

Taking Account...

BEA releases summary estimates of MNC activity

Employment by U.S. multinational companies (MNCs) worldwide increased 0.5 percent in 2010 to 34.0 million workers, with increases in both the United States and abroad. Employment in the United States by U.S. parent companies increased 0.1 percent to 23.0 million workers, compared with a 0.6 percent decrease in total private-industry employment in the United States.

In April, as is customary, the Bureau of Economic Analysis (BEA) released advance summary statistics of employment, capital spending, and sales by U.S. parent companies, their foreign affiliates, and U.S. affiliates of foreign MNCs. Statistics based on more complete source data, including country and industry detail, will be released this year.

For both U.S. MNCs and U.S. affiliates of foreign MNCs, employment covers the total number of full-time and part-time employees at the end of the fiscal year. Sales are defined as gross operating revenues—gross sales minus returns, allowances, and discounts. Capital expenditures cover total expenditures on property, plant, and equipment.

The statistics were constructed from data collected in two surveys: (1) a survey of U.S. MNCs that covers the operations of both U.S. parent companies and their foreign affiliates and (2) a survey of the opera-

tions of U.S. affiliates of foreign MNCs.

Additional details:

- Employment in the United States by majority-owned U.S. affiliates of foreign MNCs decreased 1.0 percent in 2010 to 5.2 million workers. The rate of decrease was slightly faster than the rate of decrease of total U.S. private industry employment in 2010. U.S. affiliates of foreign MNCs accounted for 4.7 percent of U.S. private industry employment in 2010, the same share as in 2009.
- Employment by U.S. parents accounted for roughly one-fifth of total U.S. employment in private industries. Abroad, employment by the majority-owned foreign affiliates of U.S. MNCs increased 1.5 percent to 11.0 million workers.
- Employment in the United States by U.S. parent companies accounted for 68 percent of the worldwide employment of U.S. MNCs in 2010, a share that was unchanged from 2009.
- Worldwide capital expenditures by U.S. MNCs increased 3.9 percent in 2010 to \$621 billion. Capital expenditures in the United States by U.S. parent companies increased 3.3 percent to \$447 billion. Capital expenditures abroad by their majority-owned foreign affiliates increased 5.5 percent to \$173 billion.
- The U.S.-parent share of the worldwide capital expendi-

tures of U.S. MNCs in 2010 was 72 percent, down from 73 percent in 2009.

- Capital expenditures by U.S. affiliates of foreign MNCs fell 1.7 percent to \$147 billion.
- Sales by U.S. parent companies increased 6.8 percent in 2010 to \$9,843 billion. Sales by their majority-owned foreign affiliates increased 8.6 percent to \$5,197 billion.
- Sales by U.S. affiliates of foreign MNCs rose 5.0 percent to \$3,063 billion.

For more information, see the news release at www.bea.gov/newsreleases/international/mnc/2012/mnc2010.htm.

New FAQ item on the BEA Web site

A new item has been added to the Frequently Asked Questions (FAQs) service on the BEA Web site, providing an answer to the following question: “[What is final consumption expenditures of nonprofit institutions serving households \(NPISHs\), and how do revisions to this category affect total personal consumption expenditures \(PCE\)?](#)”

The FAQ service provides a wealth of information about BEA—its statistics, surveys, methodologies, policies, Web site, and other topics, many of which relate to timely, in-the-news economic issues. The service also provides a simple mechanism by which people can suggest topics for BEA staff.

The service is accessible at www.bea.gov.