Direct Investment Positions for 2008

Country and Industry Detail

By Marilyn Ibarra and Jennifer Koncz

IN 2008, both the U.S. direct investment abroad and foreign direct investment in the United States positions, valued at historical-cost, grew 8 percent. This marked a slowdown in growth for both positions compared with 2007, when the U.S. direct investment abroad—or “outward”—position rose 18 percent and the foreign direct investment in the United States—or “inward”—position rose 15 percent.[1]

The much slower growth in the outward direct investment position reflected a drop in new investment activity abroad by U.S. parent companies.[2] The slowdown in growth in the inward direct investment position reflected the write-downs of financial assets, especially in banking and nonbank finance and insurance, as a result of unsettled conditions in financial markets.

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

- The increase in the outward direct investment position in 2008 (8 percent) significantly lagged the increase in 2007 (18 percent) and was the smallest since 2005 (4 percent). In 1996–2006, annual growth averaged 12 percent. The slowdown in growth in 2008 reflected lower equity capital flows and a shift in valuation adjustments from positive to negative.
- Reinvested earnings were the largest contributor to the increase in the outward position, as they have been in most years. Reinvested earnings rose 6 percent in 2008 as a result of slightly higher earnings and an increase in the share of earnings reinvested in several industries. Earnings grew 2 percent in 2008; earnings gains in the first half of the year were not fully offset by sharp declines later in the year.
- Net equity investments also contributed to the increase in the outward position although these investments were substantially lower in 2008 than in 2007. The decline in equity investment, much of which was for acquisitions of foreign businesses by U.S. companies, coincided with a decline in global merger and acquisition activity; a lack of available credit, plunging stock markets, and a worldwide financial crisis late in the year undermined companies’ ability and incentives to make acquisitions. Intercompany debt inflows and negative valuation adjustments decreased the position.

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

- The inward direct investment position growth (8 percent) in 2008 significantly lagged the increase (15 percent) in 2007. In 1996–2006, annual growth averaged 12 percent. The slowdown in growth in 2008 reflected the turbulent financial market conditions, which are reflected in large valuation adjustments, that began in the second half of 2007 and persisted throughout 2008.

Data Availability

This article summarizes the preliminary statistics on direct investment positions for 2008. It also presents revised statistics on both outward and inward direct investment for 2006–2007. More detailed statistics on the positions and capital transactions and related income flows for both outward and inward investment will be published in the September 2009 Survey of Current Business.

Detailed statistics on the outward direct investment position and related capital and income flows for 1982–2008 and statistics on the inward direct investment position and related capital and income flows for 1980–2008 are available on BEA’s Web site. To access these files, which can be downloaded at no charge, go to BEA’s Web site at www.bea.gov.

For more information on these products and how to access them, see the guide to BEA information on direct investment at www.bea.gov/scb/account_articles/international/iidguide.htm.

1. In this article, “outward direct investment” and “outward” are shorthand for “U.S. direct investment abroad.” Likewise, “inward direct investment” or “inward” are shorthand for “foreign direct investment in the United States.”

2. The measure of direct investment capital flows used in this article differs from the measure of direct investment capital flows used 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. In this article, “(direct investment) capital flows” is shorthand for “(direct investment) capital flows without current-cost adjustment” and “reinvested earnings” is shorthand for “reinvested earnings without current-cost adjustment.”

- Net equity capital investment was the largest component of the increase in the inward position in 2008, as it has been in most years. Boosted by a few large transactions, net equity capital investment grew 61 percent in 2008, the third consecutive year of growth, despite the financial market conditions and a slowdown in economic growth in the United States and in several countries that are important sources of foreign direct investment.
- Reinvested earnings were a substantial component of the increase in the inward position in 2008, as they have been since 2004. Reinvested earnings grew in 2008 despite a decline in earnings because the portion of earnings reinvested increased sharply. Intercompany debt transactions also increased the position, though to a lesser extent. In contrast, valuation adjustments decreased the position.

This article presents details on the direct investment positions valued at historical-cost by type of capital flow. It also presents details for outward investment by country of foreign affiliate and for inward investment by country of foreign parent.[3] Revisions to previously released statistics are also discussed.

3. The outward direct investment position and related capital flow statistics are classified by country of the foreign affiliate with which the U.S. parent has direct transactions and positions. The inward direct investment position and related capital flow statistics are classified by 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.

Table A. Direct Investment Positions on a Historical-Cost Basis, 1982–2008

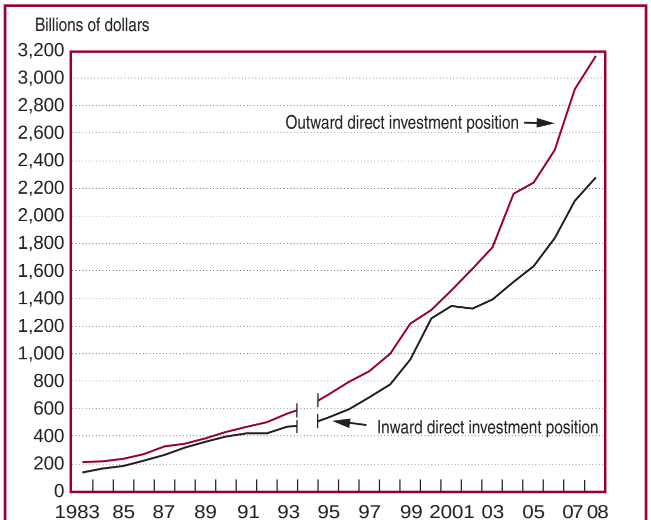
Yearend	Billions of dollars		Percent change from preceding year	
	Outward position [1]	Inward position [2]	Outward position [1]	Inward position [2]
1982	207.8	124.7	....	....
1983	212.2	137.1	2.1	9.9
1984	218.1	164.6	2.8	20.1
1985	238.4	184.6	9.3	12.2
1986	270.5	220.4	13.5	19.4
1987	326.3	263.4	20.6	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	(3)	(3)
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	2,160.8	1,520.3	22.1	9.0
2005	2,241.7	1,634.1	3.7	7.5
2006	2,477.3 [r]	1,840.5 [r]	10.5	12.6
2007	2,916.9 [r]	2,109.9 [r]	17.7	14.6
2008	3,162.0 [p]	2,278.9 [p]	8.4	8.0

p Preliminary
r 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.

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 $3,162.0 billion at the end of 2008 (table A and chart 1). As in previous years, three host countries—the Netherlands, the United Kingdom, and Canada—accounted for over a third of the total position (table 1.2 and chart 2). Positions in the Netherlands and the United Kingdom were more than twice as large as the positions of all other countries except Canada. In 2008, the Netherlands surpassed the United

Chart 1. Direct Investment Positions on a Historical-Cost Basis, 1983–2008



NOTE. There is a discontinuity between 1993 and 1994. See footnote 3 in table A.
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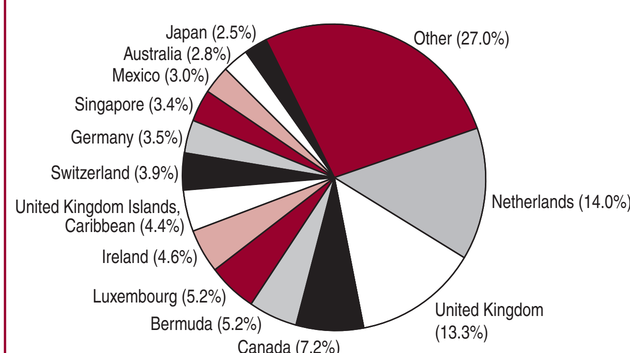
Chart 2. Outward Direct Investment Position by Country of Foreign Affiliate at Yearend 2008



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Kingdom as the largest host country, with a U.S. position of $442.9 billion, or 14 percent of the total. In the Netherlands, most of the position increase and nearly 70 percent of the position was accounted for by holding companies, which may have invested the funds in other countries or industries. (See the box "Holding Companies in the Data on U.S. Direct Investment Abroad.") The position in the United Kingdom was $420.9 billion (13 percent), and the position in Canada was $227.3 billion (7 percent).

In 2008, the outward direct investment position grew 8 percent, or $245.1 billion, down significantly from the 18 percent growth in 2007. The slowdown in growth reflected lower equity capital flows and a shift in valuation adjustments from positive to negative.

Changes by component

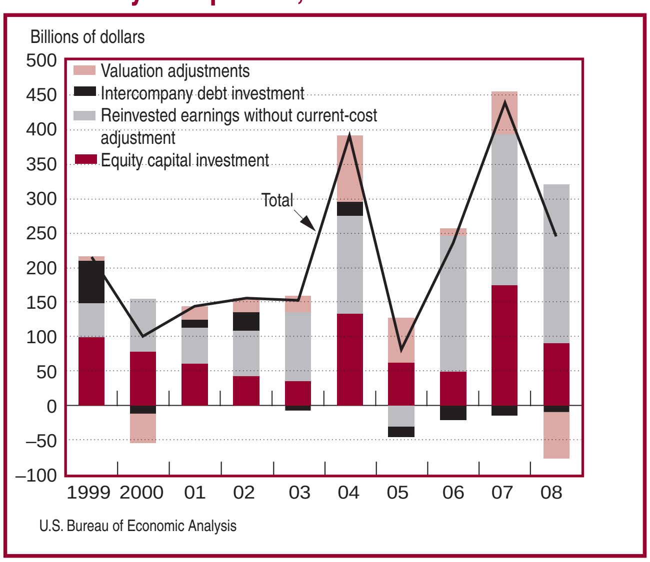
The $245.1 billion increase in the outward direct investment position was the net result of capital outflows of $311.8 billion and valuation adjustments of –$66.7 billion (table B and chart 3).

Table B. Change in the Outward Direct Investment Position on a Historical-Cost Basis by Component

[Billions of dollars]

	2007	2008
Total	439.7	245.1
Capital flows without current-cost adjustment	378.4	311.8
Equity capital	174.9	90.2
Increases	248.9	132.7
Decreases	74.0	42.4
Intercompany debt	–15.3	–9.7
Reinvested earnings without current-cost adjustment	218.8	231.3
Valuation adjustments	61.3	–66.7
Currency translation	54.8	–70.1
Other	6.5	3.4

Chart 3. Change in the Outward Direct Investment Position by Component, 1999–2008



Capital flows

Capital outflows for U.S. direct investment abroad were $311.8 billion in 2008, down from $378.4 billion in 2007. Capital flows in 2008 resulted from reinvested earnings of $231.3 billion and net equity capital investment of $90.2 billion, which were partly offset by a $9.7 billion reduction in U.S. parents' net intercompany debt claims on their foreign affiliates.

Equity capital investment. U.S. parents' net equity investment in their foreign affiliates was $90.2 billion in 2008, down sharply from $174.9 billion in 2007. However, the 2008 net equity capital flows were still the fourth highest in the past 10 years. Net equity investment resulted from equity capital increases of $132.7 billion, which were partly offset by equity capital decreases of $42.4 billion. Equity capital increases were down 47 percent from 2007, largely reflecting a slowdown in acquisitions and establishments of new foreign affiliates.[4] Equity capital increases for the acquisition or establishment of new foreign affiliates were $49.2 billion, down from $125.3 billion. Equity capital increases also reflected capital contributions to existing foreign affiliates, which were $83.5 billion, down from $123.6 billion. Equity capital decreases, which reduce the outward position, were down 43 percent from 2007, reflecting a drop in liquidations or selloffs of foreign affiliates and in returns of capital from continuing affiliates.

Equity capital increases for the acquisition or establishment of new affiliates were largest in Europe, particularly in the Netherlands and the United Kingdom. In the Netherlands, the largest increase was in holding companies, whose holdings include retail trade affiliates in Europe and wholesale trade and professional, scientific, and technical services affiliates in Europe and "Latin America and Other Western Hemisphere." In the United Kingdom, the increases were mainly in manufacturing (primarily machinery), "other industries" (particularly electronics retail trade), and "finance (except banks) and insurance."[5]

Among industries, acquisitions of foreign businesses or establishment of new affiliates by U.S. direct investors were largest in "finance (except banks) and insurance," banking, and manufacturing (particularly in machinery and in electrical equipment, appliances, and components manufacturing).

The largest capital contributions were to affiliates in Europe, primarily in the United Kingdom and the Netherlands, and in "Latin America and Other

4. The falloff in equity capital increases coincided with a drop of nearly a third in the volume of global mergers and acquisitions in 2008, according to data from Thompson Reuters.

5. In this article, "banks" refers to "depository institutions," which is the industry title that appears in the tables.

Western Hemisphere," primarily in the "United Kingdom Islands, Caribbean" and Bermuda. By industry, the largest capital contributions were to affiliates in "finance (except banks) and insurance," followed by holding companies, and mining.

In 2008, equity capital decreases due to returns of capital from continuing affiliates were slightly higher than equity capital decreases due to liquidations or selloffs of affiliates. By industry, equity capital decreases were largest in "finance (except banks) and insurance." By region, equity capital decreases were largest in Europe and in Asia and Pacific.

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' current and cumulative retained earnings—that is, reinvested earnings—increased 6 percent in 2008, to $231.3 billion. Reinvested earnings accounted for more than 90 percent of the increase in the outward position and nearly three-fourths of the capital outflows.

In 2008, reinvested earnings were by far largest for affiliates in holding companies and then in manufacturing (particularly other manufacturing and chemicals), which together accounted for 61 percent of the total. By region, reinvested earnings were largest in Europe, accounting for 56 percent of the worldwide total. Reinvested earnings were particularly large in five European countries: the Netherlands, Ireland, Switzerland, the United Kingdom, and Luxembourg.

The growth in reinvested earnings resulted from a reduction in distributions and slightly higher foreign affiliate earnings. The reinvestment ratio—reinvested earnings relative to current-year earnings—rose from 65 percent in 2007 to 68 percent in 2008. Earnings increased 2 percent in 2008 as an increase in the first half of the year was only partly offset by a decline in the second half.

By industry, the largest increase in earnings was in mining. In addition, a large decrease in losses in banks contributed to the overall increase in earnings of foreign affiliates. In contrast, earnings decreased in several industries, including "finance (except banks) and insurance," holding companies, and information. By region, the largest increases in earnings were in "Latin American and Other Western Hemisphere" (primarily the "United Kingdom Islands, Caribbean") and in Canada.

Intercompany debt investment. U.S. parents' indebtedness to their foreign affiliates increased more than the foreign affiliates' indebtedness to their U.S. parents in 2008. Net intercompany debt inflows from foreign affiliates of $9.7 billion were more than accounted for by inflows from Canada and Asia and Pacific. In Canada, the inflows were largest from mining and manufacturing affiliates. In Asia and Pacific, inflows from "finance (except banks) and insurance" affiliates in Hong Kong and Japan mostly accounted for the regional inflows. By industry, manufacturing more than accounted for the global inflows.

Alternative Measures of the Direct Investment Positions

The detailed statistics on the positions of U.S. direct investment abroad and of foreign direct investment in the United States by country and industry are only prepared on a historical-cost basis, so they largely reflect the price levels of earlier periods. The statistics are also prepared on current-cost and market-value bases, but only at an aggregate level. The current-cost statistics 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 statistics value the equity portion of direct investment using indexes of stock market prices.

The historical-cost statistics are not usually 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 statistics on the positions tend to be less than the current-cost and market-value statistics on the positions. However, due to the large declines in equity prices, the market value is less for the position of U.S. direct investment abroad in 2008. The current-cost statistics on the position are discussed in "The International Investment Position of the United States at Yearend 2008" in this issue.

Alternative Direct Investment Positions, 2007 and 2008

[Millions of dollars]

Valuation method	Position at yearend 2007 r	Changes in 2008: Total	Changes in 2008: Capital flows	Changes in 2008: Valuation adjustments	Position at yearend 2008 p
U.S. direct investment abroad:					
Historical cost	2,916,930	245,091	311,796	–66,705	3,162,021
Current cost	3,451,482	247,302	332,012	–84,710	3,698,784
Market value	5,227,962	–2,156,773	332,012	–2,488,785	3,071,189
Foreign direct investment in the United States:					
Historical cost	2,109,876	169,016	316,112	–147,097	2,278,892
Current cost	2,450,132	196,715	319,737	–123,022	2,646,847
Market value	3,593,291	–1,036,409	319,737	–1,356,146	2,556,882

p Preliminary
r Revised

Valuation adjustments

Valuation adjustments of –$66.7 billion reduced the outward direct investment position in 2008. In contrast, positive valuation adjustments of $61.3 billion increased the position in 2007.

The negative adjustments in 2008 resulted mostly from negative currency-translation adjustments as the U.S. dollar appreciated against many major currencies, including the British pound, the Canadian dollar, and the euro, from yearend 2007 to yearend 2008. These currency-translation adjustments were partly offset by $3.4 billion in "other" valuation adjustments.

Changes by area and by country

In 2008, the outward direct investment position increased in each of the major areas except Canada (table C). U.S. parents with foreign affiliates in Europe had the largest dollar increase, accounting for 61 percent of the overall increase in the position. Outside of Europe, the largest increases were in "Latin America and Other Western Hemisphere" and Asia and Pacific.

Europe. The position for this region increased $150.4 billion, with reinvested earnings accounting for 85 percent of the increase. Reinvested earnings were particularly large in holding companies and manufacturing (especially chemicals). The positions in three countries—the Netherlands, Ireland, and Switzerland—together accounted for nearly three-fourths of the increase in the position in Europe.

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

	Change (2007–2008)	
	Billions of dollars	Percent
All countries	245.1	8
Canada	–6.7	–3
Europe	150.4	9
Of which:		
Netherlands	53.5	14
Ireland	31.3	27
Switzerland	25.4	26
Germany	10.0	10
Luxembourg	9.5	6
Sweden	8.3	24
Spain	3.0	5
France	4.9	7
United Kingdom	–3.7	–1
Russia	–5.2	–36
Latin America and Other Western Hemisphere	55.1	11
Of which:		
United Kingdom Islands, Caribbean	30.7	28
Netherlands Antilles	5.0	77
Mexico	4.4	5
Bermuda	3.6	2
Africa	4.1	13
Middle East	4.2	15
Asia and Pacific	37.9	8
Of which:		
China	17.1	60
Singapore	11.7	12
Australia	5.2	6
Japan	–2.7	–3

In the Netherlands, holding companies accounted for four-fifths of the increase, most of it due to reinvested earnings. In Ireland, the increase was widespread by industry. The largest increases were in professional, scientific, and technical services, largely attributable to valuation adjustments, and in holding companies, largely attributable to reinvested earnings. In Switzerland, a large share of the increase was in holding companies; both intercompany debt investment and reinvested earnings were large contributors to the increase.

The position decreased in Russia and the United Kingdom. In Russia, the position decreased by more than a third and was more than accounted for by a decrease in mining, mainly due to valuation adjustments. In the United Kingdom, the decrease was spread over several industries, including manufacturing (particularly petroleum refining and extraction and beverages) and "other industries" (particularly rental and leasing services).

Latin America and Other Western Hemisphere. The position increased $55.1 billion, with reinvested earnings accounting for most of the increase. The "United Kingdom Islands, Caribbean" had by far the largest increase, $30.7 billion; this increase was mainly in holding companies and in "finance (except banks) and insurance."

Asia and Pacific. The position increased $37.9 billion in 2008. The largest increases were in China, Singapore, and Australia; China alone accounted for 45 percent of the total increase. In China, the largest increase was in banking, due mostly to acquisitions and establishments of new affiliates. In Singapore, the largest increase was in holding companies. In Australia, the increase was more than accounted for by mining.

Within this region, the largest decrease in the position was in Japan, which was more than accounted for by a decrease in "finance (except banks) and insurance."

Middle East and Africa. The $4.2 billion increase in the Middle East position was the largest percentage increase (15 percent) of any region. Increases in the position were widespread by industry and by country; the largest increases were in Qatar, Israel, and Kuwait. In Africa, the $4.1 billion increase was the second largest percentage increase (13 percent) of all regions. Within this region, the largest increases were in Nigeria and Egypt.

Canada. In 2008, the position fell $6.7 billion. The decrease was more than accounted for by negative currency-translation adjustments. The largest decreases were in manufacturing (particularly transportation equipment and chemicals) and in mining.

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.[1] Foreign affiliates classified as holding companies accounted for 36 percent of the U.S. direct investment position abroad in 2008.[2] 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 statistics on 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.[3]

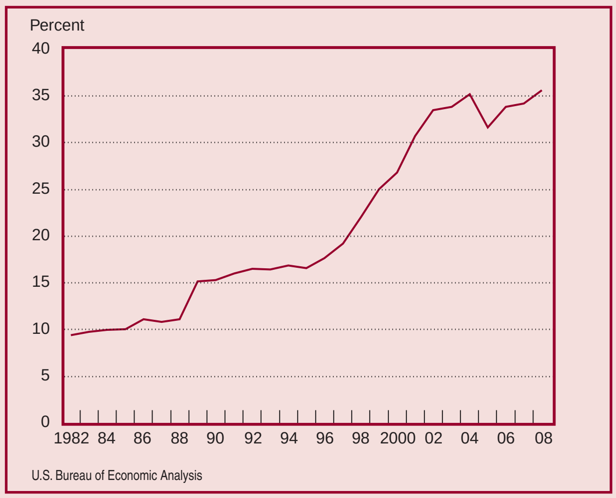
Data from BEA's surveys of the operations of U.S. parent companies and their foreign affiliates suggest the degree to which indirect ownership structures may affect the country and industry distributions of the outward position data.[4] The statistics on the operations of these foreign affiliates are 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 statistics reflect more closely the countries and industries in which the production of goods and services by foreign affiliates actually occurs than do the statistics classified 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 statistics and the operations statistics. However, other factors also contribute, including indirect ownership through other types of affiliates, the fact that the operations statistics, unlike the position statistics, 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 statistics on the outward direct investment position with the statistics on the assets and the net property, plant, and equipment (PP&E) of foreign affiliates for 2006 (the latest year for which detailed operations statistics are available) illustrates the differences in distribution between the position statistics and the statistics on the operations. In that year, manufacturing's share of the outward position, 18 percent, was similar to its 15 percent share of the assets, but much lower than its 40 percent share of the PP&E, of foreign affiliates. By country, the Netherlands' share of the direct investment position was 11 percent, compared with its 9 percent share of assets and 3 percent share of PP&E.[5]

For further discussion of the effect of holding companies on the 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 OF CURRENT BUSINESS 81 (July 2001): 23–25.

1. A holding company is a company whose primary activity is holding the securities or financial assets of other companies.
2. In 2008, the share reached a new record high, slightly surpassing the previous record of 35 percent in 2004. The lower shares in 2005–2007 were primarily the result of large earnings distributions (and the resulting negative reinvested earnings) in 2005 associated with the American Jobs Creation Act of 2004. The largest distributions were from holding companies, especially those with parents in chemicals manufacturing.
3. Statistics on the outward position and related flows are allocated to the industries and countries of the affiliates with which 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*, 6th 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.
5. The statistics used to derive the shares of the assets and the PP&E cover only those foreign affiliates that are majority-owned by U.S. direct investors.

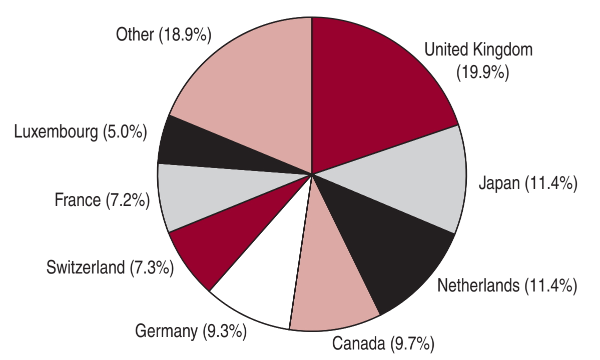
Chart A. Holding Companies' Share of the Outward Direct Investment Position, 1982–2008



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 $2,278.9 billion at the end of 2008 (table A and chart 1). The United Kingdom accounted for the largest position, $454.1 billion, or 20 percent of the total, followed by Japan and the Netherlands, which each accounted for 11 percent of the total with positions of $259.6 billion and $259.4 billion, respectively (table 2.2 and chart 4). The next largest positions were for Canada (10 percent) and Germany (9 percent).

Chart 4. Inward Direct Investment Position by Country of Each Member of the Foreign Parent Group at Yearend 2008



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In 2008, the inward direct investment position increased 8 percent, or $169.0 billion, down markedly from the 15 percent increase in 2007. The slower growth in 2008 was the result of larger negative valuation adjustments and a decrease in net intercompany debt investment. These changes more than offset a sizable increase in equity capital and a much smaller increase in reinvested earnings.

Changes by component

The $169.0 billion increase in the inward direct investment position resulted from capital inflows of $316.1 billion, which were partly offset by negative valuation adjustments of $147.1 billion (table D and chart 5).

Capital flows

Capital inflows for foreign direct investment in the United States were $316.1 billion in 2008, up from $271.2 billion in 2007. Capital flows in 2008 consisted of $250.2 billion in net equity capital investment, $51.0 billion in reinvested earnings, and $15.0 billion in net intercompany debt investment.

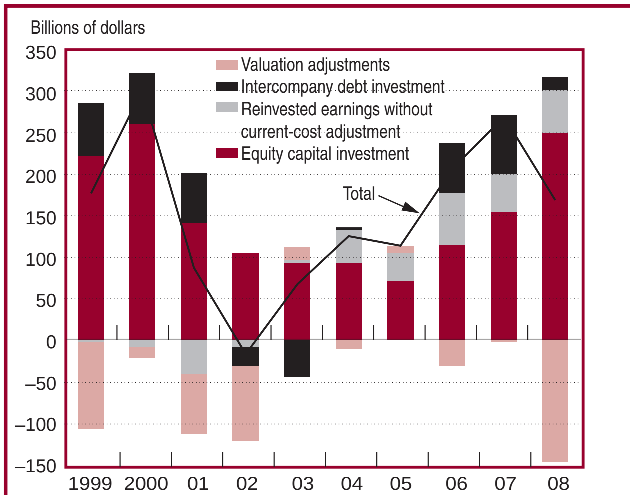
Equity capital investment. Net equity capital investment by foreign parents in their U.S. affiliates was $250.2 billion in 2008, up from $155.4 billion in 2007 and nearly as high as in 2000, when net equity investments peaked at $259.6 billion. In 2008, net equity capital investment resulted from $288.2 billion in equity capital increases and partly offsetting equity capital decreases of $38.0 billion. Boosted by a few large transactions, equity capital increases were up 20 percent in 2008, as foreign investors' expenditures to acquire U.S. businesses increased despite tightening credit conditions, slower growth in the United States and countries that are important sources of direct investment, and a slowdown in worldwide merger activity. Acquisitions in 2008 were broadly based by

Table D. Change in the Inward Direct Investment Position on a Historical-Cost Basis by Component

[Billions of dollars]

	2007	2008
Total	269.4	169.0
Capital flows without current-cost adjustment	271.2	316.1
Equity capital	155.4	250.2
Increases	240.6	288.2
Decreases	85.3	38.0
Intercompany debt	71.0	15.0
Reinvested earnings without current-cost adjustment	44.8	51.0
Valuation adjustments	–1.8	–147.1
Currency translation	4.9	–6.4
Other	–6.6	–140.7

Chart 5. Change in the Inward Direct Investment Position by Component, 1999–2008



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industry.[6] Equity capital increases in 2008 also reflected capital contributions made by foreign parents to their existing U.S. affiliates, especially those in "finance (except banks) and insurance" and in banking. Many of these affiliates suffered capital losses in 2008. Equity capital decreases, which decrease the inward position, were down 55 percent from 2007, as there were fewer large selloffs of U.S. affiliates and returns of capital in 2008.

Equity capital increases in 2008 were widespread by industry and by country of foreign parent. The largest increases were in manufacturing and in "finance (except banks) and insurance," which together accounted for 58 percent of equity capital increases in 2008. Within manufacturing, equity capital increases were largest in "other" manufacturing, especially beverages and tobacco products, and in chemicals; increases in both were mostly attributable to acquisitions of U.S. businesses. European investors accounted for more than three-quarters of the equity increase in manufacturing. In "finance (except banks) and insurance," equity capital increases were broadly based by country of foreign parent and reflected both acquisitions, especially in insurance, and capital contributions to existing affiliates, especially in nonbank finance. Overall, by country, the largest equity increases were from the Netherlands, the United Kingdom, Japan, and Canada. Equity capital decreases were widely dispersed by industry and by country.

Reinvested earnings. The foreign parent's share of U.S. affiliates' current-period earnings less distributions to the parents from affiliates' current and cumulative retained earnings—that is, reinvested earnings—added $51.0 billion to the inward direct investment position in 2008. Reinvested earnings were up 14 percent from 2007 despite a small decline in earnings for 2008 as distributions to foreign parents fell more sharply than earnings. In recent years, reinvested earnings have contributed substantially to growth in the inward investment position.

Reinvested earnings were largest for affiliates in "finance (except banks) and insurance," in wholesale trade, and in "other industries," which together more than accounted for the overall total. Within "other industries," reinvested earnings were largest in mining. By country, reinvested earnings were largest for affiliates with parents in Switzerland, the United Kingdom, and France.

Earnings reinvested in U.S. affiliates increased 14 percent in 2008 despite a $3.7 billion, or 4 percent, decrease in earnings, to $93.2 billion. This marked the second consecutive year of decline in affiliates' earnings, which peaked at $126.3 billion in 2006. The decline in 2008 was in line with a 15 percent contraction in U.S. corporate profits.[7] U.S. affiliates' earnings were down in several industries but banks—which suffered a sharp increase in losses as a result of turmoil in financial markets—more than accounted for the overall decline. The reinvestment ratio—the ratio of reinvested earnings to total earnings—was 55 percent in 2008, up from 46 percent in 2007, as distributions to foreign parents fell more sharply than earnings. The largest increase in reinvested earnings was in "finance (except banks) and insurance," reflecting both improved earnings and reduced distributions to foreign parents.[8]

Intercompany debt investment. Borrowing and lending transactions between U.S. affiliates and foreign parent groups increased the inward direct investment position $15.0 billion in 2008, compared with $71.0 billion in 2007. Net debt investment in 2008 resulted from a $17.3 billion increase in U.S. affiliates' debt obligations to their foreign parents or other members of the foreign parent group, which was partly offset by a $2.3 billion increase in affiliates' debt claims on foreign parent group members. Net debt investment was held down by several sizable transactions in which U.S. affiliates paid down their debts. The largest increase in position due to net debt investment in 2008 was for affiliates in "finance (except banks) and insurance," followed by those in "other industries," especially utilities. By country, the "United Kingdom Islands, Caribbean" contributed most to the increase in the net intercompany debt position, followed by the

6. According to data from BEA's survey of new foreign direct investment, total outlays to acquire or establish U.S. businesses, which include those financed by capital inflows from foreign parents, were $260.4 billion in 2008, up slightly from 2007. See Thomas Anderson, "Foreign Direct Investment in the United States: New Investment in 2008," SURVEY OF CURRENT BUSINESS 89 (June 2009): 54–61. The new investment data include only those transactions in which U.S. businesses are newly acquired or established by foreign direct investors, regardless of the source of funding. Changes in the inward direct investment position differ from new investment outlays by excluding investment financed by sources other than the foreign parent group and by including transactions that fund ongoing operations of U.S. affiliates, subtractions from investment as well as additions, and valuation adjustments.

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. It is of note that although foreign parent-funded outlays to acquire or establish U.S. businesses typically appear in the direct investment capital transactions as equity investments, these transactions are sometimes funded in part, or in whole, by debt investment from the foreign parent. According to data from the new investment survey, foreign parent groups financed nearly 90 percent of total outlays to acquire or establish U.S. businesses in 2008.

7. The measure of U.S. corporate profits referenced here excludes inventory valuation and capital consumption adjustments as does the measure of affiliates' earnings discussed in this article (see table 1.12 of the national income and product accounts).

8. The measure of affiliate earnings discussed here reflects income earned as a result of current production and excludes capital gains and losses; capital gains and losses of U.S. affiliates are included in "other" valuation adjustments made to the position.

Key Terms

For a more detailed discussion of the terms in this box, 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 2004 Benchmark Survey.* These methodologies are also available on BEA's Web site at www.bea.gov.

Direct investment

This is investment in which a resident (in the broad legal sense, including a company) 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 define direct 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) represents the ownership or control, directly or indirectly, by one U.S. resident (**U.S. parent**) of at least 10 percent of a foreign business enterprise, which is called a **foreign affiliate**.

Foreign direct investment in the United States (inward direct investment) represents the ownership or control, directly or indirectly, by one foreign resident (**foreign parent**) of at least 10 percent of a U.S. business enterprise, which is called a **U.S. affiliate.** Foreign direct investment includes equity and net debt investments by the foreign parent as well as net debt investments by any other members of the **foreign parent group.** The foreign parent group consists of (1) the foreign parent, (2) any foreign person (including a company), proceeding up the foreign parent's ownership chain, that owns more than 50 percent of the person below it, up to and including the **ultimate beneficial owner (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.

The UBO of a U.S. affiliate is the first person that is not more than 50 percent owned by another person in the affiliate's ownership chain beginning with the foreign parent. The UBO ultimately owns or controls the affiliate and derives the benefits and assumes the risks associated with ownership or control. Unlike the foreign parent, the UBO of a U.S. affiliate may be located in the United States.

Direct investment position

This is the value of direct investors' equity in, and net outstanding loans to, their affiliates. The direct investment position may be viewed as the direct investor's net financial claims on their affiliates. BEA prepares statistics of the positions for outward direct investment and for inward direct investment at historical cost, current cost, and market value. This article features the **historical-cost** measure. This valuation is principally derived from the books of affiliates and generally reflects the acquisition cost of the investments, cumulative reinvested earnings, and cumulative depreciation of fixed assets. Historical-cost statistics are consistent with U.S. generally accepted accounting principles (GAAP) in most areas. GAAP, however, values the holdings of most financial instruments at current-period prices rather than at historical cost. See the box "Alternative Measures of the Direct Investment Positions."

Direct investment capital flows arise from transactions that change financial claims (assets) and liabilities between U.S. parents and their foreign affiliates or between U.S. affiliates and their foreign parents. Capital **outflows** arise from transactions that increase U.S. assets or decrease U.S. liabilities. Capital **inflows** arise from transactions that decrease U.S. assets or increase U.S. liabilities. Direct investment capital flows consist of equity capital investment, intercompany debt investment, and reinvested earnings.

Equity capital investment is the difference between equity capital increases and decreases. Equity capital increases arise from (1) parents' establishments of new affiliates, (2) payments by parents to unaffiliated parties for the purchase of capital stock or other equity interests when they acquire an existing business, (3) payments to acquire additional ownership interests in their affiliates, and (4) 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 (or, for inward investment, other foreign parent group members) and their affiliates, including loans by parents to affiliates and loans by affiliates to parents.

Reinvested earnings (without current-cost adjustment) are the parents' share of the current-period operating earnings of their affiliates less distributions of earnings that affiliates make to their parents. A related measure of reinvested earnings is featured in the international transactions accounts; this measure includes a **current-cost adjustment** that reflects current-period prices. This adjustment converts depreciation charges to a current-cost, or replacement-cost, basis; it adds 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 it reallocates expenses for mineral exploration and development across periods, so that they are written off over their economic lives rather than all at once.

Various **valuation adjustments** to the historical-cost position are made to account for the differences between changes in the historical-cost positions, which are measured at book value, and direct investment capital flows, which are measured at transaction value. (Unlike the positions on current-cost and market-value bases, 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 adjustments** and **"other" adjustments.** Currency-translation adjustments account for changes in the exchange rates that are used to translate affiliates' foreign-currency-denominated assets and liabilities into U.S. dollars. "Other" valuation adjustments account for (1) differences between the proceeds from the sale or liquidation of affiliates and their book values, (2) differences between the purchase prices of affiliates and their book values, (3) writeoffs resulting from uncompensated expropriations of affiliates, (4) the reclassification of investment positions between direct investment and other investment, and (5) capital gains and losses (excluding currency-translation adjustments) on transactions, such as the sale of assets (excluding inventories) 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. 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. 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.

United Kingdom and the Netherlands.

Valuation adjustments

Valuation adjustments decreased the inward position $147.1 billion in 2008 after decreasing it $1.8 billion in 2007. Valuation adjustments consisted of –$6.4 billion in currency-translation adjustments and –$140.7 billion in “other” valuation adjustments, which were largely attributable to capital losses. Negative valuation adjustments were largest, by far, in “finance (except banks) and insurance” and in banking. These industries were hit particularly hard by widespread write-downs of financial assets as a result of the unsettled financial market conditions that began in the second half of 2007.

Changes by area and by country

In 2008, Europe accounted for 68 percent of the overall increase in the inward direct investment position (table E). The increase in the position for Asia and Pacific was also substantial, accounting for 27 percent of the overall increase.[9]

Europe. The position increased $115.3 billion. Much of the increase was attributable to increases in the position for the Netherlands and the United Kingdom, which together accounted for more than two-thirds of the region’s increase. There were also large increases for Hungary, Switzerland, and Spain.

The position for the Netherlands increased $51.2 billion. The largest increase was in manufacturing, followed by wholesale trade and information. Within manufacturing, acquisitions in “other” manufacturing, especially beverages and tobacco products, contributed most to the increase. Acquisitions also boosted the position in wholesale trade.

For the United Kingdom, the $27.6 billion increase was broadly based by industry. The largest increases were in wholesale trade and in manufacturing, especially “other” manufacturing and transportation equipment. In “other” manufacturing, much of the increase was in medical equipment and in petroleum.

The position for Hungary increased $17.5 billion, to $62.5 billion. The increase reflected many cases in which U.S. affiliates were owned by foreign parents in other countries, but the intercompany debt increases involved Hungarian members of the affiliates’ foreign parent groups. The position for Switzerland increased $12.4 billion, mainly in manufacturing; the largest increase within manufacturing was in “other” manufacturing, especially medical equipment. In percentage terms, the position for Finland more than doubled, mainly because of acquisitions.

In contrast to these increases, the position for some countries within Europe decreased. The largest decreases were for Luxembourg and Sweden, which decreased $7.3 billion and $7.1 billion, respectively, and were mainly due to changes in the accounts of existing affiliates; outflows on intercompany debt payables contributed most to the changes.

Asia and Pacific. The position increased $46.1 billion in 2008. The position for Japan increased $29.1 billion, accounting for 63 percent of the region’s increase. For Japan, increases were widespread by industry. The largest increases were in manufacturing, in wholesale trade, and in “finance (except banks) and insurance.” Within manufacturing, chemicals had the largest increase, which was mainly due to acquisitions. Acquisitions were also the main cause of increases in wholesale trade and in “finance (except banks) and insurance.”

The increase in position for Australia was also sizable. Much of the $14.1 billion increase was attributable to “other industries,” including transportation and mining.

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 (2007–2008)	
	Billions of dollars	Percent
All countries	169.0	8
Canada	13.9	7
Europe	115.3	8
Of which:		
Netherlands	51.2	25
United Kingdom	27.6	6
Hungary	17.5	39
Switzerland	12.4	8
Spain	11.2	41
Finland	7.1	131
Italy	4.3	32
France	3.3	2
Germany	–3.0	–1
Belgium	–5.1	–21
Sweden	–7.1	–17
Luxembourg	–7.3	–6
Latin America and Other Western Hemisphere	–6.6	–12
Of which:		
Bermuda	6.1	129
United Kingdom Islands, Caribbean	–12.8	–37
Africa	0.6	43
Middle East	–0.4	–3
Asia and Pacific	46.1	14
Of which:		
Japan	29.1	13
Australia	14.1	28

9. In this article, the statistics on the inward direct investment position are classified by country of foreign parent or of other members of the foreign parent group that have direct transactions and positions with the U.S. affiliate, which is consistent with international standards. Statistics classified on this basis may be higher or lower than those classified by country of ultimate beneficial owner (UBO) for certain countries, particularly when investments have been channeled through affiliates in financial centers in other countries. For tabulations on both bases through 2007 (preliminary), see table 17 in “Direct Investment, 2004–2007: Detailed Historical-Cost Positions and Related Capital and Income Flows” SURVEY 88 (September 2008): 120. Revised statistics for 2006 and 2007 as well as preliminary statistics for 2008 on both bases will be published in the September 2009 SURVEY.

Canada. The position increased $13.9 billion and was largely attributable to increases in banking and in information. In both industries, acquisitions were the main contributor to the increase.

Middle East and Africa. The position for Africa increased $0.6 billion, with manufacturing contributing most to the change. In contrast, the position for the Middle East decreased $0.4 billion, reflecting decreases in real estate and rental and leasing and in banking.

Latin America and Other Western Hemisphere. The position decreased $6.6 billion. The "United Kingdom Islands, Caribbean" more than accounted for the change, with a $12.8 billion decrease.

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The statistics on the foreign direct investment position in the United States are based largely 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 Peter J. Fox, Barbara C. Huang, Susan M. LaPorte, Robert L. Rosholt, and Helen P. Yiu. Computer programming for data estimation and tabulation was provided by Karen E. Poffel and Paula D. Brown.

Revisions

The statistics on direct investment positions presented in this article for 2008 are preliminary. The revised statistics for both outward and inward direct investment positions and related capital flows for 2006–2007 incorporate new survey data collected in BEA's quarterly surveys of transactions between parents and their affiliates and in annual surveys of multinational companies' financial and operating data.[10]

The historical-cost outward direct investment position for 2006 was revised up $22.6 billion, to $2,477.3 billion. The upward revision was attributable to a $20.0 billion revision to valuation adjustments from negative to positive and a $2.6 billion upward revision to capital flows. The outward position for 2007 was revised up $125.7 billion, to $2,916.9 billion. The revision was the result of the $22.6 billion upward revision to the 2006 position, a $64.6 billion upward revision to 2007 capital flows, and a $38.5 billion upward revision to 2007 valuation adjustments.

The historical-cost inward direct investment position for 2006 was revised down $3.4 billion, to $1,840.5 billion. The small downward revision resulted from a $3.9 billion downward revision to valuation adjustments and a partly offsetting upward revision of $0.4 billion to capital inflows. The inward position for 2007 was revised up $16.8 billion, to $2,109.9 billion. The revision was the net result of a $38.3 billion upward revision to capital inflows, which was partly offset by an $18.1 billion downward revision to valuation adjustments and the $3.4 billion downward revision to the 2006 position.

10. For the previously published statistics, see Marilyn Ibarra and Jennifer Koncz, "Direct Investment Positions for 2007: Country and Industry Detail," Survey 88 (July 2008): 20–35.

Tables 1.1–2.2 follow.

Table 1.1. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 2007

[Millions of dollars]

			Manufacturing															
	All industries	Mining	Total	Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment	Other manufacturing	Wholesale trade	Information	Depository institutions	Finance (except depository institutions) and insurance	Professional, scientific, and technical services	Holding companies (nonbank)	Other industries
All countries	**2,916,930**	**143,430**	**493,064**	**39,100**	**102,678**	**22,389**	**32,397**	**69,159**	**18,909**	**58,768**	**149,664**	**154,780**	**114,578**	**127,047**	**617,312**	**68,978**	**998,618**	**199,123**
Canada	**233,971**	**27,794**	**78,059**	**3,729**	**13,432**	**4,633**	**4,476**	**4,352**	**2,333**	**12,618**	**32,487**	**17,346**	**4,118**	**3,649**	**30,011**	**9,114**	**29,867**	**34,013**
Europe [1]	**1,659,499**	**42,832**	**241,498**	**25,924**	**54,300**	**12,410**	**18,328**	**24,459**	**11,660**	**26,656**	**67,762**	**86,986**	**77,387**	**86,348**	**310,123**	**43,385**	**660,673**	**110,268**
Austria	16,527	1	4,009	1	236	(D)	289	(D)	(D)	1,294	96	2,548	–110	1	(D)	341	6,991	(D)
Belgium	62,959	14	18,963	309	8,901	568	237	665	864	930	6,489	6,066	–716	(D)	28,778	2,009	2,810	(D)
Czech Republic	4,180	0	1,850	20	92	67	168	67	120	967	349	51	208	1,466	591	27	(D)	(D)
Denmark	8,273	6	3,576	130	13	47	253	921	53	2	2,156	1,093	614	(D)	322	159	2,051	(D)
Finland	2,196	0	950	0	124	34	(D)	158	(D)	(D)	140	819	147	0	25	87	2	165
France	70,113	96	28,502	6,058	3,529	3,938	1,825	1,960	181	2,307	8,704	4,525	1,633	2,514	7,683	2,022	11,990	11,148
Germany	100,806	732	29,446	726	5,301	2,247	3,164	4,301	1,927	7,791	3,988	10,008	2,759	2,574	13,688	4,439	30,394	6,766
Greece	2,116	–4	540	61	(D)	0	1	14	0	0	(D)	736	44	–119	659	11	240	9
Hungary	4,302	(D)	826	145	122	15	69	53	–4	146	280	257	64	(D)	75	71	(D)	777
Ireland	114,876	(D)	15,693	212	4,851	223	344	4,133	–50	19	5,961	–634	10,651	(D)	23,295	10,489	20,337	22,442
Italy	26,731	30	11,169	813	2,374	525	1,006	1,058	305	1,558	3,529	2,541	2,198	351	3,306	1,068	1,325	4,744
Luxembourg	153,639	163	3,335	0	(D)	(*)	(D)	(D)	(*)	(D)	3,417	2,317	2,208	943	27,025	–24	116,577	1,095
Netherlands	389,430	3,534	26,009	(D)	3,959	985	1,277	1,976	(D)	–187	5,322	13,529	8,879	(D)	49,636	3,374	263,592	(D)
Norway	12,044	8,031	1,564	(D)	173	300	1,241	(D)	–8	0	–48	559	110	(D)	336	172	269	(D)
Poland	15,239	0	4,098	836	841	357	29	146	4	650	1,234	355	507	(D)	1,416	141	(D)	(D)
Portugal	3,123	1	692	10	124	12	(D)	73	15	361	(D)	716	100	0	413	39	126	1,036
Russia	14,404	10,171	2,213	1,151	134	(D)	(*)	51	4	149	(D)	493	29	1,057	63	93	(D)	(D)
Spain	66,621	68	10,968	705	4,094	191	178	169	443	1,289	3,899	3,186	412	1,144	7,455	2,123	38,821	2,444
Sweden	35,120	0	4,192	(D)	346	40	245	834	148	470	(D)	966	196	(D)	8,631	440	17,813	(D)
Switzerland	97,917	139	8,521	147	2,981	158	1,636	1,397	489	271	1,442	17,399	2,244	7,664	5,318	721	50,216	5,695
Turkey	5,974	–3	1,426	48	559	2	3	19	1	305	490	1,551	69	2,643	142	11	(*)	136
United Kingdom	424,612	8,706	61,076	6,302	15,352	2,364	5,870	4,566	2,048	8,000	16,574	16,902	45,034	22,717	121,229	15,528	93,087	40,333
Other	28,299	(D)	1,880	244	(D)	156	92	(D)	20	197	(D)	1,004	106	2,071	(D)	43	4,067	(D)
Latin America and Other Western Hemisphere	**508,711**	**26,053**	**61,187**	**4,982**	**14,572**	**2,450**	**3,198**	**1,840**	**1,486**	**8,868**	**23,791**	**17,989**	**8,224**	**8,032**	**187,482**	**1,902**	**174,210**	**23,632**
South America	103,697	15,530	31,655	1,934	8,966	800	2,292	2,121	54	4,228	11,262	4,311	3,662	6,796	17,584	1,111	18,555	4,493
Argentina	14,061	2,843	2,933	207	1,546	11	144	81	–121	314	752	324	1,178	351	1,128	58	4,650	597
Brazil	47,750	2,899	20,028	1,121	5,213	709	1,920	2,023	58	2,348	6,635	1,649	1,791	3,932	11,221	665	4,987	579
Chile	11,568	1,177	2,351	34	695	3	66	11	(*)	(D)	(D)	896	129	1,214	2,526	137	918	2,220
Colombia	4,496	1,409	1,340	112	409	6	57	(*)	9	(D)	(D)	503	58	(D)	376	31	147	(D)
Ecuador	977	522	147	28	20	(*)	1	3	0	(D)	(D)	107	2	(D)	40	2	(D)	18
Peru	7,551	4,882	509	(D)	191	(D)	4	1	0	0	212	386	210	(D)	130	70	(D)	500
Venezuela	15,748	1,335	4,143	337	820	18	102	–1	108	1,068	1,692	279	43	(D)	2,046	117	7,281	(D)
Other	1,547	463	204	(D)	73	(D)	–3	2	0	24	60	166	251	179	117	32	1	134
Central America	103,122	4,194	25,463	2,912	4,798	873	(D)	(D)	1,432	4,640	(D)	3,600	3,006	21,811	15,942	638	18,050	10,419
Costa Rica	2,265	(*)	1,373	164	171	53	0	(D)	121	0	(D)	8	16	(D)	(D)	125	900	–216
Honduras	640	0	443	–1	10	4	(*)	0	0	43	388	109	(*)	26	13	(*)	–1	48
Mexico	91,259	4,165	22,807	2,609	4,449	822	(D)	(D)	1,311	4,602	(D)	2,780	2,985	(D)	14,645	532	14,497	(D)
Panama	6,509	50	131	35	70	4	0	(*)	0	0	21	433	–6	(D)	765	–25	2,650	(D)
Other	2,449	–21	709	106	97	–11	1	(D)	(*)	–5	(D)	269	11	(D)	(D)	6	4	264
Other Western Hemisphere	301,891	6,329	4,070	136	809	777	(D)	(D)	0	(*)	(D)	10,078	1,556	–20,575	153,956	152	137,605	8,720
Barbados	674	8	287	31	11	9	(*)	237	0	(*)	0	2,112	–1	0	702	(*)	(D)	(D)
Bermuda	162,286	277	965	0	(D)	(*)	(D)	(D)	0	0	96	–941	585	(D)	91,644	136	64,271	(D)
Dominican Republic	766	0	458	64	30	(D)	0	–13	0	0	(D)	130	20	(D)	1	1	(*)	(D)
United Kingdom Islands, Caribbean	108,559	2,270	612	11	43	–37	1	24	0	0	570	8,127	472	–18,927	50,187	92	64,412	1,315
Other	29,606	3,773	1,747	30	(D)	(D)	0	(*)	0	0	(D)	652	481	–1,835	11,422	–76	(D)	(D)
Africa	**32,496**	**14,591**	**3,419**	**128**	**361**	**220**	**281**	**96**	**140**	**1,062**	**1,132**	**1,045**	**134**	**1,750**	**2,237**	**320**	**7,889**	**1,111**
Egypt	7,147	(D)	340	4	–64	8	(D)	5	5	(D)	248	97	2	(D)	23	1	–2	–57
Nigeria	1,433	67	94	19	25	7	(D)	0	0	0	(D)	35	1	(D)	(D)	–1	811	66
South Africa	5,198	(D)	2,343	10	367	181	154	91	135	1,005	399	804	98	615	127	242	(D)	285
Other	18,718	(D)	642	95	33	24	(D)	(*)	0	(D)	(D)	109	34	575	(D)	77	(D)	818
Middle East	**28,256**	**5,613**	**10,528**	**131**	**1,213**	**67**	**405**	**5,217**	**48**	**23**	**3,425**	**1,880**	**1,045**	**553**	**332**	**563**	**7,083**	**659**
Israel	9,464	0	6,256	122	200	0	(D)	5,133	(D)	0	631	837	960	(D)	86	380	715	(D)
Saudi Arabia	5,013	406	(D)	0	(D)	(D)	(D)	(D)	0	23	73	(D)	13	0	(D)	139	3,735	62
United Arab Emirates	2,969	(D)	506	11	115	(D)	(D)	(D)	(D)	0	(D)	(D)	83	(D)	28	52	(D)	86
Other	10,810	(D)	(D)	–2	(D)	0	2	0	0	0	(D)	8	–11	88	(D)	–8	(D)	(D)
Asia and Pacific	**453,997**	**26,547**	**98,373**	**4,207**	**18,799**	**2,610**	**5,709**	**33,194**	**3,244**	**9,543**	**21,067**	**29,534**	**23,671**	**26,715**	**87,127**	**13,694**	**118,896**	**29,440**
Australia	83,346	14,135	13,777	1,497	3,725	1,125	757	750	209	1,682	4,032	3,627	12,217	2,459	11,007	3,939	15,709	6,475
China	28,579	1,772	18,261	690	4,051	575	1,313	6,931	578	1,872	2,251	2,216	516	857	1,315	651	1,280	1,711
Hong Kong	50,199	(*)	3,668	7	648	47	398	1,406	228	33	901	5,739	945	2,921	15,815	2,318	17,165	1,627
India	14,540	236	3,106	54	1,373	(D)	662	(D)	179	(D)	(D)	636	3,117	2,552	1,987	1,926	401	578
Indonesia	17,679	5,971	349	–5	244	–5	15	(D)	(D)	–47	(D)	124	–50	(D)	(D)	22	9,439	(D)
Japan	81,923	5	16,888	209	2,672	193	490	3,232	923	2,820	6,348	8,166	4,444	756	35,655	2,075	5,507	8,427
Korea, Republic of	26,854	–1	9,203	924	1,051	181	273	2,816	333	1,161	2,465	1,430	304	10,007	4,055	339	(D)	(D)
Malaysia	13,037	(D)	4,831	37	902	16	109	3,387	3	45	330	192	116	1,160	425	240	2,946	(D)
New Zealand	5,395	332	1,249	(D)	158	31	34	107	(D)	5	(D)	276	242	(D)	1,366	405	(D)	1,046
Philippines	7,066	21	3,920	196	689	11	46	2,232	2	2	742	332	37	510	(D)	270	(D)	463
Singapore	94,810	(D)	14,295	1	1,589	56	1,198	8,887	621	1,019	924	4,248	1,489	2,404	(D)	1,052	(D)	(D)
Taiwan	15,711	(*)	3,616	50	588	95	203	2,127	73	93	387	1,878	270	799	8,305	229	143	470
Thailand	8,850	187	4,716	73	990	121	209	1,010	50	577	1,687	410	22	1,471	1,128	230	125	562
Other	6,010	(D)	492	(D)	120	(D)	1	98	0	(D)	(D)	259	1	345	(D)	1	118	4,348
Addenda:																		
European Union (27) [2]	1,504,444	15,092	227,205	24,471	50,427	11,889	15,408	23,102	11,173	25,886	64,849	66,236	74,920	72,677	296,516	42,379	606,892	102,528
OPEC [3]	59,776	15,175	8,833	373	2,077	87	403	91	135	1,043	4,625	1,484	108	(D)	2,810	347	27,946	(D)

* A nonzero value between –$500,000 and $500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. In 2007, the "Euro area" includes Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Slovenia and Spain. For 2007, the U.S. direct investment position in the "Euro area" was $1,009,292 million.

2. The European Union (27) comprises Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

3. OPEC is the Organization of Petroleum Exporting Countries. In 2007, its members were Algeria, Angola, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE. Estimates for 2007 are revised.

Table 1.2. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 2008

[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							
All countries	**3,162,021**	**151,859**	**512,293**	**41,802**	**108,049**	**24,038**	**36,807**	**76,453**	**24,095**	**51,774**	**149,275**	**178,213**	**121,864**	**141,557**	**634,046**	**81,242**	**1,128,538**	**212,409**
Canada	**227,298**	**23,778**	**72,523**	**4,394**	**10,384**	**5,427**	**4,211**	**4,611**	**2,515**	**7,813**	**33,168**	**18,332**	**4,113**	**3,676**	**32,728**	**8,164**	**30,511**	**33,472**
Europe [1]	**1,809,876**	**38,508**	**259,844**	**27,489**	**62,253**	**12,777**	**21,561**	**28,344**	**16,156**	**23,802**	**67,463**	**99,980**	**80,971**	**80,823**	**328,307**	**53,845**	**750,883**	**116,716**
Austria	17,518	1	4,637	1	232	(D)	301	(D)	(D)	1,477	118	2,554	–121	(D)	2,094	401	7,360	(D)
Belgium	65,054	15	20,058	369	8,816	481	259	796	1,025	1,017	7,295	6,234	–758	(D)	31,434	1,811	2,857	(D)
Czech Republic	4,654	(D)	1,808	39	90	94	(D)	103	(D)	795	313	141	208	(D)	724	31	37	–51
Denmark	10,393	28	3,871	(D)	47	52	173	893	67	2	(D)	1,338	1,040	(D)	299	176	1,973	(D)
Finland	2,298	0	949	–1	109	28	(D)	(D)	(D)	(D)	66	797	156	(D)	26	102	–20	(D)
France	75,040	99	29,207	6,188	3,985	3,641	1,562	2,042	161	1,978	9,650	4,850	2,250	2,059	9,201	2,602	12,398	12,375
Germany	110,784	413	33,993	837	6,538	2,523	3,577	5,039	1,485	7,160	6,834	10,501	2,495	2,321	14,441	5,401	32,769	8,450
Greece	2,125	–5	729	(D)	139	0	1	10	0	0	(D)	717	24	–119	553	12	(D)	(D)
Hungary	5,103	74	815	158	116	19	80	34	–11	190	230	287	40	(D)	63	87	291	(D)
Ireland	146,194	(D)	19,051	261	7,252	199	385	4,379	(D)	31	(D)	1,249	15,723	10,227	24,235	(D)	27,596	26,588
Italy	28,653	60	11,684	740	2,176	587	1,336	1,423	305	1,614	3,500	3,153	1,967	412	3,071	1,160	1,925	5,221
Luxembourg	163,167	163	6,305	0	(D)	(*)	(D)	163	(*)	169	(D)	2,684	1,734	1,033	30,383	80	120,320	467
Netherlands	442,926	4,372	33,026	(D)	(D)	1,094	1,846	2,524	(D)	–138	4,521	17,120	8,099	(D)	49,629	(D)	306,257	(D)
Norway	10,889	6,037	1,862	(D)	167	(D)	1,190	48	–6	5	(D)	715	810	(D)	282	232	19	(D)
Poland	15,597	0	4,420	879	968	465	23	144	–5	557	1,388	454	586	(D)	1,343	164	(D)	(D)
Portugal	3,397	1	728	12	138	12	(D)	149	15	295	(D)	782	115	0	443	88	149	1,091
Russia	9,157	4,165	2,768	1,665	60	(D)	43	52	5	–95	(D)	461	64	1,217	–20	123	(D)	(D)
Spain	69,649	78	11,379	849	4,677	214	216	261	406	742	4,015	3,337	254	986	7,506	2,123	40,850	3,138
Sweden	43,391	0	3,286	(D)	152	74	321	1,033	184	88	(D)	736	749	(D)	15,618	546	19,862	(D)
Switzerland	123,358	190	8,996	149	2,751	154	1,822	1,476	245	335	2,064	21,423	2,649	7,240	4,844	632	70,100	7,284
Turkey	6,089	–2	1,507	27	655	5	3	19	1	334	464	1,749	–42	2,703	65	20	–4	93
United Kingdom	420,873	9,015	56,685	6,332	15,929	2,371	7,649	5,160	2,032	7,004	10,209	17,689	42,867	19,727	122,854	13,913	101,062	37,060
Other	33,568	(D)	2,078	324	(D)	152	94	(D)	67	(D)	728	1,009	64	2,237	9,218	104	5,138	(D)
Latin America and Other Western Hemisphere	**563,809**	**30,691**	**60,709**	**5,050**	**14,228**	**2,790**	**3,680**	**1,426**	**1,433**	**9,876**	**22,226**	**24,265**	**8,609**	**12,699**	**195,083**	**2,078**	**204,950**	**24,724**
South America	108,231	18,402	32,233	2,098	9,273	902	2,597	2,074	85	4,859	10,345	3,803	4,068	6,272	18,036	1,174	20,051	4,193
Argentina	15,195	3,040	3,363	112	1,887	13	183	87	–134	494	722	426	1,285	450	1,133	77	4,691	731
Brazil	45,500	2,224	20,357	1,277	4,607	772	2,157	1,970	51	2,783	6,740	980	2,210	3,096	9,286	616	6,287	444
Chile	12,613	1,058	2,238	33	748	6	72	11	(D)	(D)	(D)	968	127	1,394	3,978	129	617	2,104
Colombia	6,263	3,234	1,333	99	433	6	69	(*)	(D)	(D)	(D)	466	41	(D)	355	37	149	(D)
Ecuador	1,276	679	166	41	30	(*)	1	3	0	(D)	(D)	124	2	(D)	46	2	(D)	17
Peru	8,458	6,276	580	(D)	256	(D)	4	1	0	0	224	324	63	432	109	76	(D)	(D)
Venezuela	17,332	1,381	3,951	419	1,235	(D)	114	–1	(D)	1,156	821	263	81	(D)	3,057	206	7,610	(D)
Other	1,594	509	246	(D)	76	(D)	–3	2	0	26	(D)	252	258	100	72	31	1	123
Central America	110,424	4,908	23,990	2,811	4,447	(D)	(D)	(D)	1,347	5,017	(D)	3,040	2,784	25,189	19,135	572	20,468	10,338
Costa Rica	2,525	(*)	989	169	80	76	0	(D)	126	0	(D)	37	16	(D)	(D)	126	(D)	–238
Honduras	700	0	(D)	9	12	4	(*)	0	0	–9	(D)	58	(*)	(D)	108	(*)	–2	(D)
Mexico	95,618	4,865	21,821	2,482	4,306	(D)	(D)	(D)	1,221	5,030	9,209	2,361	2,758	(D)	15,736	460	16,865	(D)
Panama	7,243	63	40	36	–23	4	0	(*)	0	0	22	338	–5	(D)	788	–20	(D)	(D)
Other	4,339	–21	(D)	115	73	–11	1	(D)	(*)	–5	(D)	246	15	(D)	(D)	6	–11	261
Other Western Hemisphere	345,153	7,382	4,486	141	508	(D)	(D)	(D)	0	(*)	(D)	17,421	1,757	–18,762	157,912	333	164,432	10,193
Barbados	873	8	366	33	11	9	(*)	311	0	(*)	2	1,974	17	0	861	12	(D)	(D)
Bermuda	165,857	–201	1,303	0	(D)	(*)	(D)	(D)	0	0	132	3,790	632	(D)	81,179	272	72,566	(D)
Dominican Republic	960	0	599	51	56	50	0	–20	0	0	463	137	(D)	(D)	1	1	(*)	10
United Kingdom Islands, Caribbean	139,290	(D)	695	11	44	–39	2	102	0	0	575	10,699	436	–16,963	(D)	98	(D)	1,716
Other	38,174	(D)	1,523	45	(D)	(D)	0	(*)	0	(*)	(D)	821	(D)	–1,997	(D)	–51	(D)	818
Africa	**36,640**	**18,375**	**2,856**	**62**	**367**	**308**	**313**	**95**	**95**	**807**	**809**	**1,157**	**128**	**1,899**	**1,814**	**372**	**8,664**	**1,375**
Egypt	8,771	(D)	111	17	–76	(D)	(D)	5	5	22	(D)	105	–9	(D)	32	1	–17	28
Nigeria	3,393	1,977	72	19	28	(D)	1	0	0	0	(D)	144	1	(D)	(D)	(*)	817	53
South Africa	4,915	(D)	2,069	–9	384	221	183	90	90	755	356	784	110	(D)	135	289	409	305
Other	19,560	(D)	604	35	32	72	(D)	(*)	0	31	(D)	124	26	632	(D)	82	7,455	988
Middle East	**32,488**	**6,518**	**11,763**	**145**	**1,615**	**85**	**416**	**4,959**	**47**	**33**	**4,464**	**2,145**	**1,447**	**720**	**569**	**933**	**7,594**	**799**
Israel	10,153	0	6,411	139	299	0	114	4,956	38	0	865	930	1,343	(D)	103	354	724	(D)
Saudi Arabia	5,382	770	(D)	2	(D)	(D)	(D)	0	0	33	50	(D)	6	0	(D)	293	3,539	144
United Arab Emirates	3,423	415	556	(D)	85	(D)	(D)	3	9	0	(D)	(D)	112	(D)	(D)	200	(D)	102
Other	13,531	5,333	(D)	(D)	(D)	0	2	0	0	0	(D)	12	–13	65	354	87	(D)	(D)
Asia and Pacific	**491,910**	**33,989**	**104,598**	**4,662**	**19,202**	**2,652**	**6,626**	**37,018**	**3,850**	**9,443**	**21,146**	**32,334**	**26,596**	**41,740**	**75,544**	**15,850**	**125,935**	**35,324**
Australia	88,549	20,342	12,743	1,936	3,598	955	730	738	273	1,479	3,033	3,856	13,100	2,285	11,275	3,762	13,875	7,310
China	45,695	3,014	21,428	730	4,614	609	1,534	8,142	701	2,146	2,951	3,219	223	(D)	1,895	773	1,556	(D)
Hong Kong	51,505	(*)	3,742	2	137	64	640	1,738	229	36	895	6,858	833	3,694	11,535	2,931	19,552	2,360
India	16,104	385	3,149	8	1,579	(D)	658	169	185	80	(D)	793	3,603	(D)	1,731	2,563	238	(D)
Indonesia	17,909	5,895	299	(D)	211	(*)	19	8	(D)	(D)	(D)	154	–76	(D)	758	14	9,552	(D)
Japan	79,235	1	17,380	294	2,723	160	690	3,342	1,176	2,567	6,429	9,036	5,609	1,144	28,032	2,806	5,911	9,316
Korea, Republic of	27,673	–1	9,165	866	1,022	(D)	246	2,333	301	923	(D)	1,812	448	(D)	3,625	332	(D)	(D)
Malaysia	13,291	2,328	5,825	49	962	19	151	4,186	4	79	376	270	74	(D)	466	207	(D)	403
New Zealand	5,266	322	1,339	449	136	36	39	98	(D)	5	(D)	211	303	(D)	1,307	346	(D)	942
Philippines	5,914	24	3,714	131	683	(D)	36	2,446	7	(D)	(D)	228	28	(D)	125	217	(D)	443
Singapore	106,529	589	16,544	4	1,690	66	1,440	10,430	744	1,369	800	3,322	2,130	(D)	6,782	1,329	71,250	(D)
Taiwan	16,604	(*)	3,816	48	713	78	176	2,396	84	50	271	2,018	310	(D)	7,141	295	102	(D)
Thailand	9,128	215	4,945	97	1,043	176	265	883	51	630	1,801	286	9	1,511	946	276	192	749
Other	8,510	874	510	(D)	91	(D)	1	110	0	(D)	(D)	273	1	372	–73	(*)	122	6,432
Addenda:																		
European Union (27) [2]	1,630,785	16,045	244,149	25,518	58,605	12,168	18,464	26,747	15,912	23,183	63,552	74,933	77,498	67,339	314,098	52,773	676,444	107,506
OPEC [3]	69,299	18,726	9,879	528	2,797	177	443	13	191	1,168	4,561	1,909	146	(D)	4,206	828	29,774	(D)

* A nonzero value between –$500,000 and $500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. In 2008, the "Euro area" includes Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovenia and Spain. For 2008, the U.S. direct investment position in the "Euro area" was $1,128,529 million.

2. The European Union (27) comprises Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom

3. OPEC is the Organization of Petroleum Exporting Countries. In 2008, its members were Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE. Estimates for 2008 are preliminary.

Table 2.1. Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 2007

[Millions of dollars]

	All industries	Manufacturing									Whole-sale trade	Retail trade	Infor-mation	Deposi-tory institu-tions	Finance (except depository institutions) and insurance	Real estate and rental and leasing	Pro-fessional, scientific, and technical services	Other industries
		Total	Food	Chem-icals	Primary and fabri-cated metals	Machin-ery	Compu-ters and electronic products	Electrical equipment, appliances, and components	Trans-portation equip-ment	Other manu-facturing								
All countries	**2,109,876**	**703,146**	**24,225**	**213,483**	**48,897**	**59,110**	**66,599**	**21,507**	**68,314**	**201,012**	**274,587**	**32,688**	**147,043**	**134,332**	**260,735**	**48,526**	**58,770**	**450,049**
Canada	**207,925**	**43,932**	**1,559**	**5,729**	**5,899**	**346**	**4,443**	**–316**	**6,069**	**20,201**	**4,458**	**4,498**	**7,760**	**18,401**	**64,183**	**3,991**	**2,588**	**58,112**
Europe [1]	**1,507,594**	**541,226**	**18,384**	**192,629**	**35,105**	**50,039**	**41,015**	**17,960**	**30,652**	**155,441**	**136,508**	**22,382**	**134,889**	**97,229**	**178,937**	**19,621**	**46,595**	**330,207**
Austria	2,373	1,683	6	(D)	440	277	4	(D)	74	781	(D)	(D)	–1	(D)	(D)	73	(D)	20
Belgium	23,663	9,390	56	(D)	(D)	278	(*)	19	4	–902	5,856	(D)	8	(D)	1,240	230	229	3,376
Denmark	4,709	3,052	(D)	2,216	(D)	882	(D)	(D)	0	(D)	877	5	1	0	(D)	8	(D)	(D)
Finland	5,413	3,289	(D)	600	(D)	1,454	32	(D)	4	1,152	(D)	(D)	0	(D)	1	(D)	(D)	338
France	160,116	69,891	2,071	14,051	1,284	(D)	17,322	(D)	2,548	17,319	9,680	918	16,157	17,540	28,283	432	4,154	13,062
Germany	214,506	51,288	(D)	21,283	4,735	2,093	739	578	13,267	(D)	9,931	3,881	48,402	15,385	35,436	6,680	781	42,723
Ireland	32,679	16,600	1,852	4,709	(D)	4	–1	0	(D)	8,478	149	(D)	(D)	(D)	3,146	(D)	–33	7,357
Italy	13,291	1,100	–39	340	131	362	138	111	75	–18	1,539	1,917	32	621	(D)	198	(D)	(D)
Luxembourg	120,524	57,988	729	15,318	5,962	21,192	519	1,195	(D)	(D)	1,031	(D)	8,567	0	3,716	79	(D)	46,561
Netherlands	208,177	76,101	808	37,287	(D)	(D)	3,921	(D)	2,643	19,482	18,643	(D)	15,904	(D)	57,709	3,084	8,134	27,495
Norway	5,564	–583	0	676	673	(D)	408	0	5	(D)	2,814	(*)	392	5	22	52	972	1,891
Spain	27,511	3,366	(D)	276	(D)	–4	(D)	3	71	908	125	(D)	(D)	19,250	966	148	(D)	(D)
Sweden	42,129	24,102	(*)	(D)	4,085	(D)	(D)	(D)	4,324	1,124	7,023	(D)	585	–254	264	(D)	100	(D)
Switzerland	153,277	98,382	(D)	31,340	2,245	3,899	485	(D)	(D)	(D)	8,146	(D)	12,235	(D)	27,235	(D)	486	7,506
United Kingdom	426,545	96,680	2,342	45,109	4,989	3,825	14,141	515	5,423	20,335	68,636	2,821	19,216	50,496	18,501	4,976	27,063	138,157
Other	67,116	28,896	185	1,985	1,296	(D)	(D)	(D)	203	19,711	475	(D)	10,878	379	1,162	(D)	(D)	21,759
Latin America and Other Western Hemisphere	**55,816**	**19,726**	**2,193**	**2,658**	**(D)**	**–1,864**	**1,308**	**(D)**	**–110**	**11,313**	**7,648**	**1,378**	**1,096**	**4,253**	**–4,464**	**8,992**	**1,534**	**15,653**
South and Central America	14,021	4,192	2,084	247	1,135	–76	–286	15	–144	1,217	5,225	26	–16	3,480	(D)	(D)	–50	397
Brazil	1,750	698	(D)	–84	93	–22	(D)	–4	47	–48	(D)	(D)	21	490	(D)	55	–32	59
Mexico	6,287	3,413	(D)	232	1,197	–58	–89	29	(D)	727	1,497	(D)	–18	1,121	55	(D)	–6	175
Panama	980	138	0	(D)	(D)	34	(D)	(*)	(D)	(D)	–5	3	(D)	(D)	(D)	(D)	3	256
Venezuela	4,196	96	(*)	–31	–2	–24	–1	(D)	–3	(D)	(D)	(*)	(D)	(D)	–1	20	–6	–3
Other	808	–154	(D)	(D)	(D)	–7	(D)	(D)	–13	315	331	6	–1	699	9	17	–10	–90
Other Western Hemisphere	41,795	15,534	110	2,411	(D)	–1,787	1,593	(D)	33	10,096	2,423	1,352	1,112	772	(D)	(D)	1,585	15,256
Bahamas	598	(D)	(D)	(D)	(D)	0	(*)	0	0	8	7	0	(D)	(D)	–22	401	5	(D)
Bermuda	4,697	11,660	(D)	(D)	68	(D)	(D)	(D)	0	8,138	296	0	136	0	–11,476	(D)	1,206	(D)
Netherlands Antilles	5,574	–214	2	(D)	(D)	1	–2	0	–4	–245	239	(D)	(D)	(D)	–12	907	(D)	4,593
United Kingdom Islands, Caribbean	34,423	5,163	(D)	(D)	(D)	(D)	(D)	(D)	37	2,095	1,634	(D)	1,230	156	9,676	6,847	(D)	7,981
Other	–3,497	(D)	(D)	8	(*)	–1,306	–1	(D)	0	100	246	–1	(D)	(D)	(D)	253	(D)	272
Africa	**1,396**	**–217**	**–1**	**–7**	**(D)**	**(D)**	**(D)**	**(*)**	**–20**	**195**	**585**	**(D)**	**(D)**	**(D)**	**(D)**	**145**	**–2**	**649**
South Africa	243	(D)	–1	–6	(*)	(D)	0	(*)	–11	(D)	(D)	(*)	(D)	0	(D)	(*)	–2	122
Other	1,153	(D)	0	–1	(D)	–1	(D)	(*)	–10	(D)	(D)	(D)	(D)	(D)	(*)	145	(*)	527
Middle East	**15,058**	**1,916**	**8**	**1,039**	**(D)**	**–9**	**(D)**	**2**	**8**	**454**	**6,258**	**(D)**	**(D)**	**1,299**	**(D)**	**2,136**	**23**	**2,303**
Israel	6,556	1,863	8	1,044	6	(*)	414	0	9	383	472	(D)	(D)	(D)	(D)	(D)	75	665
Kuwait	846	2	0	0	0	0	(*)	2	0	0	(D)	0	2	(D)	(D)	(D)	0	(D)
Lebanon	(D)	(*)	0	0	0	0	0	0	0	(*)	(*)	0	0	0	0	(D)	(*)	(D)
Saudi Arabia	(D)	11	0	–2	(D)	–2	(*)	0	0	(D)	(D)	0	6	(D)	2	(D)	(*)	–37
United Arab Emirates	1,527	–29	0	–4	(D)	–7	(*)	0	–1	(D)	–7	(*)	10	(D)	5	(D)	–52	(D)
Other	544	69	0	0	0	0	(D)	0	0	(D)	(D)	0	(D)	(D)	0	47	(*)	(D)
Asia and Pacific	**322,087**	**96,563**	**2,081**	**11,434**	**6,071**	**(D)**	**19,443**	**(D)**	**31,715**	**13,408**	**119,131**	**4,354**	**(D)**	**(D)**	**21,824**	**13,640**	**8,031**	**43,124**
Australia	50,233	3,358	23	(D)	(D)	(D)	–39	–1	–25	2,036	1,949	(D)	306	1,762	4,138	7,314	(D)	30,929
China	916	–231	(*)	–277	126	(*)	12	162	–133	–122	818	1	(*)	(D)	(D)	(*)	71	117
Hong Kong	3,742	1,377	–1	(D)	–1	–5	653	–3	(D)	–16	1,742	(D)	(D)	413	(D)	147	(D)	43
India	2,822	145	51	42	(D)	(D)	(D)	–2	55	11	11	(*)	49	266	(*)	–1	2,147	202
Japan	230,453	78,384	1,555	9,818	2,355	3,861	18,363	1,068	31,782	9,582	101,125	4,359	1,859	8,505	14,737	5,700	5,356	10,430
Korea, Republic of	15,146	(D)	7	38	(D)	–2	(D)	–2	(D)	80	10,624	(D)	(D)	355	162	71	–1	17
Malaysia	490	32	–1	–15	(D)	(D)	61	(*)	6	2	64	0	2	(D)	(*)	(D)	10	343
New Zealand	975	(D)	(D)	(D)	8	5	–9	(*)	–3	(D)	495	0	0	0	1	(D)	–1	13
Singapore	11,707	(D)	(D)	–63	5	(D)	131	16	26	–19	197	(D)	13	351	(D)	193	–3	674
Taiwan	4,746	1,549	–1	32	3	–2	64	(D)	–70	(D)	1,716	(D)	(D)	1,108	70	58	–45	203
Other	857	89	5	–10	1	9	35	–13	39	24	388	(*)	–2	193	29	18	–11	153
Addenda:																		
European Union (27) [2]	1,332,999	438,315	8,916	159,005	31,467	44,792	40,114	17,899	28,946	107,176	125,242	18,252	118,175	103,863	151,442	17,159	42,785	317,766
OPEC [3]	12,741	63	(*)	–41	–7	–38	–1	–7	5	151	8,696	(*)	7	1,377	–5	(D)	–59	(D)

* A nonzero value between –$500,000 and $500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. In 2007, the "Euro area" includes Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Slovenia, and Spain. For 2007, the "Euro area" direct investment position in the United States was $808,666 million.

2. The European Union (27) comprises Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

3. OPEC is the Organization of Petroleum Exporting Countries. In 2007, its members were Algeria, Angola, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE. Estimates for 2007 are revised.

Table 2.2. Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 2008

[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									
All countries	**2,278,892**	**795,336**	**25,641**	**217,777**	**48,719**	**75,184**	**63,251**	**23,815**	**64,514**	**276,435**	**312,583**	**44,062**	**157,973**	**119,124**	**248,888**	**51,995**	**62,118**	**486,813**
Canada	**221,870**	**42,851**	**1,992**	**7,273**	**5,393**	**1,359**	**–235**	**–26**	**6,631**	**20,463**	**4,758**	**7,415**	**11,808**	**27,780**	**62,132**	**4,128**	**2,248**	**58,750**
Europe [1]	**1,622,911**	**617,579**	**19,833**	**189,776**	**36,744**	**50,549**	**40,945**	**19,310**	**25,846**	**234,576**	**167,610**	**28,276**	**142,042**	**71,284**	**177,827**	**19,956**	**49,379**	**348,958**
Austria	2,406	1,323	5	(D)	544	369	3	(*)	15	(D)	263	(D)	–6	(D)	1	83	(D)	97
Belgium	18,580	2,245	–9	3,920	(D)	201	2	36	(D)	31	6,147	(D)	4	(D)	1,005	(D)	343	4,687
Denmark	4,992	3,346	(D)	2,383	0	1,087	(D)	0	(*)	–1,377	891	4	(*)	0	(*)	5	(D)	(D)
Finland	12,499	3,495	(D)	506	(D)	1,517	(D)	2	(*)	1,388	(D)	(D)	(D)	(D)	(*)	(D)	(D)	317
France	163,430	75,973	2,197	18,542	1,800	(D)	14,448	(D)	3,691	19,009	10,710	353	16,798	7,559	27,114	385	5,562	18,977
Germany	211,521	55,598	44	28,345	2,047	2,214	529	298	12,969	9,153	16,415	4,390	50,652	4,677	36,254	6,302	850	36,384
Ireland	34,094	16,514	1,492	4,349	(D)	(D)	–8	(*)	(*)	9,067	187	(D)	1,630	(D)	6,644	91	(D)	7,136
Italy	17,575	5,923	97	1,111	(D)	464	(D)	224	(D)	93	1,677	1,641	87	(D)	(D)	(D)	(D)	6,351
Luxembourg	113,248	48,364	852	5,897	6,719	(D)	(D)	1,263	318	(D)	1,204	(D)	9,481	0	2,586	(D)	(D)	49,101
Netherlands	259,385	131,423	(D)	39,632	(D)	(D)	2,644	(D)	(D)	78,424	23,486	4,874	20,133	–760	39,865	3,287	6,980	30,097
Norway	6,755	851	(*)	(D)	(D)	(D)	435	(D)	(D)	(D)	3,715	(*)	358	(D)	1	115	1,193	(D)
Spain	38,662	2,914	9	315	(D)	1	60	(*)	79	(D)	152	(D)	87	19,971	(D)	121	239	11,399
Sweden	35,020	24,660	(*)	(D)	4,598	3,851	(D)	(D)	(D)	1,306	8,070	95	612	(D)	248	(D)	(D)	1,228
Switzerland	165,697	107,154	10,176	26,575	2,928	4,428	439	24	(D)	(D)	7,184	4,050	(D)	(D)	31,522	2,351	687	9,324
United Kingdom	454,123	102,800	3,016	44,927	5,562	3,844	13,916	484	7,627	23,425	78,758	2,809	21,033	47,882	26,420	5,153	28,805	140,462
Other	84,922	34,996	(D)	(D)	3,700	(D)	(D)	(D)	169	(D)	(D)	3,055	8,907	321	(D)	470	(D)	32,267
Latin America and Other Western Hemisphere	**49,233**	**25,421**	**2,236**	**2,278**	**2,143**	**(D)**	**1,547**	**(D)**	**–486**	**5,904**	**8,069**	**2,100**	**664**	**4,115**	**–19,829**	**10,261**	**1,766**	**16,664**
South and Central America	15,609	5,130	2,059	481	1,596	172	–168	(D)	–564	(D)	6,495	10	–119	3,315	298	475	–83	89
Brazil	778	85	(D)	–79	(D)	–22	11	–7	28	–37	(D)	(D)	20	514	14	48	–34	–133
Mexico	7,948	5,126	1,946	546	1,718	263	–88	(D)	(D)	1,272	1,760	(D)	–119	1,115	77	(D)	–31	1
Panama	881	54	0	(D)	(D)	(*)	(D)	(*)	(D)	14	–11	2	–6	(D)	198	(D)	4	261
Venezuela	4,563	–168	–5	–40	–2	–24	–4	(D)	(D)	28	(D)	(*)	–8	(D)	1	11	–5	–6
Other	1,439	32	(D)	(D)	–49	–45	(D)	–2	–7	(D)	733	8	–6	688	7	27	–16	–36
Other Western Hemisphere	33,623	20,291	177	1,797	547	(D)	1,715	(D)	78	(D)	1,575	2,090	783	800	–20,126	9,785	1,849	16,576
Bahamas	81	82	(D)	(D)	(D)	0	(*)	0	0	(*)	(D)	(*)	(D)	(D)	–3	(D)	5	–805
Bermuda	10,750	16,156	(D)	1,354	(D)	(D)	(D)	(D)	0	(D)	248	0	(D)	0	–11,965	(D)	1,411	4,677
Netherlands Antilles	6,266	(D)	2	(D)	(D)	(*)	–2	0	–4	–245	(D)	(D)	(D)	(D)	1	884	(*)	5,139
United Kingdom Islands, Caribbean	21,604	3,858	(D)	(D)	(D)	204	(D)	7	81	1,340	(D)	2,074	931	161	(D)	8,235	429	7,347
Other	–5,077	(D)	–1	(D)	(D)	(D)	(*)	0	0	99	(D)	(D)	(D)	(D)	(D)	246	5	219
Africa	**2,002**	**427**	**–2**	**–8**	**(D)**	**3**	**(D)**	**(*)**	**(D)**	**358**	**493**	**–1**	**8**	**(D)**	**(D)**	**(D)**	**(D)**	**878**
South Africa	643	–89	–2	–6	–1	3	0	(*)	4	–86	(D)	(*)	(D)	0	(D)	–2	–3	(D)
Other	1,359	516	(*)	–1	(D)	(*)	(D)	(*)	(D)	444	(D)	–1	(D)	(D)	(*)	(D)	(D)	(D)
Middle East	**14,676**	**2,747**	**(D)**	**(D)**	**(D)**	**–2**	**(D)**	**1**	**(D)**	**441**	**5,868**	**(D)**	**952**	**(D)**	**(D)**	**(D)**	**(D)**	**4,354**
Israel	6,143	2,708	(D)	(D)	(D)	0	(D)	–1	(D)	(D)	(D)	(D)	995	250	(D)	147	76	1,257
Kuwait	359	2	0	0	0	0	(*)	2	0	0	(D)	0	2	(D)	(D)	(D)	0	(D)
Lebanon	(D)	(*)	0	0	0	0	0	0	0	(*)	(*)	0	0	0	0	(D)	–1	(D)
Saudi Arabia	(D)	14	0	–1	(*)	–2	0	0	–1	17	(D)	0	6	(D)	2	30	(*)	(D)
United Arab Emirates	2,744	(D)	0	(D)	(*)	(*)	(*)	0	–6	(D)	(D)	(*)	(D)	(D)	1	170	(D)	2,613
Other	272	(D)	0	0	0	0	0	0	0	(D)	(D)	0	(D)	(D)	0	(D)	(*)	338
Asia and Pacific	**368,200**	**106,312**	**(D)**	**(D)**	**4,275**	**(D)**	**20,457**	**(D)**	**32,513**	**14,694**	**125,785**	**(D)**	**2,499**	**(D)**	**28,501**	**17,084**	**8,660**	**57,208**
Australia	64,316	5,224	34	1,000	1,400	238	–12	5	–31	2,591	1,469	1	(D)	3,055	4,922	(D)	593	41,094
China	1,235	–384	–3	–272	125	–34	–7	118	–174	–136	1,092	–5	(D)	(D)	16	–2	(D)	99
Hong Kong	3,973	1,494	–1	(D)	–7	1	(D)	–4	1	6	1,772	(D)	(D)	456	4	143	(D)	108
India	4,527	151	–1	81	(D)	(D)	(D)	–4	38	74	1	(*)	56	357	–1	–4	2,902	1,066
Japan	259,569	86,952	1,562	15,264	2,628	4,183	19,012	1,369	32,609	10,326	108,278	6,108	1,814	10,344	21,690	6,918	4,957	12,509
Korea, Republic of	15,632	(D)	4	39	95	(D)	(D)	–1	84	79	(D)	(D)	(D)	212	152	78	–4	(D)
Malaysia	395	7	1	–17	(D)	(D)	27	(*)	5	11	68	(D)	3	(D)	(*)	(D)	2	258
New Zealand	1,062	(D)	(D)	(*)	8	3	–9	0	–2	(D)	461	0	(D)	0	1	(D)	–2	18
Singapore	12,718	(D)	–39	1	8	(D)	370	51	16	–56	251	–4	8	382	(D)	(D)	36	1,153
Taiwan	3,900	1,425	–2	13	5	(D)	71	(D)	–75	(D)	(D)	35	59	884	(D)	10	–37	269
Other	874	23	5	–15	–2	(*)	27	–27	43	–7	581	(*)	(*)	201	(D)	(D)	–10	(D)
Addenda:																		
European Union (27) [2]	1,434,060	503,714	9,620	159,803	31,697	45,172	40,061	19,260	24,296	173,805	156,455	23,680	126,081	79,536	146,033	17,409	45,148	336,004
OPEC [3]	13,345	–177	–5	–70	–37	–28	–3	(D)	(D)	79	9,026	(*)	11	1,258	(D)	255	(D)	2,960

* A nonzero value between –$500,000 and $500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. In 2008, the "Euro area" includes Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovenia, and Spain. For 2008, the "Euro area" direct investment position in the United States was $872,104 million.

2. The European Union (27) comprises Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the United Kingdom.

3. OPEC is the Organization of Petroleum Exporting Countries. In 2008, its members were Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE. Estimates for 2008 are preliminary.