

# Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies:

- Latest Plans for 1994
- Spending Patterns Since 1957

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MAJORITY-OWNED FOREIGN affiliates of U.S. companies (MOFA's) plan to increase capital expenditures 8 percent in 1994, to \$69.1 billion, after a 2-percent increase in 1993 (table 1, chart 1).<sup>1</sup> The planned 1994 increase is the largest since 1990, when spending also increased 8 percent, but it is slightly below the 9-percent increase in domestic capital spending planned by all U.S. businesses.<sup>2</sup>

Increases in MOFA spending are planned in four major areas: Asia and Pacific, Europe, Canada, and "Latin America and Other Western Hemi-

1. Capital expenditures estimates are for majority-owned nonbank foreign affiliates of nonbank U.S. parents. (An affiliate is majority-owned when the combined ownership of all U.S. parents exceeds 50 percent.) Capital expenditures include all expenditures that are charged to capital accounts and are made to acquire, add to, or improve property, plant, and equipment. For affiliates engaged in natural resource exploration and development, these expenditures also include the expenditures for exploration and development that are expensed on the books of the affiliates. Capital expenditures are measured on a gross basis; sales and other dispositions of fixed assets are not netted against them.

It should be noted that the estimates for any given affiliate cover all of its capital expenditures, without regard to the source of financing. Financing may be supplied from a variety of sources, including funds from the U.S. parent company (which enter the U.S. balance of payments accounts as capital outflows for U.S. direct investment abroad) or from other owners, depreciation allowances accumulated by the affiliate, and funds borrowed by the affiliate from unaffiliated U.S. or foreign lenders.

2. The estimate of capital spending planned by all U.S. businesses in 1994 is being used here as a proxy for domestic spending by U.S. parent companies, for which an estimate for 1994 is not yet available. The estimate for all U.S. businesses is based on data from a survey conducted in July-August 1994 by the Census Bureau. Although it covers all U.S. businesses rather than only U.S. parent companies, the available estimates of domestic capital spending by parent companies for 1982-92 are significantly correlated with spending by all U.S. businesses in those years.

## Discontinuation of BEA's Capital Expenditures Survey

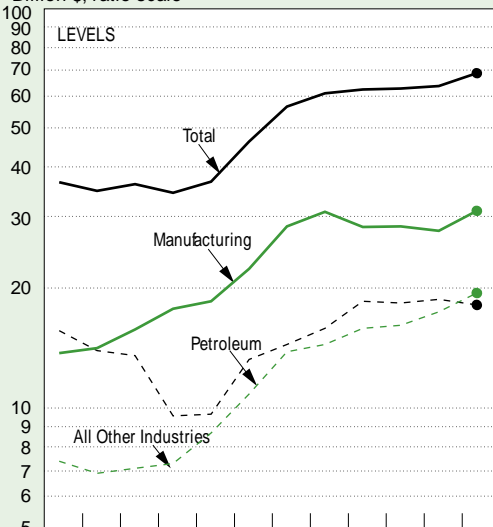
The semiannual survey of actual and planned capital expenditures by majority-owned foreign affiliates of U.S. companies was conducted for the last time this June. Because of budget constraints, BEA has discontinued this survey in order to redirect resources to other projects. BEA will incorporate the collection of data on actual expenditures into its annual survey of U.S. direct investment abroad, and these data will be published each year in the SURVEY article presenting the results of that survey.

sphere" (table 2). In dollars, the largest increase is expected in Asia and Pacific; sizable increases are planned by affiliates in several countries, particularly China, Hong Kong, and Thailand. In Europe, the increase is concentrated in Germany

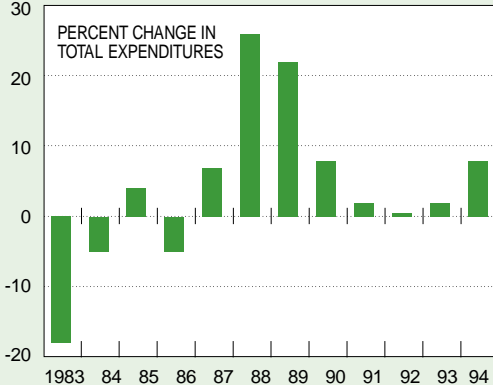
CHART 1

## Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies

Billion \$, ratio scale



Percent



● Planned

Note.—Estimates are for nonbank foreign affiliates of nonbank U.S. parents

U.S. Department of Commerce, Bureau of Economic Analysis

and Belgium. Large increases are also planned in Canada and in "Latin America and Other Western Hemisphere," particularly in Mexico and Brazil. In these four major areas, the increased spending may be prompted largely by the need to expand capacity to serve local markets; in most of the countries in these areas, a majority of sales by MOFA's are to local markets, where demand is currently strong.<sup>3</sup> Among these countries, Mexico and Canada are expected to have the largest increases; the increases may be prompted by the approval of the North American Free

Trade Agreement (NAFTA) last November and by the recent upturn in North American sales by U.S.-owned auto companies. In Mexico and in Brazil, the increases may partly reflect more open government policies toward foreign direct investment.

**Table 2.—Changes in Spending by Major Geographic Area, 1993 and 1994**

|  | Billions of dollars |            | Percent change from preceding year |            |
|--|---------------------|------------|------------------------------------|------------|
|  | 1993                | 1994       | 1993                               | 1994       |
|  |                     |            |                                    |            |
| <b>All areas</b> .....                           | <b>1.0</b>          | <b>4.8</b> | <b>1.6</b>                         | <b>7.5</b> |
| Canada .....                                     | 1.0                 | 1.1        | 14.1                               | 13.6       |
| Europe .....                                     | -3.1                | 1.3        | -8.5                               | 4.0        |
| Latin America and Other Western Hemisphere ..... | .5                  | 1.1        | 9.1                                | 18.2       |
| Africa .....                                     | .1                  | -1         | 7.7                                | -3.7       |
| Middle East .....                                | (*)                 | -1         | -3.2                               | -17.8      |
| Asia and Pacific .....                           | 1.6                 | 1.7        | 14.8                               | 13.8       |
| International .....                              | .8                  | -3         | 106.4                              | -15.8      |

\* Less than \$50 million (±).

3. In 1992, the most recent year for which estimates are available, local sales (that is, sales within the country of the affiliate) accounted for a majority of sales by MOFA's in all of these countries except Belgium and Hong Kong, both of which, because of their small geographical size, have small local markets and production capabilities that often exceed the size of those markets. Local sales accounted for 70 to 74 percent of total sales by MOFA's in Germany, Canada, Thailand, Mexico, and China and for 84 percent of total sales by MOFA's in Brazil. For more information on the destination of sales by MOFA's, see U.S. Department of Commerce, Bureau of Economic Analysis, *U.S. Direct Investment Abroad: Operations of U.S. Parent Companies and Their Foreign Affiliates, Preliminary 1992 Estimates* (Washington, DC: U.S. Government Printing Office, July 1994).

**Table 1.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies, 1990-94**

|  | Percent change from preceding year |            |          |          |                                |                             | Billions of dollars |                     |             |             |             |                                |                             |      |
|--|------------------------------------|------------|----------|----------|--------------------------------|-----------------------------|---------------------|---------------------|-------------|-------------|-------------|--------------------------------|-----------------------------|------|
|  | Actual expenditures                |            |          |          | Most recent plans <sup>1</sup> | Previous plans <sup>2</sup> |                     | Actual expenditures |             |             |             | Most recent plans <sup>1</sup> | Previous plans <sup>2</sup> |      |
|  | 1991                               | 1992       | 1993     | 1994     |                                | 1993                        | 1994                | 1990                | 1991        | 1992        | 1993        |                                | 1994                        | 1993 |
| <b>Total</b> .....   | <b>2</b>                           | <b>(*)</b> | <b>2</b> | <b>8</b> | <b>2</b>                       | <b>8</b>                    | <b>61.5</b>         | <b>62.9</b>         | <b>63.2</b> | <b>64.2</b> | <b>69.1</b> | <b>64.3</b>                    | <b>69.6</b>                 |      |
| <b>By industry</b>   |                                    |            |          |          |                                |                             |                     |                     |             |             |             |                                |                             |      |
| Petroleum .....  | 17                                 | -1         | 3        | -3       | 5                              | 8                           | 15.9                | 18.6                | 18.4        | 18.8        | 18.2        | 19.2                           | 20.8                        |      |
| Manufacturing .....  | -8                                 | 1          | -3       | 12       | -3                             | 8                           | 31.1                | 28.5                | 28.6        | 27.9        | 31.3        | 27.7                           | 30.1                        |      |
| Food and kindred products .....                            | 12                                 | 7          | 6        | 17       | 8                              | 12                          | 2.7                 | 3.0                 | 3.2         | 3.4         | 4.0         | 3.5                            | 3.9                         |      |
| Chemicals and allied products .....                        | -6                                 | -3         | -3       | 9        | -3                             | 7                           | 6.9                 | 6.5                 | 6.3         | 6.2         | 6.7         | 6.2                            | 6.6                         |      |
| Primary and fabricated metals .....                        | -45                                | 7          | 4        | 3        | 2                              | 6                           | 1.9                 | 1.1                 | 1.1         | 1.2         | 1.2         | 1.2                            | 1.2                         |      |
| Machinery, except electrical .....                         | -5                                 | -21        | -19      | 9        | -18                            | 7                           | 4.8                 | 4.5                 | 3.6         | 2.9         | 3.1         | 2.9                            | 3.1                         |      |
| Electric and electronic equipment .....                    | -6                                 | -6         | 14       | 11       | 21                             | 5                           | 2.9                 | 2.7                 | 2.6         | 3.0         | 3.3         | 3.1                            | 3.3                         |      |
| Transportation equipment .....                             | -10                                | 10         | -3       | 25       | -10                            | 22                          | 6.2                 | 5.6                 | 6.2         | 6.0         | 7.5         | 5.6                            | 6.8                         |      |
| Other manufacturing .....                                  | -12                                | 11         | -5       | 4        | -4                             | -4                          | 5.8                 | 5.1                 | 5.6         | 5.4         | 5.6         | 5.4                            | 5.2                         |      |
| Wholesale trade .....                                      | 15                                 | -6         | -8       | 9        | -7                             | 7                           | 4.1                 | 4.7                 | 4.4         | 4.1         | 4.4         | 4.1                            | 4.4                         |      |
| Finance (except banking), insurance, and real estate ..... | 28                                 | -9         | 10       | 8        | -1                             | 1                           | 2.0                 | 2.6                 | 2.4         | 2.6         | 2.8         | 2.3                            | 2.4                         |      |
| Services .....   | -10                                | 41         | 2        | 16       | (*)                            | 10                          | 3.5                 | 3.1                 | 4.4         | 4.5         | 5.2         | 4.5                            | 4.9                         |      |
| Other industries .....                                     | 11                                 | -8         | 26       | 11       | 28                             | 8                           | 4.9                 | 5.5                 | 5.0         | 6.4         | 7.0         | 6.5                            | 7.0                         |      |
| <b>By area</b>   |                                    |            |          |          |                                |                             |                     |                     |             |             |             |                                |                             |      |
| Canada .....   | -13                                | -13        | 14       | 14       | 3                              | 16                          | 9.6                 | 8.3                 | 7.2         | 8.3         | 9.4         | 7.4                            | 8.7                         |      |
| Europe .....   | 3                                  | 1          | -8       | 4        | -8                             | (*)                         | 34.6                | 35.6                | 36.1        | 33.0        | 34.3        | 33.4                           | 33.5                        |      |
| Of which:  |                                    |            |          |          |                                |                             |                     |                     |             |             |             |                                |                             |      |
| France .....   | 2                                  | 8          | -18      | 2        | -19                            | 1                           | 4.0                 | 4.0                 | 4.3         | 3.6         | 3.6         | 3.5                            | 3.6                         |      |
| Germany .....  | 4                                  | 8          | -18      | 11       | -17                            | 4                           | 6.3                 | 6.6                 | 7.1         | 5.8         | 6.5         | 5.9                            | 6.1                         |      |
| Italy .....  | -15                                | -5         | -22      | 9        | -16                            | 4                           | 2.3                 | 1.9                 | 1.8         | 1.4         | 1.5         | 1.5                            | 1.6                         |      |
| Netherlands .....  | 2                                  | -7         | -3       | -5       | -1                             | -8                          | 2.3                 | 2.4                 | 2.2         | 2.1         | 2.0         | 2.2                            | 2.0                         |      |
| Switzerland .....  | -5                                 | 11         | 8        | -7       | 44                             | 7                           | .6                  | .6                  | .7          | .7          | .7          | .9                             | 1.0                         |      |
| United Kingdom .....                                       | 6                                  | -10        | -6       | 1        | -9                             | 2                           | 13.0                | 13.8                | 12.3        | 11.6        | 11.7        | 11.2                           | 11.4                        |      |
| Latin America and Other Western Hemisphere .....           | 6                                  | 6          | 9        | 18       | 15                             | 18                          | 5.1                 | 5.4                 | 5.8         | 6.3         | 7.4         | 6.7                            | 7.9                         |      |
| Africa .....   | -1                                 | 2          | 8        | -4       | 10                             | 36                          | 1.6                 | 1.6                 | 1.6         | 1.7         | 1.6         | 1.7                            | 2.4                         |      |
| Middle East .....  | -5                                 | 24         | -3       | -18      | 11                             | -4                          | .7                  | .7                  | .9          | .8          | .7          | 1.0                            | .9                          |      |
| Asia and Pacific .....                                     | 16                                 | 3          | 15       | 14       | 19                             | 13                          | 9.1                 | 10.6                | 10.9        | 12.5        | 14.2        | 12.9                           | 14.5                        |      |
| Of which:  |                                    |            |          |          |                                |                             |                     |                     |             |             |             |                                |                             |      |
| Australia .....  | 30                                 | -28        | 7        | 7        | 10                             | 13                          | 2.3                 | 3.0                 | 2.1         | 2.3         | 2.4         | 2.3                            | 2.6                         |      |
| Japan .....  | 11                                 | -4         | 2        | 8        | (*)                            | 10                          | 2.1                 | 2.3                 | 2.2         | 2.3         | 2.5         | 2.2                            | 2.4                         |      |
| International <sup>3</sup> .....                           | -8                                 | 3          | 106      | -16      | 60                             | 34                          | .8                  | .8                  | .8          | 1.6         | 1.4         | 1.3                            | 1.7                         |      |
| <b>Addenda:</b>  |                                    |            |          |          |                                |                             |                     |                     |             |             |             |                                |                             |      |
| European Union <sup>4</sup> .....                          | 2                                  | (*)        | -11      | 4        | -10                            | (*)                         | 32.1                | 32.7                | 32.5        | 29.1        | 30.3        | 29.2                           | 29.3                        |      |
| OPEC <sup>5</sup> .....                                    | 11                                 | 36         | -4       | 13       | 13                             | 31                          | 1.9                 | 2.1                 | 2.8         | 2.7         | 3.1         | 3.2                            | 4.2                         |      |

\* Less than 0.5 percent (±).

1. Based on BEA survey taken in June 1994.

2. Based on BEA survey taken in December 1993.

3. "International" affiliates are those that have operations in more than one country and that are engaged in petroleum shipping, other water transportation, or operating movable oil- and gas-drilling equipment.

4. Prior to 1993, the European Union was known as the European Communities (12). The Eu-

ropean Union comprises Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, and the United Kingdom.

5. OPEC, the Organization of Petroleum Exporting Countries, comprises Algeria, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela. Before January 1, 1993, Ecuador was also a member of OPEC; its data are included in this line through 1992.

NOTE.—Estimates are for majority-owned nonbank foreign affiliates of nonbank U.S. parents.

This article presents detailed estimates of capital expenditures by country and by industry for 1993–94. It also presents estimates by major area and by major industry for 1957–92. Since 1957—the first year of coverage of the capital expenditures series—the composition of spending by industry and by area has shifted significantly. By industry, spending by manufacturing affiliates has increased in relation to that by petroleum affiliates. By area, spending by affiliates in Europe and in Asia and Pacific has increased in relation to that by affiliates in other areas. Patterns of growth in spending are examined further in a special section at the end of this article.

### Comparison with Previous Estimates

The estimates of capital expenditures by MOFA's for 1993 and 1994 presented in this article are based on a BEA survey conducted in June 1994. They are revised from those published in the March 1994 SURVEY OF CURRENT BUSINESS, which were based on a survey conducted in December 1993. For 1993, the estimate of spending, which now represents actual spending, is virtually unchanged from the previous estimate; it is 9 percent lower than the initial estimate, which was based on a survey conducted in December 1992 (table 3). For 1994, the revised estimate of planned spending is 1 percent lower than the initial estimate published in March.

#### Valuation Issues

The estimates of capital spending by MOFA's are in current dollars; thus, they are affected by changes in prices in host countries and by changes in foreign exchange rates, both of which influence the relationship between changes in current-dollar spending and changes in the real volume of capital goods purchased by affiliates.

During 1993–94, the U.S. dollar depreciated about 2 percent against the currencies of major host countries, and wholesale prices in those countries increased by an average of 1 percent.<sup>1</sup> Because dollar depreciation and foreign inflation tend to raise the dollar value of a given amount of spending denominated in foreign currencies, these figures suggest that real spending abroad by foreign affiliates in 1994 will probably increase less than the estimated 8-percent current-dollar increase.

1. In calculating the estimates, the changes in foreign-currency wholesale prices (or consumer prices, when wholesale prices are unavailable) and in the value of the U.S. dollar are weighted by the value of MOFA assets in a group of 21 major host countries; these countries accounted for over 80 percent of affiliates' assets in 1992.

By industry, the small downward revision in spending plans for 1994 is the net result of a downward revision in petroleum and upward revisions in manufacturing and all other industries combined. The downward revision in petroleum primarily reflects project deferrals and cancellations.

By area, estimates for 1994 were reduced in all major areas except Canada and Europe. In petroleum, they were reduced in all major areas.

### Plans for 1994

This section discusses changes from 1993 to 1994 in capital spending planned by MOFA's, by area and by industry. Such changes may result from changes in spending by existing affiliates, from the addition of spending by affiliates that have been newly established or acquired, or from the elimination of spending by affiliates that have been sold or liquidated. In the discussion, information from outside sources, mainly press reports, has been used to assist in the analysis and interpretation of the survey results.

#### Area highlights

Affiliates in all major areas except Africa, the Middle East, and "International" plan significant increases in spending in 1994.<sup>4</sup> As planned, increases in Asia and Pacific, Europe, "Latin

4. "International" affiliates are those that have operations in more than one country and that are engaged in petroleum shipping, other water transportation, or operating movable oil- and gas-drilling equipment.

Table 3.—Comparison of Capital Expenditures Estimates for 1993 and 1994

|  | 1993                |       | 1994  |       | Percent change from preceding year |       |
|--|---------------------|-------|-------|-------|------------------------------------|-------|
|  |                     |       |       |       | 1993                               | 1994  |
|  | Billions of dollars |       |       |       |                                    |       |
| Date of the survey: <sup>1</sup>                     |                     |       |       |       |                                    |       |
| December 1992 .....                                  | 70.2                | ..... | ..... | ..... | 7                                  | ..... |
| June 1993 .....                                      | 67.4                | ..... | ..... | ..... | 7                                  | ..... |
| December 1993 .....                                  | 64.3                | 69.6  | ..... | ..... | 2                                  | 8     |
| June 1994 .....                                      | 64.2                | 69.1  | ..... | ..... | 2                                  | 8     |
|  | Percent             |       |       |       |                                    |       |
| Addenda:   |                     |       |       |       |                                    |       |
| Revision from previous to most recent estimate ..... | (*)                 | -1    | ..... | ..... | .....                              | ..... |
| Revision from initial to most recent estimate .....  | -9                  | -1    | ..... | ..... | .....                              | ..... |

\* Less than 0.5 percent (±).

1. The results of each survey are published 3 months later in the SURVEY OF CURRENT BUSINESS.

America and Other Western Hemisphere," and Canada exceed \$1.0 billion each; the fastest growth in spending is expected in "Latin America and Other Western Hemisphere." In Africa, the Middle East, and "International," spending is expected to decrease.

In Asia and Pacific, affiliates plan to increase spending 14 percent, to \$14.2 billion, after a 15-percent increase. The 1994 increase is largely accounted for by affiliates in China, Hong Kong, and Thailand. The largest increases are planned by affiliates in petroleum and "other industries," particularly public utilities; spending has been attracted by the host countries' abundant natural resources and by the growing energy needs resulting from the region's rapid economic growth. In China, the increase is mostly in petroleum and manufacturing; in Hong Kong, it is mostly in "other industries"; and in Thailand, it is mostly in petroleum.

In Europe, affiliates plan to increase spending 4 percent, to \$34.3 billion, after an 8-percent decrease in 1993. Large increases are planned by affiliates in Germany and Belgium. In Germany, the increase is concentrated in transportation equipment; in Belgium, it is concentrated in chemicals and allied products, particularly in drugs. These increases are partly offset by reductions in spending by petroleum affiliates in the United Kingdom.

In Canada, affiliates plan to increase spending 14 percent, to \$9.4 billion, after a similar increase in 1993. The 1994 increase reflects economic recovery and increased demand, both in the domestic market and for export. The largest increases are in manufacturing, particularly in transportation equipment and in paper and allied products (included in "other manufacturing"); in mining and in communication and public utilities (included in "other industries"); and in petroleum.

In "Latin America and Other Western Hemisphere," affiliates plan to increase spending 18 percent, to \$7.4 billion, after a 9-percent increase. Most of the 1994 increase is accounted for by affiliates in Mexico and Brazil.

In Mexico, affiliates plan to increase spending 40 percent, to \$2.5 billion. The strong spending reflects the favorable investment climate produced by a growing economy, by recently liberalized policies toward foreign direct investment, and by the approval of NAFTA. Most of the increase is accounted for by affiliates in manufacturing, particularly in transportation equipment and in food and kindred products. In transporta-

tion equipment, affiliates appear to be expanding capacity to serve the U.S. and other export markets, as well as local markets. In food and kindred products, affiliates are probably expanding capacity mainly to serve local markets.

In Brazil, affiliates plan to increase spending 21 percent, to \$1.9 billion. The increase partly reflects liberalization of foreign trade and investment policies in recent years. The largest increases are in transportation equipment and in chemicals and allied products.

### *Industry detail*

*Petroleum.*—Petroleum affiliates plan to decrease spending 3 percent in 1994, to \$18.2 billion, after a 3-percent increase in 1993. The planned decrease is less than the 5-percent decrease in domestic capital spending planned by all U.S. petroleum companies.<sup>5</sup> It partly reflects project deferrals and completions, particularly in the United Kingdom.

Petroleum affiliates in Europe, Africa, the Middle East, and "International" plan to decrease spending; affiliates in Asia and Pacific, "Latin America and Other Western Hemisphere," and Canada plan increases.

In Europe, affiliates plan to decrease spending 11 percent, to \$7.4 billion, after an 8-percent decrease. In 1994, large decreases are planned by affiliates in the United Kingdom and the Netherlands. In the United Kingdom, several petroleum and natural gas extraction projects are being completed or deferred; despite the decrease, expenditures remain considerably larger in the United Kingdom than in any other country. In the Netherlands, the decrease partly reflects the completion of refinery projects.

In Africa, affiliates plan to decrease spending 8 percent, to \$1.4 billion. In the Middle East, they plan to decrease spending 27 percent, to \$0.5 billion. In both areas, the decreases are largely accounted for by affiliates engaged in the exploration and development of crude petroleum and natural gas. In "International," affiliates plan to decrease spending 12 percent, to \$0.5 billion.

5. The figure for domestic capital spending in petroleum is from the Census Bureau (see footnote 2). Both the Census Bureau data and the BEA data for foreign affiliates are classified according to the primary activity of each company, but they differ in coverage. The Census Bureau data for "petroleum" cover only companies primarily engaged in petroleum manufacturing, whereas BEA data cover companies engaged in all phases of the industry—in manufacturing, in extraction, and in distribution. However, the Census Bureau data for petroleum manufacturing do include the large, integrated companies that account for much of the total activity in the domestic petroleum industry; thus, the figure probably would not be greatly affected if domestic spending by smaller, independent companies primarily engaged in extraction or other phases of the industry were included to make it more comparable with BEA data for foreign affiliates.

The largest increase in spending in 1994 is in Asia and Pacific, where affiliates expect to increase spending 10 percent, to \$5.2 billion, after a 7-percent increase in 1993. As noted earlier, this increased spending has been encouraged by the area's growing energy needs. Thailand has an especially large share of the spending increase, mainly for refinery expansions. In China, spending increases are planned mainly to construct crude petroleum and natural gas extraction facilities. In the Philippines, planned increases are mainly for the expansion of retail distribution networks.

**Manufacturing.**—Manufacturing affiliates plan to increase spending 12 percent in 1994, to \$31.3 billion, after a 3-percent decrease in 1993. The turnaround partly reflects large spending increases in transportation equipment, chemicals and allied products, and nonelectrical machinery—industries that together more than accounted for the decrease in 1993. The 1994 increase exceeds the 10-percent increase in domestic capital spending planned by all U.S. companies in manufacturing (excluding petroleum manufacturing). By country, the largest increases in spending are expected to occur in Mexico, the United Kingdom, Canada, Germany, Belgium, and Brazil. By industry, increases in spending are planned in all major manufacturing industries (table 4).

Transportation equipment accounts for almost one-half of the increase in manufacturing. In that industry, affiliates plan to increase spending 25 percent, to \$7.5 billion, after a 3-percent decrease. The turnaround reflects two key factors: Strong auto sales in the United States, which have improved parent companies' cash flow and increased their ability to finance foreign operations, and plans for the introduction of new car models abroad, which are resulting in increased

expenditures for retooling and for expanding capacity. The increase in transportation equipment spending is concentrated in Mexico, the United Kingdom, Canada, and Germany. In Mexico, the increase is largely in response to growing North American auto markets. In the United Kingdom, it partly reflects expenditures for modernization and for retooling by affiliates that are planning production of a new line of cars. In Canada, it reflects expenditures to modernize and expand production facilities, partly to serve growing export markets in the United States and Mexico.

In food and kindred products, affiliates plan to increase spending 17 percent, to \$4.0 billion. Most of the increase is accounted for by affiliates in Germany, Mexico, the United Kingdom, and China. In Germany, Mexico, and China, the increases are largely in beverages; in the United Kingdom, the increase is mostly accounted for by producers of other food products.

In chemicals and allied products, affiliates plan to increase spending 9 percent, to \$6.7 billion. Large increases are planned by drug manufacturers in Belgium, by agricultural chemical producers in Spain, and by industrial chemical producers in Brazil.

In electric and electronic equipment, affiliates plan to increase spending 11 percent, to \$3.3 billion. Increases are planned by producers of electronic components in Japan and by manufacturers of audio, video, and communication equipment in the Netherlands.

**All other industries.**—In all other industries combined, affiliates plan to increase spending 11 percent in 1994, to \$19.5 billion, after an 8-percent increase in 1993.

In services, affiliates plan to increase spending 16 percent, to \$5.2 billion. The increase is concentrated in the United Kingdom and France. In the United Kingdom, affiliates in computer and data processing services and in automotive rental and leasing services plan sizable increases. In France, affiliates in automotive rental and leasing services plan increases.

In "other industries," affiliates plan to increase spending 11 percent, to \$7.0 billion.<sup>6</sup> Most of the increase is by affiliates in public utilities and mining. By area, the largest increases are planned in Canada, Hong Kong, Germany, and Indonesia. In Canada, the increases are mainly in communication and public utilities and in mining.

Table 4.—Changes in Spending in Manufacturing Industries, 1993 and 1994

|   | Billions of dollars        |      | Percent change from preceding year |      |
|---|----------------------------|------|------------------------------------|------|
|   | 1993                       | 1994 | 1993                               | 1994 |
|   | <b>Manufacturing</b> ..... | -0.7 | 3.5                                | -2.6 |
| Food and kindred products .....         | .2                         | .6   | 5.7                                | 17.4 |
| Chemicals and allied products .....     | -2                         | .5   | -2.7                               | 8.5  |
| Primary and fabricated metals .....     | (*)                        | (*)  | 3.6                                | 2.9  |
| Machinery, except electrical .....      | -7                         | .3   | -19.4                              | 9.0  |
| Electric and electronic equipment ..... | .4                         | .3   | 14.0                               | 10.9 |
| Transportation equipment .....          | -2                         | 1.5  | -3.0                               | 25.0 |
| Other manufacturing .....               | -3                         | .2   | -5.0                               | 4.3  |

\* Less than \$50 million (±).

6. "Other industries" consists of agriculture, forestry, and fishing; mining; construction; transportation, communication, and public utilities; and retail trade.

In Hong Kong, affiliates in public utilities plan sizable increases. Large increases are planned by affiliates in retail trade in Germany and by affiliates in mining in Indonesia.

In wholesale trade, affiliates plan to increase spending 9 percent, to \$4.4 billion, after an 8-percent decrease. The increase is concentrated in Japan and Australia. In both countries, the increases are largely accounted for by affiliates in durable goods wholesale trade.

### Spending Patterns Since 1957

This section presents estimates of, and briefly discusses, spending patterns over the 1957-94 period covered by the BEA capital expenditures survey, which is being discontinued (see the box on page 58). First, major changes in spending growth during the period and their relationship to changes in the international macroeconomic environment are described. Second, changes in the composition of capital expenditures by major industry and by area are discussed. Tables 5

and 6 show spending by industry and by area for each year.

### Patterns of growth

During 1957-94, capital expenditures by MOFA's increased at an average annual rate of 8.4 percent, from \$4.8 billion to \$69.1 billion (table 7).

Capital expenditures declined moderately from 1957-59, paralleling the U.S. recession of that time, bottomed out in 1960, and then rose at an average annual rate of 13 percent until 1972. Growth during this period was concentrated in Europe, where new incentives for direct investors had been recently provided by formation of the European Economic Community (EEC). The EEC, which sought to lower, and eventually eliminate, internal tariff barriers among member countries, encouraged some U.S. manufacturers to produce in the Community in order to compete with local EEC firms. In addition, to the extent that the EEC promoted economic growth and efficiency in the member countries, it contributed to gen-

Table 5.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies by Major Industry, 1957-94

[Millions of dollars]

|                   | All industries | Petroleum | Manufacturing |                           |                               |                               |                              |                                   |                          |                     | Other industries |
|-------------------|----------------|-----------|---------------|---------------------------|-------------------------------|-------------------------------|------------------------------|-----------------------------------|--------------------------|---------------------|------------------|
|                   |                |           | Total         | Food and kindred products | Chemicals and allied products | Primary and fabricated metals | Machinery, except electrical | Electric and electronic equipment | Transportation equipment | Other manufacturing |                  |
| 1957              | 4,819          | 2,322     | 1,347         | 78                        | 234                           | 208                           | 120                          | 99                                | 268                      | 341                 | 1,150            |
| 1958              | 4,097          | 1,854     | 1,180         | 87                        | 261                           | 130                           | 116                          | 83                                | 221                      | 282                 | 1,063            |
| 1959              | 3,705          | 1,558     | 1,147         | 82                        | 232                           | 127                           | 109                          | 96                                | 228                      | 273                 | 1,000            |
| 1960              | 3,789          | 1,467     | 1,337         | 97                        | 237                           | 133                           | 132                          | 104                               | 336                      | 298                 | 985              |
| 1961              | 4,122          | 1,534     | 1,697         | 116                       | 278                           | 169                           | 205                          | 141                               | 473                      | 315                 | 891              |
| 1962              | 4,618          | 1,628     | 1,941         | 126                       | 308                           | 162                           | 214                          | 177                               | 585                      | 369                 | 1,049            |
| 1963              | 5,058          | 1,889     | 2,153         | 132                       | 436                           | 204                           | 232                          | 164                               | 530                      | 455                 | 1,016            |
| 1964              | 6,199          | 2,073     | 3,007         | 159                       | 619                           | 303                           | 414                          | 223                               | 726                      | 562                 | 1,119            |
| 1965              | 7,440          | 2,277     | 3,884         | 187                       | 861                           | 360                           | 627                          | 232                               | 873                      | 744                 | 1,279            |
| 1966              | 8,726          | 2,443     | 4,397         | 290                       | 898                           | 383                           | 883                          | 237                               | 870                      | 837                 | 1,886            |
| 1967              | 9,704          | 3,052     | 4,589         | 354                       | 1,050                         | 346                           | 943                          | 284                               | 850                      | 761                 | 2,063            |
| 1968              | 10,009         | 3,430     | 4,299         | 347                       | 993                           | 377                           | 830                          | 309                               | 658                      | 786                 | 2,280            |
| 1969              | 11,615         | 3,740     | 5,062         | 408                       | 963                           | 502                           | 1,081                        | 385                               | 781                      | 942                 | 2,813            |
| 1970              | 14,050         | 3,962     | 6,497         | 373                       | 1,183                         | 669                           | 1,593                        | 580                               | 1,011                    | 1,088               | 3,591            |
| 1971              | 16,284         | 5,024     | 7,046         | 375                       | 1,235                         | 590                           | 1,787                        | 613                               | 930                      | 1,516               | 4,214            |
| 1972              | 16,662         | 5,160     | 7,249         | 445                       | 1,241                         | 587                           | 1,877                        | 633                               | 925                      | 1,539               | 4,253            |
| 1973              | 20,649         | 6,574     | 9,247         | 579                       | 1,355                         | 779                           | 2,602                        | 897                               | 1,231                    | 1,805               | 4,828            |
| 1974              | 25,849         | 8,485     | 11,730        | 729                       | 2,126                         | 783                           | 3,061                        | 1,095                             | 1,588                    | 2,348               | 5,634            |
| 1975              | 26,841         | 8,901     | 11,343        | 688                       | 2,504                         | 665                           | 2,801                        | 887                               | 1,422                    | 2,375               | 6,597            |
| 1976              | 24,689         | 7,889     | 10,930        | 689                       | 2,745                         | 658                           | 2,679                        | 804                               | 1,358                    | 1,997               | 5,870            |
| 1977              | 24,051         | 8,856     | 10,522        | 810                       | 2,043                         | 545                           | 2,968                        | 705                               | 1,617                    | 1,836               | 4,673            |
| 1978              | 26,120         | 9,519     | 11,959        | 948                       | 1,884                         | 583                           | 3,630                        | 865                               | 1,911                    | 2,138               | 4,642            |
| 1979              | 32,626         | 11,036    | 15,419        | 1,184                     | 2,594                         | 649                           | 4,749                        | 1,089                             | 2,945                    | 2,209               | 6,171            |
| 1980              | 42,441         | 14,776    | 19,540        | 1,521                     | 2,965                         | 886                           | 5,589                        | 1,350                             | 4,381                    | 2,848               | 8,125            |
| 1981              | 43,748         | 15,761    | 19,164        | 1,407                     | 2,968                         | 804                           | 5,106                        | 1,210                             | 5,177                    | 2,492               | 8,823            |
| 1982              | 44,812         | 20,760    | 16,648        | 1,213                     | 3,348                         | 970                           | 4,395                        | 1,145                             | 3,197                    | 2,380               | 7,404            |
| 1983              | 36,878         | 15,724    | 13,773        | 1,140                     | 2,366                         | 902                           | 3,505                        | 1,224                             | 2,650                    | 1,986               | 7,381            |
| 1984              | 35,099         | 14,012    | 14,194        | 1,183                     | 2,470                         | 1,061                         | 3,272                        | 1,516                             | 2,414                    | 2,279               | 6,893            |
| 1985              | 36,482         | 13,608    | 15,795        | 1,226                     | 2,806                         | 945                           | 3,188                        | 1,488                             | 3,404                    | 2,738               | 7,079            |
| 1986              | 34,678         | 9,562     | 17,770        | 1,394                     | 3,303                         | 1,003                         | 3,030                        | 1,399                             | 4,626                    | 3,016               | 7,346            |
| 1987              | 37,032         | 9,712     | 18,627        | 1,658                     | 4,012                         | 1,023                         | 3,245                        | 1,706                             | 3,532                    | 3,451               | 8,693            |
| 1988              | 46,611         | 13,302    | 22,434        | 1,890                     | 4,898                         | 1,153                         | 3,848                        | 2,144                             | 3,834                    | 4,667               | 10,875           |
| 1989              | 57,010         | 14,519    | 28,630        | 2,280                     | 6,437                         | 1,754                         | 4,750                        | 2,564                             | 4,868                    | 5,976               | 13,861           |
| 1990              | 61,535         | 15,922    | 31,090        | 2,676                     | 6,898                         | 1,920                         | 4,755                        | 2,922                             | 6,167                    | 5,751               | 14,523           |
| 1991              | 62,931         | 18,556    | 28,455        | 2,990                     | 6,507                         | 1,052                         | 4,516                        | 2,747                             | 5,578                    | 5,065               | 15,920           |
| 1992              | 63,215         | 18,365    | 28,608        | 3,201                     | 6,330                         | 1,125                         | 3,577                        | 2,591                             | 6,151                    | 5,634               | 16,242           |
| 1993 <sup>1</sup> | 64,224         | 18,835    | 27,866        | 3,383                     | 6,161                         | 1,165                         | 2,883                        | 2,953                             | 5,966                    | 5,355               | 17,523           |
| 1994 <sup>1</sup> | 69,057         | 18,231    | 31,322        | 3,972                     | 6,687                         | 1,199                         | 3,143                        | 3,276                             | 7,460                    | 5,586               | 19,504           |

1. See footnote 1, table 1.

eral market expansion, which created additional investment opportunities for U.S. companies.

Growth in spending accelerated in 1973, the year of the first oil shock, as petroleum affiliates intensified their efforts to explore for, and develop, new sources of crude oil. However, spending growth gave way to contraction in the ensuing worldwide recession. The second oil shock caused spending to pick up in 1979, and by 1982 it had almost doubled. Again, the worldwide recession of the early 1980's brought about a decline. By the mid-1980's, the recession had run its course, but growth in spending continued to be sluggish. By 1988, however, a new spurt of growth was underway, primarily in response to renewed expansion in foreign markets.

In 1990, the pace of spending slowed markedly, and it proceeded at a subdued rate through 1993, as falling oil prices coincided with sluggish economic activity abroad, particularly in Europe. However, reduced spending growth in Europe was partly offset by a step-up in spending in some countries in "Latin America and Other Western

**Table 7.—Growth Rates and Composition of Affiliate Spending, 1957–94**

[Percent]

|  | Average annual rate of growth <sup>1</sup> | Share of total |            |
|--|--|----------------|------------|
|  |  | 1957           | 1994       |
| <b>Total</b> .....                               | <b>8.4</b>                                 | <b>100</b>     | <b>100</b> |
| <b>By industry</b>                               |  |                |            |
| Petroleum .....                                  | 7.6  | 48             | 26         |
| Manufacturing .....                              | 9.0  | 28             | 45         |
| Other industries .....                           | 8.4  | 24             | 28         |
| <b>By area</b>                                   |  |                |            |
| Canada .....                                     | 6.3  | 33             | 14         |
| Europe .....                                     | 10.2                                       | 19             | 50         |
| Latin America and Other Western Hemisphere ..... | 5.6  | 35             | 11         |
| Africa .....                                     | 7.3  | 2              | 2          |
| Middle East .....                                | 5.5  | 3              | 1          |
| Asia and Pacific .....                           | 11.0                                       | 5              | 21         |
| International .....                              | 5.4  | 3              | 2          |

1. Estimated as the slope coefficients of logarithmic regressions of capital spending against a time variable. This method of computing growth rates was selected over simple interpolation between end points of the series in order to minimize the sensitivity of the growth rates to the specific values of the end points and to help ascertain that the measured growth rates represent systematic trends in spending rather than random fluctuations. All of the coefficients shown are statistically significant at the 99-percent confidence level.

**Table 6.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies by Major Area, 1957–94**

(Millions of dollars)

|                         | All areas | Canada | Europe | Latin America and Other Western Hemisphere | Africa | Middle East | Asia and Pacific | International <sup>1</sup> |
|-------------------------|-----------|--------|--------|--|--------|-------------|------------------|----------------------------|
| 1957 .....              | 4,819     | 1,593  | 899    | 1,687                                      | 85     | 147         | 259              | 149                        |
| 1958 .....              | 4,097     | 1,311  | 976    | 1,269                                      | 79     | 192         | 211              | 59                         |
| 1959 .....              | 3,705     | 1,179  | 906    | 1,003                                      | 118    | 84          | 250              | 165                        |
| 1960 .....              | 3,789     | 1,259  | 1,092  | 750  | 169    | 89          | 295              | 135                        |
| 1961 .....              | 4,122     | 1,016  | 1,474  | 795  | 228    | 99          | 378              | 132                        |
| 1962 .....              | 4,618     | 1,163  | 1,674  | 860  | 257    | 78          | 438              | 148                        |
| 1963 .....              | 5,058     | 1,279  | 1,895  | 870  | 246    | 130         | 517              | 121                        |
| 1964 .....              | 6,199     | 1,553  | 2,179  | 1,031                                      | 397    | 120         | 711              | 208                        |
| 1965 .....              | 7,440     | 1,847  | 2,640  | 1,073                                      | 473    | 244         | 954              | 209                        |
| 1966 .....              | 8,726     | 2,482  | 3,473  | 1,035                                      | 398    | 215         | 870              | 253                        |
| 1967 .....              | 9,704     | 2,369  | 3,993  | 1,350                                      | 496    | 260         | 970              | 266                        |
| 1968 .....              | 10,009    | 2,287  | 3,701  | 1,657                                      | 642    | 290         | 1,032            | 400                        |
| 1969 .....              | 11,615    | 2,596  | 4,211  | 1,864                                      | 730    | 238         | 1,352            | 624                        |
| 1970 .....              | 14,050    | 3,000  | 5,692  | 1,952                                      | 667    | 228         | 1,800            | 711                        |
| 1971 .....              | 16,284    | 3,448  | 6,734  | 1,938                                      | 563    | 340         | 2,256            | 1,005                      |
| 1972 .....              | 16,662    | 3,469  | 6,825  | 1,953                                      | 510    | 700         | 2,121            | 1,084                      |
| 1973 .....              | 20,649    | 4,203  | 8,332  | 2,319                                      | 598    | 951         | 2,153            | 2,093                      |
| 1974 .....              | 25,849    | 5,489  | 10,250 | 3,020                                      | 784    | 1,238       | 2,922            | 2,146                      |
| 1975 .....              | 26,841    | 5,050  | 11,728 | 3,069                                      | 953    | 1,302       | 3,028            | 1,711                      |
| 1976 .....              | 24,689    | 5,628  | 10,476 | 2,629                                      | 875    | 1,085       | 2,195            | 1,801                      |
| 1977 .....              | 24,051    | 5,375  | 11,196 | 2,163                                      | 927    | 1,176       | 1,931            | 1,283                      |
| 1978 .....              | 26,120    | 5,404  | 12,639 | 2,529                                      | 988    | 1,062       | 2,701            | 797                        |
| 1979 .....              | 32,626    | 6,470  | 16,424 | 3,221                                      | 1,121  | 776         | 3,412            | 1,202                      |
| 1980 .....              | 42,441    | 8,339  | 20,838 | 4,576                                      | 1,597  | 701         | 4,921            | 1,469                      |
| 1981 .....              | 43,748    | 8,145  | 20,084 | 5,680                                      | 1,987  | 530         | 5,971            | 1,351                      |
| 1982 .....              | 44,812    | 7,077  | 19,533 | 5,777                                      | 2,878  | 830         | 7,498            | 1,219                      |
| 1983 .....              | 36,878    | 6,481  | 16,550 | 3,731                                      | 2,282  | 811         | 6,378            | 645                        |
| 1984 .....              | 35,099    | 6,473  | 16,301 | 3,698                                      | 1,789  | 740         | 5,714            | 384                        |
| 1985 .....              | 36,482    | 7,231  | 16,833 | 3,975                                      | 1,734  | 503         | 5,763            | 443                        |
| 1986 .....              | 34,678    | 7,101  | 16,450 | 3,586                                      | 1,185  | 371         | 5,668            | 317                        |
| 1987 .....              | 37,032    | 7,245  | 18,713 | 3,413                                      | 895    | 492         | 5,936            | 338                        |
| 1988 .....              | 46,611    | 9,124  | 23,228 | 3,943                                      | 1,081  | 369         | 8,206            | 660                        |
| 1989 .....              | 57,010    | 10,747 | 28,314 | 4,799                                      | 1,117  | 408         | 10,522           | 1,103                      |
| 1990 .....              | 61,535    | 9,603  | 34,568 | 5,129                                      | 1,576  | 742         | 9,098            | 819                        |
| 1991 .....              | 62,931    | 8,319  | 35,577 | 5,444                                      | 1,563  | 704         | 10,567           | 757                        |
| 1992 .....              | 63,215    | 7,245  | 36,099 | 5,776                                      | 1,590  | 869         | 10,856           | 780                        |
| 1993 <sup>2</sup> ..... | 64,224    | 8,263  | 33,033 | 6,299                                      | 1,712  | 841         | 12,465           | 1,611                      |
| 1994 <sup>2</sup> ..... | 69,057    | 9,388  | 34,347 | 7,445                                      | 1,650  | 692         | 14,181           | 1,354                      |

1. See footnote 3, table 1.

2. See footnote 1, table 1.

Hemisphere” and in Asia and Pacific, where it was encouraged by growing local markets and by a more open investment climate. In 1994, according to the latest survey, spending accelerated again.

**Composition of expenditures**

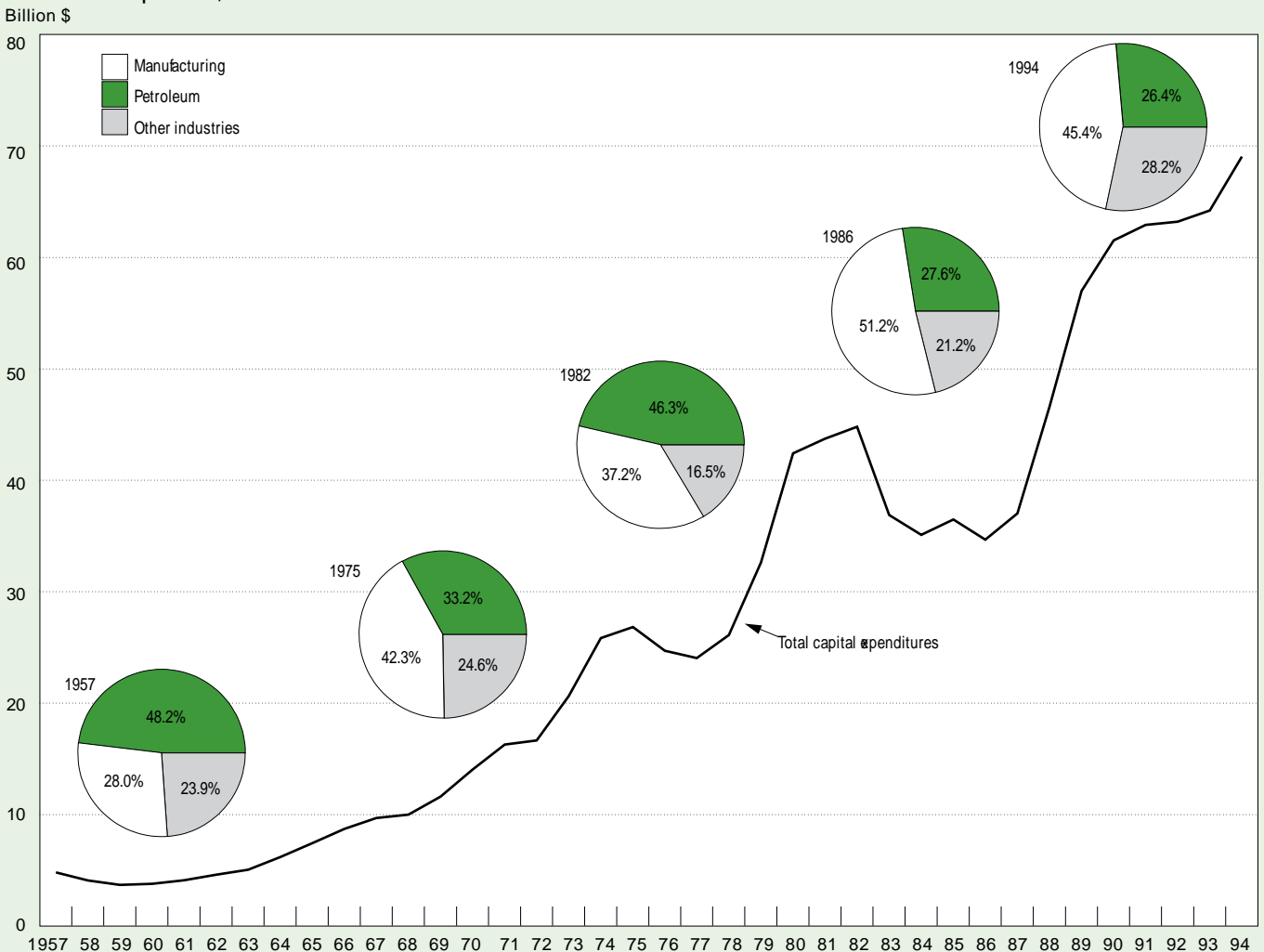
*By industry.*—In 1957, affiliates in petroleum accounted for the largest share of spending, followed by affiliates in manufacturing (chart 2 and table 7). During 1957–94, however, spending by affiliates in manufacturing grew more rapidly than spending by affiliates in petroleum. As a result, by 1994, the share of total spending accounted for by manufacturing affiliates was much

larger than that of petroleum affiliates—45 percent, compared with 26 percent. The share of affiliates in “other industries” was 28 percent, only slightly larger than in 1957.

Although the shift in the composition of spending away from petroleum and toward manufacturing was a fundamental one, reflecting in part the reduced participation of U.S. multinational companies in crude-oil production in some of the major oil-producing countries, it did not occur uniformly over time. As can be seen in chart 2, the importance of manufacturing increased in relation to that of petroleum between 1957 and 1975, when there was rapid growth in U.S. investment in manufacturing facilities in Europe. The composition of spending remained

CHART 2

Changes in the Industry Composition of Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies, 1957–1994





relatively stable until 1982, when a sharp rise in oil prices that began in 1979 prompted increased exploration and development activity in petroleum and contributed to a general contraction of the world economy, which led to reduced spending in manufacturing. By 1986, the longer term shift in the composition of spending toward manufacturing resumed, as oil prices fell and general economic conditions improved.


*By area.*—In 1957, affiliates in Canada and in “Latin America and Other Western Hemisphere” accounted for the largest shares of spending (chart 3). During 1957–94, however, spending by affiliates in Europe and in Asia and Pacific grew faster than spending in Canada and Latin America. As a result, by 1994, the shares of total spending accounted for by affiliates in Europe and in Asia and Pacific were much larger than those accounted for by affiliates in Canada and Latin America. The increase in the share of spending accounted for by affiliates in Europe—from 19 percent in 1957 to 50 percent in 1994—was particularly striking, especially in view of the high wages paid in that area. The increase, together with the tendency for sales by affiliates to be concentrated in their country of location, suggests that capital spending by foreign affiliates

### Errata

The report “U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 1993” in the August 1994 SURVEY OF CURRENT BUSINESS contained errors in the column headings of tables 8 and 9 on pages 132–33. In table 8, columns 5 and 11 should read “U.S. parents’ receipts”; columns 6 and 12 should read “U.S. parents’ payments.” In table 9, columns 2, 5, 8, and 11 should read “U.S. parents’ receipts”; columns 3, 6, 9, and 12 should read “U.S. parents’ payments.”

is more a market-driven economic phenomenon than a cost-avoidance one.

Although the long-term shifts in geographic composition were not uniform over time, the movements were more regular than those in industry composition. In particular, the oil price shocks, which tended to stimulate spending in petroleum and to depress spending in manufacturing, did not have the same differential effects geographically, principally because Europe, whose share of spending increased the most, was the location of significant amounts of spending in both petroleum and manufacturing.

*Tables 8.1 and 8.2 follow.* 

### CHART 3

Changes in the Geographic Composition of Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies, 1957 and 1994

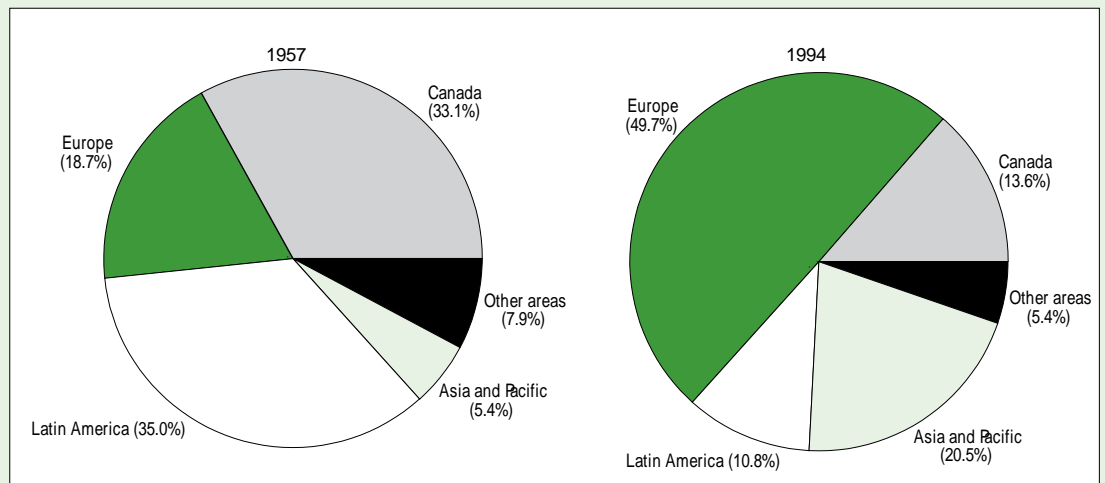


Table 8.1.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies in 1993<sup>1</sup>

[Millions of dollars]

|   | All industries | Petroleum     | Manufacturing |                           |                               |                               |                              |                                   |                          |                     | Wholesale trade | Finance (except banking), insurance, and real estate | Services     | Other industries |
|---|----------------|---------------|---------------|---------------------------|-------------------------------|-------------------------------|------------------------------|-----------------------------------|--------------------------|---------------------|-----------------|--|--------------|------------------|
|   |                |               | Total         | Food and kindred products | Chemicals and allied products | Primary and fabricated metals | Machinery, except electrical | Electric and electronic equipment | Transportation equipment | Other manufacturing |                 |  |              |                  |
| <b>All countries</b> .....                              | <b>64,224</b>  | <b>18,835</b> | <b>27,866</b> | <b>3,383</b>              | <b>6,161</b>                  | <b>1,165</b>                  | <b>2,883</b>                 | <b>2,953</b>                      | <b>5,966</b>             | <b>5,355</b>        | <b>4,069</b>    | <b>2,587</b>   | <b>4,509</b> | <b>6,357</b>     |
| <b>Canada</b> .....                                     | <b>8,263</b>   | <b>2,097</b>  | <b>3,922</b>  | <b>403</b>                | <b>611</b>                    | <b>132</b>                    | <b>193</b>                   | <b>109</b>                        | <b>1,789</b>             | <b>686</b>          | <b>320</b>      | <b>387</b>   | <b>598</b>   | <b>939</b>       |
| <b>Europe</b> .....                                     | <b>33,033</b>  | <b>8,269</b>  | <b>15,682</b> | <b>1,851</b>              | <b>3,785</b>                  | <b>626</b>                    | <b>1,812</b>                 | <b>1,290</b>                      | <b>3,137</b>             | <b>3,182</b>        | <b>2,420</b>    | <b>1,571</b>   | <b>3,401</b> | <b>1,689</b>     |
| Austria .....   | 314            | 46            | 164           | (D)                       | 3                             | 2                             | 3                            | 8                                 | (D)                      | 15                  | 69              | (D)  | 24           | (D)              |
| Belgium .....   | 1,268          | 48            | 716           | 71                        | 413                           | 27                            | 37                           | 24                                | 23                       | 121                 | 135             | 28   | 253          | 89               |
| Denmark .....   | 300            | 106           | 69            | 42                        | 9                             | 2                             | (*)                          | 6                                 | 3                        | 7                   | 57              | (D)  | 40           | (D)              |
| Finland .....   | 65             | 9             | 16            | (*)                       | 11                            | (*)                           | 1                            | 1                                 | 0                        | 3                   | 24              | (*)  | 1            | 16               |
| France .....  | 3,558          | (D)           | 1,875         | 204                       | 631                           | 47                            | 341                          | 81                                | 73                       | 498                 | 478             | 82   | 693          | (D)              |
| Germany .....   | 5,822          | 405           | 4,195         | 478                       | 651                           | 170                           | 495                          | 256                               | 1,593                    | 553                 | 367             | 173  | 385          | 296              |
| Greece .....  | 62             | 8             | 39            | 25                        | 11                            | 0                             | 0                            | (*)                               | 0                        | 2                   | 12              | 1  | 2            | 0                |
| Ireland .....   | 1,191          | 38            | 1,061         | 48                        | 267                           | 5                             | 85                           | 479                               | 4                        | 173                 | 11              | 72   | 7            | 2                |
| Italy .....   | 1,415          | 108           | 795           | 79                        | 222                           | 21                            | 172                          | 52                                | 81                       | 167                 | 157             | (D)  | 197          | (D)              |
| Luxembourg .....  | 141            | 2             | 122           | 0                         | 2                             | 1                             | 2                            | (*)                               | (D)                      | (D)                 | 4               | 4  | 9            | (*)              |
| Netherlands .....                                       | 2,127          | 442           | 1,032         | 201                       | 367                           | 53                            | 59                           | 41                                | 5                        | 306                 | 149             | 271  | 118          | 115              |
| Norway .....  | 1,314          | 1,193         | 31            | (D)                       | 1                             | 6                             | 2                            | (*)                               | 0                        | (D)                 | 40              | (D)  | 36           | (D)              |
| Portugal .....  | 200            | 9             | 20            | 24                        | (D)                           | 2                             | 9                            | 24                                | (D)                      | 61                  | 1               | 32   | 32           | 7                |
| Spain .....   | 1,373          | 21            | 1,017         | 88                        | 186                           | 22                            | 21                           | 65                                | 488                      | 147                 | 137             | 13   | 126          | 59               |
| Sweden .....  | 260            | 5             | 133           | (D)                       | 15                            | 1                             | (D)                          | (*)                               | 1                        | 20                  | 50              | (D)  | 45           | (D)              |
| Switzerland .....                                       | 706            | 18            | 196           | (D)                       | 57                            | (D)                           | 23                           | 13                                | (*)                      | 70                  | 170             | 146  | 132          | 46               |
| Turkey .....  | 186            | 8             | 166           | 35                        | 18                            | (D)                           | 0                            | (D)                               | 3                        | 81                  | 11              | 0  | 1            | 0                |
| United Kingdom .....                                    | 11,596         | 5,249         | 3,456         | 325                       | 794                           | 185                           | 516                          | 218                               | 686                      | 732                 | 444             | 543  | 1,301        | 603              |
| Other .....   | 1,138          | (D)           | 512           | 126                       | 103                           | 49                            | (D)                          | 28                                | 169                      | 44                  | (D)             | (D)  | 1            | 79               |
| <b>Latin America and Other Western Hemisphere</b> ..... | <b>6,299</b>   | <b>1,044</b>  | <b>3,850</b>  | <b>712</b>                | <b>789</b>                    | <b>304</b>                    | <b>239</b>                   | <b>194</b>                        | <b>894</b>               | <b>718</b>          | <b>288</b>      | <b>195</b>   | <b>88</b>    | <b>834</b>       |
| <b>South America</b> .....                              | <b>3,642</b>   | <b>712</b>    | <b>2,244</b>  | <b>458</b>                | <b>457</b>                    | <b>264</b>                    | <b>203</b>                   | <b>70</b>                         | <b>317</b>               | <b>475</b>          | <b>166</b>      | <b>53</b>  | <b>44</b>    | <b>423</b>       |
| Argentina .....   | 524            | 128           | 309           | 162                       | 62                            | (D)                           | 1                            | 5                                 | 3                        | (D)                 | 53              | 18   | 5            | 12               |
| Brazil .....  | 1,571          | 49            | 1,422         | 166                       | 273                           | 106                           | 200                          | 59                                | 301                      | 317                 | 22              | 30   | 23           | 26               |
| Chile .....   | 529            | (D)           | (D)           | 19                        | 9                             | (D)                           | 1                            | 1                                 | 0                        | 9                   | 28              | 4  | 5            | 333              |
| Colombia .....  | 298            | 168           | 94            | 14                        | 41                            | 3                             | 0                            | 2                                 | 2                        | 32                  | (D)             | 2  | 7            | 2                |
| Ecuador .....   | 260            | 236           | 20            | 5                         | 11                            | 2                             | 0                            | (*)                               | (*)                      | 1                   | (*)             | (*)  | 0            | 2                |
| Peru .....  | (D)            | (D)           | 13            | 1                         | 8                             | 2                             | 0                            | 0                                 | 1                        | 6                   | 6               | (*)  | (*)          | (*)              |
| Venezuela .....   | 291            | 34            | 213           | 68                        | 52                            | 7                             | 1                            | 2                                 | 11                       | 72                  | 40              | 3  | 3            | 1                |
| Other .....   | (D)            | (D)           | (D)           | 24                        | 1                             | (*)                           | 0                            | 0                                 | 0                        | (D)                 | (D)             | 0  | (*)          | (D)              |
| <b>Central America</b> .....                            | <b>2,072</b>   | <b>52</b>     | <b>1,570</b>  | <b>252</b>                | <b>308</b>                    | <b>40</b>                     | <b>36</b>                    | <b>125</b>                        | <b>576</b>               | <b>233</b>          | <b>113</b>      | <b>54</b>  | <b>30</b>    | <b>252</b>       |
| Costa Rica .....  | 51             | (*)           | 29            | 8                         | 7                             | 2                             | 0                            | 2                                 | 0                        | 11                  | 3               | 0  | 0            | 19               |
| Guatemala .....   | 35             | 8             | 8             | 3                         | 3                             | 0                             | 0                            | 0                                 | 0                        | 3                   | 1               | (D)  | 1            | (D)              |
| Honduras .....  | 41             | 3             | 15            | 10                        | 3                             | 1                             | 0                            | 0                                 | 0                        | 2                   | 2               | 0  | 0            | 20               |
| Mexico .....  | 1,813          | 5             | 1,504         | 229                       | 291                           | 33                            | 36                           | 123                               | 576                      | 216                 | 93              | (D)  | 25           | (D)              |
| Panama .....  | 69             | (D)           | 6             | 1                         | 4                             | (*)                           | 0                            | 0                                 | 0                        | 1                   | 14              | 5  | 2            | 3                |
| Other .....   | 63             | (D)           | 7             | (*)                       | 1                             | 4                             | 0                            | (*)                               | 0                        | 1                   | (*)             | (*)  | 3            | (D)              |
| <b>Other Western Hemisphere</b> .....                   | <b>585</b>     | <b>280</b>    | <b>36</b>     | <b>2</b>                  | <b>23</b>                     | <b>0</b>                      | <b>0</b>                     | <b>(*)</b>                        | <b>0</b>                 | <b>10</b>           | <b>9</b>        | <b>88</b>  | <b>14</b>    | <b>159</b>       |
| Bahamas .....   | 55             | 3             | 6             | (*)                       | 6                             | 0                             | 0                            | 0                                 | 0                        | 0                   | (*)             | (D)  | 0            | 1                |
| Barbados .....  | 6              | 5             | (*)           | 0                         | 0                             | 0                             | 0                            | 0                                 | 0                        | 0                   | (*)             | (D)  | 1            | 0                |
| Bermuda .....   | 71             | 11            | 0             | 0                         | 0                             | 0                             | 0                            | 0                                 | 0                        | 0                   | (*)             | (D)  | 6            | (D)              |
| Dominican Republic .....                                | (D)            | 7             | 11            | (*)                       | 2                             | 0                             | 0                            | 0                                 | 0                        | 8                   | 2               | (*)  | (D)          | (D)              |
| Jamaica .....   | 50             | 5             | (D)           | 0                         | 0                             | 0                             | 0                            | 0                                 | 0                        | 1                   | 2               | (*)  | 2            | (D)              |
| Netherlands Antilles .....                              | 6              | 1             | 1             | 1                         | 0                             | 0                             | 0                            | 0                                 | 0                        | 0                   | 1               | 1  | 1            | 2                |
| Trinidad and Tobago .....                               | 201            | 200           | 1             | (*)                       | 0                             | 0                             | 0                            | 0                                 | 0                        | 0                   | 0               | 0  | 0            | 0                |
| United Kingdom Islands, Caribbean .....                 | (D)            | 2             | (D)           | 0                         | 0                             | 0                             | 0                            | 0                                 | 0                        | 0                   | 2               | 1  | (D)          | 0                |
| Other .....   | 50             | 47            | 1             | 1                         | 0                             | 0                             | 0                            | 0                                 | 0                        | (*)                 | (*)             | 1  | (*)          | (D)              |
| <b>Africa</b> .....                                     | <b>1,712</b>   | <b>1,515</b>  | <b>103</b>    | <b>(D)</b>                | <b>41</b>                     | <b>12</b>                     | <b>(D)</b>                   | <b>1</b>                          | <b>2</b>                 | <b>26</b>           | <b>(D)</b>      | <b>3</b>   | <b>4</b>     | <b>(D)</b>       |
| Egypt .....   | 357            | 336           | 16            | 3                         | 9                             | 4                             | (*)                          | 1                                 | 0                        | 0                   | 2               | 1  | 3            | 0                |
| Nigeria .....   | 475            | 468           | 6             | 2                         | 2                             | (*)                           | 1                            | (*)                               | 0                        | (*)                 | 1               | (*)  | 0            | 0                |
| South Africa .....                                      | 126            | (D)           | 39            | 2                         | 16                            | 4                             | 7                            | 0                                 | 2                        | 8                   | (D)             | 0  | 1            | (D)              |
| Other .....   | 754            | (D)           | 42            | (D)                       | 14                            | 4                             | (D)                          | 0                                 | 0                        | 18                  | (D)             | 2  | 1            | (D)              |
| <b>Middle East</b> .....                                | <b>841</b>     | <b>671</b>    | <b>115</b>    | <b>(D)</b>                | <b>2</b>                      | <b>2</b>                      | <b>(D)</b>                   | <b>86</b>                         | <b>0</b>                 | <b>8</b>            | <b>(D)</b>      | <b>3</b>   | <b>33</b>    | <b>(D)</b>       |
| Israel .....  | 138            | (*)           | 108           | 1                         | 1                             | 0                             | (D)                          | 85                                | 0                        | 7                   | 2               | 1  | 27           | (*)              |
| Saudi Arabia .....                                      | 41             | 27            | 6             | 2                         | 1                             | 2                             | 0                            | 0                                 | 0                        | 1                   | 1               | (*)  | 3            | 3                |
| United Arab Emirates .....                              | 127            | 113           | 1             | 0                         | (*)                           | (*)                           | 0                            | 0                                 | 0                        | 0                   | 2               | (*)  | 2            | 9                |
| Other .....   | 535            | 531           | (*)           | (*)                       | 0                             | 0                             | 0                            | 0                                 | 0                        | 0                   | (D)             | 1  | (*)          | (D)              |
| <b>Asia and Pacific</b> .....                           | <b>12,465</b>  | <b>4,722</b>  | <b>4,193</b>  | <b>388</b>                | <b>934</b>                    | <b>90</b>                     | <b>629</b>                   | <b>1,274</b>                      | <b>145</b>               | <b>734</b>          | <b>1,014</b>    | <b>428</b>   | <b>385</b>   | <b>1,723</b>     |
| Australia .....   | 2,283          | 673           | 716           | 161                       | 292                           | 14                            | 37                           | 34                                | 82                       | 96                  | 182             | 41   | 246          | 425              |
| China .....   | 419            | 296           | 105           | 12                        | 32                            | (D)                           | 7                            | (D)                               | (*)                      | 21                  | 4               | 2  | (*)          | 13               |
| Hong Kong .....   | 886            | 50            | 114           | 3                         | 12                            | 1                             | 10                           | 57                                | (*)                      | 30                  | (D)             | 57   | 20           | (D)              |
| India .....   | 51             | 29            | (D)           | 2                         | 2                             | (*)                           | 2                            | (*)                               | 0                        | (D)                 | 10              | (*)  | (D)          | 0                |
| Indonesia .....   | 1,682          | (D)           | 40            | 4                         | 17                            | (*)                           | 2                            | 3                                 | (D)                      | (D)                 | 3               | (*)  | (D)          | (D)              |
| Japan .....   | 2,265          | (D)           | 1,420         | 64                        | 322                           | 21                            | (D)                          | 298                               | 10                       | (D)                 | 305             | 215  | 54           | (D)              |
| Korea, Republic of .....                                | 244            | 5             | 177           | 10                        | 27                            | 6                             | 22                           | 38                                | 3                        | 72                  | 50              | 3  | (*)          | 9                |
| Malaysia .....  | 1,054          | 612           | 422           | 4                         | 10                            | 6                             | (D)                          | 346                               | 0                        | (D)                 | 9               | 9  | (*)          | 1                |
| New Zealand .....                                       | 212            | 54            | 56            | (D)                       | 14                            | (*)                           | 0                            | (*)                               | (D)                      | 8                   | 19              | 16   | 28           | 40               |
| Philippines .....                                       | 323            | (D)           | 199           | 37                        | 46                            | (*)                           | 3                            | 94                                | (D)                      | 4                   | 2               | 1  | (D)          | 1                |
| Singapore .....   | 1,460          | 688           | 441           | 1                         | 40                            | 3                             | 167                          | 210                               | 3                        | 16                  | 249             | 50   | 28           | 5                |
| Taiwan .....  | 296            | (*)           | 233           | (D)                       | 47                            | 1                             | 5                            | 118                               | (D)                      | 25                  | 28              | 30   | 3            | 3                |
| Thailand .....  | 1,119          | 849           | 220           | 34                        | 62                            | (D)                           | 11                           | 68                                | (D)                      | 26                  | 26              | 4  | (D)          | (D)              |
| Other .....   | 170            | 110           | 21            | 8                         | 10                            | (D)                           | 0                            | (D)                               | 0                        | 0                   | (D)             | (*)  | 0            | (D)              |
| <b>International</b> <sup>2</sup> .....                 | <b>1,610</b>   | <b>516</b>    | <b>0</b>      | <b>0</b>                  | <b>0</b>                      | <b>0</b>                      | <b>0</b>                     | <b>0</b>                          | <b>0</b>                 | <b>0</b>            | <b>0</b>        | <b>0</b>   | <b>0</b>     | <b>1,094</b>     |
| <b>Addenda:</b>   |                |               |               |                           |                               |                               |                              |                                   |                          |                     |                 |  |              |                  |
| European Union <sup>3</sup> .....                       | 29,051         | 6,604         | 14,466        | 1,581                     | 3,577                         | 539                           | 1,728                        | 1,232                             | 2,990                    | 2,818               | 2,013           | 1,295  | 3,163        | 1,511            |
| OPEC <sup>4</sup> .....                                 | 2,715          | 1,874         | 265           | 76                        | 72                            | 9                             | 5                            | 6                                 | 18                       | 80                  | (D)             | 1  | 9            | (D)              |

\* Less than \$500,000.  
 D Suppressed to avoid disclosure of data of individual companies.  
 1. See footnote 1, table 1.  
 2. See footnote 3, table 1.

3. See footnote 4, table 1.  
 4. See footnote 5, table 1.  
 NOTE.—Estimates are for majority-owned nonbank foreign affiliates of nonbank U.S. parents.

Table 8.2.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies in 1994<sup>1</sup>

[Millions of dollars]

|   | All industries | Petroleum     | Manufacturing |                           |                               |                               |                              |                                   |                          |                     | Wholesale trade | Finance (except banking), insurance, and real estate | Services     | Other industries |
|---|----------------|---------------|---------------|---------------------------|-------------------------------|-------------------------------|------------------------------|-----------------------------------|--------------------------|---------------------|-----------------|--|--------------|------------------|
|   |                |               | Total         | Food and kindred products | Chemicals and allied products | Primary and fabricated metals | Machinery, except electrical | Electric and electronic equipment | Transportation equipment | Other manufacturing |                 |  |              |                  |
| <b>All countries</b> .....                              | <b>69,057</b>  | <b>18,231</b> | <b>31,322</b> | <b>3,972</b>              | <b>6,687</b>                  | <b>1,199</b>                  | <b>3,143</b>                 | <b>3,276</b>                      | <b>7,460</b>             | <b>5,586</b>        | <b>4,434</b>    | <b>2,783</b>   | <b>5,242</b> | <b>7,045</b>     |
| <b>Canada</b> .....                                     | <b>9,388</b>   | <b>2,215</b>  | <b>4,415</b>  | <b>382</b>                | <b>585</b>                    | <b>123</b>                    | <b>167</b>                   | <b>150</b>                        | <b>2,054</b>             | <b>954</b>          | <b>366</b>      | <b>586</b>   | <b>601</b>   | <b>1,205</b>     |
| <b>Europe</b> .....                                     | <b>34,347</b>  | <b>7,365</b>  | <b>17,185</b> | <b>2,201</b>              | <b>4,135</b>                  | <b>655</b>                    | <b>2,002</b>                 | <b>1,392</b>                      | <b>3,703</b>             | <b>3,097</b>        | <b>2,446</b>    | <b>1,518</b>   | <b>3,955</b> | <b>1,878</b>     |
| Austria .....   | 277            | (D)           | 102           | 16                        | 4                             | 1                             | 4                            | (D)                               | 41                       | (D)                 | 99              | (D)  | 14           | (D)              |
| Belgium .....   | 1,658          | (D)           | 1,056         | 128                       | 557                           | 22                            | 51                           | 26                                | (D)                      | (D)                 | 152             | 25   | 292          | 84               |
| Denmark .....   | 310            | (D)           | 70            | 45                        | 9                             | 1                             | (*)                          | 6                                 | 2                        | 6                   | 51              | (D)  | 40           | (D)              |
| Finland .....   | 85             | (D)           | 23            | (*)                       | 15                            | (*)                           | (*)                          | 3                                 | 0                        | 5                   | 34              | (*)  | 1            | (D)              |
| France .....  | 3,646          | (D)           | 1,934         | 251                       | 625                           | 43                            | 366                          | 83                                | 87                       | 479                 | 443             | 72   | 810          | (D)              |
| Germany .....   | 6,474          | 397           | 4,655         | 597                       | 676                           | 198                           | 514                          | 284                               | 1,799                    | 587                 | 379             | 180  | 425          | 437              |
| Greece .....  | 87             | (D)           | 52            | 34                        | 13                            | 0                             | 0                            | (*)                               | 0                        | 5                   | 17              | 4  | (D)          | 0                |
| Ireland .....   | 1,042          | 39            | 925           | 25                        | 215                           | 10                            | 67                           | 450                               | 3                        | 155                 | 10              | 60   | 8            | (*)              |
| Italy .....   | 1,547          | 98            | 937           | 110                       | 258                           | 28                            | 218                          | 47                                | 84                       | 191                 | 172             | (D)  | 195          | (D)              |
| Luxembourg .....  | 147            | 7             | 124           | 0                         | 1                             | 2                             | 2                            | 4                                 | (D)                      | (D)                 | 4               | 4  | 9            | (*)              |
| Netherlands .....                                       | 2,016          | 236           | 1,095         | 195                       | 413                           | 55                            | 61                           | 114                               | 7                        | 251                 | 147             | 291  | 138          | 109              |
| Norway .....  | 1,423          | 1,297         | 31            | (D)                       | 2                             | 6                             | 2                            | (*)                               | 0                        | (D)                 | 38              | 4  | (D)          | (D)              |
| Portugal .....  | 190            | (D)           | 75            | 19                        | 27                            | 4                             | 2                            | 8                                 | 13                       | 3                   | 56              | 1  | 39           | (D)              |
| Spain .....   | 1,492          | 32            | 1,058         | 93                        | 306                           | 22                            | 33                           | 57                                | 453                      | 95                  | 168             | 14   | 139          | 81               |
| Sweden .....  | 288            | 7             | 135           | (D)                       | 21                            | 1                             | 41                           | (*)                               | 1                        | (D)                 | 44              | 11   | 39           | 52               |
| Switzerland .....                                       | 657            | 20            | 186           | (D)                       | 45                            | 5                             | 15                           | 20                                | (*)                      | (D)                 | 161             | 95   | 162          | 34               |
| Turkey .....  | 181            | 13            | 149           | 76                        | 15                            | 7                             | 0                            | 6                                 | 8                        | 38                  | 18              | 0  | 1            | 0                |
| United Kingdom .....                                    | 11,658         | 4,559         | 4,041         | 402                       | 829                           | 207                           | 616                          | 238                               | 1,088                    | 661                 | 402             | 433  | 1,607        | 616              |
| Other .....   | 1,169          | 247           | 539           | 131                       | 104                           | 42                            | 9                            | (D)                               | 38                       | (D)                 | 50              | (D)  | 1            | (D)              |
| <b>Latin America and Other Western Hemisphere</b> ..... | <b>7,445</b>   | <b>1,138</b>  | <b>4,907</b>  | <b>835</b>                | <b>974</b>                    | <b>289</b>                    | <b>305</b>                   | <b>271</b>                        | <b>1,474</b>             | <b>758</b>          | <b>271</b>      | <b>152</b>   | <b>112</b>   | <b>865</b>       |
| <b>South America</b> .....                              | <b>4,018</b>   | <b>714</b>    | <b>2,612</b>  | <b>477</b>                | <b>584</b>                    | <b>225</b>                    | <b>270</b>                   | <b>97</b>                         | <b>468</b>               | <b>491</b>          | <b>148</b>      | (D)  | <b>61</b>    | (D)              |
| Argentina .....   | 588            | 180           | 313           | 185                       | 64                            | 5                             | 1                            | 4                                 | 4                        | 50                  | 43              | (D)  | 24           | 44               |
| Brazil .....  | 1,896          | 49            | 1,742         | 148                       | 368                           | (D)                           | 266                          | 87                                | 439                      | (D)                 | 23              | 14   | 24           | 44               |
| Chile .....   | 529            | (D)           | (D)           | 13                        | 15                            | (D)                           | 1                            | 1                                 | 0                        | 6                   | 26              | 11   | 6            | 325              |
| Colombia .....  | 325            | 159           | 127           | 31                        | 47                            | 4                             | 0                            | 2                                 | 2                        | 40                  | 10              | (D)  | 19           | 19               |
| Ecuador .....   | 180            | 154           | 23            | 6                         | 12                            | 2                             | 0                            | 0                                 | (*)                      | (*)                 | 2               | 2  | 0            | 2                |
| Peru .....  | (D)            | (D)           | 16            | 2                         | 9                             | 3                             | 0                            | 0                                 | 2                        | 4                   | 4               | 1  | 1            | (*)              |
| Venezuela .....   | 362            | 101           | 222           | 76                        | 68                            | 10                            | 2                            | 2                                 | 23                       | 41                  | 36              | 4  | 2            | 1                |
| Other .....   | (D)            | 24            | (D)           | 15                        | 1                             | (*)                           | 0                            | 0                                 | 0                        | (D)                 | 4               | 0  | (*)          | (D)              |
| <b>Central America</b> .....                            | <b>2,844</b>   | <b>92</b>     | <b>2,274</b>  | <b>355</b>                | <b>376</b>                    | <b>64</b>                     | <b>36</b>                    | <b>175</b>                        | <b>1,006</b>             | <b>261</b>          | <b>115</b>      | (D)  | <b>43</b>    | (D)              |
| Costa Rica .....  | 65             | (*)           | 43            | 15                        | 9                             | 3                             | 0                            | 2                                 | 0                        | 14                  | (D)             | 0  | 0            | (D)              |
| Guatemala .....   | 41             | 10            | 12            | 6                         | 3                             | 0                             | 0                            | 0                                 | 0                        | 3                   | 1               | 1  | (D)          | 0                |
| Honduras .....  | 41             | (D)           | 14            | 10                        | 3                             | (*)                           | 0                            | 0                                 | 0                        | 2                   | (D)             | (D)  | 20           | 0                |
| Mexico .....  | 2,543          | 5             | 2,191         | 322                       | 356                           | 59                            | 36                           | 172                               | 1,006                    | 240                 | 92              | (D)  | 37           | (D)              |
| Panama .....  | 105            | (D)           | 9             | 3                         | 5                             | 1                             | 0                            | 0                                 | 0                        | 1                   | 17              | 1  | 2            | (D)              |
| Other .....   | 49             | 21            | 4             | (*)                       | 1                             | 2                             | 0                            | 0                                 | 0                        | 1                   | (*)             | (*)  | (D)          | (D)              |
| <b>Other Western Hemisphere</b> .....                   | <b>584</b>     | <b>332</b>    | <b>22</b>     | <b>3</b>                  | <b>14</b>                     | <b>0</b>                      | <b>0</b>                     | <b>(*)</b>                        | <b>0</b>                 | <b>6</b>            | <b>9</b>        | <b>47</b>  | <b>9</b>     | <b>165</b>       |
| Bahamas .....   | 38             | 2             | (D)           | (*)                       | (D)                           | 0                             | 0                            | 0                                 | 0                        | 0                   | (*)             | (D)  | 0            | 1                |
| Barbados .....  | 6              | 6             | (*)           | 0                         | 0                             | 0                             | 0                            | 0                                 | 0                        | 0                   | (*)             | (D)  | 0            | 0                |
| Bermuda .....   | 72             | 13            | (*)           | 0                         | 0                             | 0                             | 0                            | 0                                 | 0                        | 0                   | (*)             | (D)  | 0            | 0                |
| Dominican Republic .....                                | (D)            | 6             | 6             | 1                         | 2                             | 0                             | 0                            | 0                                 | 0                        | 3                   | 2               | 2  | (D)          | 0                |
| Jamaica .....   | 37             | 8             | (D)           | 0                         | 0                             | 0                             | 0                            | 0                                 | 0                        | 1                   | 3               | 1  | (D)          | 0                |
| Netherlands Antilles .....                              | 6              | 1             | 1             | 1                         | 0                             | 0                             | 0                            | 0                                 | 0                        | 0                   | 1               | 1  | 2            | 0                |
| Trinidad and Tobago .....                               | (D)            | (D)           | 1             | (*)                       | 0                             | 0                             | 0                            | 0                                 | 0                        | 0                   | 0               | 1  | 0            | 0                |
| United Kingdom Islands, Caribbean .....                 | 6              | 2             | (*)           | 0                         | 0                             | 0                             | 0                            | 0                                 | 0                        | 0                   | 2               | 1  | 1            | 0                |
| Other .....   | (D)            | (D)           | 1             | 1                         | 0                             | 0                             | 0                            | 0                                 | 0                        | 1                   | (*)             | 8  | (*)          | (D)              |
| <b>Africa</b> .....                                     | <b>1,650</b>   | <b>1,399</b>  | <b>156</b>    | <b>24</b>                 | <b>64</b>                     | <b>29</b>                     | (D)                          | <b>2</b>                          | <b>2</b>                 | (D)                 | (D)             | <b>4</b>   | (D)          | (D)              |
| Egypt .....   | 324            | 284           | 33            | 3                         | 26                            | 3                             | (*)                          | 2                                 | 0                        | 0                   | 3               | 1  | 3            | 0                |
| Nigeria .....   | 540            | 528           | 11            | 6                         | 3                             | (*)                           | 2                            | (*)                               | 0                        | 0                   | 1               | (*)  | 0            | 0                |
| South Africa .....                                      | 174            | (D)           | 57            | 3                         | 13                            | (D)                           | 6                            | 0                                 | 2                        | (D)                 | 0               | 0  | 1            | 2                |
| Other .....   | 612            | (D)           | 55            | 12                        | 22                            | (D)                           | (D)                          | 0                                 | 0                        | (D)                 | 3               | (D)  | (D)          | 0                |
| <b>Middle East</b> .....                                | <b>692</b>     | <b>491</b>    | <b>114</b>    | <b>18</b>                 | <b>2</b>                      | <b>2</b>                      | (D)                          | <b>85</b>                         | <b>0</b>                 | (D)                 | (D)             | <b>3</b>   | (D)          | (D)              |
| Israel .....  | 131            | (*)           | 108           | 1                         | 1                             | 0                             | (D)                          | 84                                | 0                        | (D)                 | 2               | 2  | 19           | 0                |
| Saudi Arabia .....                                      | 53             | 6             | 5             | 1                         | 1                             | 1                             | 0                            | 0                                 | 0                        | (D)                 | 2               | (D)  | 0            | 0                |
| United Arab Emirates .....                              | 116            | 99            | 1             | 0                         | (*)                           | (*)                           | 0                            | 0                                 | 0                        | 0                   | 2               | (*)  | 0            | 0                |
| Other .....   | 392            | 386           | (*)           | (*)                       | 0                             | 0                             | 0                            | 0                                 | 0                        | 0                   | 3               | 1  | (*)          | 1                |
| <b>Asia and Pacific</b> .....                           | <b>14,181</b>  | <b>5,171</b>  | <b>4,544</b>  | <b>512</b>                | <b>928</b>                    | <b>101</b>                    | <b>658</b>                   | <b>1,376</b>                      | <b>227</b>               | <b>743</b>          | <b>1,319</b>    | <b>521</b>   | <b>545</b>   | <b>2,081</b>     |
| Australia .....   | 2,435          | 596           | 766           | 180                       | 232                           | 13                            | 36                           | 61                                | 119                      | 124                 | 263             | 49   | 333          | 429              |
| China .....   | 761            | 501           | 226           | (D)                       | 73                            | (D)                           | 13                           | 12                                | 1                        | 15                  | 17              | 1  | (*)          | 16               |
| Hong Kong .....   | 1,214          | 70            | 124           | 2                         | 13                            | 5                             | 6                            | 61                                | (*)                      | 36                  | (D)             | 60   | 34           | (D)              |
| India .....   | 70             | (D)           | 48            | (D)                       | 3                             | (*)                           | 2                            | 0                                 | 0                        | 0                   | (D)             | (*)  | 1            | 0                |
| Indonesia .....   | 1,759          | (D)           | 71            | 2                         | 18                            | (*)                           | 2                            | 4                                 | (D)                      | (D)                 | 4               | (*)  | 111          | (D)              |
| Japan .....   | 2,451          | (D)           | 1,356         | 60                        | 248                           | 28                            | (D)                          | 375                               | 6                        | 430                 | 288             | 111  | (D)          | (D)              |
| Korea, Republic of .....                                | 265            | 5             | 155           | 21                        | 39                            | 4                             | 12                           | 50                                | 4                        | 25                  | 74              | 7  | (*)          | 24               |
| Malaysia .....  | 981            | 589           | 357           | 3                         | 13                            | 7                             | 20                           | 260                               | 0                        | 54                  | 26              | 8  | (*)          | 2                |
| New Zealand .....                                       | 217            | 51            | 71            | (D)                       | 9                             | (*)                           | 0                            | 1                                 | (D)                      | 11                  | 22              | 18   | 24           | 31               |
| Philippines .....                                       | 492            | (D)           | 262           | 44                        | 78                            | 2                             | (*)                          | 105                               | (D)                      | (D)                 | 6               | 2  | 1            | (D)              |
| Singapore .....   | 1,573          | 698           | 533           | 2                         | 51                            | 4                             | 200                          | 245                               | 4                        | 26                  | 235             | 57   | 37           | 13               |
| Taiwan .....  | 321            | 4             | 244           | 8                         | 60                            | 1                             | (D)                          | 112                               | (D)                      | 18                  | 39              | 27   | 3            | 4                |
| Thailand .....  | 1,407          | 1,088         | 258           | 25                        | 29                            | (D)                           | (D)                          | 83                                | (D)                      | 68                  | 41              | 5  | 1            | 14               |
| Other .....   | 234            | 134           | 73            | 7                         | 62                            | (*)                           | 0                            | 4                                 | 0                        | 0                   | (D)             | (*)  | 0            | (D)              |
| <b>International</b> <sup>2</sup> .....                 | <b>1,355</b>   | <b>452</b>    | <b>0</b>      | <b>0</b>                  | <b>0</b>                      | <b>0</b>                      | <b>0</b>                     | <b>0</b>                          | <b>0</b>                 | <b>0</b>            | <b>0</b>        | <b>0</b>   | <b>0</b>     | <b>903</b>       |
| <b>Addenda:</b>   |                |               |               |                           |                               |                               |                              |                                   |                          |                     |                 |  |              |                  |
| European Union <sup>3</sup> .....                       | 30,267         | 5,723         | 16,021        | 1,899                     | 3,929                         | 592                           | 1,930                        | 1,317                             | 3,614                    | 2,740               | 2,001           | (D)  | 3,705        | (D)              |
| OPEC <sup>4</sup> .....                                 | 3,058          | 2,025         | 310           | 86                        | 90                            | 12                            | 5                            | 7                                 | 36                       | 73                  | 44              | (*)  | 8            | 671              |

\* Less than \$500,000.

<sup>D</sup> Suppressed to avoid disclosure of data of individual companies.

1. See footnote 1, table 1.

2. See footnote 3, table 1.

3. See footnote 4, table 1.

4. See footnote 5, table 1.

NOTE.—Estimates are for majority-owned nonbank foreign affiliates of nonbank U.S. parents.