

U.S. Affiliates of Foreign Companies

Operations in 2010

By Thomas Anderson

THE CURRENT-DOLLAR value added of majority-owned U.S. affiliates of foreign companies rose 9.6 percent in 2010, following 2 years of declines, according to preliminary statistics derived from the Bureau of Economic Analysis' most recent annual survey of foreign direct investment in the United States.¹ Value added by affiliates totaled \$649.3 billion in 2010, up from a revised \$592.5 billion in 2009. The share of U.S. private industry value added accounted for by U.S. affiliates rose to 5.8 percent from 5.5 percent. Despite the increase, both the share and the dollar value of affiliates' value added were lower than the prerecession levels of 2007 (table 1 and chart 1).

Majority-owned U.S. affiliates employed 5.3 million workers in 2010, a decline of 0.4 percent, following a 6.1 percent decline in 2009. The slight decline in 2010 resulted largely from partial and complete selloffs of affiliates. The share of total U.S. private industry employment accounted for by affiliates in 2010 was 4.7 percent, unchanged from 2009 and down slightly from 4.8 percent in 2008.

The increase in value added by affiliates followed 2 years of declines during the slowdown in the U.S. economy in 2008 and 2009. In 2010, value added by affiliates rose significantly more rapidly than the overall U.S. economy. The more rapid increase was partly due to the concentration of U.S. affiliates in industries that grew substantially in 2010, namely those in finance and in certain manufacturing sectors. In 2010, the diverging directions of affiliate employment and value added mirrored a similar pattern in the U.S. economy as a whole.

The following are additional highlights of the operations of U.S. affiliates in 2010.

- Value added was highest for British-owned affiliates, followed by German-owned and Japanese-owned affiliates.

1. This article covers the operations of all majority-owned U.S. affiliates, including both bank and nonbank affiliates. Before the 2007 benchmark survey, the annual series on affiliate operations covered only nonbank affiliates. Statistics on value added by bank affiliates are not available for years before 2007.

Table 1. Value Added and Employment of Majority-Owned U.S. Affiliates of Foreign Companies, 1997, 2002, 2007–2010

	Value added		Employment	
	Millions of dollars	As a percentage of U.S. private industry value added	Thousands of workers	As a percentage of U.S. private industry employment
1997.....	n.a.	n.a.	4,372.4	4.1
2002.....	n.a.	n.a.	5,570.4	4.9
2007.....	680,605	6.1	5,588.2	4.7
2008.....	646,648	5.7	5,636.2	4.8
2009 ^r	592,485	5.5	5,290.3	4.7
2010 ^p	649,337	5.8	5,270.4	4.7
Addendum: Percent change at annual rates				
2007–2008.....	-5.0	n.a.	0.9	n.a.
2008–2009.....	-8.4	n.a.	-6.1	n.a.
2009–2010.....	9.6	n.a.	-0.4	n.a.

^p Preliminary ^r Revised

n.a. Not available

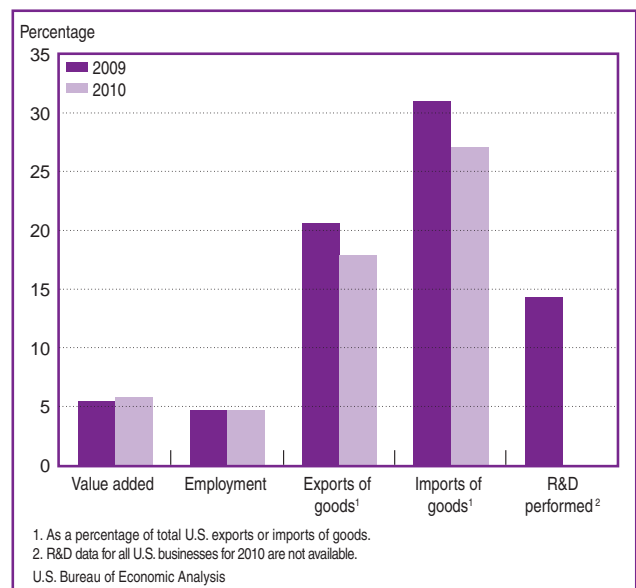
NOTES: For improved comparability with U.S.-affiliate value added, U.S. private industry value added was adjusted to exclude value added in private households, imputed rental income from owner-occupied housing, and business transfer payments.

For the latest estimates of U.S. private industry value added, see Donald D. Kim, Teresa L. Gilmore, and William A. Jolliff, "Annual Industry Accounts: Advance Statistics on GDP by Industry for 2011" SURVEY OF CURRENT BUSINESS 92 (May 2012): 6–22.

For improved comparability with U.S.-affiliate employment, U.S. private industry employment was adjusted to exclude employment in private households. The same adjustment is used in table 6.

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 totals when the employment shares were computed.

Chart 1. Operations of Majority-Owned U.S. Affiliates as a Percentage of U.S. Private Industry Activity, 2009–2010



- The share of U.S. industry employment accounted for by affiliates was highest in mining and in manufacturing.
- The share of state employment accounted for by affiliates was highest in New Hampshire, followed by Connecticut and Delaware.
- Affiliates accounted for 18 percent of U.S. exports of goods and 27 percent of U.S. imports of goods in 2010. Despite increases in the dollar values of affiliates' trade in goods, these shares were substantially smaller than in 2009.
- Research and development (R&D) performed by affiliates rose 2 percent in 2010.

This article examines changes in value added, employment, exports and imports of goods, and R&D activity of U.S. affiliates of foreign companies in 2010. For each of these measures, changes are examined both in the aggregate and for major investing countries. For value added, changes are also examined by industry of affiliates and industry of the foreign owner. For employment, changes are examined by industry and by state. Additional measures of U.S.-affiliate operations—such as assets; property, plant, and equipment; sales; and net income—are presented in the tables that follow this article.

Value Added

In 2010, the current-dollar value added of majority-owned U.S. affiliates rose 9.6 percent to \$649.3 billion.

Most of the increase in value added was accounted for by a recovery among finance affiliates, whose value added had fallen sharply in 2009, and by manufacturing affiliates. The value added of all U.S. private industry rose more slowly in 2010, at a 5.0 percent rate; as a consequence, the share of U.S. value added accounted for by affiliates rose to 5.8 percent.

By country of ownership

In 2010, as in previous years, affiliates of the seven largest investing countries—Canada, France, Germany, the Netherlands, Switzerland, the United Kingdom, and Japan—accounted for nearly three-fourths of the value added by affiliates (table 2 and chart 2). The largest share—18 percent—was accounted for by British-owned affiliates, followed by German-owned and Japanese-owned affiliates, at 12 percent.

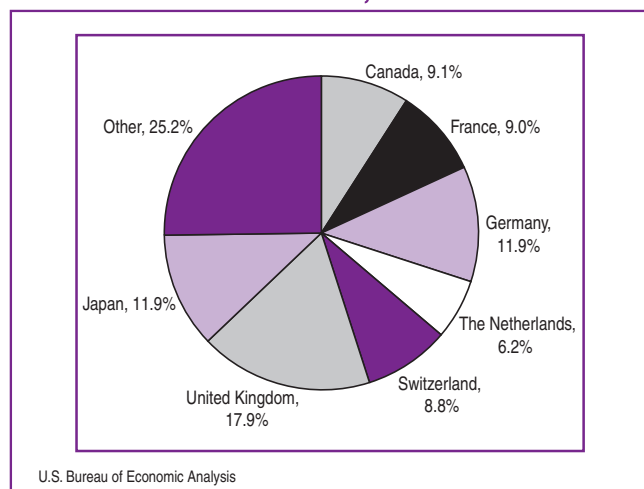
British-owned affiliates had substantial value added in several manufacturing industries, including chemicals, petroleum, and nonmotor vehicle transportation equipment. Outside of manufacturing, British-owned affiliates had substantial value added in information and in finance and insurance. Among German-owned affiliates, over half of the value added was in manufacturing, particularly machinery and chemicals. Among Japanese-owned affiliates, manufacturing and wholesale trade each accounted for about one-third of value added. In manufacturing, Japanese-owned affiliates

Table 2. Value Added of Majority-Owned U.S. Affiliates by Country of Beneficial Owner, 2007–2010

	Millions of dollars				Percentage of all-countries total				Addendum: Percent change in affiliate value added, 2010
	2007	2008	2009	2010	2007	2008	2009	2010	
All countries	680,605	646,648	592,485	649,337	100.0	100.0	100.0	100.0	9.6
Canada	64,310	63,806	51,714	59,096	9.4	9.9	8.7	9.1	14.3
Europe	430,651	403,605	391,469	425,159	63.3	62.4	66.1	65.5	8.6
Belgium	14,671	17,612	17,570	17,157	2.2	2.7	3.0	2.6	-2.4
Denmark	3,512	4,057	2,949	3,315	0.5	0.6	0.5	0.5	12.4
Finland	3,866	4,164	3,639	3,746	0.6	0.6	0.6	0.6	2.9
France	63,392	53,492	53,677	58,730	9.3	8.3	9.1	9.0	9.4
Germany	87,013	77,977	76,710	77,099	12.8	12.1	12.9	11.9	0.5
Ireland	7,105	9,715	13,908	15,023	1.0	1.5	2.3	2.3	8.0
Italy	8,239	8,973	8,283	8,992	1.2	1.4	1.4	1.4	8.6
Netherlands	45,200	37,878	36,923	40,257	6.6	5.9	6.2	6.2	9.0
Spain	4,497	5,691	3,424	6,878	0.7	0.9	0.6	1.1	100.9
Sweden	13,614	13,517	12,414	12,966	2.0	2.1	2.1	2.0	4.4
Switzerland	50,315	55,614	56,808	57,261	7.4	8.6	9.6	8.8	0.8
United Kingdom	120,864	107,176	97,523	116,013	17.8	16.6	16.5	17.9	19.0
Other	8,363	7,738	7,642	7,724	1.2	1.2	1.3	1.2	1.1
Latin America and Other Western Hemisphere	50,030	48,702	37,271	36,199	7.4	7.5	6.3	5.6	-2.9
Bermuda	22,335	23,651	15,083	14,358	3.3	3.7	2.5	2.2	-4.8
Brazil	2,690	3,681	2,870	5,176	0.4	0.6	0.5	0.8	80.3
Mexico	5,310	5,597	5,450	5,350	0.8	0.9	0.9	0.8	-1.8
United Kingdom Islands, Caribbean	5,039	4,866	5,176	3,091	0.7	0.8	0.9	0.5	-40.3
Venezuela	6,489	(D)	(D)	(D)	1.0	(D)	(D)	(D)	(D)
Other	8,168	(D)	(D)	(D)	1.2	(D)	(D)	(D)	(D)
Africa	1,144	1,110	964	1,196	0.2	0.2	0.2	0.2	24.1
Middle East	15,166	9,878	10,596	12,540	2.2	1.5	1.8	1.9	18.3
Israel	3,172	1,481	2,628	3,130	0.5	0.2	0.4	0.5	19.1
Saudi Arabia	8,275	5,526	5,160	6,311	1.2	0.9	0.9	1.0	22.3
Other	3,719	2,871	2,808	3,099	0.5	0.4	0.5	0.5	10.4
Asia and Pacific	108,520	107,911	90,782	105,870	15.9	16.7	15.3	16.3	16.6
Australia	11,050	11,741	11,494	13,344	1.6	1.8	1.9	2.1	16.1
Japan	84,535	84,542	65,726	77,092	12.4	13.1	11.1	11.9	17.3
Korea, Republic of	3,595	1,726	3,686	4,559	0.5	0.3	0.6	0.7	23.7
Other	9,339	9,901	9,876	10,875	1.4	1.5	1.7	1.7	10.1
United States	10,782	11,636	9,690	9,278	1.6	1.8	1.6	1.4	-4.3

D Suppressed to avoid disclosure of data of individual companies.

Chart 2. Value Added of U.S. Affiliates by Country of Ultimate Beneficial Owner, 2010



were particularly active in transportation equipment. In wholesale trade, Japanese-owned affiliates were active in a variety of industries, particularly in motor vehicles and professional and commercial equipment.

Value added by British-owned affiliates rose \$18.5 billion, a substantial increase, in 2010. The increase was largely accounted for by improved market conditions for affiliates in petroleum manufacturing. Value added by Japanese-owned affiliates rose \$11.4 billion, a substantial increase, primarily because of increased sales among motor vehicle wholesale trade affiliates and increases among finance affiliates. Value added by Canadian-owned affiliates rose \$7.4 billion, reflecting increases in a variety of industries, including electrical goods wholesaling affiliates and mining affiliates.

Outside of the seven largest investing countries, affiliates with ultimate beneficial owners (UBOs) in Spain and in Brazil had the largest increases in value added by affiliates (for a definition of “ultimate beneficial owner,” see the box “Key Terms,” page 221). Among Spanish-owned affiliates, the increase was due to increases among existing affiliates in finance. Among Brazilian-owned affiliates, the increase was largely due to acquisitions in manufacturing.

By industry of UBO

In 2010, affiliates of UBOs that were individuals or private businesses accounted for 97 percent of the value added by U.S. affiliates (table 3). The remaining 3 percent of value added was accounted for by U.S. affiliates owned by governments or government-related entities, such as government pension funds. Of the affiliates owned by private entities, those owned by businesses accounted for 86 percent of total affiliate value added,

and those owned by individuals, estates, or trusts accounted for 11 percent.

Table 3. Value Added of Majority-Owned U.S. Affiliates by Industry of Ultimate Beneficial Owner, 2007–2010

	Millions of dollars				Percentage of all-industries total			
	2007	2008	2009	2010	2007	2008	2009	2010
All industries	680,605	646,648	592,485	649,337	100.0	100.0	100.0	100.0
Government and government-related entities	18,696	16,836	11,486	17,624	2.7	2.6	1.9	2.7
Individuals, estates, and trusts	74,884	71,235	68,179	72,305	11.0	11.0	11.5	11.1
Mining	31,398	29,954	24,668	28,039	4.6	4.6	4.2	4.3
Manufacturing	303,577	300,112	266,301	289,613	44.6	46.4	44.9	44.6
Wholesale and retail trade	43,717	36,629	35,528	34,626	6.4	5.7	6.0	5.3
Information	24,806	24,570	23,478	23,611	3.6	3.8	4.0	3.6
Finance and Insurance	71,251	50,265	50,823	70,482	10.5	7.8	8.6	10.9
Professional, scientific, and technical services	25,573	25,184	24,045	24,351	3.8	3.9	4.1	3.8
Other	86,704	91,863	87,977	88,686	12.7	14.2	14.8	13.7

By industry of affiliate

In 2010, affiliates in manufacturing accounted for 47 percent of value added (table 4). Among manufacturing industries, chemicals, which includes pharmaceuticals, had the largest share of value added, followed by petroleum and coal products. Affiliates in finance and insurance accounted for the second-largest share of value added among industry sectors, followed by affiliates in wholesale trade.²

Value added by affiliates in finance and insurance increased by more than half in 2010, following substantial declines in the previous 2 years associated with the financial crisis. Among affiliates in both depository credit intermediation (banking) and nondepository finance, the sharp rebound in value added was associated with higher profits that resulted partly from cost cutting. In

2. Each U.S. affiliate is classified in the industry that accounts for the largest portion of its sales. However, many large affiliates are involved in a variety of business activities, and changes in the mix of these activities may result in a change in an affiliate’s industry classification. The wholesale trade industry includes many affiliates that have substantial interests in manufacturing.

Data Availability

This article summarizes the preliminary statistics from the 2010 Annual Survey of Foreign Direct Investment in the United States. More detailed statistics will be posted in electronic files that can be downloaded at no charge from BEA’s Web site at www.bea.gov. Revised statistics will be released next year.

Detailed statistics on U.S. affiliate operations for 1977–2009 are also available on BEA’s Web site.

For more information on these products and how to access them, see www.bea.gov. Click “Direct Investment and Multinational Companies,” then “Statistics: Direct Investment and MNCs,” then “Comprehensive Data,” and finally, “Financial and Operating Data for U.S. Multinational Companies.”

contrast, value added by affiliates in insurance decreased in 2010 after surging in 2009; most of the decrease was among life insurance carriers.

Value added by affiliates in manufacturing also rose in 2010. The largest increase came among affiliates in petroleum and coal products and in transportation equipment. In petroleum and coal products, the increase was driven by improved market conditions; in transportation equipment, the increase reflected a general recovery in U.S. auto sales. Value added by affiliates also rose in several other manufacturing industries, including chemicals and machinery. In chemicals manufacturing, the increase was due largely to increased sales among affiliates in basic chemicals and to acquisitions by affiliates in other chemical manufacturing industries. In machinery, the increase was due to improved sales, especially among affiliates in engines, turbines, and power transmission equipment.

Employment

Employment by majority-owned U.S. affiliates fell 0.4 percent in 2010, following a decline of 6.1 percent in 2009. Existing affiliates added a small number of employees in 2010, but the increase was more than offset by declines in employment due to liquidation of affiliates or to the partial or complete sale of affiliates to U.S. purchasers.

By country of ownership

In 2010, British-owned affiliates accounted for the largest share of total U.S. affiliate employment, 16.7 percent,

despite a decrease in employment (table 5). British-owned affiliates were prominent in various manufacturing industries—including chemicals, primary and fabricated metals, and transportation equipment—and in finance and information industries. Japanese-owned affiliates accounted for the second-largest share of affiliate employment, 12.4 percent, and were prominent in transportation equipment manufacturing and wholesale trade.

Employment fell among British-owned affiliates because of reductions among manufacturing affiliates

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Table 4. Value Added of Majority-Owned U.S. Affiliates by Industry of Affiliate, 2007–2010

	Millions of dollars				Percentage of all-industries total				Addendum: Percent change in affiliate value added, 2010
	2007	2008	2009	2010	2007	2008	2009	2010	
All industries	680,605	646,648	592,485	649,337	100.0	100.0	100.0	100.0	9.6
Manufacturing	292,177	299,934	283,168	306,482	42.9	46.4	47.8	47.2	8.2
Food.....	18,208	17,770	19,908	21,882	2.7	2.7	3.4	3.4	9.9
Beverages and tobacco products.....	9,512	17,660	14,430	14,092	1.4	2.7	2.4	2.2	-2.3
Petroleum and coal products.....	30,746	51,030	39,604	46,693	4.5	7.9	6.7	7.2	17.9
Chemicals.....	68,381	61,327	68,936	74,503	10.0	9.5	11.6	11.5	8.1
Plastics and rubber products.....	12,148	10,553	10,684	11,103	1.8	1.6	1.8	1.7	3.9
Nonmetallic mineral products.....	21,790	17,679	14,096	12,284	3.2	2.7	2.4	1.9	-12.8
Primary metals.....	12,749	13,797	6,281	6,959	1.9	2.1	1.1	1.1	10.8
Fabricated metal products.....	8,718	8,554	8,441	7,471	1.3	1.3	1.4	1.2	-11.5
Machinery.....	25,527	23,894	23,921	26,971	3.8	3.7	4.0	4.2	12.8
Computers and electronic products.....	13,693	13,201	18,294	19,665	2.0	2.0	3.1	3.0	7.5
Electrical equipment, appliances, and components.....	10,903	9,003	8,358	8,103	1.6	1.4	1.4	1.2	-3.1
Transportation equipment.....	44,396	40,245	34,727	40,943	6.5	6.2	5.9	6.3	17.9
Other.....	15,404	15,220	15,487	15,812	2.3	2.4	2.6	2.4	2.1
Wholesale trade	110,338	81,807	59,972	62,367	16.2	12.7	10.1	9.6	4.0
Petroleum and petroleum products.....	24,400	4,165	6,168	5,887	3.6	0.6	1.0	0.9	-4.5
Other.....	85,938	77,642	53,805	56,480	12.6	12.0	9.1	8.7	5.0
Retail trade	32,178	27,093	28,988	30,634	4.7	4.2	4.9	4.7	5.7
Information	34,814	37,307	35,718	37,424	5.1	5.8	6.0	5.8	4.8
Finance and insurance	70,132	51,590	44,876	68,754	10.3	8.0	7.6	10.6	53.2
Depository credit intermediation (banking).....	26,678	21,939	10,388	26,368	3.9	3.4	1.8	4.1	153.8
Finance, except depository institutions.....	22,015	13,447	3,050	16,329	3.2	2.1	0.5	2.5	435.3
Insurance carriers and related activities.....	21,439	16,204	31,438	26,057	3.2	2.5	5.3	4.0	-17.1
Real estate and rental and leasing	13,425	13,504	11,085	11,322	2.0	2.1	1.9	1.7	2.1
Professional, scientific, and technical services	25,665	28,460	28,457	28,658	3.8	4.4	4.8	4.4	0.7
Other industries	101,876	106,953	100,221	103,695	15.0	16.5	16.9	16.0	3.5

and partial divestitures by affiliates in wholesale trade. Employment fell at French-owned affiliates and at Belgian-owned affiliates largely as a result of selloffs. Employment increased substantially at Canadian-owned affiliates mainly because of acquisitions made by existing affiliates in transportation equipment manufacturing. The substantial increase in employment by Brazilian-owned affiliates was also due to acquisitions in manufacturing.

By industry of sales

In 2010, as in previous years, the shares of U.S. private industry employment accounted for by affiliates were largest in mining (16 percent) and manufacturing (14 percent) (table 6).³ Within manufacturing, the industries in which affiliates accounted for the largest shares of U.S. employment were motor vehicles, bodies and trailers, and parts (34 percent) and chemicals (31 percent). Approximately two-thirds of the employment of U.S. affiliates in motor vehicles manufacturing was in parts manufacturing. In chemicals, slightly more than

one-half of the employment by affiliates was in pharmaceuticals.

Outside of mining and manufacturing, the shares of U.S. employment accounted for by affiliates were highest in utilities (9 percent) and wholesale trade (7 percent). In utilities, more than one-half of U.S. affiliate employment was in electric power generation, transmission, and distribution. In wholesale trade, U.S. affiliate employment was highest in professional and commercial equipment and in electrical goods.

Manufacturing employment by affiliates grew by 11,700 workers in 2010, while all U.S. employment in manufacturing fell slightly. As a consequence, the share of U.S. employment in manufacturing accounted for by affiliates rose 0.5 percentage point. The increase was more than accounted for by an increase of 39,000 workers in food and beverage and tobacco products, growth that resulted from a combination of acquisitions by existing U.S. affiliates and the entry of new affiliates into the U.S. market. In contrast, employment by affiliates fell by 14,100 workers in computers and electronic products. The decrease was due to liquidations of semiconductor manufacturers and reductions in employment by affiliates in other computer and electronic industries.

Outside of manufacturing, there were decreases in employment in arts, entertainment, and recreation (18,800), transportation and warehousing (16,200),

3. The estimates of U.S. employment shares are derived from data on affiliate employment broken down by industry of sales, a basis that approximates establishment-based disaggregation of the corresponding data for all U.S. businesses. See the box "Using Employment Data to Estimate Affiliate Shares of U.S. Economy by Industry." Because employment by industry of sales more precisely reflects the industry composition of affiliates' business activities than data by industry of affiliate, the industry presentation in this section is more detailed than that presented in the section on value added by industry of affiliate.

Table 5. Employment of Majority-Owned U.S. Affiliates by Country of Ultimate Beneficial Owner, 2007–2010

	Thousands of employees				Percentage of all-countries total				Addendum: Percent change in affiliate employment, 2010
	2007	2008	2009	2010	2007	2008	2009	2010	
All countries	5,588.2	5,636.2	5,290.3	5,270.4	100.0	100.0	100.0	100.0	-0.4
Canada	546.0	509.8	489.5	536.7	9.8	9.0	9.3	10.2	9.6
Europe	3,627.3	3,645.3	3,508.8	3,445.3	64.9	64.7	66.3	65.4	-1.8
Belgium	143.5	179.7	169.1	151.8	2.6	3.2	3.2	2.9	-10.2
Denmark	23.6	26.0	21.9	23.0	0.4	0.5	0.4	0.4	5.0
Finland	27.4	31.0	26.5	26.0	0.5	0.6	0.5	0.5	-1.9
France	544.4	554.3	517.5	499.0	9.7	9.8	9.8	9.5	-3.6
Germany	653.1	616.7	568.5	569.6	11.7	10.9	10.7	10.8	0.2
Ireland	68.4	96.5	138.7	130.8	1.2	1.7	2.6	2.5	-5.7
Italy	81.4	86.7	82.2	82.3	1.5	1.5	1.6	1.6	0.1
Netherlands	370.9	348.9	338.7	343.2	6.6	6.2	6.4	6.5	1.3
Spain	58.6	64.7	72.4	74.4	1.0	1.1	1.4	1.4	2.8
Sweden	191.8	184.2	172.7	176.0	3.4	3.3	3.3	3.3	1.9
Switzerland	406.8	389.3	408.5	408.2	7.3	6.9	7.7	7.7	-0.1
United Kingdom	977.2	977.9	908.4	879.2	17.5	17.4	17.2	16.7	-3.2
Other	80.2	89.4	83.7	82.0	1.4	1.6	1.6	1.6	-2.0
Latin America and Other Western Hemisphere	376.4	371.8	256.9	272.6	6.7	6.6	4.9	5.2	6.1
Bermuda	190.3	207.3	83.6	76.7	3.4	3.7	1.6	1.5	-8.3
Brazil	30.1	42.3	41.3	79.0	0.5	0.8	0.8	1.5	91.3
Mexico	43.8	46.8	52.3	54.1	0.8	0.8	1.0	1.0	3.4
United Kingdom Islands, Caribbean	31.8	36.3	31.6	27.3	0.6	0.6	0.6	0.5	-13.6
Venezuela	6.4	6.3	5.8	5.3	0.1	0.1	0.1	0.1	-8.6
Other	74.0	32.8	42.3	30.2	1.3	0.6	0.8	0.6	-28.6
Africa	7.4	6.6	6.6	6.3	0.1	0.1	0.1	0.1	-4.5
Middle East	73.7	62.3	58.0	49.9	1.3	1.1	1.1	0.9	-14.0
Israel	20.8	23.4	21.5	21.0	0.4	0.4	0.4	0.4	-2.3
Saudi Arabia	7.4	7.1	6.5	6.4	0.1	0.1	0.1	0.1	-1.5
Other	45.5	31.8	30.0	22.5	0.8	0.6	0.6	0.4	-25.0
Asia and Pacific	888.4	938.5	895.0	890.3	15.9	16.7	16.9	16.9	-0.5
Australia	76.5	88.8	85.0	84.0	1.4	1.6	1.6	1.6	-1.2
Japan	682.1	690.0	663.7	654.9	12.2	12.2	12.5	12.4	-1.3
Korea, Republic of	24.8	29.5	26.6	27.9	0.4	0.5	0.5	0.5	4.9
Other	105.1	130.2	119.7	123.5	1.9	2.3	2.3	2.3	3.2
United States	69.0	101.8	75.5	69.4	1.2	1.8	1.4	1.3	-8.1

and administration, support, and waste management (14,400). The decline in arts, entertainment, and recreation was due largely to selloffs in the amusement industry. The decline in transportation and warehousing was due largely to selloffs of transit operations. In administration, support, and waste management, the decline was due partly to selloffs by affiliates in security. By contrast, there was a substantial increase (32,500) in affiliate employment in health care and social assistance, due largely to acquisitions made by existing affiliates.

By U.S. region and state

In 2010, as in recent years, the U.S. region with the largest share of employment accounted for by affiliates was New England (6.5 percent) (table 7). Two states in

that region had the largest shares of employment accounted for by affiliates: New Hampshire (7.5 percent) and Connecticut (7.3 percent). Two states outside that region also had shares of at least 7 percent: Delaware (7.2 percent) and South Carolina (7.0 percent).

In New Hampshire, the largest share of affiliate employment was accounted for by British-owned affiliates, followed by Belgian-owned and Canadian-owned affiliates. In Connecticut, Netherlands-owned affiliates were predominant, followed by British-owned and German-owned affiliates. In Delaware, British-owned affiliates accounted for the largest share of employment, followed by German-owned affiliates. In South Carolina, German-owned affiliates had the largest share of employment, followed by French-owned and Japanese-owned affiliates.

Table 6. Employment by Majority-Owned U.S. Affiliates by Industry of Sales, 2007–2010

	Thousands of employees				Percentage of total U.S. employment in private industries ¹			
	2007	2008	2009	2010	2007	2008	2009	2010
All industries²	5,588.2	5,636.2	5,290.3	5,270.4	4.7	4.8	4.7	4.7
Agriculture, forestry, fishing, and hunting.....	J	8.7	8.1	8.5	(D)	0.7	0.7	0.7
Mining, excluding oil and gas extraction.....	77.6	90.5	74.7	76.1	15.2	16.4	15.6	15.6
Utilities.....	33.4	50.8	50.7	48.8	6.1	9.1	9.0	8.8
Construction.....	90.3	86.2	80.1	69.2	1.1	1.2	1.3	1.2
Manufacturing.....	1,782.3	1,845.1	1,676.0	1,687.7	12.7	13.6	13.9	14.4
Food and beverage and tobacco products.....	171.4	186.7	181.1	220.1	10.2	11.1	11.0	13.5
Textile mills and textile product mills.....	13.0	11.7	10.6	10.4	3.9	3.9	4.2	4.3
Apparel and leather and allied products.....	5.5	7.2	4.1	4.6	2.2	3.1	2.1	2.5
Wood products.....	14.9	12.3	7.8	7.5	2.9	2.7	2.1	2.2
Paper.....	29.2	28.2	25.7	25.8	6.4	6.4	6.3	6.6
Printing and related support activities.....	28.5	32.9	27.0	25.4	4.6	5.5	5.2	5.2
Petroleum and coal products ³	34.1	49.6	49.7	49.6	13.1	17.9	18.0	18.4
Chemicals.....	252.2	262.2	250.8	245.6	29.3	30.9	31.3	31.2
Plastics and rubber products.....	109.1	106.0	90.4	90.1	14.4	14.6	14.4	14.4
Nonmetallic mineral products.....	129.5	117.4	94.7	86.9	25.8	25.2	24.3	23.6
Primary metals.....	84.6	95.4	78.4	86.2	18.6	21.4	21.5	23.8
Fabricated metal products.....	91.7	89.4	82.7	73.8	5.9	5.8	6.3	5.8
Machinery.....	152.0	172.1	148.8	150.0	12.8	14.5	14.5	15.1
Computers and electronic products.....	149.8	172.6	155.2	141.1	11.8	13.8	13.7	12.8
Electrical equipment, appliances, and components.....	94.3	86.8	73.2	77.4	22.0	20.6	19.7	21.8
Motor vehicles, bodies and trailers, and parts.....	239.0	240.7	226.6	229.9	24.0	27.3	33.5	33.9
Other transportation equipment.....	91.5	84.1	80.3	77.5	12.7	11.5	11.8	11.9
Furniture and related products.....	13.0	11.2	9.4	9.4	2.5	2.3	2.4	2.6
Miscellaneous manufacturing.....	79.3	78.4	79.5	76.4	12.3	12.4	13.6	13.4
Wholesale trade.....	434.5	410.6	394.6	394.9	7.2	6.8	7.0	7.2
Retail trade.....	548.8	493.6	497.5	494.5	3.5	3.2	3.4	3.4
Transportation and warehousing.....	250.4	286.7	252.8	236.6	5.5	6.3	5.9	5.6
Information.....	205.0	207.0	193.0	188.2	6.7	6.9	6.8	6.9
Finance and insurance.....	365.2	391.6	364.2	369.5	6.0	6.5	6.3	6.5
Depository credit intermediation (banking).....	122.1	141.6	135.4	144.0	5.9	7.0	6.9	7.5
Finance, except depository institutions.....	138.8	132.4	118.7	117.0	7.9	8.0	7.7	7.7
Insurance carriers and related activities.....	104.3	117.6	110.2	108.5	4.5	5.1	4.9	4.8
Real estate and rental and leasing.....	32.7	30.1	29.7	39.4	1.5	1.4	1.4	2.0
Professional, scientific, and technical services.....	327.8	302.7	298.2	300.2	4.2	3.8	3.9	3.9
Management of nonbank companies and enterprises.....	1.6	2.1	3.0	2.4	0.1	0.1	0.2	0.1
Administration, support, and waste management.....	453.6	433.8	401.5	387.1	5.4	5.4	5.5	5.2
Educational services.....	8.9	11.8	14.9	15.2	0.3	0.4	0.5	0.5
Health care and social assistance.....	94.1	105.3	97.4	129.9	0.6	0.7	0.6	0.8
Arts, entertainment, and recreation.....	20.8	32.9	32.1	13.3	1.0	1.6	1.6	0.7
Accommodation and food services.....	339.5	332.9	329.5	327.5	2.9	2.9	2.9	2.9
Other services, except government.....	L	96.5	102.9	96.3	(D)	1.4	1.5	1.4
Auxiliaries ⁴	393.8	387.8	363.5	362.4
Unspecified ⁵	22.4	29.5	25.9	22.7

D. Suppressed to avoid disclosure of data of individual companies.

... Not applicable

1. The data on U.S. employment in private industries that were used in calculating these percentages are classified by industry of establishment. They are from table 6.4D of the "National Income and Product Account (NIPA) Tables." The total for U.S. employment in private industries is equal to employment in private industries less the employment of 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 7; the latter are from BEA's Regional Economic Information System. The estimate for table 7, unlike those in 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. Data needed to make this adjustment are not available for individual industries.

3. For both U.S. affiliates and all U.S. businesses, includes oil and gas extraction. (See the notes.)

4. Employees on the payrolls of administrative offices and other auxiliary units. Excludes administrative or auxiliary employees that are located at an operating unit and serve only that operating unit; these employees are classified in the industry of sales of the operating unit that they serve.

5. This line includes employment for which U.S. affiliates did not specify an industry of sales when they filled out their survey form. Affiliates with assets, sales, or net income or loss greater than \$275 million (\$175 million on the 2007 benchmark survey) had to specify only their 10 largest sales categories; other affiliates had to specify no more than 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; M—100,000 or more.

By industry, manufacturing affiliates accounted for slightly less than one-half of the employment by affiliates in New Hampshire; retail stores also accounted for a substantial number of employees. In Connecticut and Delaware, manufacturing affiliates accounted for about one-third of the employment; affiliates in retail trade and finance accounted for substantial numbers of employees. In South Carolina, manufacturing affiliates accounted for the majority of the employment by affiliates; transportation equipment and plastics and rubber products manufacturing were particularly prominent.

U.S. affiliate employment increased the most in Texas (14,800), followed by Georgia (13,300). The increase in Texas was due largely to acquisitions by existing affiliates in manufacturing as well as to increased employment among affiliates in oil and natural gas exploration and in banking. In Georgia, the increase was due largely to acquisitions by existing affiliates in manufacturing as well as to reorganizations by affiliates in wholesale trade.

Affiliate employment decreased most sharply in Florida (11,600) and Virginia (10,500). In Florida, the decrease was due to the partial divestiture of manufacturing affiliates. In Virginia, the decline was due to the closing of facilities by manufacturing affiliates as well as to partial selloffs. The decline in affiliate employment in Delaware, which had the largest share of employment accounted for by affiliates in 2009, was due to reorganizations of operations by existing affiliates in finance and insurance, including the transfer of operations to the foreign parents.

Trade in Goods

In 2010, U.S. affiliates accounted for 18 percent of U.S. exports of goods and 27 percent of U.S. imports of goods (table 8). Although exports and imports by affiliates both rose in 2010, total U.S. exports and imports rose at a much faster pace. As a result, the affiliate shares were lower than in 2009. Despite the decline in these shares in 2010, they continue to be much larger than the affiliate shares of value added or of employment, reflecting both the general international orientation of foreign-owned companies and their production and distribution ties to their foreign parents.

Much of the trade in goods by affiliates—nearly 50 percent of exports and nearly 80 percent of imports—was accounted for by intrafirm transactions between affiliates and their foreign parents or other members of their foreign parent groups (see the box “Key Terms”, page 221). The intrafirm trade of U.S. affiliates has generally accounted for 8–10 percent of total U.S. exports and for 20–25 percent of total U.S. imports.

In most years since 1987, imports by U.S. affiliates

have been more than twice as high as their exports. This trade gap for affiliates is substantially more pronounced than the gap between total U.S. imports and U.S.

Table 7. Employment by Majority-Owned U.S. Affiliates by State, 2007–2010

	Thousands of employees				Percentage of total private industry employment in the state or area ¹			
	2007	2008	2009	2010	2007	2008	2009	2010
Total²	5,588.2	5,636.2	5,290.3	5,270.4	4.7	4.8	4.7	4.7
New England	391.2	394.8	388.5	385.7	6.3	6.4	6.6	6.5
Connecticut	103.3	106.6	101.5	101.2	7.0	7.2	7.2	7.3
Maine	29.6	30.3	29.9	30.4	5.7	5.9	6.0	6.2
Massachusetts	183.7	184.8	182.9	177.5	6.3	6.3	6.5	6.3
New Hampshire	38.9	40.4	39.3	39.7	6.9	7.2	7.4	7.5
Rhode Island	25.7	22.0	24.2	26.0	6.0	5.2	6.0	6.5
Vermont	10.1	10.6	10.7	11.0	3.9	4.1	4.3	4.4
Mideast	1,069.8	1,078.2	1,023.5	1,007.0	5.7	5.7	5.6	5.5
Delaware	28.7	31.6	29.1	25.2	7.6	8.4	8.2	7.2
District of Columbia	16.3	15.6	19.6	19.6	3.5	3.3	4.2	4.2
Maryland	103.6	108.6	103.5	99.2	4.8	5.1	5.0	4.9
New Jersey	227.4	239.0	227.2	223.4	6.6	7.0	7.0	6.9
New York	429.3	410.6	390.4	388.5	5.9	5.6	5.5	5.5
Pennsylvania	264.4	272.8	253.6	251.0	5.2	5.3	5.1	5.1
Great Lakes	902.4	875.2	808.0	803.6	4.8	4.8	4.7	4.7
Illinois	280.5	273.1	251.8	245.9	5.4	5.3	5.1	5.1
Indiana	149.1	140.4	132.1	133.6	5.7	5.5	5.5	5.6
Michigan	152.6	150.2	138.9	141.7	4.2	4.2	4.3	4.3
Ohio	238.2	229.4	212.5	206.5	5.1	4.9	4.9	4.8
Wisconsin	82.0	82.0	72.7	76.0	3.3	3.3	3.1	3.3
Plains	322.8	340.5	320.8	310.8	3.7	3.9	3.9	3.8
Iowa	45.5	48.8	45.4	43.9	3.5	3.8	3.6	3.5
Kansas	58.9	55.6	55.5	54.8	5.1	4.8	5.0	5.0
Minnesota	98.2	97.0	92.8	89.3	4.1	4.1	4.1	3.9
Missouri	82.4	92.7	84.0	79.9	3.5	3.9	3.7	3.6
Nebraska	23.4	26.4	24.8	24.2	2.9	3.3	3.2	3.1
North Dakota	7.5	12.0	11.1	11.6	2.6	4.0	3.8	3.8
South Dakota	6.8	8.0	7.3	7.2	2.0	2.3	2.2	2.2
Southeast	1,355.9	1,354.8	1,258.3	1,260.6	4.7	4.8	4.8	4.8
Alabama	81.1	80.5	77.7	81.2	4.9	4.9	5.0	5.3
Arkansas	36.6	35.5	32.8	34.8	3.6	3.5	3.4	3.6
Florida	248.2	255.6	235.2	223.6	3.5	3.8	3.7	3.6
Georgia	180.6	179.6	170.1	183.4	5.1	5.2	5.3	5.7
Kentucky	92.9	94.9	86.0	89.5	5.9	6.1	5.9	6.1
Louisiana	49.1	50.6	49.1	51.7	3.1	3.1	3.1	3.3
Mississippi	26.5	28.1	26.9	25.9	2.8	3.0	3.1	3.0
North Carolina	211.0	202.4	185.6	188.2	6.0	5.8	5.7	5.8
South Carolina	111.3	112.3	101.5	104.3	6.9	7.0	6.8	7.0
Tennessee	139.2	129.7	119.8	112.5	5.7	5.4	5.3	5.0
Virginia	158.1	163.4	151.3	140.8	5.1	5.3	5.1	4.8
West Virginia	21.1	22.2	22.4	24.8	3.6	3.8	3.9	4.4
Southwest	548.1	576.6	538.3	552.2	4.2	4.4	4.3	4.4
Arizona	73.2	76.3	74.3	73.1	3.2	3.4	3.6	3.7
New Mexico	17.0	17.6	15.8	14.9	2.6	2.7	2.6	2.5
Oklahoma	35.4	37.9	34.9	36.0	2.8	3.0	2.9	3.0
Texas	422.6	444.8	413.3	428.1	4.8	4.9	4.8	4.9
Rocky Mountain	148.0	155.2	140.1	M	3.5	3.7	3.5	(D)
Colorado	83.5	85.1	81.6	77.3	4.2	4.2	4.3	4.1
Idaho	14.4	18.0	13.9	13.7	2.6	3.3	2.8	2.7
Montana	8.1	8.0	6.8	I	2.2	2.2	2.0	(D)
Utah	33.2	33.4	28.9	29.0	3.1	3.1	2.9	2.9
Wyoming	8.9	10.8	8.8	7.2	4.0	4.7	4.1	3.4
Far West	815.5	821.8	773.1	778.8	4.3	4.4	4.4	4.5
Alaska	11.4	14.2	13.0	13.6	4.7	5.8	5.4	5.6
California	602.9	600.5	562.7	567.0	4.6	4.6	4.7	4.7
Hawaii	31.0	27.6	26.7	26.2	6.0	5.5	5.6	5.5
Nevada	33.8	38.0	34.1	37.9	2.9	3.4	3.4	3.9
Oregon	45.8	47.6	42.9	41.8	3.1	3.3	3.2	3.1
Washington	90.5	93.9	93.5	92.3	3.7	3.8	4.0	4.0
Puerto Rico	20.9	20.4	19.4	21.6	n.a.	n.a.	n.a.	n.a.
Other U.S. areas ³	12.6	17.0	15.0	14.7	n.a.	n.a.	n.a.	n.a.
Foreign ⁴	1.0	1.8	5.4	G	n.a.	n.a.	n.a.	n.a.

n.a. Not available

D Suppressed to avoid disclosure of data of individual companies.

1. The data on employment in private industries used to calculate the shares shown 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 in this table differ from those used for tables 1, 2 and 5, which are from tables 6.4D of the "National Income and Product Accounts (NIPA) Tables." They differ from the NIPA estimates of employment because, by definition, they exclude U.S. residents temporarily employed abroad by U.S. businesses. They also may 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.

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; M—100,000 or more.

exports, with affiliates accounting for \$289 billion of the total \$635 billion 2010 U.S. trade gap. The gap for affiliates was largely accounted for by wholesale trade affiliates, many of which were established to facilitate the import of goods manufactured abroad by their foreign parents. Most of the remaining gap was accounted for by manufacturing affiliates, some of which have secondary activities in wholesale trade and some import parts and components produced by their foreign parents.

Exports

Exports of goods by U.S. affiliates totaled \$229.3 billion in 2010, an increase of 5.6 percent. Because total U.S. exports rose by 21.0 percent, the share of U.S. exports accounted for by affiliates fell to 17.9 percent, the lowest share since 1988.

Most of the increase in exports was by affiliates in manufacturing; within manufacturing the largest increases were in chemicals, transportation equipment, and machinery. There was also a substantial increase in exports by professional and commercial equipment wholesalers.

In 2010, as in previous years, Japanese-owned affiliates accounted for the largest share of U.S. affiliate exports, followed by German-owned and British-owned

Table 8. U.S. Trade in Goods by Majority-Owned U.S. Affiliates, 1987–2010

	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				
1987	39,497	18,677	133,620	102,167	15.5	7.3	32.9	25.1
1988	57,209	26,001	144,896	112,012	17.7	8.1	32.9	25.4
1989	72,413	33,778	158,792	122,899	19.9	9.3	33.6	26.0
1990	79,368	37,177	170,677	131,665	20.2	9.4	34.5	26.6
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	28.6	22.3
1998	136,949	56,115	277,909	199,524	20.1	8.2	30.5	21.9
1999	140,808	58,385	312,895	225,132	20.2	8.4	30.5	22.0
2000	150,911	64,785	354,613	267,187	19.3	8.3	29.1	21.9
2001	145,525	64,442	333,855	260,633	20.0	8.8	29.3	22.8
2002	140,510	64,572	335,021	267,291	20.3	9.3	28.8	23.0
2003	147,643	71,188	356,756	290,492	20.4	9.8	28.4	23.1
2004	155,507	74,784	394,463	320,268	19.0	9.1	26.8	21.8
2005	174,318	80,815	448,911	359,059	19.2	8.9	26.8	21.5
2006	198,003	89,232	502,589	399,954	19.1	8.6	27.1	21.6
2007	217,560	107,845	550,917	427,160	18.9	9.4	28.2	21.8
2008	244,106	113,262	602,805	454,466	19.0	8.8	28.7	21.6
2009 ^r	217,172	104,440	482,931	382,326	20.6	9.9	31.0	24.5
2010 ^p	229,251	109,843	518,023	395,573	17.9	8.6	27.1	20.7

^p Preliminary
^r Revised

Notes: The data on U.S. exports and imports of goods used to compute the affiliate shares in this table are from the U.S. Census Bureau, and are on a Census basis.

For the years 1987–2007, data on U.S. affiliate trade in goods were collected for nonbank affiliates only. Because it is likely that goods trade by bank affiliates was insignificant, the data on affiliate trade in goods for 1987–2007 are broadly comparable with the data for 2008–2010.

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

The data collected from U.S. affiliates on employment are used to estimate affiliate shares of the U.S. economy by industry on the basis of the North American Industry Classification System (NAICS). 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, using the data on affiliate employment, the affiliate shares of the U.S. economy can be calculated at a greater level of industry detail than is possible using the estimates of value added 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

1. The data for all U.S. businesses used to compute the affiliate shares of employment by NAICS industry are from the national income and product accounts. See table 6, 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. For affiliate shares based on establishment data for six-digit manufacturing and five-digit nonmanufacturing NAICS industries for 2002, see *Foreign Direct Investment in the United States: Establishment Data for 2002* at www.bea.gov. To download it, click on “Direct Investment and Multinational Companies,” then “BEA-Census Bureau Data Link Project.” Similar data on a NAICS basis are available for 1997, and data on a Standard Industrial Classification basis are available for 1987 and 1992. Data only for manufacturing industries are available for 1988–91. The data for foreign-owned establishments are presented in SURVEY articles, which are available on the Web site.

of the industries in which the affiliate reports sales. As a result, employment classified by industry of sales should approximate employment classified by industry of establishment (or plant) because an affiliate that has an establishment in an industry usually also has sales in that industry. However, this approach will not closely approximate employment in the industry of establishment 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 affiliate's employment is distributed by industry of sales, all of it would be classified in manufacturing, even though some of the employees work in an establishment in mining.

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. The primary industry is determined using a breakdown of the affiliate's sales by BEA's NAICS-based International Survey Industry classification to identify the industry in which the affiliate has the most sales. As a result, any affiliate operations that take place in secondary industries will be classified as operations in the primary industry.

affiliates (table 9). More than one-half of the exports of goods by Japanese-owned affiliates were by affiliates in wholesale trade, in particular wholesalers specializing in metals and minerals, motor vehicles, and pro-

fessional and commercial equipment. Among German-owned affiliates, a majority of the exports were accounted for by affiliates in manufacturing, especially chemicals, motor vehicles, and machinery.

Table 9. U.S. Trade in Goods by Majority-Owned U.S. Affiliates by Selected Country of Ultimate Beneficial Owner, 2007–2010

	Millions of dollars				Percentage of all-countries total				Addendum: Percent change in affiliate imports or exports, 2010
	2007	2008	2009	2010	2007	2008	2009	2010	
U.S. exports shipped by affiliates:									
All countries	217,560	244,106	217,172	229,251	100.0	100.0	100.0	100.0	5.6
Canada.....	11,492	9,664	9,251	9,997	5.3	4.0	4.3	4.4	8.1
France.....	11,020	17,994	14,832	17,207	5.1	7.4	6.8	7.5	16.0
Germany.....	42,253	35,824	31,812	32,847	19.4	14.7	14.6	14.3	3.3
Netherlands.....	13,549	19,811	17,155	19,611	6.2	8.1	7.9	8.6	14.3
Switzerland.....	8,233	9,808	10,134	11,031	3.8	4.0	4.7	4.8	8.9
United Kingdom.....	22,663	28,656	25,564	27,564	10.4	11.7	11.8	12.0	7.8
Japan.....	52,196	58,205	52,502	51,756	24.0	23.8	24.2	22.6	-1.4
Korea, Republic of.....	10,248	10,550	8,209	8,686	4.7	4.3	3.8	3.8	5.8
Other.....	45,906	53,592	47,713	50,552	21.1	22.0	22.0	22.1	6.0
U.S. imports shipped to affiliates:									
All countries	550,917	602,805	482,931	518,023	100.0	100.0	100.0	100.0	7.3
Canada.....	35,057	40,686	32,189	26,988	6.4	6.7	6.7	5.2	-16.2
France.....	17,841	21,152	19,400	19,784	3.2	3.5	4.0	3.8	2.0
Germany.....	71,322	63,449	51,247	64,029	12.9	10.5	10.6	12.4	24.9
Netherlands.....	33,336	37,546	29,165	40,232	6.1	6.2	6.0	7.8	37.9
Switzerland.....	15,464	16,461	15,935	17,733	2.8	2.7	3.3	3.4	11.3
United Kingdom.....	34,746	60,197	46,974	52,845	6.3	10.0	9.7	10.2	12.5
Japan.....	182,407	186,229	157,447	153,581	33.1	30.9	32.6	29.6	-2.5
Korea, Republic of.....	38,060	39,413	38,875	46,002	6.9	6.5	8.0	8.9	18.3
Other.....	122,685	137,671	91,699	96,829	22.3	22.8	19.0	18.7	5.6

NOTE: The eight countries of UBO presented in this table are the eight largest countries ranked by size of total trade in goods by affiliates (imports plus exports).

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 that resides 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 parents.

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.

Value added. 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. 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 estimates of value added for U.S. affiliates 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 are measures of gross value added rather than measures of net value added because they are calculated without the deduction for the consumption of fixed capital used in production.

The estimates of value added of U.S. affiliates are conceptually consistent with BEA’s estimates of U.S. value added by industry.

Among British-owned affiliates, almost all of the exports were accounted for by affiliates in manufacturing, especially petroleum and pharmaceuticals.

Exports increased substantially by Netherlands-owned affiliates (14.3 percent) and French-owned affiliates (16.0 percent). The increase among Netherlands-owned affiliates was partly due to increases among affiliates in computer and petroleum manufacturing. The increase among French-owned affiliates was largely due to increased sales by affiliates in petroleum industries and in transportation equipment and electrical goods manufacturing.

Imports

Imports of goods by U.S. affiliates totaled \$518.0 billion in 2010, an increase of 7.3 percent. Because total U.S. imports increased 22.7 percent, the share of U.S. imports accounted for by affiliates fell to 27.1 percent from 31.0 percent.

About one-third of the increase in imports by affiliates was in petroleum manufacturing, and one-third was in wholesale trade. In wholesale trade, motor vehicles and electrical goods wholesalers accounted for the majority of the increase.

In 2010, Japanese-owned affiliates accounted for the largest share of U.S. affiliate imports, followed by German-owned and British-owned affiliates (table 9). More than two-thirds of the imports by Japanese-owned affiliates were by affiliates in wholesale trade, especially wholesalers of motor vehicles and professional and commercial equipment. Among German-owned affiliates, imports of goods were almost evenly divided between imports by affiliates in manufacturing and affiliates in wholesale trade. In manufacturing, imports of German-owned affiliates were highest in transportation equipment, chemicals, and machinery. Among British-owned affiliates, almost all imports of goods were by affiliates in manufacturing, and affiliates in petroleum accounted for over one-half of all imports.

Imports of goods rose substantially by German-owned affiliates (24.9 percent), Netherlands-owned affiliates (37.9 percent), and Korean-owned affiliates (18.3 percent). The increase by German-owned affiliates was due largely to increased sales of cars and trucks. The increase by Netherlands-owned affiliates was due partly to increased sales of basic chemicals in the U.S. market, necessitating greater imports. The increase by Korean-owned affiliates was due largely to

Data on Foreign Direct Investment in the United States

BEA collects two broad sets of data on foreign direct investment in the United States: (1) financial and operating data of U.S. affiliates, and (2) international transactions (balance of payments) and direct investment position data. This article presents the financial and operating data. The international transactions and direct investment position data were most recently published in the articles "U.S. International Transactions: First Quarter of 2012," "The International Investment Position of the United States at Yearend 2011," and "Direct Investment Positions for 2011: Country and Industry Detail" in the July 2012 *SURVEY*.

Each of these data sets focuses on a distinct aspect of foreign direct investment. The financial and operating data provide a picture of the overall activities of the U.S. affiliates, 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 col-

lected on BEA's annual and benchmark surveys of foreign direct investment. Benchmark surveys are BEA's most comprehensive surveys of foreign direct investment in terms of both coverage of companies and subject matter. They are conducted every 5 years. The data collected in the annual and benchmark surveys include U.S. affiliates' balance sheets and income statements; employment and compensation of employees; trade in goods; research and development expenditures; and employment by state. In addition, the value added of affiliates is estimated from data reported in these surveys. The financial and operating data for affiliates are on a fiscal year basis. The data cover the entire operations of the U.S. affiliate regardless of the percentage of foreign ownership.

International transactions and direct investment position data. These data are collected in the quarterly surveys of foreign direct investment. The data cover the U.S. affiliate's transactions and positions with its foreign parent and with other members of its foreign parent group. As a result, 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 and direct investment income.

1. For a more detailed discussion of the differences between these 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.

increases in U.S. sales of motor vehicles and electrical and electronic goods, necessitating greater imports.

Research and Development

In 2010, research and development (R&D) performed by U.S. affiliates totaled \$41.3 billion, an increase of 2 percent from 2009 (table 10). R&D performed by affiliates accounted for 14.3 percent of the R&D performed by all U.S. businesses in 2009, a share substantially higher than the affiliate share of all U.S. business value added or employment. Data on R&D performed by all U.S. businesses are not yet available for 2010, so the affiliate share cannot be computed.

Affiliates of UBOs in 10 countries accounted for a large majority of the R&D performed by affiliates (table 11). The largest share of affiliate R&D was accounted for by Swiss-owned affiliates (22.0 percent), followed by British-owned affiliates (14.5 percent). The majority of the R&D by both Swiss-owned affiliates and British-owned affiliates was in pharmaceutical manufacturing.

R&D by British-owned affiliates increased substantially in 2010, largely as a result of increases by pharmaceutical and petroleum affiliates. In contrast, R&D by Canadian-owned affiliates declined substantially due to selloffs and liquidations among wholesalers,

whose R&D performance was likely related to secondary activities in other industries.

In 2010, as in previous years, a majority of the R&D by affiliates was in manufacturing, with affiliates in chemicals manufacturing accounting for the largest share. Most of the R&D by chemical manufacturing affiliates was in pharmaceuticals.

Table 10. Research and Development Performed by Majority-Owned U.S. Affiliates and by All U.S. Businesses, 1997–2010

	Millions of dollars		R&D by affiliates as a percentage of R&D by all U.S. businesses	R&D intensity		
	R&D performed by affiliates ¹	R&D performed by all U.S. businesses ²		Affiliates ³	Non-bank affiliates ³	All U.S. businesses ⁴
1997.....	17,216	157,739	10.9	n.a.	5.5	2.2
1998.....	22,375	169,180	13.2	n.a.	6.3	2.2
1999.....	24,027	182,711	13.2	n.a.	6.0	2.2
2000.....	26,180	199,539	13.1	n.a.	5.9	2.3
2001.....	26,463	198,505	13.3	n.a.	6.3	2.2
2002.....	27,507	193,868	14.2	n.a.	6.0	2.1
2003.....	29,803	200,724	14.8	n.a.	6.3	2.1
2004.....	30,083	208,301	14.4	n.a.	5.9	2.0
2005.....	31,099	226,159	13.8	n.a.	5.7	2.0
2006.....	34,625	247,669	14.0	n.a.	5.6	2.1
2007.....	40,967	269,267	15.2	6.0	n.a.	2.2
2008.....	40,727	290,680	14.0	6.3	n.a.	2.3
2009 ^p	40,425	282,393	14.3	6.8	n.a.	2.3
2010 ^p	41,272	n.a.	n.a.	6.4	n.a.	n.a.

^p Preliminary

^r Revised

n.a. Not available

1. For the years 1997–2007, data on U.S. affiliate R&D were collected for nonbank affiliates only. Because it is unlikely that bank affiliates perform significant R&D, the data on R&D performed by affiliates in 1997–2007 are comparable with the data on R&D performed by affiliates in 2008–2010.

2. Data are from the National Science Foundation.

3. R&D intensity is equal to R&D expenditures divided by value added and is expressed as a percentage.

4. R&D intensity for all U.S. businesses is equal to R&D expenditures of all U.S. businesses divided by value added of all U.S. businesses and is expressed as a percentage.

Table 11. Research and Development Performed by Majority-Owned U.S. Affiliates, by Country of UBO and by Industry of Affiliate, 2007–2010

	R&D performed by affiliates (millions of dollars)				Share of the total				R&D intensity ¹			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
All countries, all industries.....	40,967	40,727	40,425	41,272	100.0	100.0	100.0	100.0	6.0	6.3	6.8	6.4
By country:												
Canada.....	1,574	1,294	1,120	575	3.8	3.2	2.8	1.4	2.4	2.0	2.2	1.0
Finland.....	371	588	514	643	0.9	1.4	1.3	1.6	9.6	14.1	14.1	17.2
France.....	5,589	5,802	5,020	5,248	13.6	14.2	12.4	12.7	8.8	10.8	9.4	8.9
Germany.....	5,893	5,696	5,529	5,679	14.4	14.0	13.7	13.8	6.8	7.3	7.2	7.4
Ireland.....	257	324	899	907	0.6	0.8	2.2	2.2	3.6	3.3	6.5	6.0
Netherlands.....	1,729	1,821	1,774	1,910	4.2	4.5	4.4	4.6	3.8	4.8	4.8	4.7
Switzerland.....	6,395	6,940	8,889	9,086	15.6	17.0	22.0	22.0	12.7	12.5	15.6	15.9
United Kingdom.....	9,470	7,247	5,304	5,975	23.1	17.8	13.1	14.5	7.8	6.8	5.4	5.1
Japan.....	4,416	4,781	5,124	5,112	10.8	11.7	12.7	12.4	5.2	5.7	7.8	6.6
United States.....	(D)	1,330	1,184	(D)	(D)	3.3	2.9	(D)	(D)	11.4	12.2	(D)
Other.....	(D)	4,905	5,068	(D)	(D)	12.0	12.5	(D)	(D)	3.5	4.0	(D)
By industry:												
Manufacturing.....	30,615	28,617	28,501	29,894	74.7	70.3	70.5	72.4	10.5	9.5	10.1	10.9
Food.....	(D)	538	518	486	(D)	1.3	1.3	1.2	(D)	3.0	2.6	2.2
Beverages and tobacco products.....	54	47	29	27	0.1	0.1	0.1	0.1	0.6	0.3	0.2	0.2
Petroleum and coal products.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Chemicals.....	15,908	14,271	16,075	16,638	38.8	35.0	39.8	40.3	23.3	23.3	23.3	22.3
Plastics and rubber products.....	421	417	385	396	1.0	1.0	1.0	1.0	3.5	4.0	3.6	3.6
Nonmetallic mineral products.....	277	244	223	239	0.7	0.6	0.6	0.6	1.3	1.4	1.6	1.9
Primary metals.....	67	114	84	75	0.2	0.3	0.2	0.2	0.5	0.8	1.3	1.1
Fabricated metal products.....	225	259	284	241	0.5	0.6	0.7	0.6	2.6	3.0	3.4	3.2
Machinery.....	1,939	2,568	2,376	2,509	4.7	6.3	5.9	6.1	7.6	10.7	9.9	9.3
Computers and electronic products.....	3,838	4,240	4,353	4,731	9.4	10.4	10.8	11.5	28.0	32.1	23.8	24.1
Electrical equipment, appliances, and components.....	446	487	570	621	1.1	1.2	1.4	1.5	4.1	5.4	6.8	7.7
Transportation equipment.....	5,778	4,109	2,313	2,306	14.1	10.1	5.7	5.6	13.0	10.2	6.7	5.6
Other.....	703	(D)	(D)	(D)	1.7	(D)	(D)	(D)	4.6	(D)	(D)	(D)
Wholesale trade.....	6,635	7,165	6,642	6,035	16.2	17.6	16.4	14.6	6.0	8.8	11.1	9.7
Information.....	1,252	1,586	1,681	1,870	3.1	3.9	4.2	4.5	3.6	4.3	4.7	5.0
Professional, scientific, and technical services.....	2,021	2,872	3,051	2,843	4.9	7.1	7.5	6.9	7.9	10.1	10.7	9.9
Other industries.....	444	487	550	631	1.1	1.2	1.4	1.5	0.2	0.2	0.3	0.3

D Suppressed to avoid disclosure of data of individual companies.

1. R&D intensity is equal to R&D expenditures divided by value added and is expressed as a percentage.

NOTE: The countries listed here are the ten countries with the largest R&D by affiliates in 2010.

R&D intensity is a measure of the propensity of affiliates to conduct R&D and is defined as R&D expenditures divided by value added. Computers and electronic products manufacturing and chemicals manufacturing had the highest R&D intensities among industries. By country, R&D intensity was highest among Finnish-owned and Swiss-owned affiliates. The high R&D intensities by affiliates of these countries are a reflection of the high R&D intensities of their industries, in the case of Swiss-owned affiliates, pharmaceutical manufacturing, and in the case of Finnish-owned affiliates, electrical and electronic goods wholesaling.

Revisions

This article presents preliminary statistics for U.S. affiliate operations in 2010. The statistics for employment, sales, and expenditures for property, plant, and equipment (capital expenditures) supersede the advance summary statistics for majority-owned U.S. affiliates released on April 18, 2012, in the BEA news release, “Summary Estimates for Multinational Companies:

Employment, Sales, and Capital Expenditures for 2010.” The preliminary statistics revised the advance statistics of employment up 0.6 percent, sales up 0.8 percent, and capital expenditures up 1.0 percent.

The final statistics for U.S. affiliate operations in 2009 are also presented. The final statistics for 2009 supersede the statistics for majority-owned affiliates from the April 2012 news release and the preliminary statistics released in August 2011.⁴ Between the April 2012 statistics and the final statistics, employment was revised little, sales was revised up by less than 0.1 percent, and capital expenditures was revised up 0.2 percent. Between the preliminary statistics and the final statistics, employment was revised up 0.2 percent, sales was revised up less than 0.1 percent, and capital expenditures was revised down 2.5 percent.

4. See Thomas Anderson, “U.S. Affiliates of Foreign Companies: Operations in 2009,” SURVEY 91 (August 2011): 211–226.

Tables 12.1 through 13.2 follow.

Table 12.1. Selected Financial and Operating Data of Majority-Owned U.S. Affiliates by Industry of Affiliate, 2009

	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	Value added	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Research and development performed by affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)	(9)	(10)
All industries	11,491,424	1,490,914	150,317	2,917,599	-19,357	592,485	409,579	5,290.3	217,172	482,931	40,425
Manufacturing	1,580,020	674,950	56,227	1,139,115	6,034	283,168	169,150	1,961.0	125,733	198,420	28,501
Food	80,367	29,342	2,614	82,294	4,230	19,908	10,727	166.1	6,403	3,833	518
Beverages and tobacco products	90,762	16,618	759	33,626	2,555	14,430	3,807	59.1	1,342	2,113	29
Paper	10,951	10,861	425	12,329	254	3,320	2,076	27.6	1,303	676	42
Petroleum and coal products	233,524	188,596	19,577	211,798	4,738	39,604	10,624	57.3	12,817	56,778	(D)
Chemicals.....	374,880	133,857	9,036	249,800	12,447	68,936	37,081	306.6	32,060	42,311	16,075
Basic chemicals.....	70,334	54,432	2,430	59,249	-1,341	10,798	5,281	58.8	12,362	10,170	626
Pharmaceuticals and medicines	229,077	48,633	4,180	135,630	13,325	46,525	24,366	165.8	12,497	26,289	14,545
Other	75,469	30,792	2,426	54,921	464	11,613	7,435	82.0	7,201	5,853	904
Plastics and rubber products.....	34,172	21,211	1,081	36,706	537	10,684	7,438	114.1	3,941	6,792	385
Nonmetallic mineral products	96,564	66,198	2,936	41,305	-9,543	14,096	10,111	129.3	1,730	1,026	223
Primary and fabricated metals	96,393	47,317	3,154	70,776	-4,470	14,722	13,092	164.0	7,256	5,943	369
Primary metals	66,555	34,212	2,318	42,711	-4,738	6,281	7,098	80.8	4,138	2,565	84
Fabricated metal products.....	29,838	13,105	836	28,065	268	8,441	5,994	83.1	3,118	3,378	284
Machinery.....	128,037	25,422	3,332	83,540	1,329	23,921	18,752	212.0	13,543	11,276	2,376
Computers and electronic products	114,774	22,530	1,161	65,824	-3,141	18,294	14,032	161.7	14,262	14,543	4,353
Semiconductors and other electronic components	28,776	11,082	397	19,220	-1,848	6,719	3,217	38.5	6,236	3,795	1,134
Navigational, measuring, and other instruments	30,962	4,616	372	19,699	-616	6,153	4,752	49.5	4,667	5,233	1,034
Other	55,036	6,833	392	26,905	-678	5,422	6,063	73.7	3,359	5,515	2,185
Electrical equipment, appliances, and components	41,452	10,133	453	26,962	838	8,358	5,693	66.3	3,344	4,477	570
Transportation equipment.....	222,321	84,191	9,901	187,463	-4,245	34,727	27,510	375.1	21,750	44,176	2,313
Motor vehicles, bodies and trailers, and parts	167,187	71,198	8,704	138,565	-3,926	18,222	14,347	224.5	15,228	39,291	1,596
Other	55,134	12,993	1,196	48,898	-320	16,505	13,164	150.6	6,522	4,885	717
Other	55,823	18,674	1,798	36,691	508	12,167	8,206	121.9	5,982	4,475	(D)
Wholesale trade	533,485	183,722	27,943	758,372	-7,062	59,972	48,813	559.5	78,417	259,587	6,642
Motor vehicles and motor vehicle parts and supplies.....	158,882	93,654	13,621	152,661	-3,558	5,650	7,172	82.1	10,154	70,164	363
Electrical goods	54,595	14,102	923	98,392	-3,930	5,615	7,275	81.8	10,529	55,660	1,593
Petroleum and petroleum products	68,986	25,757	7,507	188,996	-304	6,168	1,691	15.5	13,219	27,721	(D)
Other	251,022	50,208	5,892	318,324	730	42,540	32,676	380.2	44,515	106,043	(D)
Retail trade	77,709	46,850	4,470	126,734	1,570	28,988	15,765	485.3	764	7,690	11
Food and beverage stores.....	33,643	29,450	2,586	69,222	1,306	17,039	8,793	277.1	9	(D)	0
Other	44,065	17,400	1,884	57,512	265	11,949	6,972	208.2	755	(D)	11
Information	265,963	59,944	7,137	118,767	-4,568	35,718	23,888	252.3	3,086	(D)	1,681
Publishing industries	73,498	5,624	501	31,838	-2,147	12,036	9,494	91.3	(D)	345	1,475
Telecommunications	77,591	40,191	5,148	34,714	992	11,519	4,164	60.3	(D)	(D)	(D)
Other	114,874	14,129	1,489	52,215	-3,413	12,163	10,230	100.7	(D)	(D)	(D)
Finance and insurance	7,977,900	78,020	14,099	388,574	-8,151	44,876	61,936	384.5	0	(*)	28
Depository credit intermediation (banking).....	3,299,974	21,371	2,691	104,943	-5,007	10,388	13,002	132.0	0	0	(*)
Finance, except depository institutions	3,037,358	41,901	10,132	138,093	-4,117	3,050	32,288	126.3	0	0	(D)
Insurance carriers and related activities	1,640,568	14,748	1,276	145,538	973	31,438	16,645	126.2	0	(*)	(D)
Real estate and rental and leasing	133,884	106,457	5,238	23,240	-2,590	11,085	2,535	37.8	71	(D)	(D)
Real estate	113,301	96,860	4,389	17,251	-2,748	8,128	1,282	23.2	0	0	(*)
Rental and leasing (except real estate)	20,583	9,597	849	5,989	158	2,956	1,253	14.5	71	(D)	(D)
Professional, scientific, and technical services	129,806	14,009	1,475	79,639	-1,719	28,457	24,037	259.1	703	300	3,051
Architectural, engineering, and related services	19,025	3,169	351	15,182	514	6,356	5,159	57.3	564	(D)	92
Computer systems design and related services	32,236	4,181	467	22,866	752	9,933	8,446	83.3	(D)	0	583
Management, scientific, and technical consulting	12,580	777	73	6,104	273	2,915	2,504	24.3	0	(*)	44
Other	65,965	5,882	585	35,488	-3,258	9,254	7,928	94.2	(D)	(D)	2,332
Other industries	792,659	326,962	33,727	283,157	-2,872	100,221	63,455	1,350.9	8,398	(D)	(D)
Mining	131,826	106,023	15,139	38,036	3,978	20,955	7,335	65.8	5,689	3,232	161
Utilities	159,544	108,062	9,006	59,248	828	14,192	4,418	48.5	552	3,266	14
Construction	34,844	8,980	1,678	44,491	-476	8,307	6,605	66.8	697	186	13
Transportation and warehousing	102,553	61,065	4,442	54,839	729	16,279	12,006	249.8	(D)	(D)	(D)
Administration, support, and waste management	60,690	15,115	1,254	38,806	11	19,760	15,326	427.4	(D)	(D)	(D)
Health care and social assistance.....	14,185	3,956	370	10,851	414	5,568	4,014	70.2	(D)	1	(D)
Accommodation and food services	29,833	15,595	931	25,592	-237	12,629	10,225	341.5	(*)	(*)	(*)
Other	259,184	8,167	906	11,294	-8,120	2,531	3,526	80.7	697	110	89

(*) Less than \$500,000.

D Suppressed to avoid disclosure of data on individual companies.

Table 12.2. Selected Financial and Operating Data of Majority-Owned U.S. Affiliates by Industry of Affiliate, 2010

	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	Value added	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Research and development performed by affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)	(9)	(10)
All industries	11,829,706	1,519,800	148,958	3,085,949	85,906	649,337	407,977	5,270.4	229,251	518,023	41,272
Manufacturing	1,600,469	683,877	55,341	1,256,696	35,051	306,482	169,229	1,986.0	136,487	220,893	29,894
Food.....	86,381	33,136	2,895	95,114	4,825	21,882	12,325	207.4	6,819	3,661	486
Beverages and tobacco products.....	89,013	16,647	645	32,204	1,929	14,092	3,238	42.6	1,202	2,266	27
Paper.....	11,145	10,836	416	13,262	405	3,378	2,141	27.4	1,254	1,085	55
Petroleum and coal products.....	242,246	196,874	20,119	246,356	(D)	46,693	10,264	56.3	13,441	69,920	(D)
Chemicals.....	389,772	128,521	8,189	276,247	29,621	74,503	37,912	300.0	35,392	45,411	16,638
Basic chemicals.....	68,719	46,378	1,993	76,251	13,844	14,350	5,961	59.5	11,809	14,644	631
Pharmaceuticals and medicines.....	240,004	51,297	3,741	139,049	13,208	46,962	24,570	160.5	14,237	24,426	15,145
Other.....	81,050	30,845	2,455	60,947	2,569	13,192	7,381	80.0	9,347	6,341	862
Plastics and rubber products.....	35,479	21,459	1,185	41,440	1,127	11,103	7,445	114.6	4,590	7,913	396
Nonmetallic mineral products.....	91,967	64,320	1,588	40,268	-1,770	12,284	9,132	114.0	1,683	1,167	239
Primary and fabricated metals.....	86,643	46,868	2,349	81,383	-1,234	14,430	11,571	154.9	8,469	6,502	316
Primary metals.....	61,301	34,582	1,526	54,027	-1,713	6,959	6,172	81.1	5,332	3,048	75
Fabricated metal products.....	25,341	12,287	823	27,356	479	7,471	5,399	73.8	3,137	3,453	241
Machinery.....	134,909	26,470	2,643	89,451	4,213	26,971	19,640	213.2	14,961	11,864	2,509
Computers and electronic products.....	107,648	22,964	1,257	71,352	-1,301	19,665	13,782	155.2	15,035	15,473	4,731
Semiconductors and other electronic components.....	29,712	11,305	397	22,261	-2,857	5,842	3,101	35.2	6,655	4,381	1,131
Navigational, measuring, and other instruments.....	28,985	4,876	371	20,746	459	6,820	4,861	50.7	5,283	5,847	1,091
Other.....	48,951	6,784	489	28,345	1,097	7,003	5,821	69.3	3,097	5,245	2,509
Electrical equipment, appliances, and components.....	43,067	9,062	540	27,682	1,507	8,103	5,156	67.7	4,069	4,622	621
Transportation equipment.....	224,736	87,983	11,911	203,409	5,199	40,943	28,116	409.5	23,400	46,356	2,306
Motor vehicles, bodies and trailers, and parts.....	167,938	73,510	10,666	154,182	3,132	23,538	14,827	230.4	16,582	40,984	1,559
Other.....	56,798	14,473	1,245	49,227	2,067	17,405	13,289	179.1	6,817	5,372	748
Other.....	57,464	18,738	1,606	38,528	(D)	12,434	8,508	123.2	6,174	4,655	(D)
Wholesale trade	597,653	189,880	27,251	815,924	8,553	62,367	45,141	551.7	81,237	272,305	6,035
Motor vehicles and motor vehicle parts and supplies.....	199,681	94,339	12,346	169,554	1,176	4,747	7,103	79.8	11,403	79,125	274
Electrical goods.....	55,499	12,545	3,106	101,242	898	8,490	6,409	77.5	9,041	60,198	1,292
Petroleum and petroleum products.....	81,747	31,042	5,369	219,743	845	5,887	1,762	18.0	14,529	25,397	(D)
Other.....	260,727	51,953	6,431	325,385	5,634	43,244	29,867	376.4	46,263	107,586	(D)
Retail trade	80,058	49,253	4,226	135,596	2,226	30,634	15,884	477.7	929	9,374	11
Food and beverage stores.....	35,443	30,907	2,423	74,286	1,324	17,946	8,838	271.2	(D)	(D)	0
Other.....	44,615	18,346	1,802	61,310	902	12,688	7,046	206.6	(D)	(D)	11
Information	272,546	61,254	6,231	121,700	-1,340	37,424	24,528	245.3	1,390	(D)	1,870
Publishing industries.....	80,277	5,165	466	32,388	453	13,006	10,127	90.1	959	312	1,666
Telecommunications.....	77,228	42,114	4,442	36,160	-146	10,883	4,098	57.4	1	4	(D)
Other.....	115,041	13,974	1,323	53,152	-1,646	13,536	10,303	97.8	430	(D)	(D)
Finance and insurance	8,190,454	83,341	15,054	354,593	25,078	68,754	63,735	398.6	0	(*)	64
Depository credit intermediation (banking).....	3,163,685	24,381	3,231	83,777	7,029	26,368	13,446	144.1	0	0	(D)
Finance, except depository institutions.....	3,287,146	42,781	9,971	121,100	9,417	16,329	33,044	127.9	0	0	(D)
Insurance carriers and related activities.....	1,739,623	16,179	1,852	149,716	8,632	26,057	17,245	126.6	0	(*)	(D)
Real estate and rental and leasing	132,801	102,562	4,952	23,794	-84	11,322	2,506	38.7	(D)	(D)	(D)
Real estate.....	113,837	93,307	4,120	18,364	-183	8,789	1,312	25.1	0	0	(*)
Rental and leasing (except real estate).....	18,963	9,255	832	5,430	99	2,533	1,194	13.6	(D)	(D)	(D)
Professional, scientific, and technical services	134,046	13,379	1,408	81,892	-1,968	28,658	24,308	254.9	752	272	2,843
Architectural, engineering, and related services.....	19,114	2,771	334	14,681	419	6,234	5,317	58.1	651	(D)	78
Computer systems design and related services.....	36,240	3,833	423	23,039	618	9,842	8,206	80.6	(D)	0	538
Management, scientific, and technical consulting.....	13,802	740	135	5,269	265	2,804	2,435	22.8	0	0	37
Other.....	64,890	6,036	517	38,904	-3,270	9,778	8,351	93.3	(D)	(D)	2,190
Other industries	821,678	336,253	34,496	295,754	18,390	103,695	62,647	1,317.6	(D)	(D)	(D)
Mining.....	151,995	110,958	14,910	43,387	4,379	23,121	7,545	69.4	5,958	2,630	168
Utilities.....	162,515	110,414	10,413	64,420	-1,692	15,589	4,811	47.2	602	3,543	7
Construction.....	32,062	8,410	1,334	41,736	1,134	8,586	6,408	63.1	170	399	15
Transportation and warehousing.....	107,323	65,102	4,768	58,320	1,139	17,837	11,806	247.1	(D)	(D)	(D)
Administration, support, and waste management.....	58,001	15,067	1,168	38,585	24	17,982	14,377	405.2	(D)	(D)	(D)
Health care and social assistance.....	17,955	3,890	(D)	11,123	639	5,787	4,116	69.1	(D)	(D)	(D)
Accommodation and food services.....	30,179	15,417	765	26,338	171	12,920	10,381	336.5	(*)	(*)	(*)
Other.....	261,648	6,994	(D)	11,844	12,596	1,874	3,203	80.0	841	107	103

(*) Less than \$500,000.

D Suppressed to avoid disclosure of data on individual companies.

Table 13.1. Selected Financial and Operating Data of Majority-Owned U.S. Affiliates by Country of Ultimate Beneficial Owner, 2009

	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	Value added	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Research and development performed by affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)	(9)	(10)
All countries	11,491,424	1,490,914	150,317	2,917,599	-19,357	592,485	409,579	5,290.3	217,172	482,931	40,425
Canada	1,198,605	155,918	13,331	216,816	-1,929	51,714	34,555	489.5	9,251	32,189	1,120
Europe	8,268,030	892,664	89,922	1,748,632	2,877	391,469	272,919	3,508.8	116,422	191,605	29,947
Belgium	173,572	23,176	1,304	52,899	6,010	17,570	7,115	169.1	1,651	2,139	440
Denmark	33,274	4,843	600	14,854	-166	2,949	2,297	21.9	1,200	3,954	363
Finland	47,588	4,517	372	14,754	740	3,639	2,641	26.5	1,192	4,667	514
France	1,340,985	102,542	10,341	240,606	-772	53,677	38,476	517.5	14,832	19,400	5,020
Germany	1,396,233	210,541	23,942	335,250	7,284	76,710	50,856	568.5	31,812	51,247	5,529
Ireland	180,023	20,821	1,424	44,424	-5,673	13,908	10,191	138.7	2,956	2,306	899
Italy	158,725	29,283	2,702	37,676	402	8,283	5,524	82.2	2,961	5,398	386
Netherlands	913,499	82,760	7,728	246,256	39	36,923	24,779	338.7	17,155	29,165	1,774
Spain	332,453	29,715	3,053	28,740	-1,628	3,424	4,605	72.4	1,049	764	108
Sweden	80,586	16,107	1,141	43,431	1,103	12,414	8,951	172.7	3,957	5,827	504
Switzerland	1,299,914	70,050	5,713	213,110	3,851	56,808	40,437	408.5	10,134	15,935	8,889
United Kingdom	2,202,341	251,963	25,478	437,747	-3,624	97,523	72,091	908.4	25,564	46,974	5,304
Other	108,836	46,346	6,124	38,883	-4,687	7,642	4,957	83.7	1,959	3,830	218
Latin America and Other Western Hemisphere	336,793	63,350	5,067	143,828	-5,668	37,271	24,569	256.9	15,245	27,072	1,656
South and Central America	123,402	33,397	2,293	76,847	-7,259	13,337	8,101	119.9	5,830	22,198	119
Brazil	49,587	8,131	894	23,826	-410	2,870	2,316	41.3	3,983	4,085	(*)
Mexico	36,522	13,857	487	19,110	-6,396	5,450	3,334	52.3	510	(D)	5
Venezuela	19,110	(D)	(D)	(D)	-419	(D)	712	5.8	(D)	(D)	0
Other	18,184	(D)	(D)	(D)	-35	(D)	1,738	20.6	(D)	(D)	113
Other Western Hemisphere	213,390	29,953	2,774	66,982	1,591	23,934	16,468	137.0	9,415	4,874	1,537
Bermuda	168,307	18,460	1,983	46,364	160	15,083	11,194	83.6	(D)	2,273	(D)
United Kingdom Islands, Caribbean	33,001	6,304	440	11,811	1,309	5,176	2,437	31.6	(D)	(D)	(D)
Other	12,082	5,190	351	8,807	122	3,675	2,837	21.9	(D)	(D)	(D)
Africa	5,606	4,442	183	5,529	16	964	576	6.6	745	167	7
South Africa	3,934	4,361	174	5,334	-14	937	548	6.2	745	167	7
Other	1,671	81	10	195	30	27	28	0.4	(*)	(*)	0
Middle East	132,494	45,893	5,654	69,672	-6,013	10,596	4,417	58.0	1,894	10,828	465
Israel	63,006	6,823	841	16,612	78	2,628	1,771	21.5	248	(D)	306
Saudi Arabia	27,954	20,416	(D)	40,053	-452	5,160	810	6.5	1,101	(D)	98
United Arab Emirates	22,629	8,965	323	(D)	-5,080	950	716	9.4	(D)	372	9
Other	18,904	9,689	(D)	(D)	-558	1,858	1,119	20.6	(D)	(D)	52
Asia and Pacific	1,452,925	302,348	35,076	681,112	-6,652	90,782	65,763	895.0	67,736	208,912	6,047
Australia	205,742	58,834	3,612	43,575	-1,144	11,494	6,261	85.0	3,469	2,037	65
China	18,944	736	34	2,964	42	420	284	4.4	145	1,093	26
Hong Kong	21,841	9,901	753	17,845	422	2,682	1,463	21.5	641	2,578	121
India	18,168	2,338	272	10,584	213	2,684	2,084	32.9	696	482	29
Japan	1,065,444	205,575	28,141	514,567	-5,093	65,726	49,902	663.7	52,502	157,447	5,124
Korea, Republic of	40,730	13,964	1,690	62,831	113	3,686	1,924	26.6	8,209	38,875	280
Singapore	34,954	2,986	209	11,603	-1,098	1,794	1,961	31.3	682	560	253
Taiwan	35,120	4,919	170	9,659	-248	584	873	12.9	811	3,974	119
Other	11,982	3,095	194	7,485	141	1,712	1,010	16.6	581	1,865	29
United States	96,971	26,299	1,083	52,011	-1,989	9,690	6,780	75.5	5,880	12,158	1,184
Addenda:											
European Union (27) ¹	6,912,997	799,409	80,807	1,511,700	2,225	331,402	229,904	3,066.1	104,994	173,850	20,921
OPEC ²	80,614	44,944	5,060	73,514	-6,306	9,590	2,403	23.9	2,411	(D)	107

(*) Less than \$500,000.

(D) Suppressed to avoid disclosure of data on individual companies.

1. The European Union (27) comprises Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands,

Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

2. OPEC is the Organization of Petroleum Exporting Countries. In 2009, its members were Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

Table 13.2. Selected Financial and Operating Data of Majority-Owned U.S. Affiliates by Country of Ultimate Beneficial Owner, 2010

	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	Value added	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Research and development performed by affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)	(9)	(10)
All countries	11,829,706	1,519,800	148,958	3,085,949	85,906	649,337	407,977	5,270.4	229,251	518,023	41,272
Canada	1,322,041	161,643	14,969	222,770	8,176	59,096	34,778	536.7	9,997	26,988	575
Europe	8,410,708	917,990	86,250	1,866,954	56,309	425,159	273,448	3,445.3	127,974	227,118	31,282
Belgium.....	187,128	23,690	1,240	51,348	2,835	17,157	6,529	151.8	1,645	2,305	237
Denmark.....	31,447	5,076	(D)	16,003	362	3,315	2,322	23.0	1,281	4,721	405
Finland.....	44,808	4,809	383	14,483	551	3,746	2,742	26.0	1,388	4,925	643
France.....	1,332,604	103,435	7,301	247,102	9,543	58,730	39,048	499.0	17,207	19,784	5,248
Germany.....	1,472,304	215,229	25,832	371,758	12,156	77,099	52,238	569.6	32,847	64,029	5,679
Ireland.....	173,375	21,056	1,331	47,046	-2,390	15,023	11,089	130.8	3,384	2,801	907
Italy.....	126,202	28,767	2,005	42,611	882	8,922	5,639	82.3	3,245	6,348	425
Netherlands.....	922,517	87,192	8,539	293,516	15,131	40,257	25,368	343.2	19,611	40,232	1,910
Spain.....	319,612	31,483	4,383	32,578	214	6,878	4,696	74.4	1,233	699	104
Sweden.....	91,601	14,916	1,086	47,717	1,218	12,966	9,131	176.0	5,233	6,099	440
Switzerland.....	1,350,383	73,692	4,534	230,843	7,370	57,261	40,875	408.2	11,031	17,733	9,086
United Kingdom.....	2,253,900	260,197	23,830	428,608	10,269	116,013	68,696	879.2	27,564	52,845	5,975
Other.....	104,826	48,449	(D)	43,341	-1,832	7,724	5,076	82.0	2,307	4,595	222
Latin America and Other Western Hemisphere	324,876	65,721	5,486	162,195	5,485	36,199	22,544	272.6	15,824	32,217	1,521
South and Central America.....	134,854	36,314	3,065	96,134	1,425	15,066	8,579	145.8	6,650	27,878	73
Brazil.....	60,457	11,190	1,544	34,606	860	5,176	3,385	79.0	4,336	5,509	4
Mexico.....	37,106	13,686	445	22,657	1,049	5,350	3,559	54.1	606	(D)	(D)
Venezuela.....	19,277	(D)	(D)	(D)	-158	(D)	622	5.3	(D)	(D)	0
Other.....	18,013	(D)	(D)	(D)	-326	(D)	1,013	7.4	(D)	(D)	(D)
Other Western Hemisphere.....	190,023	29,407	2,421	66,061	4,060	21,133	13,966	126.8	9,174	4,340	1,448
Bermuda.....	161,518	18,167	1,681	45,696	3,563	14,358	9,994	76.7	(D)	2,377	498
United Kingdom Islands, Caribbean.....	16,198	5,920	345	9,811	-44	3,091	1,856	27.3	(D)	(D)	(D)
Other.....	12,307	5,320	396	10,554	541	3,684	2,116	22.8	(D)	(D)	(D)
Africa	5,617	4,544	147	5,933	350	1,196	558	6.3	920	240	(D)
South Africa.....	4,161	4,463	138	5,719	307	1,168	535	5.9	(D)	(D)	(D)
Other.....	1,456	81	9	213	43	28	24	0.4	(D)	(D)	0
Middle East	128,864	45,553	4,836	83,015	950	12,540	4,163	49.9	2,500	12,182	524
Israel.....	58,518	6,863	738	19,568	434	3,130	1,783	21.0	256	(D)	(D)
Saudi Arabia.....	31,329	21,739	2,527	51,228	581	6,311	822	6.4	1,714	(D)	88
United Arab Emirates.....	22,879	6,839	347	(D)	427	1,519	679	9.1	(D)	(D)	6
Other.....	16,137	10,112	1,224	(D)	-491	1,580	879	13.3	(D)	(D)	(D)
Asia and Pacific	1,530,409	310,081	36,282	705,192	11,954	105,870	66,417	890.3	67,161	212,409	6,183
Australia.....	217,173	60,438	2,906	42,862	2,916	13,344	6,151	84.0	2,980	1,882	91
China.....	24,192	922	79	4,187	-90	663	522	11.2	316	1,171	58
Hong Kong.....	22,672	9,848	726	20,881	218	2,279	1,263	19.8	587	2,809	114
India.....	22,947	3,677	1,625	11,347	115	2,696	2,165	32.2	487	440	39
Japan.....	1,113,168	208,256	26,878	514,020	7,970	77,092	50,132	654.9	51,756	153,581	5,112
Korea, Republic of.....	47,810	16,007	3,512	81,273	903	4,559	2,251	27.9	8,686	46,002	350
Singapore.....	35,577	3,154	238	12,487	-703	2,261	2,013	32.0	806	632	273
Taiwan.....	34,818	4,749	142	10,500	297	1,166	882	12.9	945	4,139	116
Other.....	12,052	3,031	175	7,633	328	1,808	1,038	15.5	599	1,753	31
United States	107,191	14,268	988	39,891	2,681	9,278	6,068	69.4	4,874	6,870	(D)
Addenda:											
European Union (27) ¹	7,005,606	820,527	78,567	1,609,120	50,652	364,595	230,004	3,005.1	115,406	207,096	22,061
OPEC ²	84,157	45,392	4,635	93,230	518	11,706	2,283	22.9	3,472	(D)	94

(*) Less than \$500,000.

D Suppressed to avoid disclosure of data on individual companies.

1. The European Union (27) comprises Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands,

Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

2. OPEC is the Organization of Petroleum Exporting Countries. In 2010, its members were Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.