115.8	112.4	116.7	104.2	101.5	106.9	13.1	13.0	13.7	11.8	11.8	12.5
Indiana.....	114.9	111.8	109.7	104.2	102.0	97.6	18.1	17.5	17.2	16.4	16.0	15.3
Michigan.....	126.1	127.1	137.8	111.3	113.9	129.9	15.2	15.6	16.8	13.4	13.9	15.9
Ohio.....	144.0	141.9	128.2	127.4	129.0	118.5	14.5	14.4	13.0	12.8	13.1	12.0
Wisconsin.....	52.2	54.4	55.6	49.2	51.6	53.0	9.2	9.5	9.7	8.7	9.0	9.3
Plains.....	140.3	144.5	142.7	127.4	132.3	130.3	10.1	10.5	10.6	9.2	9.6	9.7
Iowa.....	22.2	23.5	22.7	20.8	21.9	21.5	9.0	9.5	9.3	8.5	8.9	8.8
Kansas.....	18.6	19.3	18.9	16.9	18.1	18.2	9.5	9.8	9.9	8.6	9.2	9.5
Minnesota.....	34.5	34.7	37.5	30.8	31.0	32.7	9.1	9.1	9.9	8.1	8.2	8.7
Missouri.....	49.1	49.1	48.5	44.0	45.1	44.3	12.8	13.2	13.9	11.5	12.1	12.7
Nebraska.....	9.7	10.8	8.2	8.9	10.1	7.8	8.8	9.9	7.6	8.1	9.3	7.2
North Dakota.....	2.1	3.2	3.2	2.0	2.3	2.3	9.1	14.1	13.2	8.6	10.1	9.8
South Dakota.....	4.2	3.9	3.7	4.0	3.7	3.5	8.7	8.2	7.8	8.3	7.8	7.4
Southeast.....	650.2	654.8	642.4	580.8	593.7	592.1	15.2	15.6	15.5	13.6	14.1	14.3
Alabama.....	46.8	49.9	46.7	41.4	42.7	41.7	13.3	14.6	14.0	11.7	12.5	12.5
Arkansas.....	25.9	26.4	27.0	22.7	22.1	23.0	11.1	11.5	11.4	9.8	9.6	9.8
Florida.....	50.6	47.2	53.3	43.9	41.4	49.1	11.8	11.2	12.8	10.2	9.9	11.8
Georgia.....	89.8	82.8	84.4	81.1	76.4	79.3	16.8	15.6	16.3	15.2	14.4	15.3
Kentucky.....	66.5	67.0	66.7	53.2	57.3	59.4	22.9	22.9	22.7	18.3	19.6	20.2
Louisiana.....	21.6	23.9	23.3	18.9	22.0	21.6	12.6	14.5	14.4	11.0	13.3	13.4
Mississippi.....	12.4	13.5	11.4	10.7	11.8	10.1	5.4	6.0	5.2	4.6	5.3	4.6
North Carolina.....	117.5	124.7	119.1	107.3	116.4	112.9	15.2	16.5	16.3	13.9	15.4	15.4
South Carolina.....	70.9	73.5	75.7	66.4	69.4	72.5	20.7	21.8	22.6	19.3	20.6	21.7
Tennessee.....	85.1	81.0	74.8	78.3	75.6	69.4	17.6	17.0	15.7	16.2	15.9	14.6
Virginia.....	49.2	51.5	47.3	45.8	46.8	41.4	13.4	14.1	13.1	12.4	12.8	11.5
West Virginia.....	13.9	13.4	12.8	11.1	11.7	11.6	18.6	18.3	17.3	14.9	16.0	15.6
Southwest.....	186.2	183.0	194.2	171.9	169.8	180.8	13.3	13.5	14.1	12.3	12.5	13.2
Arizona.....	16.6	16.4	16.5	14.1	15.0	16.1	8.3	8.5	8.2	7.1	7.8	8.0
New Mexico.....	2.9	2.8	4.1	2.8	2.7	3.7	7.1	7.2	10.7	6.9	7.1	9.8
Oklahoma.....	15.9	15.9	15.6	14.9	15.3	15.0	9.4	9.5	9.3	8.9	9.2	8.9
Texas.....	150.8	147.9	158.0	140.1	136.8	145.9	15.3	15.5	16.3	14.2	14.3	15.1
Rocky Mountain.....	36.8	38.9	46.2	K	33.7	K	9.3	10.2	11.9	7.7	8.8	(D)
Colorado.....	18.4	19.4	26.9	14.8	16.3	24.0	10.6	11.8	16.2	8.5	9.9	14.4
Idaho.....	4.2	4.9	5.6	4.1	4.8	H	6.3	7.5	8.4	6.1	7.2	(D)
Montana.....	1.2	2.7	1.7	F	2.1	0.9	5.8	13.2	7.9	2.9	10.1	4.4
Utah.....	11.6	10.7	10.8	9.3	9.4	10.1	9.3	8.8	8.8	7.5	7.7	8.2
Wyoming.....	1.4	1.1	1.1	1.4	1.1	1.0	16.0	11.2	11.9	15.7	11.2	10.6
Far West.....	255.4	253.1	264.6	218.3	218.1	226.3	10.5	10.6	11.3	8.9	9.1	9.7
Alaska.....	1.8	1.6	1.8	1.5	1.3	1.5	14.8	13.8	16.2	12.4	11.0	13.0
California.....	194.6	196.7	210.7	164.5	168.4	176.9	10.6	11.0	12.0	9.0	9.4	10.1
Hawaii.....	1.3	1.2	1.2	1.2	1.2	1.2	8.7	8.3	8.4	8.3	8.2	8.2
Nevada.....	5.2	5.0	4.8	4.9	4.6	4.5	13.2	12.9	12.5	12.6	11.8	11.8
Oregon.....	21.0	20.7	20.7	18.3	18.0	19.0	9.9	9.8	10.2	8.6	8.6	9.4
Washington.....	31.6	27.9	25.4	27.9	24.5	23.2	9.4	8.4	8.0	8.3	7.4	7.4
Puerto Rico.....	8.6	8.3	8.3	7.3	7.5	8.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other U.S. areas ³	0.2	0.4	0.4	0.2	0.3	0.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Foreign ⁴	0.0	0.0	0.0	0.0	0.0	0.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

D Suppressed to avoid disclosure of data of individual companies.
n.a. Not available.

1. The data on employment in manufacturing that was used to calculate these shares are from the Census Bureau's *County Business Patterns*.

2. Total affiliate manufacturing employment and the shares of all-U.S.-business manufacturing employment accounted for by affiliates differ from those shown in table 5 (see footnote 3 to table 5). For consistency with the coverage of the employment data for all U.S. manufacturing plants, U.S.-affiliate employment in Puerto Rico, in

"other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate total when the percentage shares on this line were computed.

3. Consists of the U.S. Virgin Islands, Guam, American Samoa, and all other outlying U.S. areas.

4. Consists of employees of U.S. affiliates working abroad.

NOTE: The following ranges are given in employment cells that are suppressed: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; and M—100,000 or more.

Trade in Goods

U.S. affiliates of foreign companies have a major presence in U.S. trade in goods: In most years since 1977, they have accounted for 20–25 percent of U.S. exports of goods and for 30–35 percent of U.S. imports of goods; these shares are much higher than the affiliates' shares of either gross product or employment (table 8). The relatively high shares of trade partly reflect the concentration of foreign direct investment activity in manufacturing, a sector that has a high trade orientation. In addition, the high shares reflect the activity of wholesale trade affiliates, which have served as conduits for flows of goods between the United States and the foreign investing countries.¹⁴ Trade in goods by U.S. affiliates has been dominated by majority-owned affiliates: In the past decade, these affiliates have consistently accounted for more than 85 percent of affiliate exports and more than 90 percent of affiliate imports.

Much of the trade in goods by affiliates—about 40 percent of exports and about 75 percent of imports—is intrafirm trade (that is, trade between the affiliates and their foreign parents or other member companies of their foreign parent groups). U.S.-affiliate intrafirm trade has generally accounted for 8–12 percent of U.S. exports and for 20–28 percent of U.S. imports; almost all of this trade has been by majority-owned affiliates.¹⁵

In most years since the mid-1980s, imports by U.S. affiliates have exceeded their exports by 80–120 percent, a difference substantially larger than the difference for the United States as a whole. The relatively large trade deficit for affiliates can be explained by the activity of wholesale trade affiliates, many of which were established expressly to facilitate the importation of goods manufactured abroad by their foreign parents. Since 1985, wholesale trade affiliates—whose im-

14. In 2000, affiliates in wholesale trade accounted for 35 percent of affiliate exports and for 56 percent of affiliate imports. Earlier, these affiliates played an even larger role in U.S.-affiliate trade: In each year in 1977–95, these affiliates accounted for more than 50 percent of affiliate exports and for more than 60 percent of affiliate imports.

15. Total U.S. intrafirm trade in goods—which also includes trade between U.S. parent companies and their foreign affiliates—has accounted for 30–40 percent of U.S. exports and for 35–45 percent of U.S. imports; see William J. Zeile, “U.S. Intrafirm Trade in Goods,” *SURVEY 77* (February 1997): 23–38.

BEA's data on intrafirm trade are distinct from a similar data series on related-party trade from the Census Bureau. Unlike BEA's data on intrafirm trade, which are from its surveys of multinational company operations, the Census Bureau data are based on a checkoff question in customs declarations of exports and imports. For exports, the definition of “related party” in the customs documents is based on an ownership share of at least 10 percent, which is consistent with the definition of direct investment used in BEA's surveys; however, for imports, the customs definition is based on a 6-percent ownership share. In addition, the data on related-party trade, unlike BEA's data, do not distinguish the trade between U.S. and foreign units of U.S. multinational firms from the trade between U.S. and foreign units of foreign multinational firms.

**Table 8. U.S. Trade in Goods
by Nonbank U.S. Affiliates, 1977–2000**

	Millions of dollars				U.S. exports of goods shipped by affiliates as a percentage of total U.S. exports of goods		U.S. imports of goods shipped to affiliates as a percentage of total U.S. imports of goods	
	U.S. exports of goods shipped by affiliates		U.S. imports of goods shipped to affiliates		Total	Of which: To the foreign parent group	Total	Of which: From the foreign parent group
	Total	Of which: To the foreign parent group	Total	Of which: From the foreign parent group				
All nonbank affiliates:								
1977.....	24,858	11,691	43,896	30,878	20.2	9.5	29.0	20.4
1978.....	32,169	16,570	56,567	39,466	22.1	11.4	32.1	22.4
1979.....	44,341	22,073	63,039	45,295	23.8	11.8	30.0	21.5
1980.....	52,199	20,983	75,803	47,010	23.1	9.3	30.9	19.2
1981.....	64,066	26,911	82,259	52,196	26.8	11.3	31.5	20.0
1982.....	60,236	25,024	84,290	51,915	27.8	11.6	34.6	21.3
1983.....	53,854	22,577	81,464	54,802	26.2	11.0	31.6	21.2
1984.....	58,186	27,072	100,489	70,451	26.0	12.1	30.4	21.3
1985.....	56,401	25,900	113,331	81,740	25.8	11.8	33.7	24.3
1986.....	49,560	21,873	125,732	93,418	21.9	9.7	34.4	25.5
1987.....	48,091	19,109	143,537	108,201	18.9	7.5	35.3	26.6
1988.....	69,541	26,425	155,533	118,362	21.5	8.2	35.2	26.8
1989.....	86,316	34,276	171,847	129,926	23.7	9.4	36.3	27.4
1990.....	92,308	37,764	182,936	137,458	23.5	9.6	36.9	27.7
1991.....	96,933	42,222	178,702	132,166	23.0	10.0	36.6	27.1
1992.....	103,925	48,767	184,464	137,799	23.2	10.9	34.6	25.9
1993.....	106,615	47,350	200,599	150,789	22.9	10.2	34.5	26.0
1994.....	120,683	51,147	232,362	174,641	23.5	10.0	35.0	26.3
1995.....	135,153	57,246	250,824	191,222	23.1	9.8	33.7	25.7
1996.....	140,886	60,831	268,673	197,656	22.5	9.7	33.8	24.9
1997.....	141,305	63,025	264,924	202,355	20.5	9.1	30.5	23.3
1998.....	151,005	57,565	292,046	205,181	22.1	8.4	32.0	22.5
1999 ^r	153,572	59,881	324,994	229,857	22.1	8.6	31.7	22.4
2000 ^p	165,321	65,342	366,647	272,374	21.1	8.4	30.1	22.4
Majority-owned nonbank affiliates:								
1988.....	57,209	26,001	144,896	112,012	17.7	8.0	32.8	25.3
1989.....	72,413	33,778	158,792	122,899	19.9	9.3	33.5	25.9
1990.....	79,368	37,177	170,677	131,665	20.2	9.5	34.4	26.5
1991.....	85,254	41,373	169,362	128,143	20.2	9.8	34.7	26.2
1992.....	91,686	47,567	172,260	132,217	20.5	10.6	32.3	24.8
1993.....	94,329	46,241	186,369	144,698	20.3	9.9	32.1	24.9
1994.....	107,057	49,864	214,485	166,085	20.9	9.7	32.3	25.0
1995.....	121,277	55,842	232,250	182,148	20.7	9.5	31.2	24.5
1996.....	125,897	59,544	248,562	187,889	20.1	9.5	31.3	23.6
1997.....	128,394	61,288	249,310	193,969	18.6	8.9	28.7	22.3
1998.....	136,949	56,115	277,909	199,524	20.1	8.2	30.5	21.9
1999 ^r	140,808	58,385	312,895	225,132	20.2	8.4	30.5	22.0
2000 ^p	151,521	63,887	348,741	265,717	19.4	8.2	28.6	21.8

^p Preliminary.

^r Revised.

NOTE: The data on total U.S. exports and imports of goods that were used to calculate the shares in this table are Census-Bureau-based data, which are adjusted to a balance-of-payments basis in BEA's international transactions accounts (see table 2, lines A1 and A9 in Douglas B. Weinberg, “U.S. International Transactions, First Quarter 2002,” *SURVEY OF CURRENT BUSINESS* 82 (July 2002): 60–61).

ports have been two to four times as large as their exports—have consistently accounted for more than two-thirds of the trade deficit of all U.S. affiliates.¹⁶

Exports

In 2000, exports of goods by U.S. affiliates increased 8 percent, to \$165.3 billion, following a 2-percent increase in 1999 (table 8). The acceleration reflected stepped-up rates of economic growth for several major U.S. trading partners, which boosted foreign demand for U.S. exports. Total U.S. exports of goods increased

16. For a discussion of U.S.-affiliate trade balances in 1977–91, see William J. Zeile, “Merchandise Trade of U.S. Affiliates Foreign Companies,” *SURVEY 73* (October 1993): 52–65.

at an even faster pace—12 percent—in 2000, following a 1-percent decrease in 1998 and a 2-percent increase in 1999. As a result, the affiliate share of total U.S. exports of goods dipped from 22.1 percent in 1999 to 21.1 percent in 2000.

Growth in affiliate exports was held down by a 9-percent decrease in exports of French-owned affiliates and by the relatively slow growth in the exports of German- and Japanese-owned affiliates (table 9). The decrease in exports by French-owned affiliates was partly due to selloffs of business units that were large exporters. Exports by German-owned affiliates increased only 3 percent after a 10-percent increase in 1999, partly as a result of lackluster growth in the exports of affiliates in motor vehicle manufacturing. Exports by Japanese-owned affiliates increased 7 percent, a rebound from decreases of 12 percent in 1998 and 10 percent in 1999. Exports by wholesale trade affiliates of Japan's large general trading companies, which have long served as key intermediaries in handling shipments of U.S. commodities to Japan, continued to decline in 2000. Continuing a downward trend from 10.0 percent in 1990, the share of exports by Japanese-owned affiliates in total U.S. exports of goods decreased from 5.9 percent in 1999 to 5.6 percent in 2000.

Among affiliates of other investing countries, exports by Netherlands-owned affiliates increased 44 percent, reflecting large increases in exports by affiliates in petroleum manufacturing and petroleum wholesale trade. Exports by Canadian-owned affiliates increased 20 percent, mainly as a result of increased exports by wholesale trade affiliates.

Imports

In 2000, imports of goods by U.S. affiliates increased 13 percent, to \$366.6 billion. Total U.S. imports of goods increased at a much faster rate of 19 percent, so the affiliate share of U.S. imports of goods decreased from 31.7 percent in 1999 to 30.1 percent in 2000.

The affiliate share of U.S. imports has trended down from a peak of 36.9 percent in 1990. This downtrend partly reflects a sustained decrease over the past decade in the share of U.S. imports from Japan (a trading partner whose affiliates have played a dominant role in mediating shipments of goods to the United States) and an increase in the share of U.S. imports from Mexico and China (countries for which U.S.-affiliate trade has been relatively minor).¹⁷

The growth in affiliate imports in 2000 was partly held down by the relatively slow growth in the imports by Japanese-owned affiliates (which, among investing countries, have consistently accounted for the largest share of affiliate imports) and by a slight reduction in imports by German-owned affiliates. Imports by British- and Netherlands-owned affiliates (which are relatively small) both increased more than 30 percent, mainly because of increases in the value of imports by petroleum affiliates.

17. Data on U.S. imports of goods by supplying country indicate that the share of U.S. imports accounted for by imports from Japan decreased from 18 percent in 1990 to 12 percent in 2000. The share of U.S. imports from Mexico increased from 6 percent to 11 percent, and the share of U.S. imports from China increased from 3 percent to 8 percent. Data on the origin of U.S.-affiliate imports, which were collected most recently in the 1997 benchmark survey, indicate that affiliates accounted for 82 percent of U.S. imports from Japan but that they accounted for only 14 percent of U.S. imports from Mexico and for only 4 percent of U.S. imports from China.

Table 9. U.S. Trade in Goods of Nonbank U.S. Affiliates by Selected Country of Ultimate Beneficial Owner, 1998–2000

	Millions of dollars			Percentage of all-countries total			Percentage of total U.S. exports or imports of goods			Addendum: Percent change in affiliate exports or imports, 1999–2000
	1998	1999	2000	1998	1999	2000	1998	1999	2000	
U.S. exports shipped by affiliates:										
All countries	151,005	153,572	165,321	100.0	100.0	100.0	22.1	22.1	21.1	7.7
Canada	7,958	7,495	9,019	5.3	4.9	5.5	1.2	1.1	1.2	20.3
France	15,172	16,655	15,194	10.0	10.8	9.2	2.2	2.4	1.9	-8.8
Germany	28,848	31,713	32,770	19.1	20.7	19.8	4.2	4.6	4.2	3.3
Netherlands	4,151	5,214	7,498	2.7	3.4	4.5	0.6	0.7	1.0	43.8
Switzerland	5,411	5,707	6,004	3.6	3.7	3.6	0.8	0.8	0.8	5.2
United Kingdom	15,690	15,768	16,970	10.4	10.3	10.3	2.3	2.3	2.2	7.6
Japan	45,998	41,373	44,130	30.5	26.9	26.7	6.7	5.9	5.6	6.7
Korea, Republic of	4,848	5,717	6,515	3.2	3.7	3.9	0.7	0.8	0.8	14.0
Other	22,929	23,929	27,222	15.2	15.6	16.5	3.4	3.4	3.5	13.8
U.S. imports shipped to affiliates:										
All countries	292,046	324,994	366,647	100.0	100.0	100.0	32.0	31.7	30.1	12.8
Canada	15,494	16,647	19,509	5.3	5.1	5.3	1.7	1.6	1.6	17.2
France	12,684	16,178	16,294	4.3	5.0	4.4	1.4	1.6	1.3	0.7
Germany	55,076	53,911	53,080	18.9	16.6	14.5	6.0	5.3	4.4	-1.5
Netherlands	10,416	15,938	21,895	3.6	4.9	6.0	1.1	1.6	1.8	37.4
Switzerland	6,769	7,289	8,540	2.3	2.2	2.3	0.7	0.7	0.7	17.2
United Kingdom	16,683	19,291	25,105	5.7	5.9	6.8	1.8	1.9	2.1	30.1
Japan	122,567	138,564	151,368	42.0	42.6	41.3	13.4	13.5	12.4	9.2
Korea, Republic of	12,439	15,334	19,221	4.3	4.7	5.2	1.4	1.5	1.6	25.3
Other	39,918	41,841	51,636	13.7	12.9	14.1	4.4	4.1	4.2	23.4

NOTE: The affiliates of the eight countries listed accounted for the largest shares of affiliate trade in each year of 1998–2000.

Table 10.1. Selected Data of Nonbank U.S. Affiliates by Industry of Affiliate, 1999

	Millions of dollars							Thousands of employees	Millions of dollars	
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Gross product	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All industries.....	4,177,211	1,075,364	138,583	2,044,359	26,576	457,707	292,727	6,027.6	153,572	324,994
Manufacturing	992,765	544,370	63,247	909,177	16,791	238,590	143,786	2,617.5	97,425	142,898
Food	42,576	21,222	1,990	46,559	234	10,465	5,955	146.1	2,442	4,122
Beverages and tobacco products.....	15,841	5,547	552	14,041	554	4,784	1,679	37.2	1,287	679
Textiles, apparel, and leather products	10,921	6,231	455	10,870	-652	2,791	2,471	69.4	1,384	1,675
Wood products.....	1,730	1,278	100	2,467	148	784	493	12.3	229	221
Paper.....	27,334	18,845	1,111	19,497	308	6,911	4,488	81.6	1,743	675
Printing and related support activities	9,579	5,764	566	8,874	-5	3,436	2,791	55.3	354	1,110
Petroleum and coal products.....	108,252	118,832	7,375	109,551	4,432	26,199	5,032	60.7	3,139	13,661
Chemicals.....	207,312	100,062	9,255	143,870	3,619	41,853	25,783	365.5	14,942	15,768
Basic chemicals.....	61,110	44,197	3,656	41,395	382	12,636	7,265	98	6,154	5,065
Resins and synthetic rubber, fibers and filaments	14,740	9,239	786	11,346	165	2,659	1,548	30.5	1,237	1,120
Pharmaceuticals and medicines	87,929	26,343	2,611	53,299	2,423	16,136	10,654	129.7	4,150	7,797
Soap, cleaning compounds, and toilet preparations	21,561	8,189	770	21,270	947	6,348	3,604	60.7	897	390
Other	21,973	12,094	1,431	16,561	-298	4,075	2,711	46.5	2,504	1,396
Plastics and rubber products.....	28,733	20,781	2,268	30,432	883	10,159	7,085	143.4	2,668	4,378
Nonmetallic mineral products.....	46,486	34,053	3,391	34,930	2,044	13,429	7,549	152.7	1,069	1,994
Primary and fabricated metals.....	60,465	39,747	3,037	57,497	588	15,293	10,706	210.2	4,241	6,707
Primary metals.....	33,451	28,601	1,925	34,220	-160	7,770	5,262	90.5	2,355	5,122
Fabricated metal products.....	27,014	11,146	1,112	23,277	749	7,523	5,444	119.7	1,887	1,584
Machinery.....	64,664	17,565	1,883	51,272	-408	14,241	11,608	222.2	6,855	7,589
Agriculture, construction, and mining machinery	23,224	4,510	586	14,871	104	3,171	2,518	51	2,318	2,745
Industrial machinery.....	6,309	2,838	184	6,247	-777	1,527	1,537	27.9	1,096	936
Other	35,131	10,218	1,113	30,155	265	9,544	7,553	143.3	3,441	3,908
Computers and electronic products.....	107,694	38,047	5,318	111,551	-2,610	24,298	19,528	299.6	17,361	33,694
Computers and peripheral equipment.....	5,348	1,935	197	13,134	-613	1,011	1,375	23.4	2,370	6,763
Communications equipment.....	47,973	10,766	1,907	38,579	-2,143	8,492	8,214	112.1	5,345	8,120
Audio and video equipment.....	(D)	(D)	754	(D)	(D)	4,046	3,188	35.8	(D)	(D)
Semiconductors and other electronic components	26,184	15,337	2,025	27,722	373	7,419	4,270	78.8	5,582	7,204
Navigational, measuring, and other instruments	8,604	2,628	285	(D)	(D)	2,740	2,066	36.8	(D)	745
Magnetic and optical media.....	(D)	(D)	151	1,961	-588	591	414	12.7	22	(D)
Electrical equipment, appliances, and components	40,132	14,389	1,768	39,276	69	10,515	8,270	184.1	7,094	3,228
Transportation equipment.....	186,470	89,285	22,429	202,729	7,829	44,030	24,018	423.3	30,148	46,009
Motor vehicles, bodies and trailers, and parts	172,816	86,670	21,975	192,711	7,836	41,357	21,756	379.8	27,980	43,509
Other	13,654	2,614	454	10,018	-8	2,673	2,262	43.5	2,167	2,499
Furniture and related products	1,155	590	75	1,893	81	618	433	14.9	91	67
Miscellaneous manufacturing.....	33,422	12,131	1,673	23,866	-324	8,783	5,897	139.1	2,379	1,323
Wholesale trade.....	306,995	100,819	18,362	506,664	5,079	57,842	30,734	527.3	49,258	173,350
Motor vehicles and motor vehicle parts and supplies	83,316	43,239	12,044	111,808	2,043	12,939	4,247	61.6	2,574	64,160
Professional and commercial equipment and supplies	26,358	8,563	1,143	43,848	25	6,709	4,877	76.9	4,593	17,528
Electrical goods.....	28,816	8,094	1,049	53,200	151	6,754	4,045	67.4	5,236	27,040
Other durable goods.....	49,187	12,764	1,151	88,370	977	9,568	6,174	121.1	10,065	30,498
Petroleum and petroleum products	22,217	6,817	533	56,395	-36	5,473	1,048	12.5	3,288	8,340
Other nondurable goods.....	97,102	21,341	2,441	153,043	1,920	16,398	10,344	187.7	23,503	25,784
Retail trade.....	70,381	37,604	5,252	114,508	1,553	28,346	16,845	740.4	1,524	3,996
Food and beverage stores.....	35,563	27,814	3,847	75,663	1,479	18,948	11,141	510.2	4	430
Other	34,818	9,789	1,405	38,844	74	9,398	5,704	230.2	1,520	3,565
Information.....	223,103	78,294	13,029	93,661	-3,564	28,129	21,478	344.3	846	221
Publishing industries.....	61,642	8,280	1,315	31,613	-91	11,416	9,304	134.8	(D)	(D)
Motion picture and sound recording industries.....	55,889	6,578	1,144	19,027	1,221	3,439	2,596	49.9	(D)	0
Broadcasting and telecommunications.....	93,986	61,491	10,101	37,406	-4,806	10,783	7,680	129.5	6	(D)
Broadcasting, cable networks, and program distribution	6,819	918	197	2,139	-273	325	382	5.7	0	0
Telecommunications.....	87,167	60,573	9,904	35,267	-4,534	10,458	7,298	123.8	6	(D)
Information services and data processing services	11,586	1,944	468	5,614	113	2,491	1,898	30.2	5	0
Finance (except depository institutions) and insurance	2,170,737	51,856	8,949	206,108	9,654	26,068	27,844	263.5	0	1
Finance, except depository institutions.....	1,154,326	14,072	3,431	73,331	440	9,220	14,038	73.3	0	1
Insurance carriers and related activities	1,016,410	37,784	5,519	132,777	9,213	16,848	13,806	190.1	0	0
Real estate and rental and leasing.....	132,907	108,296	10,977	26,215	692	11,813	2,722	53.4	(D)	562
Real estate.....	112,560	97,946	9,274	19,779	465	9,019	1,356	23	4	(D)
Rental and leasing (except real estate).....	20,348	10,350	1,703	6,437	227	2,794	1,366	30.4	(D)	(D)
Professional, scientific, and technical services.....	25,485	6,050	962	20,073	-960	7,364	7,370	115.5	(D)	357
Architectural, engineering, and related services	5,306	1,716	360	5,682	4	2,191	1,980	33	239	(D)
Computer systems design and related services.....	7,918	1,875	296	5,769	-626	2,335	2,591	35.8	(D)	(D)
Management, scientific, and technical consulting	1,273	110	12	640	18	323	272	3.2	0	0
Other	10,988	2,349	294	7,982	-357	2,515	2,526	43.5	(D)	9
Other industries.....	254,839	148,075	17,806	167,954	-2,668	59,556	41,948	1,365.7	3,810	3,609
Agriculture, forestry, fishing and hunting	6,371	4,182	556	2,874	122	1,070	610	16.7	368	147
Mining.....	45,066	43,488	5,407	19,429	-780	9,784	4,389	59.3	2,740	703
Utilities.....	28,015	16,633	2,532	32,360	539	2,443	709	12.7	146	2,476
Construction.....	17,872	7,197	2,248	31,080	131	6,483	5,322	86.4	189	29
Transportation and warehousing.....	37,625	32,639	2,533	27,584	-1,443	10,667	6,689	178.2	220	(D)
Management of nonbank companies and enterprises.....	35,379	340	82	275	493	-1,015	224	2.3	(*)	(D)
Administration, support, and waste management	14,326	5,713	419	17,146	215	11,357	10,572	453	21	1
Health care and social assistance.....	11,619	3,697	287	8,727	-499	4,293	3,385	105	(D)	(D)
Accommodation and food services.....	33,035	25,798	2,113	21,887	-105	11,414	7,883	371.7	(*)	2
Accommodation.....	24,938	21,534	1,569	8,728	-373	4,665	2,448	101.4	(*)	2
Food services and drinking places.....	8,097	4,265	544	13,160	267	6,749	5,435	270.3	0	0
Miscellaneous services.....	25,532	8,389	1,629	6,592	-356	3,060	2,165	80.4	(D)	62

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies

Note. The estimates for 1999 are revised.

Table 10.2. Selected Data of Nonbank U.S. Affiliates by Industry of Affiliate, 2000

	Millions of dollars							Thou- sands of employ- ees	Millions of dollars	
	Total assets	Gross property, plant, and equip- ment	Expendi- tures for property, plant, and equip- ment	Sales	Net income	Gross product	Com- pen- sa- tion of employ- ees		U.S. exports of goods shipped by affil- iates	U.S. imports of goods shipped to affil- iates
All industries.....	4,847,267	1,176,129	148,776	2,334,692	30,641	522,238	329,686	6,429.2	165,321	366,647
Manufacturing.....	1,108,046	507,657	55,117	979,597	11,796	237,032	152,332	2,658.3	101,248	149,875
Food.....	45,143	22,477	2,193	47,388	302	11,018	6,609	147.6	2,467	4,398
Beverages and tobacco products.....	19,125	6,608	656	15,366	532	5,460	2,087	38.6	1,542	777
Textiles, apparel, and leather products.....	9,574	5,778	431	9,892	-231	2,712	2,181	59.3	1,300	1,899
Wood products.....	1,462	908	74	2,153	31	637	495	13.1	234	453
Paper.....	31,931	21,789	1,945	22,323	541	7,498	4,633	77.1	2,088	600
Printing and related support activities.....	9,871	6,187	449	12,085	182	4,719	3,770	71.3	483	852
Petroleum and coal products.....	60,570	44,925	3,116	108,263	4,028	14,597	2,311	28.8	1,381	12,096
Chemicals.....	257,094	115,618	9,929	160,496	3,887	44,832	28,085	386.8	15,528	16,388
Basic chemicals.....	60,342	49,048	3,188	40,647	-286	10,571	6,456	83.6	5,655	3,965
Resins and synthetic rubber, fibers and filaments.....	21,037	13,565	1,980	17,385	-275	2,957	1,650	31.2	1,338	1,669
Pharmaceuticals and medicines.....	101,645	31,180	2,928	60,672	4,270	19,666	12,459	144.6	5,291	8,753
Soap, cleaning compounds, and toilet preparations.....	48,505	8,264	840	24,340	104	6,964	4,473	79.7	1,110	414
Other.....	25,564	13,561	993	17,452	73	4,673	3,047	47.7	2,134	1,588
Plastics and rubber products.....	34,525	22,973	1,889	34,829	-50	10,111	7,904	154.4	3,018	4,797
Nonmetallic mineral products.....	54,815	40,918	3,763	39,931	2,437	15,214	8,539	159.6	1,457	2,123
Primary and fabricated metals.....	65,699	40,693	3,065	66,282	1,244	17,282	11,822	219.2	4,930	7,719
Primary metals.....	38,371	28,890	2,137	42,018	687	9,678	6,214	97.3	2,614	5,587
Fabricated metal products.....	27,328	11,804	928	24,263	557	7,603	5,609	121.9	2,317	2,131
Machinery.....	66,528	19,605	1,767	54,207	-885	15,506	11,929	230.6	6,735	7,849
Agriculture, construction, and mining machinery.....	21,817	4,839	416	14,753	-486	3,305	2,700	53.7	2,218	2,610
Industrial machinery.....	6,661	2,950	214	7,048	-752	1,758	1,710	28.6	1,133	1,044
Other.....	38,051	11,816	1,136	32,405	354	10,443	7,519	148.2	3,384	4,195
Computers and electronic products.....	173,303	45,576	6,733	129,225	-4,847	28,705	23,465	337.4	19,329	37,731
Computers and peripheral equipment.....	6,476	1,964	190	13,491	-209	1,722	1,579	26.2	2,244	6,093
Communications equipment.....	88,096	11,020	1,622	45,171	-4,353	9,590	10,427	126.3	5,448	10,212
Audio and video equipment.....	(D)	(D)	(D)	(D)	(D)	4,324	3,353	35.2	(D)	(D)
Semiconductors and other electronic components.....	42,827	18,235	2,412	34,376	-291	7,997	4,838	86.9	6,720	8,552
Navigational, measuring, and other instruments.....	15,445	6,829	(D)	(D)	(D)	4,391	2,838	51.2	(D)	883
Magnetic and optical media.....	(D)	(D)	127	2,147	-354	680	430	11.7	39	(D)
Electrical equipment, appliances, and components.....	66,099	22,700	2,880	60,221	280	19,878	13,851	284.4	8,717	4,284
Transportation equipment.....	199,695	86,404	15,742	205,220	3,890	35,016	21,906	390.8	30,731	46,806
Motor vehicles, bodies and trailers, and parts.....	184,130	83,607	15,354	192,837	3,769	31,858	19,347	341.7	28,355	44,222
Other.....	15,565	2,797	388	12,383	121	3,158	2,559	49.1	2,376	2,583
Furniture and related products.....	1,335	657	101	2,158	45	685	500	15.1	124	104
Miscellaneous manufacturing.....	11,277	3,841	384	9,560	409	3,162	2,243	44.0	1,185	1,000
Wholesale trade.....	407,715	182,941	(D)	637,978	14,530	86,444	36,404	574.4	57,844	207,041
Motor vehicles and motor vehicle parts and supplies.....	91,594	42,448	11,238	123,174	2,755	12,526	4,453	57.5	2,931	75,208
Professional and commercial equipment and supplies.....	28,679	9,175	964	48,217	-165	7,232	5,403	79.7	4,898	19,941
Electrical goods.....	34,556	9,047	892	66,786	108	7,702	5,396	83.7	7,968	31,306
Other durable goods.....	52,029	12,734	1,248	95,127	897	10,235	6,938	129.3	10,579	28,981
Petroleum and petroleum products.....	109,166	(D)	(D)	170,369	7,286	31,114	4,414	67.7	11,856	24,187
Other nondurable goods.....	91,691	(D)	2,763	134,305	3,649	17,636	9,800	156.4	19,613	27,418
Retail trade.....	74,259	36,256	3,742	114,977	-279	24,676	16,005	674.4	1,535	(D)
Food and beverage stores.....	35,055	24,943	2,197	65,710	765	15,383	9,160	417.0	4	(D)
Other.....	39,204	11,313	1,545	49,267	-1,044	9,293	6,845	257.4	1,531	4,386
Information.....	318,489	105,989	25,684	121,684	-4,387	41,878	26,441	408.9	709	240
Publishing industries.....	71,021	8,771	1,508	35,582	98	13,764	9,659	139.2	(D)	127
Motion picture and sound recording industries.....	58,075	7,113	885	19,617	131	3,883	2,635	53.7	(D)	(D)
Broadcasting and telecommunications.....	165,541	86,246	22,417	59,205	-3,848	21,895	11,736	178.4	5	(D)
Broadcasting, cable networks, and program distribution.....	4,760	835	73	1,405	-55	390	205	4.3	0	0
Telecommunications.....	160,781	85,411	22,344	57,800	-3,794	21,505	11,532	174.1	5	(D)
Information services and data processing services.....	23,853	3,859	874	7,281	-768	2,336	2,411	37.5	6	0
Finance (except depository institutions) and insurance.....	2,472,481	57,144	10,210	243,337	10,543	41,433	36,492	291.8	(*)	5
Finance, except depository institutions.....	1,407,002	16,727	4,171	108,617	1,953	18,634	21,001	105.6	(*)	5
Insurance carriers and related activities.....	1,065,479	40,417	6,040	134,720	8,590	22,798	15,492	186.2	0	0
Real estate and rental and leasing.....	122,797	98,483	8,577	25,691	1,331	10,936	2,855	49.5	(D)	649
Real estate.....	103,749	88,231	6,933	18,849	1,082	7,889	1,537	22.1	4	34
Rental and leasing (except real estate).....	19,048	10,252	1,644	6,842	249	3,047	1,318	27.3	(D)	615
Professional, scientific, and technical services.....	51,405	12,406	(D)	32,241	-1,135	9,672	9,401	148.9	366	336
Architectural, engineering, and related services.....	5,340	1,847	364	6,067	18	2,234	2,084	32.8	234	(D)
Computer systems design and related services.....	9,772	2,204	510	6,177	-1,164	1,972	2,671	33.3	(D)	(D)
Management, scientific, and technical consulting.....	13,077	(D)	(D)	3,823	409	1,442	648	14.0	0	0
Other.....	23,217	(D)	389	16,175	-397	4,024	3,998	68.9	(D)	8
Other industries.....	292,075	175,252	18,850	179,186	-1,759	70,167	49,756	1,623.1	(D)	(D)
Agriculture, forestry, fishing and hunting.....	6,746	4,385	414	3,155	16	1,065	617	15.7	339	157
Mining.....	51,583	49,526	5,492	24,450	574	12,106	4,501	62.0	2,677	645
Utilities.....	50,506	35,203	3,832	26,032	582	4,276	2,176	28.3	76	2,837
Construction.....	18,821	7,979	2,617	30,986	141	5,759	4,955	84.2	114	18
Transportation and warehousing.....	44,054	34,885	2,332	31,792	-1,471	11,567	7,521	221.4	58	10
Management of nonbank companies and enterprises.....	36,281	376	86	162	-1,524	-881	173	1.6	(*)	1
Administration, support, and waste management.....	17,668	5,763	448	22,420	-75	16,342	15,550	623.0	26	1
Health care and social assistance.....	10,722	3,552	211	8,857	-216	4,345	3,394	99.4	(D)	(D)
Accommodation and food services.....	41,410	25,982	2,899	24,677	406	12,703	8,797	407.2	(*)	4
Accommodation.....	31,983	21,148	2,200	10,227	61	5,521	2,942	117.3	(*)	4
Food services and drinking places.....	9,427	4,833	699	14,450	345	7,182	5,854	290.0	0	0
Miscellaneous services.....	14,284	7,601	519	6,655	-190	2,884	2,071	80.4	28	19

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies

Note. The estimates for 2000 are preliminary.

Table 11.1. Selected Data of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1999

	Millions of dollars							Thous- ands of employ- ees	Millions of dollars	
	Total assets	Gross property, plant, and equip- ment	Expendi- tures for property, plant, and equip- ment	Sales	Net income	Gross product	Com- pen- sa- tion of employ- ees		U.S. exports of goods shipped by affil- iates	U.S. imports of goods shipped to affil- iates
All countries	4,177,211	1,075,364	138,583	2,044,359	26,576	457,707	292,727	6,027.6	153,572	324,994
Canada.....	417,986	101,644	10,818	161,132	-663	42,673	30,983	659.1	7,495	16,647
Europe.....	2,737,825	638,463	83,856	1,207,597	25,495	298,861	191,200	3,978.6	84,963	130,819
Austria.....	9,711	1,553	135	3,223	-19	521	510	12.7	336	599
Belgium.....	18,063	10,080	1,199	19,627	614	5,243	3,074	124.0	593	1,560
Denmark.....	7,046	1,652	149	4,380	57	967	702	13.5	373	650
Finland.....	10,354	4,856	697	14,034	84	3,103	2,003	35.8	1,368	2,800
France.....	523,063	108,569	13,359	169,876	-1,344	44,779	32,148	614.3	16,655	16,178
Germany.....	508,949	155,041	33,027	312,281	7,728	70,614	44,890	848.8	31,713	53,911
Ireland.....	22,680	8,445	685	13,830	237	4,887	3,387	65.2	331	330
Italy.....	33,868	9,964	1,635	20,328	-84	4,200	3,438	90.8	1,697	3,348
Liechtenstein.....	810	479	37	881	9	256	186	3.4	68	288
Luxembourg.....	3,328	2,080	163	3,486	172	722	314	9.1	421	(D)
Netherlands.....	459,142	98,205	7,946	182,193	4,085	35,651	19,990	498.9	5,214	15,938
Norway.....	8,978	4,055	753	22,327	-1,486	1,024	1,796	41.6	688	1,171
Spain.....	7,022	3,803	289	3,805	-70	983	556	11.9	110	809
Sweden.....	68,074	14,544	1,785	42,242	1,641	10,680	7,084	145.1	3,838	4,159
Switzerland.....	509,654	33,839	3,815	108,401	4,474	31,620	24,487	442.4	5,707	7,289
United Kingdom.....	543,119	180,412	18,054	282,640	9,332	83,309	46,422	1,017.4	15,768	19,291
Other.....	3,963	887	127	4,044	63	302	214	3.8	82	(D)
Latin America and Other Western Hemisphere.....	125,562	46,392	6,161	78,658	-1,376	20,426	11,802	246.9	6,996	13,081
South and Central America.....	31,246	18,745	1,419	36,358	135	8,171	3,099	61.3	2,240	10,172
Brazil.....	2,496	1,278	172	3,287	28	347	185	3.5	(D)	1,345
Mexico.....	11,103	5,126	637	10,279	-127	1,739	1,241	33.0	895	2,784
Panama.....	3,654	1,314	117	2,245	66	897	768	12.4	(D)	166
Venezuela.....	12,845	10,568	452	18,503	205	4,985	758	8.7	169	4,925
Other.....	1,148	459	41	2,044	-37	203	148	3.8	161	951
Other Western Hemisphere.....	94,316	27,647	4,742	42,299	-1,512	12,255	8,703	185.6	4,756	2,910
Bahamas.....	1,216	959	(D)	876	-260	207	215	6.7	(D)	43
Bermuda.....	53,585	18,027	3,068	28,866	-637	8,604	5,569	126.4	(D)	1,243
Netherlands Antilles.....	4,805	3,315	(D)	3,158	-36	1,729	1,404	15.9	(D)	(D)
United Kingdom Islands, Caribbean.....	34,515	5,216	1,018	9,234	-578	1,671	1,483	35.7	(D)	(D)
Other.....	194	130	9	165	-1	44	33	0.8	6	(D)
Africa.....	5,390	3,009	342	4,698	77	1,249	899	13.2	377	218
South Africa.....	3,692	1,812	178	3,475	103	874	575	8.5	(D)	(D)
Other.....	1,698	1,197	164	1,223	-26	375	325	4.6	(D)	(D)
Middle East.....	18,575	10,638	865	12,679	410	2,946	1,771	49.9	708	1,200
Israel.....	4,011	961	73	2,609	-95	416	456	9.8	351	(D)
Kuwait.....	2,194	1,920	58	823	78	293	67	2.4	(D)	(D)
Lebanon.....	1,160	1,039	126	649	70	281	146	4.1	(D)	4
Saudi Arabia.....	6,897	3,679	269	6,179	250	1,186	680	16.9	98	(D)
United Arab Emirates.....	2,773	2,359	259	551	131	315	74	2.0	77	42
Other.....	1,540	680	79	1,867	-22	456	349	14.8	5	33
Asia and Pacific.....	653,634	244,177	31,604	539,966	-2,296	81,469	52,199	1,010.7	50,998	161,710
Australia.....	66,737	18,162	3,029	30,236	321	8,726	4,603	83.8	1,355	1,563
China.....	1,223	614	79	1,494	-10	198	127	2.5	1,024	108
Hong Kong.....	10,189	6,618	1,118	6,833	-368	1,268	772	25.2	113	1,735
Indonesia.....	677	422	35	1,030	-1	253	199	4.5	(D)	42
Japan.....	534,393	193,931	24,775	451,099	-1,539	65,127	42,969	827.0	41,373	138,564
Korea, Republic of.....	15,341	6,854	895	28,244	-7	2,022	1,143	17.6	5,717	15,334
Malaysia.....	1,753	862	81	1,146	-35	281	253	5.9	(D)	15
New Zealand.....	618	84	10	1,293	-2	149	103	2.0	58	(D)
Philippines.....	270	162	14	197	20	55	20	0.7	5	(D)
Singapore.....	7,499	4,895	497	4,234	-191	1,105	608	10.7	289	410
Taiwan.....	13,424	10,392	1,010	13,158	-432	1,995	1,163	25.1	928	3,241
Other.....	1,509	1,182	62	1,002	-53	291	238	5.6	17	76
United States.....	218,239	31,042	4,937	39,631	4,930	10,082	3,873	69.3	2,035	1,318
Addenda:										
European Union (15) ¹	2,216,050	599,706	79,180	1,072,923	22,487	265,798	164,618	3,488.7	78,450	121,257
OPEC ²	26,242	19,091	1,097	27,288	669	7,062	1,807	34.9	537	5,418

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: The estimates for 1999 are revised.

Table 11.2. Selected Data of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 2000

	Millions of dollars							Thousands of employees	Millions of dollars	
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Gross product	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All countries	4,847,267	1,176,129	148,776	2,334,692	30,641	522,238	329,686	6,429.2	165,321	366,647
Canada.....	434,177	101,108	9,587	168,457	-3,670	40,514	33,384	643.0	9,019	19,509
Europe.....	3,274,267	729,470	96,170	1,420,093	27,465	349,863	220,294	4,361.9	89,063	145,037
Austria.....	9,367	1,672	172	4,087	-369	335	710	13.6	327	801
Belgium.....	35,002	11,867	1,037	22,965	241	5,653	3,740	154.7	709	1,257
Denmark.....	9,633	2,446	205	4,700	14	1,118	859	15.3	552	1,013
Finland.....	16,313	7,628	1,196	17,515	19	3,366	2,432	40.1	1,486	3,061
France.....	469,643	123,233	17,886	193,135	2,516	57,762	37,860	648.8	15,194	16,294
Germany.....	572,665	153,240	24,214	320,249	3,186	57,995	42,569	729.8	32,770	53,080
Ireland.....	22,807	9,329	857	16,017	341	5,411	3,411	63.6	(D)	209
Italy.....	35,747	11,636	1,046	22,010	-879	4,772	3,741	90.2	1,640	3,633
Liechtenstein.....	728	438	40	975	5	269	199	3.7	76	302
Luxembourg.....	3,831	2,249	213	4,167	164	735	317	10.3	482	(D)
Netherlands.....	582,054	97,964	8,010	254,092	4,965	46,620	24,371	561.4	7,498	21,895
Norway.....	7,471	2,988	486	12,334	56	1,630	1,357	33.1	(D)	1,441
Spain.....	8,116	4,062	606	4,506	106	1,027	588	14.0	190	965
Sweden.....	66,738	15,056	1,948	42,435	-214	11,096	8,847	234.2	4,003	(D)
Switzerland.....	695,092	37,348	4,585	132,392	2,513	39,924	31,425	554.0	6,004	8,540
United Kingdom.....	734,634	246,455	33,534	363,251	14,877	111,871	57,614	1,189.9	16,970	25,105
Other.....	4,526	1,857	134	5,263	-77	279	255	5.3	52	955
Latin America and Other Western Hemisphere.....	146,009	50,257	5,787	105,033	-599	26,597	13,834	275.8	9,272	20,978
South and Central America.....	38,833	20,351	1,276	54,353	771	10,632	3,492	78.7	3,270	17,292
Brazil.....	2,876	1,349	77	5,280	81	380	174	3.1	(D)	2,510
Mexico.....	19,507	6,557	622	16,278	46	2,952	2,096	57.2	(D)	3,291
Panama.....	1,679	1,170	83	1,238	18	524	431	6.8	126	109
Venezuela.....	13,297	10,810	437	29,800	656	6,480	657	8.3	403	10,590
Other.....	1,475	464	56	1,758	-29	296	135	3.2	126	792
Other Western Hemisphere.....	107,176	29,906	4,511	50,679	-1,371	15,965	10,342	197.2	6,003	3,686
Bahamas.....	1,009	652	(D)	973	-333	(D)	(D)	1	30	45
Bermuda.....	60,491	19,770	2,603	35,792	-762	11,872	7,199	135.7	(D)	1,597
Netherlands Antilles.....	6,295	3,801	(D)	4,154	88	(D)	(D)	J	(D)	92
United Kingdom Islands, Caribbean.....	39,199	5,577	1,214	9,576	-360	1,673	1,408	34.1	(D)	1,947
Other.....	183	106	12	183	-3	83	38	0.9	7	4
Africa.....	11,758	3,278	304	6,449	181	1,322	850	14.2	474	269
South Africa.....	10,053	1,955	160	(D)	(D)	976	608	9.3	424	239
Other.....	1,705	1,323	144	(D)	(D)	347	242	4.9	50	30
Middle East.....	29,912	11,560	1,054	16,011	568	3,150	2,087	50.9	802	1,846
Israel.....	4,388	1,045	70	2,706	-219	406	484	9.8	286	909
Kuwait.....	2,116	1,875	31	819	10	233	76	2.3	(D)	61
Lebanon.....	1,379	1,238	118	854	125	388	233	4.6	22	50
Saudi Arabia.....	17,108	3,990	524	8,966	400	973	592	17.8	(D)	595
United Arab Emirates.....	2,782	2,333	186	572	229	335	79	1.9	79	39
Other.....	2,139	1,078	126	2,094	22	814	625	14.5	(D)	193
Asia and Pacific.....	705,084	248,875	30,952	576,943	1,072	89,282	55,425	1,019.5	54,686	177,721
Australia.....	69,095	19,947	3,367	31,948	-643	9,319	4,737	83.3	1,428	1,438
China.....	1,048	624	61	1,081	-12	199	148	2.3	644	87
Hong Kong.....	28,507	9,757	2,102	8,491	-1,994	489	931	33.2	75	1,519
Indonesia.....	481	350	14	475	-16	141	112	2.9	5	34
Japan.....	558,934	190,982	22,838	477,831	4,316	72,041	45,623	826.8	44,130	151,368
Korea, Republic of.....	15,640	6,797	710	34,106	121	2,769	1,226	17.9	6,515	19,221
Malaysia.....	1,789	894	87	1,200	-33	297	265	5.9	80	20
New Zealand.....	683	100	12	1,329	11	111	56	1.2	61	678
Philippines.....	283	192	18	143	10	34	15	0.5	3	45
Singapore.....	12,190	6,851	686	5,464	21	1,426	872	15.8	375	750
Taiwan.....	14,978	11,333	1,012	13,868	-681	2,221	1,265	24.9	1,354	2,532
Other.....	1,456	1,048	45	1,007	-29	234	174	5.0	17	29
United States.....	246,060	31,581	4,922	41,707	5,625	11,510	3,811	63.9	2,004	1,287
Addenda:										
European Union (15) ¹	2,568,701	688,104	91,003	1,270,352	24,936	307,866	187,165	3,768.0	82,487	133,819
OPEC ²	36,612	19,495	1,213	40,846	1,279	8,189	1,548	33.7	817	11,318

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. The estimates for 2000 are preliminary. The following ranges are given in employment cells that are suppressed: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; and M—100,000 or more.