

# Direct Investment Positions for 2006

## Country and Industry Detail

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**I**N 2006, the historical-cost positions of U.S. direct investment abroad and foreign direct investment in the United States grew 12 percent. This marked a pickup in growth, compared with 2005 growth, of both the U.S. direct investment abroad—or “outward”—position, up from 1 percent, and the foreign direct investment in the United States—or “inward”—position, up from 5 percent (table A and chart 1).<sup>1</sup>

The stronger growth in the outward direct investment position resulted from a substantial shift in direct investment capital flows from net U.S. disinvestment abroad to net investment.<sup>2</sup> The pickup in growth in the

inward direct investment position reflected both larger net direct investment capital flows into the United States and a shift in valuation adjustments from negative to positive.

Highlights of the U.S. direct investment abroad estimates include the following:

- The 12-percent increase in the outward investment position in 2006, while above the 1-percent increase in 2005, was in line with the average annual growth rate of 13 percent in 1994–2004.

1. Throughout this article, the terms “outward direct investment” and “outward” are used as shorthand for “U.S. direct investment abroad”; likewise, the terms “inward direct investment” and “inward” are used as shorthand for “foreign direct investment in the United States.” These terms, which are widely used internationally, replace the abbreviations “USDIA” and “FDIUS” that appeared in previous articles in this series.

2. The measure of direct investment capital flows in this article differs from the measure of these flows in the international transaction accounts because the reinvested earnings component of capital flows included here excludes a current-cost adjustment. See the box “Key Terms” for more information. For ease of exposition, throughout this article, the term “direct investment capital flows” refers to “direct investment capital flows without current-cost adjustment,” and the term “reinvested earnings” refers to “reinvested earnings without current-cost adjustment.”

**Table A. Direct Investment Positions on a Historical-Cost Basis, 1982–2006**

Yearend	Billions of dollars		Percent change from preceding year	
	Outward position <sup>1</sup>	Inward position <sup>2</sup>	Outward position <sup>1</sup>	Inward position <sup>2</sup>
1982	207.8	124.7		
1983	212.2	137.1	2.1	9.9
1984	218.1	164.6	2.8	20.1
1985	238.4	184.6	9.3	12.2
1986	270.5	220.4	13.5	19.4
1987	326.3	263.4	20.6	19.5
1988	347.2	314.8	6.4	19.5
1989	381.8	368.9	10.0	17.2
1990	430.5	394.9	12.8	7.0
1991	467.8	419.1	8.7	6.1
1992	502.1	423.1	7.3	1.0
1993	564.3	467.4	12.4	10.5
1994	612.9	480.7	( <sup>3</sup> )	( <sup>3</sup> )
1995	699.0	535.6	14.1	11.4
1996	795.2	598.0	13.8	11.7
1997	871.3	681.8	9.6	14.0
1998	1,000.7	778.4	14.8	14.2
1999	1,216.0	955.7	21.5	22.8
2000	1,316.2	1,256.9	8.2	31.5
2001	1,460.4	1,344.0	10.9	6.9
2002	1,616.5	1,327.2	10.7	-1.3
2003	1,769.6	1,395.2	9.5	5.1
2004	2,124.8 <sup>r</sup>	1,520.3 <sup>r</sup>	20.1	9.0
2005	2,135.5 <sup>r</sup>	1,594.5 <sup>r</sup>	0.5	4.9
2006	2,384.0 <sup>p</sup>	1,789.1 <sup>p</sup>	11.6	12.2

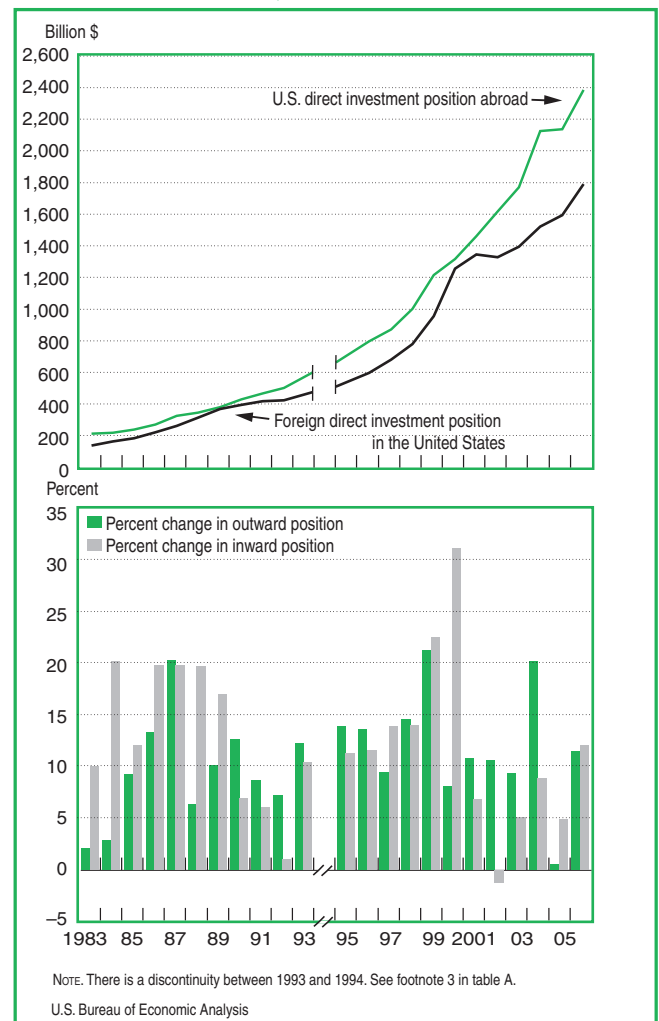
<sup>p</sup> Preliminary  
<sup>r</sup> Revised

1. U.S. direct investment position abroad.

2. Foreign direct investment position in the United States.

3. The direct investment positions reflect a discontinuity between 1993 and 1994 because of the reclassification of intercompany debt between parent companies and affiliates that are nondepository financial intermediaries from direct investment to other investment accounts.

**Chart 1. Direct Investment Positions on a Historical-Cost Basis, 1983–2006**



- Reinvested earnings, the largest contributor to the increase, shifted from negative to positive investment. In 2005, reinvested earnings were negative, reflecting one-time tax incentives provided by the American Jobs Creation Act of 2004. These incentives induced U.S. parent companies to repatriate foreign affiliate earnings that had accumulated over multiple years. In 2006, the positive reinvested earnings reflected a return to more normal distribution patterns and strong growth in foreign affiliate earnings.
- Net equity capital investment also contributed to the increase but was the smallest recorded since 1996.

Highlights of the foreign direct investment in the United States estimates include the following:

- The 12-percent increase in the inward investment position in 2006 was significantly higher than the 5-percent increase in 2005 and marked the largest percentage increase since 2000. However, growth in 2006 was in line with the 11-percent average annual growth in 1994–2004.
- In 2006, the largest contributor to the increase was net equity capital investment, much of which was for foreign investors' acquisitions of U.S. businesses. Equity capital investment has historically been the largest contributor to increases in the inward direct investment position. In 2006, net equity capital investment was up 73 percent, marking a turnaround after declining for 5 consecutive years.
- Reinvested earnings, which remained above historical norms for a third consecutive year, contributed

to the increase in the inward position. Valuation adjustments and intercompany debt investment made smaller contributions.

This article presents a discussion of the historical-cost direct investment positions by type of capital flow and by country of foreign affiliate for outward direct investment and by type of capital flow and by country of foreign parent for inward direct investment.<sup>3</sup>

### U.S. Direct Investment Abroad

The U.S. direct investment position abroad valued at historical cost—the book value of U.S. direct investors' equity in, and net outstanding loans to, their foreign affiliates—was \$2,384.0 billion at the end of 2006 (table A and chart 1). Three host countries—the United Kingdom, Canada, and the Netherlands—accounted for over a third of the total position (table 1.2 and chart 2). Positions in the United Kingdom and Canada were more than twice as large as those in any other country except the Netherlands. The position in the United Kingdom was \$364.1 billion, or 15 percent of the total. The position in Canada was \$246.5 billion (10 percent), and the position in the Netherlands was \$215.7 billion (9 percent).

The position increased \$248.5 billion in 2006, a 12-percent increase. The growth was substantially higher

3. The estimates of outward direct investment position and related capital flows by country are classified in the country of the affiliates with which the U.S. parent has direct transactions and positions. The estimates of inward direct investment position and related capital flows by country are classified in the country of the foreign parent or of other members of the foreign parent group that have direct transactions and positions with the U.S. affiliate.

### Alternative Measures of the Direct Investment Positions

The detailed estimates of the positions of U.S. direct investment abroad and of foreign direct investment in the United States by country and industry are prepared only on a historical-cost basis, so these estimates largely reflect the price levels of earlier periods. The estimates are also prepared on current-cost and market-value bases, but only at an aggregate level. The current-cost estimates value the U.S. and foreign parents' shares of their affiliates' investment in plant and equipment, using the current cost of capital equipment; in land, using general price indexes; and in inventories, using estimates of their replacement cost. The market-value estimates value the equity portion of direct investment using indexes of stock market prices.

The historical-cost estimates are not ordinarily adjusted to reflect the changes in the current costs or the replacement costs of tangible assets or in the stock market valuations of firms. Over time, the current costs of tangible assets and the stock market valuations of firms tend to increase. As a result, the historical-cost estimates of the

positions tend to be less than the current-cost and market-value estimates of the positions. The current-cost and market-value estimates of the position are discussed in "The International Investment Position of the United States at Yearend 2006" in this issue.

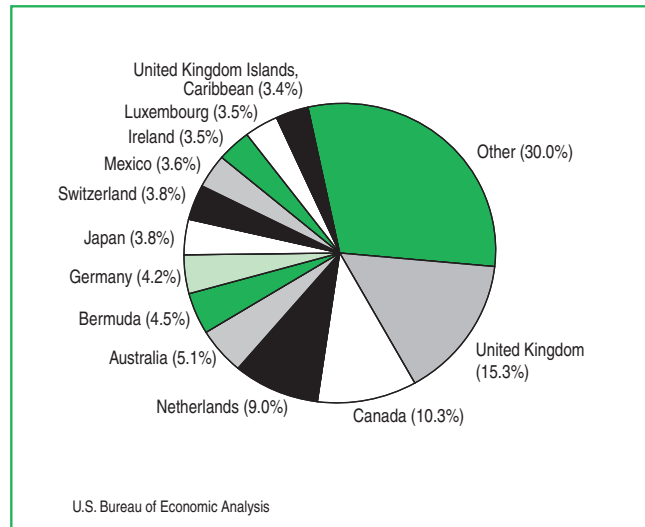
#### Alternative Direct Investment Position Estimates, 2005 and 2006

[Millions of dollars]

Valuation method	Position at yearend 2005 <sup>r</sup>	Changes in 2006			Position at yearend 2006 <sup>p</sup>
		Total	Capital flows	Valuation adjustments	
<b>U.S. direct investment abroad:</b>					
Historical cost .....	2,135,492	248,512	216,614	31,898	2,384,004
Current cost .....	2,535,188	320,431	235,358	85,073	2,855,619
Market value .....	3,570,252	807,578	235,358	572,220	4,377,830
<b>Foreign direct investment in the United States:</b>					
Historical cost .....	1,594,488	194,599	175,394	19,205	1,789,087
Current cost .....	1,868,245	231,181	180,580	50,601	2,099,426
Market value .....	2,806,029	416,450	180,580	235,870	3,222,479

<sup>p</sup> Preliminary  
<sup>r</sup> Revised

**Chart 2. Outward Direct Investment Position by Host Country at Yearend 2006**



than the 1 percent increase in 2005, but was in line with the 13-percent average annual growth in the outward position in 1994–2004.

**Changes by component**

The \$248.5 billion increase in the outward direct investment position resulted from capital flows of \$216.6 billion, which accounted for 87 percent of the increase, and valuation adjustments of \$31.9 billion, which accounted for 13 percent (table B and chart 3).

**Capital flows**

Capital flows increased the outward position \$216.6 billion in 2006 after reducing it \$27.7 billion in 2005. The 2006 flows were composed of \$201.3 billion of reinvested earnings and \$30.2 billion of net equity capital investment, which were partly offset by a \$15.0 billion reduction in U.S. parents’ net intercompany debt claims on their foreign affiliates.

**Equity capital investment.** U.S. parents’ net equity capital investment in their foreign affiliates was \$30.2

**Table B. Change in the Outward Direct Investment Position on a Historical-Cost Basis by Component**  
[Billions of dollars]

	2005	2006
Total .....	10.7	248.5
Capital flows without current-cost adjustment .....	-27.7	216.6
Equity capital .....	43.4	30.2
Increases .....	76.8	76.2
Decreases .....	33.3	46.0
Intercompany debt .....	-30.7	-15.0
Reinvested earnings without current-cost adjustment .....	-40.5	201.3
Valuation adjustments .....	38.4	31.9
Currency translation .....	-14.7	23.3
Other .....	53.2	8.6

billion in 2006, down from \$43.5 billion in 2005. The net investment resulted from equity capital increases of \$76.2 billion, partly offset by equity capital decreases of \$46.0 billion. Of the equity capital increases, \$37.0 billion, or 49 percent, financed the acquisition or establishment of new foreign affiliates. Capital contributions to existing foreign affiliates accounted for the remaining \$39.2 billion, or 51 percent.

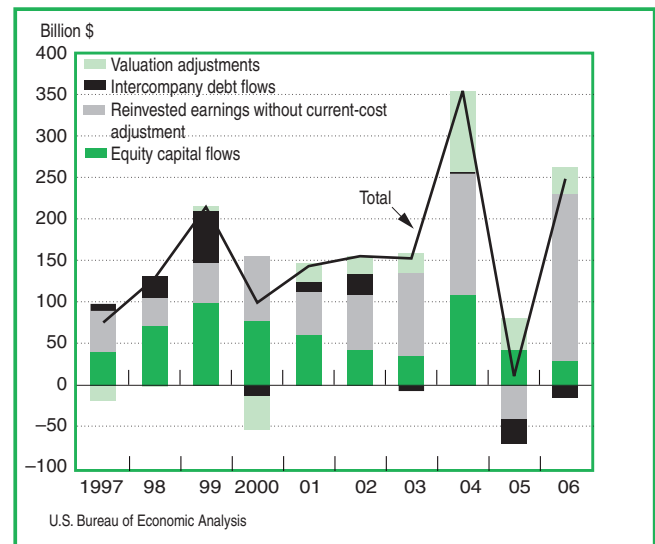
Equity capital increases for the acquisition or establishment of new affiliates in 2006 were largest in three European countries: The United Kingdom, the Netherlands, and Luxembourg. In the United Kingdom, the increase was spread among several industries, including depository institutions, holding companies, and primary and fabricated metals manufacturing. In the Netherlands and Luxembourg, the increases were concentrated in holding companies, which may have invested the funds in other countries or industries.

Over a third of the capital contributions to existing foreign affiliates were to affiliates in Europe. Among countries, the largest contributions were to affiliates in the United Kingdom. Among industries, the largest contributions were to affiliates in “finance (except depository institutions) and insurance.”

Equity capital decreases in 2006 were primarily due to liquidations or sales of affiliates. In 2005, in contrast, the decreases primarily reflected returns of capital from ongoing affiliates. In 2006, equity capital decreases were largest in “Latin America and Other Western Hemisphere” and in Canada.

**Reinvested earnings.** In 2006, reinvested earnings—the difference between U.S. parent companies’ shares in their foreign affiliates’ total earnings and the distributions to the parents from the affiliates’

**Chart 3. Change in the Outward Direct Investment Position by Component, 1997–2006**



cumulative retained earnings—turned up, totaling \$201.3 billion, compared with -\$40.5 billion in 2005. Reinvested earnings accounted for more than 90 percent of capital flows for outward direct investment in 2006 and for more than four-fifths of the increase in the position. In 2005, reinvested earnings were negative for the first time since at least 1950 mainly because of the American Jobs Creation Act of 2004, which allowed U.S. parent companies to repatriate affiliate earnings during a specified period at reduced tax rates. Most companies that took advantage of this act did so in 2005.<sup>4</sup> The positive reinvested earnings in 2006 reflected a return to more normal distribution patterns, as well as strong growth in foreign affiliate earnings.

In 2006, reinvested earnings were highest in Europe, which accounted for 50 percent of the worldwide total. Reinvested earnings were highest in four European countries—the Netherlands, the United Kingdom, Luxembourg, and Switzerland. By industry, reinvested earnings were largest in holding companies.

Earnings grew 18 percent in 2006, continuing a pattern of strong growth that began in 2002. Stronger economic growth in many foreign countries, particularly in Germany and France, boosted earnings growth in 2006. In addition, depreciation of the U.S. dollar, particularly against the euro, contributed to the stronger increase in earnings in terms of U.S. dollars. The largest dollar increases were in Europe, primarily in the United Kingdom, Luxembourg, the Netherlands, and France. Earnings rose sharply in several manufacturing industries, including transportation equipment, computers and electronic products, and machinery; growth was also substantial in professional, scientific, and technical services. The reinvestment ratio—reinvested earnings relative to current-year earnings—shifted from -17 percent in 2005 to 70 percent in 2006.

**Intercompany debt investment.** U.S. parents' borrowing and lending transactions with their foreign affiliates reduced the net intercompany debt position by \$15.0 billion, following a \$30.7 billion reduction in 2005. In 2006, U.S. parents' indebtedness to their foreign affiliates increased more than the foreign affiliates' indebtedness to their U.S. parents. Most of the reduction in the debt position was in foreign affiliates in "Latin America and Other Western Hemisphere," largely the "United Kingdom Islands, Caribbean." By industry, most of the reduction was in holding companies and in "finance (except depository institutions) and insurance."

4. Although not all unusually large distributions were necessarily made in response to the act, it is noteworthy that in 2005, 38 affiliates made distributions of \$1 billion or more, compared with only 9 affiliates in 2006 and 2 affiliates in 2004.

### Valuation adjustments

Valuation adjustments were \$31.9 billion and accounted for 13 percent of the increase in the outward position in 2006. Currency-translation adjustments, which reflected mainly the appreciation of the euro against the dollar, accounted for \$23.3 billion of total valuation adjustments. Other valuation adjustments of \$8.6 billion stemmed primarily from capital gains.

### Changes by area and by country

In 2006, the outward direct investment position increased in all major geographic areas (table C). Europe accounted for 57 percent of the total dollar increase in the position. Asia and Pacific accounted for 21 percent of the increase, and "Latin America and Other Western Hemisphere" accounted for 15 percent.

**Europe.** The position increased \$140.6 billion, with reinvested earnings accounting for virtually all of the increase. The largest dollar increases in the position were in the Netherlands and the United Kingdom—over \$30 billion each. Luxembourg and Ireland each had increases larger than \$10 billion. In these four countries, the main source of the increases was reinvested earnings.

In the Netherlands, the increase in the position was mainly concentrated in holding companies. In the

**Table C. Change in the Outward Direct Investment Position on a Historical-Cost Basis by Country of Foreign Affiliate**

	Change (2005–2006)	
	Billions of dollars	Percent
All countries .....	248.5	12
Canada .....	13.0	6
Europe .....	140.6	13
<i>Of which:</i>		
Netherlands .....	31.1	17
United Kingdom .....	30.6	9
Luxembourg .....	12.8	18
Ireland .....	12.4	17
Switzerland .....	9.0	11
Germany .....	8.7	10
Austria .....	6.4	58
France .....	5.8	10
Italy .....	4.1	16
Latin America and Other Western Hemisphere .....	37.4	10
<i>Of which:</i>		
Bahamas .....	10.5	67
Mexico .....	9.6	13
Bermuda .....	5.0	5
Africa .....	2.5	11
Middle East .....	3.9	17
Asia and Pacific .....	51.2	14
<i>Of which:</i>		
Japan .....	12.5	16
Australia .....	7.0	6
Singapore .....	6.0	11
Hong Kong .....	5.5	17
China .....	5.2	31
Korea, Republic of .....	4.1	23

### Holding Companies in the Data on U.S. Direct Investment Abroad

For the past two decades, U.S. parent companies have funneled an increasing share of their direct investments abroad through holding-company affiliates.<sup>1</sup> Foreign affiliates classified as holding companies accounted for 30 percent of the U.S. direct investment position abroad in 2006.<sup>2</sup> In 1982, foreign affiliates classified as holding companies accounted for 9 percent of the U.S. direct investment position abroad (chart A). The upward trend of the holding company share is part of a broader trend of indirect ownership in which U.S. parents own foreign affiliates that, in turn, own other foreign affiliates.

One consequence of the rising use of indirect ownership arrangements is that U.S. direct investment abroad estimates of the position and related flows show industry and country patterns that are increasingly different from the industries and countries in which the production and sale of goods and services by foreign affiliates occurs.<sup>3</sup>

The Bureau of Economic Analysis (BEA) is conducting research on methodologies for allocating the equity portion of U.S. direct investment abroad to its ultimate destination, thus effectively “looking through” holding companies and other indirect ownership arrangements. A method that would allocate data on positions between U.S. parent companies and their foreign affiliates using company chain-of-ownership information collected on BEA’s benchmark surveys of the operations of U.S. parent companies and their foreign affiliates has been developed. Ongoing BEA research is directed at evaluating the feasibility of producing annual estimates as well as focusing on the details of implementation. BEA plans to publish the results of this research when it is more complete.

Data from BEA’s surveys of the operations of U.S. parent companies and their foreign affiliates suggest the degree to which indirect ownership structures may affect the country and industry distributions of the outward position data.<sup>4</sup> The estimates of the operations of these foreign affiliates are classified in the country where the affiliate’s physical assets are located or where its primary activity is carried out, and they are classified in the industry that reflects the affiliate’s primary activity. Thus, these estimates reflect more closely the countries and industries in which the production of goods and services by foreign affiliates actually occurs than do the estimates classi-

fied by the country and industry of the affiliate with which the parent company has a direct position or transaction.

The use of holding-company affiliates appears to be the most important reason for differences in the patterns of investment by country or by industry between the position estimates and the operations estimates. However, other factors also contribute, including indirect ownership through other types of affiliates, the fact that the operations estimates, unlike the position estimates, are not adjusted for percentage of U.S. ownership, and duplication in some measures of affiliate operations—such as assets and earnings—when affiliates hold equity or debt positions in one another. A comparison of the estimates of the outward direct investment position with the estimates of the assets and the net property, plant, and equipment (PP&E) of foreign affiliates for 2004 (the latest year for which detailed operations estimates are available) illustrates the differences in distribution between the position estimates and the estimates of operations. In that year, manufacturing’s share of the outward position—20 percent—was similar to its 18-percent share of the assets, but much lower than its 42-percent share of the PP&E, of foreign affiliates in manufacturing. By country, the share of the direct investment position accounted for by the Netherlands was 10 percent, compared to a 9 percent share of assets and 3 percent share of PP&E.<sup>5</sup>

For further discussion of the effect of holding companies on the estimates of direct investment abroad series, see the “Technical Note” in Maria Borga and Raymond J. Mataloni Jr., “Direct Investment Positions for 2000: Country and Industry Detail,” *SURVEY* 81 (July 2001): 23–25.

5. The estimates used to derive the share of the assets and the share of the PP&E covers majority-owned foreign affiliates.

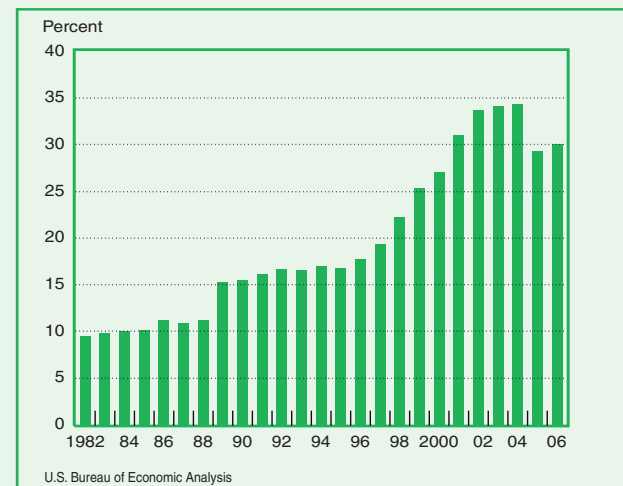
1. A holding company is a company whose primary activity is holding the securities or financial assets of other companies.

2. In 2005, the share fell to 29 percent from 34 percent in 2004. This reversal was primarily the result of large earnings distributions (and the resulting negative reinvested earnings) associated with the American Jobs Creation Act of 2004. The largest distributions were, by far, from holding companies.

3. Estimates of the outward position and related flows are allocated to the industries and countries of the affiliates with whom the U.S. parent companies have direct transactions and positions rather than to the industries and countries of the affiliates whose operations the parents ultimately own or control. This convention follows international guidelines in the International Monetary Fund’s *Balance of Payments Manual*, 5<sup>th</sup> edition, and in the Organisation for Economic Co-operation and Development’s *Benchmark Definition of Foreign Direct Investment*, 3<sup>rd</sup> edition.

4. Besides chain-of-ownership information, data collected on the operations survey include items such as assets, sales, employment, and net property, plant, and equipment.

**Chart A. Holding Companies as a Percentage of the Outward Direct Investment Position, 1982–2006**





United Kingdom, a third of the increase was in “finance (except depository institutions) and insurance.” In Luxembourg, increases in holding companies and “finance (except depository institutions) and insurance” were largest. In Ireland, “finance (except depository institutions) and insurance” accounted for more than a third of the total increase.

**Latin America and Other Western Hemisphere.**

The outward position rose \$37.4 billion. The largest increases were in the Bahamas, Mexico, and Bermuda. In the Bahamas, holding companies more than accounted for the increase. In Mexico, several manufacturing industries—including transportation equipment, computers and electronic products, and “other manufacturing”—and mining were the largest contributors to the increase. In Bermuda, holding companies accounted for over half of the increase, primarily due to reinvested earnings.

**Canada.** The \$13.0 billion increase in the position was due largely to increases in mining and in several manufacturing industries (particularly computers and electronic products and chemicals). In mining, reinvested earnings and valuation adjustments were the largest contributors to the increase. In computers and electronic products, the increase was entirely attributable to equity capital increases for acquisitions. In chemicals, reinvested earnings was the largest contributor to the increase.

**Asia and Pacific.** The \$51.2 billion increase was the second largest percentage increase—16 percent—of all regions. Within this region, the largest increases in dollar terms were in Japan, Australia, and Singapore. Almost two-thirds of the increase in Japan was attributable to equity capital increases in “finance (except depository institutions) and insurance.” In Australia, the largest increases were in holding companies and mining. In Singapore, the largest increase was in holding companies.

**Africa.** The \$2.5 billion increase in the position, though relatively small in dollar terms, represented growth of 11 percent. In this region, the largest dollar increases were in Algeria, Equatorial Guinea, and Egypt. In all three countries, the main source of the increase was reinvested earnings, particularly those of affiliates in oil and gas extraction (classified in mining in tables 1.1 and 1.2).

**Middle East.** The \$3.9 billion increase in the position was the largest percentage increase—17 percent—of any region. The largest dollar increases were in Is-

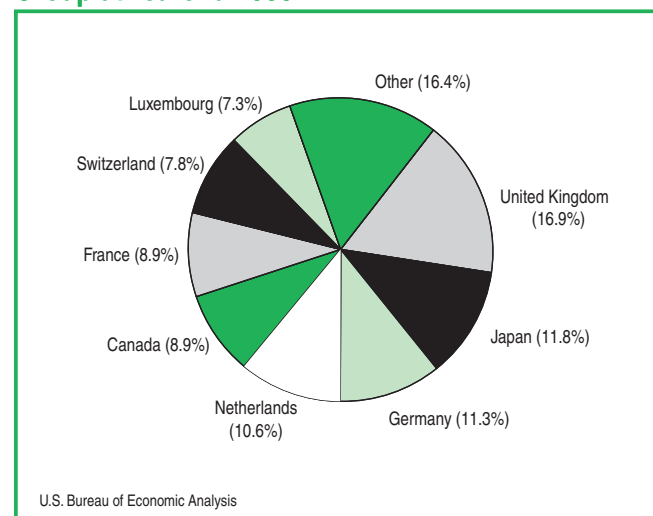
rael, the United Arab Emirates, and Saudi Arabia. In Israel, acquisitions in manufacturing, financed by equity capital, accounted for most of the increase. In the United Arab Emirates, capital contributions to existing affiliates in mining accounted for most of the increase. In Saudi Arabia, the position grew partly because parents increased their debt position in foreign affiliate holding companies.

### Foreign Direct Investment in the United States

The foreign direct investment position in the United States valued at historical cost—the book value of foreign direct investors’ equity in, and outstanding loans to, their U.S. affiliates—was \$1,789.1 billion at the end of 2006 (table A and chart 1). The United Kingdom remained the largest source country, with a position of \$303.2 billion, or 17 percent of the total, followed by Japan with a position of \$211.0 billion, or 12 percent (table 2.2 and chart 4). Germany and the Netherlands had the next largest positions—each accounting for 11 percent.

In 2006, the inward direct investment position increased \$194.6 billion, or 12 percent, compared with 5-percent growth in 2005. The 2006 increase was in line with average annual growth in 1994–2004.

**Chart 4. Inward Direct Investment Position by Country of Each Member of the Foreign Parent Group at Yearend 2006**



## Changes by component

The \$194.6 billion increase in the inward direct investment position resulted from capital flows of \$175.4 billion, which accounted for 90 percent of the increase, and valuation adjustments of \$19.2 billion, which accounted for the remainder (table D and chart 5).

### Capital flows

Capital flows for inward direct investment rose sharply in 2006 and increased the inward position \$175.4 billion, up from \$101.0 billion in 2005. This marked the largest net capital flows since 2000, when they peaked at \$314.0 billion. In 2006, capital flows were composed of net equity capital investment of \$98.0 billion, reinvested earnings of \$65.4 billion, and net intercompany debt investment of \$12.0 billion.

**Equity capital investment.** Foreign parent companies' net equity capital investment in their U.S. affiliates was \$98.0 billion in 2006, up from \$56.6 billion in 2005. In 2006, the net equity investment resulted from equity capital increases of \$126.2 billion and partly offsetting equity capital decreases of \$28.2 billion. Equity

capital increases, which increase the inward direct investment position, were up 42 percent in 2006, largely reflecting a pickup in acquisitions. Equity capital decreases, which decrease the inward position, were down slightly from 2005 and mainly reflected the sale of affiliates to U.S. companies and the conversion of affiliates' debt claims on foreign parents to reductions in those parents' equity interests in their U.S. affiliates.

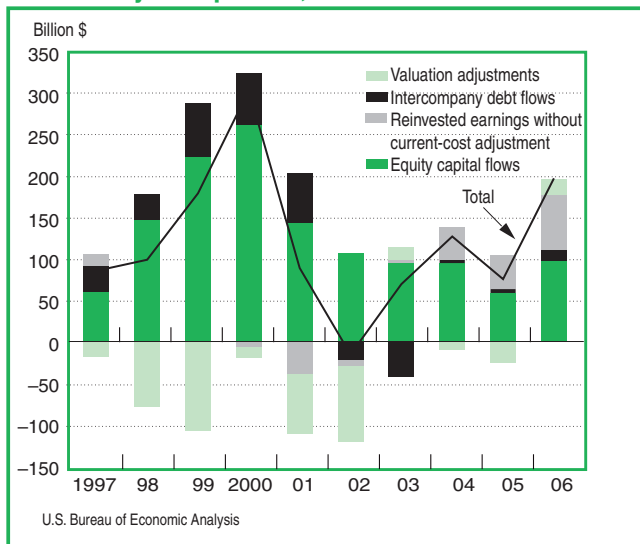
Acquisitions of U.S. businesses by foreign direct investors fueled equity capital increases in several industries and were widespread by country of foreign parent.<sup>5</sup> The largest equity capital increases were in "finance (except depository institutions) and insurance" and in computers and electronic products manufacturing. Acquisitions in these two industries, as well as in chemicals manufacturing and in machinery manufacturing, were among the largest in 2006. In "finance (except depository institutions) and insurance," Switzerland had the largest equity capital increase, followed by the United Kingdom. In computers and electronic products manufacturing, France accounted for the largest equity capital increase. Overall, France, the United Kingdom, and Germany accounted for the largest increases in equity holdings in U.S. affiliates. Equity capital decreases were largest in "other industries," including utilities.

**Reinvested earnings.** In 2006, reinvested earnings—the foreign parents' share of affiliates' current-period earnings less affiliates' distributions from current and cumulative retained earnings—totalled \$65.4 billion, up 65 percent from 2005. In each year since 2004, earnings that were reinvested in U.S. affiliates have been substantial in dollar terms, as a share of current-period earnings and as a contributor to growth in the inward position. This pattern may suggest a break from past trends in which earnings reinvested in U.S. affiliates have been very small or negative and a shift toward a pattern more like that seen for many years in outward direct investment (with the notable exception

**Table D. Change in the Inward Direct Investment Position on a Historical-Cost Basis by Component**  
[Billions of dollars]

	2005	2006
Total.....	74.2	194.6
Capital flows without current-cost adjustment.....	101.0	175.4
Equity capital.....	56.6	98.0
Increases.....	89.0	126.2
Decreases.....	32.4	28.2
Intercompany debt.....	4.7	12.0
Reinvested earnings without current-cost adjustment.....	39.8	65.4
Valuation adjustments.....	-26.9	19.2
Currency translation.....	-1.9	3.9
Other.....	-24.9	15.3

**Chart 5. Change in the Inward Direct Investment Position by Component, 1997–2006**



5. According to preliminary data from BEA's survey of new foreign direct investment, total outlays to acquire or establish U.S. businesses, including those financed by capital inflows from foreign parents, were \$161.5 billion in 2006. See Lawrence R. McNeil, "Foreign Direct Investment in the United States: New Investment in 2006," SURVEY OF CURRENT BUSINESS 87 (June 2007): 44–51. These data include only those transactions in which U.S. businesses are newly acquired or established by foreign direct investors, regardless of whether the source of financing is the foreign parent or existing U.S. affiliates. The data on changes to the inward direct investment position differ from these data because changes to the position reflect transactions of both new and existing U.S. affiliates with members of their foreign parent group and valuation adjustments. Additionally, changes in the inward position do not include financing from sources other than the foreign parent group.

Despite these differences, the two types of data are related because any outlays to acquire or establish U.S. businesses that are funded by foreign parent groups are included in the capital transactions that largely determine the changes in the inward direct investment position. According to data from the new investment survey, foreign parent groups financed 80 percent of total outlays to acquire or establish U.S. businesses in 2006.

### Key Terms

The key terms used in this statistical presentation are described in this box. For a more detailed discussion of these terms and the methodologies used to prepare the estimates, see *Foreign Direct Investment in the United States: Final Results From the 2002 Benchmark Survey* and *U.S. Direct Investment Abroad: Final Results From the 1999 Benchmark Survey*. These methodologies are also available on BEA's Web site at <www.bea.gov>.

**Direct investment.** Investment in which a resident of one country obtains a lasting interest in, and a degree of influence over the management of, a business enterprise in another country. In the United States (and in the international statistical guidelines), the criterion used to distinguish direct investment from other types of investment is ownership of at least 10 percent of the voting securities of an incorporated business enterprise or the equivalent interest in an unincorporated business enterprise.

**U.S. direct investment abroad (outward direct investment).** The ownership or control, directly or indirectly, by one U.S. resident of at least 10 percent of the voting securities of an incorporated foreign business enterprise or the equivalent interest in an unincorporated foreign business enterprise.

**Foreign direct investment in the United States (inward direct investment).** The ownership or control, directly or indirectly, by one foreign resident of at least 10 percent of the voting securities of an incorporated U.S. business enterprise or the equivalent interest in an unincorporated U.S. business enterprise.

**Foreign affiliate.** A foreign business enterprise in which a single U.S. investor (a **U.S. parent**) directly or indirectly owns at least 10 percent of the voting securities, or the equivalent.

**U.S. affiliate.** A U.S. business enterprise in which a single foreign investor (a **foreign parent**) owns at least 10 percent of the voting securities, or the equivalent.

**Ultimate beneficial owner (UBO).** For a U.S. affiliate, that person (in the broad legal sense, including a company), proceeding up the affiliate's ownership chain beginning with the foreign parent, that is not owned more than 50 percent by another person. The UBO ultimately owns or controls the affiliate and derives the benefits associated with ownership or control. Unlike the foreign parent, the UBO of a U.S. affiliate may be located in the United States.

**Foreign parent group.** Consists of (1) the foreign parent, (2) any foreign person, proceeding up the foreign parent's ownership chain, that owns more than 50 percent of the person below it, up to and including the UBO,

and (3) any foreign person, proceeding down the ownership chain(s) of each of these members, that is owned more than 50 percent by the person above it.

**Direct investment position.** The value of direct investors' equity in, and net outstanding loans to, their affiliates. The position may be viewed as the direct investors' net financial claims on their affiliates, whether in the form of equity (including reinvested earnings) or debt.

BEA prepares estimates of the positions for outward direct investment and for inward direct investment that are valued on three bases—historical cost, current cost, and market value. See the box “Alternative Measures of the Direct Investment Positions” in this article.

**Direct investment capital flows without current-cost adjustment** arise from transactions in financial claims (assets) and liabilities between U.S. parents and their foreign affiliates or between U.S. affiliates and their foreign parents. For outward direct investment, capital flows without current-cost adjustment include the funds that U.S. direct investors pay to unaffiliated foreign parties when affiliates are acquired from them and the funds that U.S. investors receive from them when their affiliates are sold. Similarly, inward direct investment capital flows without current-cost adjustment include the funds that foreign direct investors pay to unaffiliated U.S. residents when affiliates are acquired from them and the funds that foreign investors receive from them when their affiliates are sold.

Direct investment capital flows without current-cost adjustment differ from **direct investment capital flows** as entered in BEA's international transactions accounts (ITAs), because they do not include a current-cost adjustment. A current-cost adjustment affects direct investment income and the reinvested earnings component of capital by converting depreciation charges to a current-cost, or replacement-cost, basis; adding charges for depletion of natural resources back to income and reinvested earnings (because these charges are not treated as production costs in the national income and product accounts); and reallocating expenses for mineral exploration and development across periods.

Direct investment capital flows without current-cost adjustment consist of equity capital transactions, inter-company debt transactions, and reinvested earnings without current-cost adjustment. **Equity capital investment** is the net of equity capital increases and decreases. Equity capital increases consist of parents' establishments of new affiliates, payments by parents to unaffiliated third parties for the purchase of capital stock or other equity interests



of 2005).<sup>6</sup> The pickup in reinvested earnings has been supported by strong growth in affiliate earnings. Earnings growth has reflected both expansion of the base on which earnings accrue and improved profitability as affiliates have matured and gained experience in the U.S. market.

In 2006, reinvested earnings were positive in all major industries (table 2.2). Affiliates in wholesale trade accounted for the largest share of the total, followed by affiliates in “other industries.” In “other industries,” the largest reinvested earnings were for affiliates in mining. By country, reinvested earnings were largest for affiliates with parents in Japan, Canada, France, and the Netherlands.

Growth in reinvested earnings reflected both higher earnings and a higher reinvestment ratio—the ratio of

6. In 1998–2002, inward direct investment reinvested earnings were negative, reflecting distributions to foreign parents in excess of earnings. In 2003, they were a positive \$3.7 billion.

reinvested earnings to total earnings. The reinvestment ratio increased to 58 percent from 42 percent in 2005. U.S. affiliates’ earnings increased 19 percent, to \$112.1 billion, which was in line with the 19-percent growth in corporate profits (excluding inventory valuation and capital consumption adjustments) of U.S. domestic industries in 2006. Earnings increased in several industries; growth was particularly strong in “finance (except depository institutions) and insurance,” in depository institutions, and in primary and fabricated metals manufacturing. The largest increases in reinvested earnings were in wholesale trade and in “finance (except depository institutions) and insurance.” In wholesale trade, the increase reflected a rise in the overall share of earnings reinvested, and in “finance (except depository institutions) and insurance,” higher reinvested earnings reflected stronger earnings.

**Intercompany debt investment.** In 2006, foreign parents’ borrowing and lending transactions with their

### Key Terms

when they acquire an existing business, payments made to acquire additional ownership interests in their affiliates, and capital contributions to their affiliates. Equity capital decreases are the funds parents receive when they reduce their equity interest in their affiliates. **Intercompany debt investment** results from changes in net outstanding loans between parents (and for inward direct investment, other members of the foreign parent groups) and their affiliates, including loans by parents to affiliates and loans by affiliates to parents. **Reinvested earnings without current-cost adjustment** are the parents’ claim on the cumulative retained earnings of their affiliates; unlike the measure of **reinvested earnings** used in the ITAs, these earnings do not include a current-cost adjustment at the aggregate level.

**Valuation adjustments to the historical-cost position.** Adjustments that are made to account for the differences between changes in the historical-cost position, which are measured at book value, and direct investment capital flows, which are measured at transaction value. (Unlike the positions on a current-cost and market-value basis, the historical-cost position is not usually adjusted to account for changes in the replacement cost of the tangible assets of affiliates or in the market value of parent companies’ equity in affiliates.)

Valuation adjustments to the historical-cost position consist of currency-translation and “other” adjustments. **Currency-translation adjustments** are made to account for changes in the exchange rates that are used to translate affiliates’ foreign-currency-denominated assets and liabilities into U.S. dollars. The effects of currency fluctuations

on these adjustments depend on the value and currency composition of affiliates’ assets and liabilities. If an affiliate’s assets exceed its liabilities denominated in a particular foreign currency, depreciation (appreciation) of the currency against the dollar will result in negative (positive) translation adjustments. In the case of a net liability position in a foreign currency, depreciation (appreciation) of the currency will result in positive (negative) translation adjustments.

**“Other” valuation adjustments** are made to account for differences between the proceeds from the sale or liquidation of affiliates and their book values; for differences between the purchase prices of affiliates and their book values; for writeoffs resulting from uncompensated expropriations of affiliates; and for capital gains and losses (excluding currency-translation adjustments) on transactions, such as the sale of assets (excluding inventories), for an amount that differs from their book value, or capital gains and losses that represent the revaluation of the assets of ongoing affiliates for reasons other than exchange-rate changes, such as the write-down of assets whose value has been impaired. In addition, for individual industries, offsetting adjustments may be made to effect changes in the industry classification of an affiliate. For individual countries, offsetting adjustments are made when the political boundaries of countries change, such as when countries merge or are newly formed. In addition, for inward direct investment, offsetting adjustments are made when transactions between foreign residents result in a change in the country of the foreign parent.

U.S. affiliates boosted their net intercompany debt position in U.S. affiliates \$12.0 billion, following a \$4.7 billion increase in 2005. In 2006, the increase reflected an increase in U.S. affiliates' outstanding debt to their foreign parents of \$21.1 billion, which was partly offset by an increase in the affiliates' debt claims on their foreign parents of \$9.1 billion. The largest increase was in chemicals manufacturing, followed by information. Affiliates with parents in Europe—particularly Germany and France—more than accounted for the increase.

### Valuation adjustments

Valuation adjustments of \$19.2 billion increased the inward direct investment position in 2006. In contrast, valuation adjustments of -\$26.9 billion reduced the position in 2005. Valuation adjustments in 2006 consisted of currency translation adjustments of \$3.9 billion and "other" valuation adjustments, which include capital gains and losses, of \$15.3 billion. Valuation adjustments were largest in "finance (except depository institutions) and insurance" and in chemicals manufacturing.

### Changes by area and by country

In 2006, the inward direct investment position increased for all major areas except Africa (table E). Eu-

rope, which accounted for 73 percent of the increase, was by far the largest source of the increase in position.

**Europe.** The position increased \$142.4 billion in 2006. The largest component of the increase was net equity capital investment. Increases in the European position were broadly based by country and by industry. France, the Netherlands, and Germany accounted for the largest dollar increases.

France had the largest increase, \$38.6 billion, which was spread over several industries, including computers and electronic products manufacturing, chemicals manufacturing, and information. In computers and electronic products manufacturing, the increase largely reflected acquisitions of U.S. businesses. In chemicals manufacturing, the increase reflected valuation adjustments made in connection with corporate reorganizations. In information, the largest contributor to the increase was intercompany debt investment.

For the Netherlands, the \$23.9 billion increase was attributable to increases in "finance (except depository institutions) and insurance," in wholesale trade, and in chemicals manufacturing. In "finance (except depository institutions) and insurance," much of the increase reflected corporate reorganizations. In wholesale trade, acquisitions accounted for most of the increase. In chemicals manufacturing, the increase reflected valuation adjustments and reinvested earnings.

For Germany, the \$22.2 billion increase was broad-based by industry. The largest increases were in machinery manufacturing, in information, and in "other industries." In machinery manufacturing, acquisitions financed by equity and debt investments accounted for the largest portion of the increase. In information, the largest contributor to the increase was net intercompany debt investment. In "other industries," particularly health services and utilities, the increase largely reflected acquisitions.

**Asia and Pacific.** The position increased \$29.6 billion in 2006, with Japan accounting for three-quarters of the increase. The increase for Japan was broad-based by industry but the largest increases were in computers and electronic products manufacturing, in professional, scientific, and technical services, and in "finance (except depository institutions) and insurance." In computers and electronic products manufacturing, the increase reflected changes in the primary industry classifications of existing affiliates.<sup>7</sup> In both professional, scientific, and technical services and "finance

**Table E. Change in the Inward Direct Investment Position on a Historical-Cost Basis by Country of Each Member of the Foreign Parent Group**

	Change (2005–2006)	
	Billions of dollars	Percent
All countries .....	194.6	12
Canada .....	4.8	3
Europe .....	142.4	13
Of which:		
France .....	38.6	32
Netherlands .....	23.9	14
Germany .....	22.2	12
Luxembourg .....	14.2	12
Ireland .....	10.0	54
Spain .....	7.4	99
United Kingdom .....	7.0	2
Latin America and Other Western Hemisphere .....	9.1	13
Of which:		
Bermuda .....	3.2	( <sup>1</sup> )
Mexico .....	2.3	60
Africa .....	-0.5	-18
Middle East .....	9.2	110
Asia and Pacific .....	29.6	13
Of which:		
Japan .....	22.3	12
Australia .....	3.3	15
Korea .....	2.8	49

1. The percent change cannot be computed because of a change in sign attributable to a negative inward position in 2005. A negative direct investment position may result when affiliates' financial claims on direct investors exceed those investors' claims on their affiliates. Typically, a negative position will result from debt transactions in which affiliates act as net lenders to their foreign parents.

7. A change in the primary industry classification of an affiliate from one industry to another increases the position in the industry to which an affiliate has been reclassified and decreases the position in the industry in which the affiliate was previously classified, but does not change the overall inward direct investment position.

(except depository institutions) and insurance,” acquisitions accounted for much of the increases.

#### **Latin America and Other Western Hemisphere.**

The position increased \$9.1 billion, reflecting increases for several countries; Bermuda and Mexico accounted for the largest dollar increases. For Bermuda, the increase was concentrated in information, mainly due to acquisitions. For Mexico, the increase was spread across industries, with the largest increases in primary and fabricated metals manufacturing and in wholesale trade.

**Middle East and Africa.** The \$9.2 billion increase in the position for the Middle East roughly doubled the position for that region and represented the largest increase in percentage terms—110 percent—among all regions.<sup>8</sup> Within the Middle East, Israel had the largest

8. Consistent with international standards, the estimates of the inward direct investment position presented in this article are classified by country of foreign parent or of other members of the foreign parent group having direct transactions and positions with the U.S. affiliate. When classified on this basis, tabulations of these data may differ from those classified by country of ultimate beneficial owner (UBO), particularly when investments are channeled through affiliates in financial centers in other countries. Because investments from the Middle East are often routed through affiliates in other countries, the positions of these other countries as presented in this article will be relatively higher—and the position of the Middle East will be relatively lower—than those positions on a UBO basis.

According to preliminary estimates for 2005, the inward direct investment position for the Middle East classified by country of UBO, at \$20.0 billion, was twice as large as the position for that region classified by country of each member of the foreign parent group, at \$10.0 billion. See Jeffrey H. Lowe, “Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 2002–2005” SURVEY 86 (September 2006): 34–86. Revised estimates for 2005 and preliminary estimates for 2006, classified on both bases, will be published in September.

increase, reflecting acquisitions.

The position for Africa decreased \$0.5 billion, the only decrease of all the regions.

**Canada.** The position increased \$4.8 billion in 2006, with the largest increases in “finance (except depository institutions) and insurance” and in chemicals manufacturing. In “finance (except depository institutions) and insurance,” both reinvested earnings and acquisitions contributed to the increase. In chemicals manufacturing, reinvested earnings was the largest contributor to the increase.

### Revisions

The estimates of direct investment positions presented in this article for 2006 are preliminary. The revised estimates of both inward and outward direct investment positions for 2004–2005 incorporate new survey data.<sup>9</sup>

The historical-cost outward position for 2004 was revised up \$73.6 billion, to \$2,124.8 billion, as valuation adjustments were revised up \$38.0 billion and capital flows were revised up \$35.6 billion. For 2005, the preliminary estimate of the outward position was revised up \$65.5 billion, to \$2,135.5 billion as a result of a \$73.6 billion upward revision to the 2004 position, a \$6.9 billion upward revision to 2005 valuation adjustments, and a partly offsetting \$15.0 billion upward revision to 2005 net capital flows into the United States.

9. For the previously published estimates, see Jennifer L. Koncz and Daniel R. Yorgason, “Direct Investment Positions for 2005: Country and Industry Detail,” SURVEY 86 (July 2006): 20–35.

#### Data Availability

This article summarizes the preliminary estimates of direct investment positions for 2006 based on BEA’s quarterly, annual, and benchmark surveys. This article also presents revised estimates of both outward and inward direct investment for 2004 and 2005. More detailed estimates covering the positions and capital transactions discussed here as well as related income and services transactions for both outward and inward investment will appear in the September SURVEY OF CURRENT BUSINESS.

Detailed estimates of the outward direct investment position and related capital flows, income, and services transactions for 1982–2006 are available from BEA’s Web site, as well as estimates of the inward direct investment position and related capital flows, income, and services transactions for 1980–2006. To access these files, which can be downloaded at no charge, go to BEA’s Web site at <[www.bea.gov](http://www.bea.gov)> and, under “International,” click on “Operations of Multinational Companies.” Then, under

“U.S. direct investment abroad” or “Foreign direct investment in the U.S.,” click on the link to either “Selected Tables” or “Interactive Tables,” which appear next to the “Balance of payments and direct investment position data” stub. The interactive tables are a free service, recently launched by the BEA which allows users to interactively access detailed balance of payments and direct investment position data, as well as data on the operations of multinational companies. For an introductory guide to this service, see Ned G. Howenstine, “Primer: Accessing BEA Direct Investment Data Interactively,” SURVEY 86 (May 2006): 61–64. Revised estimates for 2006 and final estimates for 2005 balance of payments and position data will be released next year.

For more information on these products and how to access them, see the International Investment Division Product Guide at <[www.bea.gov/scb/account\\_articles/international/iidguide.htm](http://www.bea.gov/scb/account_articles/international/iidguide.htm)>.

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The estimates of the foreign direct investment position in the United States are based on data from BEA's quarterly survey of transactions between U.S. affiliates of foreign companies and their foreign parents. The survey was conducted under the supervision of Gregory G. Fouch, who was assisted by George M. Bogachevsky, Peter J. Fox, Barbara C. Huang, Y. Louise Ku-Graf, Susan M. LaPorte, and Helen P. Yiu. Computer programming for data estimation and tabulation was provided by Karen E. Poffel, Paula D. Brown, and Robert C. Simon.

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The inward direct investment position valued at historical cost for 2004 was revised down \$0.4 billion, to \$1,520.3 billion. The revision for 2004 resulted from a \$13.9 billion revision of valuation adjustments from positive to negative adjustments, and a mostly offsetting \$13.4 billion upward revision to capital flows. The 2005 inward position was revised down \$40.8 billion to \$1,594.5 billion. The downward revision to the 2005 position was attributable to a \$42.0 billion revision of valuation adjustments, from positive to negative adjustments, and the \$0.4 billion downward revision to the 2004 position, which were partially offset by a \$1.6 billion upward revision to capital flows.

*Tables 1.1–2.2 follow.*

Table 1.1. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 2005

[Millions of dollars]

	All industries	Mining	Manufacturing									Wholesale trade	Information	Depository institutions	Finance (except depository institutions) and insurance	Professional, scientific, and technical services	Holding companies (nonbank)	Other industries
			Total	Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment	Other manufacturing							
<b>All countries</b> .....	<b>2,135,492</b>	<b>115,956</b>	<b>449,202</b>	<b>30,540</b>	<b>116,075</b>	<b>23,441</b>	<b>27,330</b>	<b>62,074</b>	<b>13,837</b>	<b>48,968</b>	<b>126,937</b>	<b>139,444</b>	<b>65,439</b>	<b>65,798</b>	<b>452,726</b>	<b>48,834</b>	<b>620,765</b>	<b>177,327</b>
<b>Canada</b> .....	<b>233,474</b>	<b>31,781</b>	<b>80,055</b>	<b>2,829</b>	<b>12,482</b>	<b>4,328</b>	<b>3,938</b>	<b>6,879</b>	<b>1,928</b>	<b>18,150</b>	<b>29,520</b>	<b>13,213</b>	<b>3,580</b>	<b>4,030</b>	<b>43,052</b>	<b>2,603</b>	<b>26,024</b>	<b>29,137</b>
<b>Europe</b> .....	<b>1,109,950</b>	<b>27,775</b>	<b>231,617</b>	<b>17,791</b>	<b>73,999</b>	<b>12,052</b>	<b>16,113</b>	<b>28,282</b>	<b>8,583</b>	<b>17,582</b>	<b>57,215</b>	<b>81,675</b>	<b>44,920</b>	<b>43,138</b>	<b>207,769</b>	<b>30,601</b>	<b>342,438</b>	<b>100,017</b>
Austria .....	10,982	1	2,595	(D)	103	78	150	(D)	4	653	217	2,333	194	(D)	(D)	157	2,290	810
Belgium .....	48,409	11	12,632	231	6,784	-2	31	83	631	917	3,957	4,370	-547	1,028	22,799	3,384	3,521	1,212
Czech Republic .....	2,394	(*)	749	(D)	275	8	118	6	73	421	(D)	2	60	649	(D)	43	0	(D)
Denmark .....	5,655	-129	3,046	77	30	91	(D)	1,648	(D)	2	(D)	643	190	0	(D)	28	582	(D)
Finland .....	2,070	0	1,361	10	91	225	(D)	635	39	89	(D)	444	-11	0	10	108	4	153
France .....	60,127	68	24,377	986	7,023	3,345	397	1,989	783	1,937	7,915	5,932	1,713	1,738	5,228	1,692	11,140	8,240
Germany .....	90,574	25	21,355	278	3,715	2,580	1,828	4,435	1,734	4,365	2,418	17,132	2,630	1,131	11,155	3,941	26,508	6,697
Greece .....	1,858	(*)	258	(D)	171	-3	0	(D)	0	0	(D)	872	4	-83	309	35	233	230
Hungary .....	3,299	9	2,451	77	122	(D)	-1	165	(D)	624	293	200	18	(D)	32	58	0	(D)
Ireland .....	71,255	(D)	22,587	351	10,160	126	(D)	5,850	329	63	(D)	3,353	11,071	(D)	10,329	2,587	5,109	13,328
Italy .....	24,845	-48	14,305	1,266	3,491	362	1,609	3,205	562	1,183	2,625	1,574	4,159	-44	1,557	707	491	2,144
Luxembourg .....	69,746	163	6,327	0	(D)	107	8	(*)	0	0	(D)	0	(D)	652	2,801	21	54,753	(D)
Netherlands .....	184,614	3,419	31,249	9,503	10,300	2,620	1,063	1,264	(D)	-40	(D)	10,877	4,637	(D)	40,285	2,098	87,195	(D)
Norway .....	8,819	5,149	1,824	29	119	55	1,583	-64	32	7	63	196	298	49	539	273	24	466
Poland .....	6,125	4	2,794	125	(D)	258	27	13	14	509	(D)	137	(D)	1,840	595	98	41	(D)
Portugal .....	2,391	(*)	487	(*)	78	10	(*)	165	2	(D)	(D)	710	480	3	223	11	-183	662
Russia .....	8,562	6,294	632	207	279	0	-35	(D)	11	49	(D)	518	4	(D)	9	34	2	(D)
Spain .....	46,528	56	13,505	640	7,591	61	-47	540	571	786	3,362	2,316	1,847	1,879	5,455	1,386	19,002	1,082
Sweden .....	33,219	0	2,780	(D)	315	167	836	414	19	69	(D)	452	360	0	(D)	211	18,248	(D)
Switzerland .....	81,048	390	7,808	41	5,093	52	799	151	240	(D)	(D)	14,246	1,396	9,490	9,593	1,739	35,727	660
Turkey .....	2,010	48	606	(D)	101	1	(*)	(*)	0	133	(D)	480	8	688	(D)	30	(*)	(D)
United Kingdom .....	333,497	6,360	57,367	3,149	14,208	1,695	6,323	6,662	541	5,101	19,688	12,370	15,564	16,553	88,449	11,908	75,748	49,179
Other .....	11,924	(D)	524	261	(D)	(D)	5	8	24	29	34	(D)	289	(D)	488	52	2,005	(D)
<b>Latin America and Other Western Hemisphere</b> .....	<b>365,895</b>	<b>18,710</b>	<b>48,366</b>	<b>6,161</b>	<b>10,930</b>	<b>3,063</b>	<b>2,520</b>	<b>-690</b>	<b>1,180</b>	<b>5,264</b>	<b>19,938</b>	<b>15,908</b>	<b>5,797</b>	<b>1,807</b>	<b>131,561</b>	<b>1,349</b>	<b>122,206</b>	<b>20,191</b>
<b>South America</b> .....	<b>70,316</b>	<b>9,735</b>	<b>23,158</b>	<b>2,844</b>	<b>6,031</b>	<b>1,742</b>	<b>1,777</b>	<b>1,193</b>	<b>143</b>	<b>967</b>	<b>8,462</b>	<b>2,261</b>	<b>3,415</b>	<b>4,857</b>	<b>9,974</b>	<b>1,142</b>	<b>11,417</b>	<b>4,358</b>
Argentina .....	11,019	297	1,956	936	645	8	158	82	-9	-159	382	260	1,091	166	1,074	49	5,767	360
Brazil .....	29,619	1,963	13,930	1,535	3,734	1,538	1,444	1,111	138	281	4,149	46	896	2,568	5,258	187	3,173	1,598
Chile .....	9,623	1,125	1,573	(D)	498	(D)	43	2	3	(D)	837	713	394	1,323	2,488	37	367	1,604
Colombia .....	4,192	1,395	1,261	76	488	(D)	12	(*)	15	(D)	352	540	80	(D)	329	43	(D)	(D)
Ecuador .....	730	607	-5	10	5	-3	0	0	0	(D)	(D)	77	2	(D)	(D)	(D)	2	-19
Peru .....	4,245	2,463	312	(D)	175	-87	(*)	0	(*)	-1	(D)	86	90	(D)	71	51	(D)	237
Venezuela .....	9,568	1,428	3,947	129	412	80	119	-3	81	599	2,529	290	735	(D)	592	773	1,133	(D)
Other .....	1,322	457	183	67	75	(*)	2	0	24	16	250	128	181	(D)	(D)	(D)	1	(D)
<b>Central America</b> .....	<b>84,125</b>	<b>2,229</b>	<b>22,644</b>	<b>3,256</b>	<b>4,023</b>	<b>805</b>	<b>(D)</b>	<b>-2,104</b>	<b>1,031</b>	<b>4,529</b>	<b>(D)</b>	<b>3,863</b>	<b>1,688</b>	<b>17,776</b>	<b>14,852</b>	<b>444</b>	<b>9,889</b>	<b>10,740</b>
Costa Rica .....	1,278	(*)	721	129	89	(D)	1	(D)	74	0	407	393	1	0	21	72	(*)	70
Honduras .....	367	0	219	9	7	(D)	0	0	0	(D)	(D)	77	(*)	(D)	9	0	3	(D)
Mexico .....	75,106	2,121	21,018	2,984	3,869	777	(D)	-2,206	957	(D)	9,432	2,467	(D)	17,344	13,767	382	7,348	(D)
Panama .....	5,777	98	51	32	3	(*)	0	0	-5	21	676	(*)	374	1,041	-11	2,516	1,031	(D)
Other .....	1,597	10	634	102	56	(D)	0	(D)	(*)	0	(D)	250	(D)	(D)	15	1	23	(D)
<b>Other Western Hemisphere</b> .....	<b>211,453</b>	<b>6,746</b>	<b>2,564</b>	<b>62</b>	<b>876</b>	<b>516</b>	<b>(D)</b>	<b>221</b>	<b>7</b>	<b>-232</b>	<b>(D)</b>	<b>9,783</b>	<b>694</b>	<b>-20,826</b>	<b>106,735</b>	<b>-237</b>	<b>100,900</b>	<b>5,093</b>
Barbados .....	3,865	4	144	26	8	1	(*)	(D)	5	(D)	(D)	1,790	(D)	26	1,368	-74	90	(D)
Bermuda .....	103,454	36	-166	1	(D)	0	(D)	1	0	(D)	12	2,741	18	(*)	58,056	-10	39,775	3,003
Dominican Republic .....	770	(*)	496	53	(D)	0	(D)	0	0	357	(D)	177	4	(D)	-8	0	0	(D)
United Kingdom Islands, Caribbean .....	79,728	2,178	1,433	(D)	(D)	-37	(*)	(D)	-1	(*)	(D)	4,664	(D)	-15,694	37,692	56	48,169	(D)
Other .....	23,637	4,528	657	(D)	-15	(D)	1	2	3	0	(D)	411	(D)	(D)	9,628	-210	12,866	(D)
<b>Africa</b> .....	<b>23,018</b>	<b>12,464</b>	<b>2,487</b>	<b>242</b>	<b>324</b>	<b>126</b>	<b>288</b>	<b>-65</b>	<b>42</b>	<b>902</b>	<b>627</b>	<b>1,050</b>	<b>202</b>	<b>1,068</b>	<b>361</b>	<b>18</b>	<b>4,142</b>	<b>1,227</b>
Egypt .....	5,354	4,589	225	3	-44	1	122	0	9	(D)	(D)	57	(D)	(D)	(D)	3	5	(D)
Nigeria .....	1,195	54	79	(*)	17	(D)	0	0	0	0	(D)	163	0	(D)	(D)	-1	514	117
South Africa .....	3,558	-11	1,703	10	289	88	164	30	32	824	265	486	176	(D)	41	24	(D)	204
Other .....	12,912	7,833	481	228	62	(D)	2	-95	1	(D)	(D)	344	(D)	328	200	-8	(D)	(D)
<b>Middle East</b> .....	<b>22,631</b>	<b>5,501</b>	<b>5,825</b>	<b>78</b>	<b>1,054</b>	<b>81</b>	<b>221</b>	<b>3,798</b>	<b>-8</b>	<b>14</b>	<b>586</b>	<b>1,280</b>	<b>1,070</b>	<b>277</b>	<b>1,114</b>	<b>1,726</b>	<b>4,928</b>	<b>910</b>
Israel .....	8,350	(D)	4,666	78	412	0	98	(D)	-30	0	(D)	668	1,043	-2	225	1,315	(D)	(D)
Saudi Arabia .....	3,770	-7	374	0	96	48	35	(D)	(D)	14	(D)	264	15	0	-49	203	2,771	200
United Arab Emirates .....	3,324	1,134	233	0	(D)	31	(D)	(*)	(*)	(*)	(D)	342	12	(D)	(D)	34	(D)	137
Other .....	7,188	(D)	553	(*)	(D)	2	(D)	0	0	0	(D)	7	(*)	(D)	(D)	174	(D)	(D)
<b>Asia and Pacific</b> .....	<b>380,523</b>	<b>19,724</b>	<b>80,852</b>	<b>3,440</b>	<b>17,285</b>	<b>3,790</b>	<b>4,249</b>	<b>23,871</b>	<b>2,111</b>	<b>7,056</b>	<b>19,051</b>	<b>26,320</b>	<b>9,870</b>	<b>15,478</b>	<b>68,871</b>	<b>12,538</b>	<b>121,026</b>	<b>25,844</b>
Australia .....	115,623	8,468	14,566	1,182	4,055	2,575	724	503	257	1,556	3,714	2,459	979	2,347	6,409	2,284	(D)	(D)
China .....	17,033	1,830	8,252	637	2,133	168	405	1,107	543	1,329	1,929	1,870	771	727	(D)	77	1,307	(D)
Hong Kong .....	32,577	0	2,657	-11	217	145	171	1,041	198	31	865	5,789	1,572					



Table 1.2. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 2006

[Millions of dollars]

	All industries	Mining	Manufacturing									Wholesale trade	Information	Depository institutions	Finance (except depository institutions) and insurance	Professional, scientific, and technical services	Holding companies (nonbank)	Other industries
			Total	Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment	Other manufacturing							
<b>All countries</b> .....	<b>2,384,004</b>	<b>136,145</b>	<b>503,495</b>	<b>32,517</b>	<b>129,778</b>	<b>23,220</b>	<b>32,172</b>	<b>76,660</b>	<b>15,765</b>	<b>55,526</b>	<b>137,858</b>	<b>164,290</b>	<b>74,368</b>	<b>67,550</b>	<b>484,840</b>	<b>57,429</b>	<b>710,336</b>	<b>185,549</b>
<b>Canada</b> .....	<b>246,451</b>	<b>38,023</b>	<b>87,522</b>	<b>3,359</b>	<b>15,074</b>	<b>3,643</b>	<b>4,270</b>	<b>9,897</b>	<b>2,375</b>	<b>18,029</b>	<b>30,874</b>	<b>14,630</b>	<b>5,029</b>	<b>2,265</b>	<b>42,951</b>	<b>2,906</b>	<b>25,567</b>	<b>27,559</b>
<b>Europe</b> .....	<b>1,250,508</b>	<b>31,387</b>	<b>255,375</b>	<b>18,869</b>	<b>81,284</b>	<b>13,438</b>	<b>19,634</b>	<b>31,998</b>	<b>9,435</b>	<b>20,104</b>	<b>60,613</b>	<b>97,625</b>	<b>51,339</b>	<b>50,628</b>	<b>229,436</b>	<b>36,462</b>	<b>392,860</b>	<b>105,395</b>
Austria.....	17,405	(*)	2,909	(D)	112	89	232	(D)	-7	803	258	2,462	-17	(D)	(D)	206	8,355	828
Belgium.....	52,054	9	13,754	276	7,392	1	79	96	(D)	1,176	(D)	5,650	-521	1,288	24,079	3,474	2,663	1,658
Czech Republic.....	3,090	(*)	1,111	(D)	332	9	176	18	74	484	(D)	31	88	974	829	45	0	12
Denmark.....	5,753	-160	3,432	75	31	95	(D)	1,735	(D)	2	(D)	571	244	0	670	60	647	290
Finland.....	2,592	0	1,628	12	104	229	(D)	768	74	96	(D)	761	-22	0	12	146	15	51
France.....	65,933	79	25,788	1,425	7,574	3,727	504	2,354	749	1,993	7,462	7,711	1,614	1,898	5,357	2,106	11,842	9,537
Germany.....	99,253	45	26,155	326	3,802	3,547	2,756	4,441	1,663	6,597	3,023	20,702	2,726	1,363	12,654	4,206	24,802	6,600
Greece.....	2,073	-1	245	(*)	428	-4	0	(D)	0	0	(D)	1,048	11	-104	369	35	235	235
Hungary.....	4,014	(D)	2,669	108	81	(D)	5	91	868	749	(D)	346	7	(D)	123	62	0	(D)
Ireland.....	83,615	381	24,649	(D)	11,473	138	607	6,364	265	-19	(D)	5,778	11,351	(D)	14,872	2,909	5,371	(D)
Italy.....	28,936	-31	15,613	1,222	3,815	370	1,825	3,795	463	1,475	2,648	2,633	5,036	-31	1,723	758	1,042	2,194
Luxembourg.....	82,588	163	6,698	0	(D)	(*)	7	(D)	0	0	(D)	2,145	(D)	840	5,048	18	63,861	(D)
Netherlands.....	215,715	3,379	33,124	10,457	11,307	964	1,113	1,584	2,796	-10	4,913	11,678	6,318	(D)	39,697	2,683	114,334	(D)
Norway.....	10,280	6,240	2,197	28	121	86	1,972	-87	8	7	60	222	265	58	553	351	22	373
Poland.....	7,190	(D)	3,640	191	591	343	47	47	4	709	1,710	189	394	1,706	741	117	(D)	(D)
Portugal.....	3,033	(*)	421	(*)	90	10	6	114	(D)	(D)	40	935	554	3	273	18	-2	831
Russia.....	10,064	6,988	1,047	284	(D)	(D)	(D)	(D)	12	81	(D)	586	13	(D)	17	46	17	(D)
Spain.....	49,413	63	14,278	635	7,839	76	-71	488	563	724	4,025	2,300	2,639	1,596	6,351	1,796	19,053	1,337
Sweden.....	35,938	0	2,765	(D)	582	177	891	532	28	-477	(D)	669	369	(*)	(D)	261	20,020	(D)
Switzerland.....	90,085	437	9,643	55	5,293	16	1,545	387	470	556	1,320	16,627	1,140	12,423	10,053	2,933	36,133	697
Turkey.....	2,088	14	556	67	24	1	(*)	(*)	0	184	279	524	-20	755	80	38	(*)	141
United Kingdom.....	364,084	7,578	61,427	2,695	15,473	2,299	6,726	7,999	659	4,729	20,846	13,238	18,481	19,358	98,652	14,124	81,182	50,046
Other.....	15,311	6,193	1,628	350	108	(D)	23	24	21	(D)	(D)	816	(D)	1,790	467	70	(D)	780
<b>Latin America and Other Western Hemisphere</b> .....	<b>403,284</b>	<b>21,925</b>	<b>58,848</b>	<b>6,046</b>	<b>12,357</b>	<b>3,629</b>	<b>2,737</b>	<b>1,277</b>	<b>1,506</b>	<b>7,794</b>	<b>23,502</b>	<b>19,308</b>	<b>6,118</b>	<b>-4,422</b>	<b>127,331</b>	<b>1,038</b>	<b>151,420</b>	<b>21,718</b>
<b>South America</b> .....	<b>79,146</b>	<b>10,624</b>	<b>27,416</b>	<b>2,857</b>	<b>6,963</b>	<b>2,281</b>	<b>1,886</b>	<b>1,375</b>	<b>(D)</b>	<b>1,860</b>	<b>(D)</b>	<b>2,852</b>	<b>3,192</b>	<b>5,033</b>	<b>9,562</b>	<b>728</b>	<b>14,808</b>	<b>4,932</b>
Argentina.....	13,086	328	2,441	923	978	4	176	93	-109	-27	404	171	929	472	1,539	56	6,697	453
Brazil.....	32,601	2,738	16,324	1,501	4,240	2,031	1,522	1,284	177	561	5,008	664	729	2,173	4,106	293	4,167	1,407
Chile.....	10,243	968	1,598	24	459	45	49	(D)	3	(D)	(D)	732	308	1,393	2,652	76	336	2,178
Colombia.....	4,897	1,731	1,526	(D)	478	186	12	(*)	16	(D)	514	574	92	(D)	359	47	195	(D)
Ecuador.....	461	277	33	12	3	-2	0	0	0	(D)	(D)	103	2	(D)	(D)	-2	3	-26
Peru.....	4,979	3,085	380	(D)	205	-84	0	(*)	-1	(D)	91	90	(D)	103	51	(D)	253	(D)
Venezuela.....	11,556	1,121	4,932	(D)	519	101	125	(D)	(D)	979	2,935	255	880	(D)	688	211	(D)	611
Other.....	1,323	375	180	54	80	(*)	3	0	0	27	15	263	161	280	(D)	-5	1	(D)
<b>Central America</b> .....	<b>93,995</b>	<b>3,531</b>	<b>27,492</b>	<b>3,088</b>	<b>4,401</b>	<b>782</b>	<b>(D)</b>	<b>(D)</b>	<b>1,167</b>	<b>6,015</b>	<b>11,889</b>	<b>3,525</b>	<b>1,796</b>	<b>(D)</b>	<b>16,099</b>	<b>439</b>	<b>10,725</b>	<b>(D)</b>
Costa Rica.....	1,573	(*)	856	204	112	39	1	(D)	81	0	(D)	465	1	0	23	79	(D)	(D)
Honduras.....	517	0	364	12	9	4	0	0	0	(D)	(D)	0	(*)	(D)	10	0	3	46
Mexico.....	84,699	3,449	25,467	2,694	4,204	753	(D)	-828	1,086	(D)	10,745	2,376	1,738	(D)	14,986	364	7,968	(D)
Panama.....	5,728	72	56	34	3	(*)	0	0	0	-5	24	353	(*)	386	1,065	-5	2,667	1,134
Other.....	1,478	10	748	143	73	-15	(*)	(D)	(*)	0	(D)	56	47	14	1	(D)	325	(D)
<b>Other Western Hemisphere</b> .....	<b>230,143</b>	<b>7,770</b>	<b>3,941</b>	<b>102</b>	<b>993</b>	<b>566</b>	<b>(D)</b>	<b>(D)</b>	<b>(D)</b>	<b>-82</b>	<b>(D)</b>	<b>12,930</b>	<b>1,130</b>	<b>(D)</b>	<b>101,670</b>	<b>-129</b>	<b>125,887</b>	<b>(D)</b>
Barbados.....	4,756	4	495	29	8	1	(*)	(D)	5	-38	(D)	1,834	(D)	25	2,273	-95	-48	(D)
Bermuda.....	108,462	(D)	353	1	113	0	(D)	(D)	(D)	13	3,456	344	7	58,782	-12	42,345	(D)	
Dominican Republic.....	896	(*)	620	58	81	(D)	0	4	0	0	(D)	2	(D)	7	-7	0	-2	(D)
United Kingdom Islands, Caribbean.....	80,604	2,056	1,727	11	(D)	(D)	(*)	225	0	(D)	(D)	6,926	305	-22,001	31,194	215	59,674	507
Other.....	35,426	(D)	746	3	(D)	(D)	1	2	3	0	(D)	(D)	(D)	-5,930	9,428	-239	23,916	969
<b>Africa</b> .....	<b>25,556</b>	<b>14,464</b>	<b>2,900</b>	<b>259</b>	<b>176</b>	<b>339</b>	<b>-64</b>	<b>36</b>	<b>1,195</b>	<b>729</b>	<b>1,137</b>	<b>193</b>	<b>1,047</b>	<b>499</b>	<b>151</b>	<b>4,345</b>	<b>822</b>	
Egypt.....	5,911	5,159	299	7	-58	2	127	0	9	(D)	(D)	60	6	(D)	15	5	1	(D)
Nigeria.....	339	-794	96	(*)	(D)	35	0	0	0	0	(D)	168	0	(D)	0	-1	391	141
South Africa.....	3,818	103	2,000	(D)	189	115	209	(D)	26	1,151	(D)	526	170	(D)	10	115	548	(D)
Other.....	15,489	9,996	505	268	(D)	25	3	(D)	1	(D)	(D)	383	16	377	(D)	32	3,405	(D)
<b>Middle East</b> .....	<b>26,487</b>	<b>6,920</b>	<b>7,468</b>	<b>89</b>	<b>1,190</b>	<b>88</b>	<b>279</b>	<b>5,173</b>	<b>-5</b>	<b>14</b>	<b>639</b>	<b>1,459</b>	<b>1,313</b>	<b>378</b>	<b>1,292</b>	<b>1,542</b>	<b>5,210</b>	<b>905</b>
Israel.....	9,964	(D)	6,262	89	(D)	0	143	(D)	-27	0	426	658	1,273	15	244	1,156	57	(D)
Saudi Arabia.....	4,346	79	385	0	95	56	(D)	(D)	19	14	(D)	303	(D)	0	-39	319	3,084	(D)
United Arab Emirates.....	4,547	2,105	(D)	0	(D)	30	81	1	4	(*)	(D)	494	(D)	(D)	766	34	(D)	83
Other.....	7,630	(D)	(D)	(*)	(D)	2	(D)	0	0	0	(D)	4	(*)	(D)	321	33	(D)	149
<b>Asia and Pacific</b> .....	<b>431,718</b>	<b>23,426</b>	<b>91,382</b>	<b>3,894</b>	<b>19,642</b>	<b>2,245</b>	<b>4,914</b>	<b>28,377</b>	<b>2,417</b>	<b>8,390</b>	<b>21,502</b>	<b>30,132</b>	<b>10,377</b>	<b>17,655</b>	<b>83,332</b>	<b>15,331</b>	<b>130,933</b>	<b>29,149</b>
Australia.....	122,587	10,618	13,160	1,133	4,307	757	944	569	310	1,476	3,665	2,670	942	1,954	7,979	3,030	77,967	4,267
China.....	22,228	1,521	10,899	754	2,591	462	640	1,876	585	1,721	2,270	2,339	1,016	1,233	1,554	134	2,002	1,530
Hong Kong.....	38,118	0	3,201	-22	266	87	184	1,51										

Table 2.1. Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 2005

[Millions of dollars]

	Manufacturing										Wholesale trade	Retail trade	Information	Depository institutions	Finance (except depository institutions) and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
	All industries	Total	Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment	Other manufacturing								
<b>All countries</b> .....	<b>1,594,488</b>	<b>513,609</b>	<b>20,217</b>	<b>147,999</b>	<b>26,363</b>	<b>49,550</b>	<b>33,250</b>	<b>11,817</b>	<b>74,832</b>	<b>149,582</b>	<b>242,174</b>	<b>30,101</b>	<b>110,639</b>	<b>130,676</b>	<b>215,782</b>	<b>38,609</b>	<b>52,578</b>	<b>260,320</b>
<b>Canada</b> .....	<b>154,180</b>	<b>27,739</b>	<b>2,122</b>	<b>4,586</b>	<b>4,736</b>	<b>498</b>	<b>4,964</b>	<b>122</b>	<b>2,590</b>	<b>8,120</b>	<b>17,122</b>	<b>6,086</b>	<b>7,836</b>	<b>15,258</b>	<b>45,515</b>	<b>2,504</b>	<b>1,754</b>	<b>30,365</b>
<b>Europe</b> .....	<b>1,128,161</b>	<b>403,849</b>	<b>15,602</b>	<b>133,946</b>	<b>18,329</b>	<b>31,619</b>	<b>22,579</b>	<b>8,633</b>	<b>47,624</b>	<b>125,517</b>	<b>114,481</b>	<b>16,410</b>	<b>98,418</b>	<b>98,854</b>	<b>140,279</b>	<b>18,716</b>	<b>48,060</b>	<b>189,093</b>
Austria .....	2,416	1,267	7	(D)	281	180	3	-3	(D)	(D)	279	(D)	-1	(D)	1	46	(D)	24
Belgium .....	10,387	3,328	-3	2,083	(D)	688	7	13	(D)	419	1,663	(D)	-2	(D)	938	(D)	-984	1,914
Denmark .....	6,121	4,530	(D)	(D)	(D)	413	(D)	(*)	-1	1,638	427	5	-1	0	(*)	3	(D)	(D)
Finland .....	5,970	3,574	(D)	(D)	(D)	393	37	-1	1	2,310	2,172	(D)	0	(D)	(*)	(D)	(D)	-14
France .....	120,272	42,079	1,496	13,961	1,188	(D)	3,937	(D)	3,521	13,815	10,393	494	10,842	16,224	27,480	397	3,119	9,242
Germany .....	180,339	69,156	78	25,798	3,631	(D)	754	458	23,049	(D)	11,258	2,160	34,232	16,586	19,057	5,699	419	21,772
Ireland .....	18,594	8,144	1,048	3,568	(D)	(D)	-15	(*)	(D)	(D)	528	(D)	(D)	(D)	693	-23	(D)	6,409
Italy .....	8,009	920	(D)	284	-15	177	203	(D)	22	17	996	1,514	(D)	1,261	(D)	44	(D)	2,036
Luxembourg .....	116,729	26,439	(D)	1,436	604	(D)	(D)	(D)	1,483	17,592	980	23	5,299	0	(D)	236	(D)	77,073
Netherlands .....	165,366	67,825	(D)	28,091	(D)	4,734	4,966	218	6,822	16,668	9,151	(D)	11,383	(D)	41,485	2,635	9,241	11,352
Norway .....	5,204	1,457	0	1,493	(D)	35	3	1	8	(D)	562	(*)	269	(D)	0	51	(D)	(D)
Spain .....	7,504	2,657	(D)	(D)	(D)	6	1	(*)	105	723	140	(D)	(D)	(D)	(D)	(D)	(D)	554
Sweden .....	22,247	9,828	0	572	986	1,350	(D)	(D)	3,562	1,544	5,882	(D)	(D)	(D)	407	(D)	57	(D)
Switzerland .....	131,342	79,502	(D)	30,186	2,083	2,992	332	39	(D)	35,785	6,991	389	(D)	(D)	27,032	1,727	485	6,700
United Kingdom .....	296,277	70,769	(D)	22,143	2,248	3,276	9,880	(D)	7,296	22,935	62,615	2,697	17,845	(D)	(D)	3,498	27,108	38,651
Other .....	31,385	12,373	(D)	2,282	(D)	(D)	1,393	(D)	174	3,650	443	(D)	(D)	818	579	1,000	(D)	7,234
<b>Latin America and Other Western Hemisphere</b> .....	<b>70,789</b>	<b>19,761</b>	<b>1,084</b>	<b>69</b>	<b>518</b>	<b>(D)</b>	<b>-201</b>	<b>(D)</b>	<b>-390</b>	<b>2,955</b>	<b>11,251</b>	<b>2,159</b>	<b>923</b>	<b>3,529</b>	<b>12,036</b>	<b>5,730</b>	<b>-405</b>	<b>15,806</b>
South and Central America .....	22,868	1,022	999	67	311	-37	-184	3	-436	299	6,525	403	(D)	2,868	(D)	796	(D)	629
Brazil .....	2,051	-105	(D)	-48	(D)	-3	-103	-2	63	-56	(D)	(D)	18	479	46	(D)	-20	89
Mexico .....	3,806	1,184	(D)	74	703	-24	-73	7	(D)	-41	1,365	(D)	(D)	690	(D)	(D)	(D)	163
Panama .....	11,109	(D)	0	54	(D)	1	(D)	(*)	(D)	-30	-69	3	(D)	(D)	(D)	471	3	536
Venezuela .....	5,304	(D)	3	-4	-4	-15	-2	-2	1	(D)	(D)	(*)	-5	(D)	6	11	5	19
Other .....	598	24	5	-9	(D)	5	(D)	-1	3	(D)	90	5	9	628	15	16	-12	-178
Other Western Hemisphere .....	47,921	18,739	86	1	207	(D)	-18	(D)	46	2,656	4,726	1,755	(D)	661	(D)	4,934	(D)	15,177
Bahamas .....	651	99	(D)	(D)	(D)	0	(*)	0	0	(D)	(D)	(D)	(D)	(D)	-3	351	4	(D)
Bermuda .....	-471	1,616	(D)	(D)	(D)	(D)	(D)	(D)	0	582	-811	0	858	0	-6,321	(D)	(D)	3,377
Netherlands Antilles .....	5,424	61	2	(D)	(D)	-1	-2	0	-4	(D)	2,205	(D)	(D)	(D)	(D)	807	(D)	2,068
United Kingdom Islands, Caribbean .....	23,932	(D)	100	4	7	267	(D)	(D)	50	1,727	2,768	1,391	(D)	129	4,528	2,722	-122	(D)
Other .....	18,385	(D)	0	8	0	(D)	(*)	(D)	0	292	(D)	-4	(D)	(D)	3,155	(D)	-15	450
<b>Africa</b> .....	<b>2,734</b>	<b>731</b>	<b>-1</b>	<b>(D)</b>	<b>(D)</b>	<b>-2</b>	<b>2</b>	<b>-1</b>	<b>10</b>	<b>-72</b>	<b>(D)</b>	<b>(D)</b>	<b>(D)</b>	<b>(D)</b>	<b>(D)</b>	<b>266</b>	<b>(D)</b>	<b>1,113</b>
South Africa .....	491	-3	-1	-5	(D)	-2	(D)	0	10	-5	(D)	(*)	(D)	0	(D)	1	(D)	(D)
Other .....	2,243	734	(*)	(D)	(D)	(*)	(D)	-1	0	-66	(D)	(D)	(D)	(D)	(*)	265	(*)	(D)
<b>Middle East</b> .....	<b>8,396</b>	<b>762</b>	<b>8</b>	<b>(D)</b>	<b>3</b>	<b>(D)</b>	<b>392</b>	<b>1</b>	<b>(D)</b>	<b>-2</b>	<b>(D)</b>	<b>(D)</b>	<b>820</b>	<b>(D)</b>	<b>(D)</b>	<b>(D)</b>	<b>(D)</b>	<b>(D)</b>
Israel .....	4,308	768	8	(D)	(D)	0	398	0	(D)	(D)	427	(D)	811	1,550	-2	4	(D)	589
Kuwait .....	562	(D)	0	0	0	0	(*)	2	(D)	0	-1	0	2	(D)	(D)	0	0	(D)
Lebanon .....	-6	1	0	0	0	0	1	(*)	0	(*)	(D)	0	0	0	0	(D)	(*)	(*)
Saudi Arabia .....	(D)	(D)	0	10	(D)	(D)	0	-1	0	(D)	(D)	0	6	(D)	2	57	2	-9
United Arab Emirates .....	(D)	-15	0	0	0	(D)	-7	(*)	(D)	(D)	(D)	(*)	(*)	(D)	1	22	5	(D)
Other .....	143	1	0	0	0	1	0	0	0	0	0	(D)	0	(D)	0	47	(*)	36
<b>Asia and Pacific</b> .....	<b>230,228</b>	<b>60,768</b>	<b>1,401</b>	<b>8,268</b>	<b>(D)</b>	<b>(D)</b>	<b>5,515</b>	<b>(D)</b>	<b>(D)</b>	<b>13,065</b>	<b>95,132</b>	<b>(D)</b>	<b>(D)</b>	<b>(D)</b>	<b>17,855</b>	<b>(D)</b>	<b>3,061</b>	<b>(D)</b>
Australia .....	22,411	4,381	66	(D)	352	(D)	-9	-7	-30	(D)	1,818	2	(D)	(D)	1,915	5,390	327	6,898
China .....	707	41	-1	-9	(D)	-44	-39	24	(D)	4	391	2	70	(D)	(D)	-3	3	(D)
Hong Kong .....	3,658	1,777	(*)	(D)	-2	(D)	670	(*)	(*)	159	1,002	(D)	(D)	364	(D)	160	-21	116
India .....	1,497	12	1	19	(D)	3	(D)	(*)	43	3	(D)	(*)	72	190	(*)	(*)	1,107	(D)
Japan .....	188,687	53,746	1,385	6,409	2,133	4,151	5,381	635	24,939	8,713	85,134	5,038	1,919	7,535	14,330	4,706	1,581	14,697
Korea, Republic of .....	5,771	565	4	32	129	-7	(D)	(*)	(D)	87	4,446	(D)	(D)	328	144	58	2	14
Malaysia .....	422	5	-1	-6	-5	-3	35	-1	4	-19	41	0	4	(D)	0	(D)	(D)	258
New Zealand .....	690	6	(D)	(*)	(D)	2	-9	-1	1	1	(D)	0	1	0	0	(D)	(*)	52
Singapore .....	2,183	-955	(D)	-38	-1	-25	-785	1	8	(D)	425	(D)	20	286	(D)	(D)	9	639
Taiwan .....	3,652	1,165	-1	409	2	-1	63	(D)	-34	(D)	1,121	(D)	(D)	931	9	59	(D)	215
Other .....	550	24	(*)	-12	1	(*)	8	(*)	28	-2	200	(*)	(D)	182	(D)	18	-8	113
<b>Addenda:</b>																		
European Union (25) <sup>1</sup> .....	981,338	317,948	9,102	100,672	15,076	27,276	22,241	8,588	45,936	89,057	106,696	16,021	83,509	100,619	113,208	16,861	45,444	181,030
OPEC <sup>2</sup> .....	9,435	334	3	-2	-1	-21	-10	-1	(D)	(D)	(D)	(*)	4	1,267	1	10	(D)	(D)

\* A nonzero value between -\$500,000 and \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. The European Union (25) comprises Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands,

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

2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

Note: Estimates for 2005 are revised.

Table 2.2. Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 2006

[Millions of dollars]

	All industries	Manufacturing										Wholesale trade	Retail trade	Information	Depository institutions	Finance (except depository institutions) and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
		Total	Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment	Other manufacturing									
<b>All countries</b> .....	<b>1,789,087</b>	<b>593,759</b>	<b>23,874</b>	<b>183,127</b>	<b>34,238</b>	<b>59,889</b>	<b>54,713</b>	<b>14,731</b>	<b>69,243</b>	<b>153,946</b>	<b>252,028</b>	<b>32,898</b>	<b>125,963</b>	<b>148,981</b>	<b>257,677</b>	<b>43,295</b>	<b>62,262</b>	<b>272,225</b>	
<b>Canada</b> .....	<b>158,979</b>	<b>31,315</b>	<b>2,162</b>	(D)	<b>5,811</b>	<b>625</b>	<b>4,974</b>	(D)	<b>745</b>	<b>10,188</b>	<b>14,204</b>	<b>5,648</b>	<b>5,365</b>	<b>16,906</b>	<b>51,775</b>	<b>3,040</b>	<b>1,076</b>	<b>29,650</b>	
<b>Europe</b> .....	<b>1,270,570</b>	<b>454,879</b>	<b>19,072</b>	<b>156,976</b>	<b>23,804</b>	<b>39,780</b>	<b>36,027</b>	<b>11,247</b>	<b>41,979</b>	<b>125,994</b>	<b>121,169</b>	<b>20,399</b>	<b>111,841</b>	<b>113,698</b>	<b>173,087</b>	<b>21,791</b>	<b>54,509</b>	<b>199,197</b>	
Austria.....	2,367	1,360	7	-24	297	225	(D)	(*)	(D)	(D)	(D)	(D)	-1	(D)	1	(D)	(D)	5	
Belgium.....	12,590	2,977	-4	2,938	(D)	42	3	7	(D)	-281	1,817	(D)	-2	(D)	1,156	(D)	-32	2,283	
Denmark.....	7,209	5,573	(D)	(D)	(D)	498	(D)	(D)	(D)	-1	2,350	269	5	0	(*)	3	(D)	(D)	
Finland.....	7,289	3,958	(D)	(D)	(D)	690	(D)	1	(*)	2,177	2,956	(D)	-2	(D)	-1	(D)	(D)	(D)	
France.....	158,830	69,857	2,024	22,178	1,647	(D)	(D)	3,512	3,322	17,735	7,788	921	17,037	20,177	28,941	396	3,747	9,967	
Germany.....	202,581	77,510	83	27,954	3,094	(D)	1,063	565	20,222	(D)	12,284	2,450	38,788	18,975	20,425	7,017	256	24,876	
Ireland.....	28,551	11,132	1,920	(D)	(D)	(D)	(*)	(D)	(D)	(D)	241	(D)	540	(D)	3,851	(D)	(D)	7,242	
Italy.....	11,883	986	50	304	-10	209	205	(D)	(D)	113	1,174	1,785	(D)	1,383	(D)	46	(D)	2,426	
Luxembourg.....	130,925	30,153	685	(D)	(D)	(D)	(D)	(D)	(D)	(D)	1,186	0	5,765	0	(D)	(D)	(D)	83,338	
Netherlands.....	189,293	69,775	(D)	33,422	(D)	4,951	3,701	809	(D)	16,222	15,208	(D)	12,044	(D)	54,290	1,866	9,548	11,909	
Norway.....	7,835	1,721	0	1,634	(D)	(D)	(D)	1	3	(D)	(D)	(*)	(D)	(D)	0	49	(D)	(D)	
Spain.....	14,942	2,663	6	(D)	(D)	2	(D)	3	86	860	143	(D)	(D)	8,593	1,285	(D)	(D)	1,533	
Sweden.....	22,287	10,591	(*)	327	1,197	1,534	(D)	(D)	3,870	(D)	7,037	(D)	290	(D)	245	1,423	55	(D)	
Switzerland.....	140,259	78,843	(D)	26,280	3,003	(D)	(D)	39	(D)	34,955	(D)	399	(D)	(D)	37,454	1,864	520	7,522	
United Kingdom.....	303,232	76,805	(D)	20,491	2,835	2,689	10,782	(D)	7,669	29,540	61,287	3,299	19,453	(D)	(D)	4,892	27,722	32,364	
Other.....	30,495	10,976	(D)	(D)	(D)	(D)	(D)	(D)	119	3,175	443	(D)	(D)	(D)	804	98	(D)	8,409	
<b>Latin America and Other Western Hemisphere</b> .....	<b>79,845</b>	<b>23,520</b>	(D)	<b>544</b>	<b>1,777</b>	(D)	(D)	(D)	<b>201</b>	<b>2,612</b>	<b>11,732</b>	<b>970</b>	<b>4,914</b>	<b>4,118</b>	<b>11,612</b>	<b>5,337</b>	<b>109</b>	<b>17,533</b>	
South and Central America.....	29,341	3,084	1,091	-6	1,557	-109	-159	-2	88	624	8,988	(D)	(D)	3,403	(D)	867	210	494	
Brazil.....	2,122	23	(D)	-58	(D)	-37	(D)	2	65	-70	(D)	(D)	20	519	(D)	(D)	-16	91	
Mexico.....	6,075	3,032	(D)	96	1,716	-58	-39	5	(D)	347	1,790	(D)	1,009	10	(D)	(D)	(D)	56	
Panama.....	12,994	-253	0	-14	(D)	1	-1	(*)	(D)	-25	(D)	3	(D)	(D)	(D)	3	(D)	558	
Venezuela.....	7,246	26	1	-3	-1	-6	-2	-5	-1	43	(D)	(*)	-7	(D)	(D)	10	(D)	1	
Other.....	903	256	3	-27	(D)	-8	(D)	-4	-2	331	169	5	9	657	11	19	-11	-213	
Other Western Hemisphere.....	50,504	20,436	(D)	550	220	(D)	(D)	(D)	112	1,987	2,744	(D)	(D)	715	(D)	4,470	-101	17,039	
Bahamas.....	664	100	(D)	(D)	(D)	0	(*)	0	0	(D)	(D)	(D)	(D)	(D)	-3	(D)	3	(D)	
Bermuda.....	2,757	2,186	(D)	(D)	(D)	(D)	(D)	(D)	0	(D)	-508	0	4,026	0	-6,729	(D)	(D)	3,492	
Netherlands Antilles.....	6,179	-319	2	(D)	(D)	1	-2	0	-4	(D)	(D)	(D)	(D)	(D)	(D)	997	(D)	(D)	
United Kingdom Islands, Caribbean.....	24,572	(D)	100	(D)	(D)	(D)	(D)	(D)	116	1,805	1,394	769	1,014	144	5,322	2,816	(D)	10,142	
Other.....	16,332	(D)	0	(D)	0	(D)	(*)	(D)	0	(D)	(D)	-1	(D)	(D)	369	(D)	-17	501	
<b>Africa</b> .....	<b>2,244</b>	<b>-38</b>	(*)	<b>-21</b>	<b>50</b>	<b>-16</b>	(*)	(*)	<b>-6</b>	<b>-45</b>	(D)	(D)	(D)	(D)	(D)	<b>265</b>	(D)	<b>1,282</b>	
South Africa.....	652	-31	0	-20	(D)	-13	(D)	(*)	(*)	(D)	(D)	(*)	(D)	0	(D)	1	(D)	(D)	
Other.....	1,592	-7	(*)	-1	(D)	-2	(D)	(*)	-6	(D)	(D)	(D)	(D)	(D)	(*)	264	(*)	(D)	
<b>Middle East</b> .....	<b>17,639</b>	<b>(D)</b>	<b>8</b>	<b>(D)</b>	<b>3</b>	<b>(D)</b>	<b>(D)</b>	<b>1</b>	<b>(D)</b>	<b>120</b>	<b>(D)</b>	<b>(D)</b>	<b>814</b>	<b>1,684</b>	<b>(D)</b>	<b>828</b>	<b>(D)</b>	<b>927</b>	
Israel.....	(D)	(D)	8	(D)	-1	(D)	(*)	(D)	(D)	(D)	458	(D)	805	1,669	(D)	(*)	(D)	678	
Kuwait.....	878	(D)	0	0	0	0	(*)	2	(D)	0	-1	0	2	(D)	(D)	0	(D)	0	
Lebanon.....	-7	(*)	0	0	0	0	(*)	0	(*)	(D)	0	0	0	0	0	(D)	(*)	(*)	
Saudi Arabia.....	(D)	(D)	0	0	(D)	(D)	0	-1	0	(D)	(D)	0	6	(D)	2	66	7	-15	
United Arab Emirates.....	(D)	-25	0	1	0	(D)	0	(*)	(D)	(D)	-2	(*)	(D)	1	22	(*)	(D)	(D)	
Other.....	171	-1	0	0	0	-1	0	0	0	0	0	0	0	(D)	0	47	(*)	48	
<b>Asia and Pacific</b> .....	<b>259,810</b>	<b>(D)</b>	<b>(D)</b>	<b>(D)</b>	<b>2,792</b>	<b>(D)</b>	<b>13,355</b>	<b>(D)</b>	<b>(D)</b>	<b>15,078</b>	<b>99,974</b>	<b>5,837</b>	<b>(D)</b>	<b>(D)</b>	<b>21,074</b>	<b>12,034</b>	<b>6,447</b>	<b>23,637</b>	
Australia.....	25,727	5,721	14	(D)	445	(D)	-7	-3	-42	(D)	1,974	2	(D)	(D)	2,610	5,844	(D)	7,550	
China.....	554	(D)	-4	103	116	-40	3	-1	(D)	-25	614	1	(*)	(D)	(D)	-4	70	-307	
Hong Kong.....	3,524	1,714	-1	(D)	-6	-4	660	(*)	-2	(D)	1,090	(D)	118	(D)	(D)	160	(D)	80	
India.....	2,002	119	(*)	14	(D)	(*)	(D)	(*)	46	(D)	(D)	(*)	73	222	(D)	2	1,419	138	
Japan.....	210,996	65,866	1,366	7,342	2,033	5,035	13,007	858	26,452	9,773	86,977	5,706	2,323	8,324	16,799	5,420	4,753	14,830	
Korea, Republic of.....	8,609	591	3	35	186	-7	(D)	-2	(D)	82	7,148	(D)	418	152	65	6	24	24	
Malaysia.....	432	13	-1	-6	(D)	(D)	14	(*)	4	31	48	0	4	(D)	0	9	257	9	
New Zealand.....	615	-8	(D)	(D)	(D)	3	-9	(*)	(D)	4	(D)	0	(*)	0	3	(D)	-1	9	
Singapore.....	2,412	(D)	(D)	-51	(*)	(D)	(D)	(D)	12	(D)	158	(D)	20	318	(D)	301	6	624	
Taiwan.....	4,199	1,664	-1	(D)	3	(*)	60	(D)	-64	(D)	1,138	(D)	(D)	990	16	57	-46	291	
Other.....	740	84	2	-2	4	2	36	(D)	27	(D)	284	(*)	(D)	187	(D)	17	-10	141	
<b>Addenda:</b>																			
European Union (25) <sup>1</sup> .....	1,113,570	369,482	9,739	127,467	19,481	35,141	35,361	11,194	40,247	90,852	111,949	20,000	96,929	118,000	135,518	19,795	51,214	190,620	
OPEC <sup>2</sup> .....	12,391	21	1	-5	4	-8	-2	-3	(D)	(D)	(D)	(*)	2	1,431	(D)	831	-3	(D)	

\* A nonzero value between -\$500,000 and \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. The European Union (25) comprises Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands,

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

2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

Note: Estimates for 2006 are preliminary.