

Taking Account...

BEA releases summary estimates of MNC activity

Employment by U.S. multinational companies (MNCs) worldwide decreased 4.1 percent in 2009 to 31.3 million workers, with decreases in both the United States and abroad. Employment in the United States by U.S. parent companies decreased 5.3 percent to 21.1 million workers, which mirrored the percent change 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 later this year.

The statistics presented in the release were based on data collected by BEA in two surveys of MNC operations: (1) a survey of U.S. MNCs that covered the operations of both U.S. parent companies and their foreign affiliates and (2) a survey that covered the operations of U.S. affiliates of foreign MNCs.

The survey of U.S. MNCs for 2009 was a benchmark survey, which is more comprehensive both in terms of companies covered and information collected than the surveys conducted in nonbenchmark years. Benchmark surveys are conducted

roughly every 5 years. Because benchmark survey processing is currently ongoing, information from other sources was used in combination with benchmark survey data to construct the estimates for U.S. parent companies and foreign affiliates for 2009.

Additional details:

- Employment in the United States by majority-owned U.S. affiliates of foreign MNCs decreased 7.9 percent in 2009 to 5.2 million workers. U.S. affiliates accounted for 4.7 percent of U.S. private-industry employment in 2009, down from 4.8 percent in 2008.
- Employment by U.S. parents accounted for almost one-fifth of total U.S. employment in private industries in 2009. Abroad, employment by the majority-owned foreign affiliates of U.S. MNCs decreased 1.5 percent to 10.3 million workers.
- Employment in the United States by U.S. parent companies accounted for 67 percent of the worldwide employment of U.S. MNCs in 2009, down from 68 percent in 2008.
- Worldwide capital expenditures by U.S. MNCs decreased 20.6 percent in 2009 to \$544 billion. Capital expenditures in the United States by U.S. parent companies decreased 20.7 percent to \$395 billion. Capital expenditures abroad by their majority-owned foreign affiliates

decreased 20.2 percent to \$150 billion.

- The U.S. parent share of the worldwide capital expenditures of U.S. MNCs in 2009 was 73 percent, which was unchanged from 2008.
- Sales by U.S. parent companies decreased 15.9 percent to \$7,819 billion in 2009. Sales by their majority-owned foreign affiliates decreased 10.9 percent to \$4,885 billion.
- Capital expenditures by majority-owned U.S. affiliates of foreign MNCs fell 15.6 percent to \$159 billion in 2009, and sales by these affiliates fell 15.7 percent to \$2,963 billion.

For more information, see the press release at www.bea.gov/newsreleases/international/mnc/2011/mnc2009.htm.

New FAQ item on BEA Web site

A new item has been placed in the Frequently Asked Questions (FAQs) area of the BEA Web site, providing an answer to the following question: "Do differences between the United States and Europe in measuring and reporting GDP tend to favor the United States?" BEA relaunched the popular FAQ service this year, enhancing it with an upgraded user interface, more intuitive navigation features, and simpler search tools. The service, which features hundreds of items on a variety of topics, is available by clicking on FAQs at www.bea.gov.