Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies, Plans for 1994

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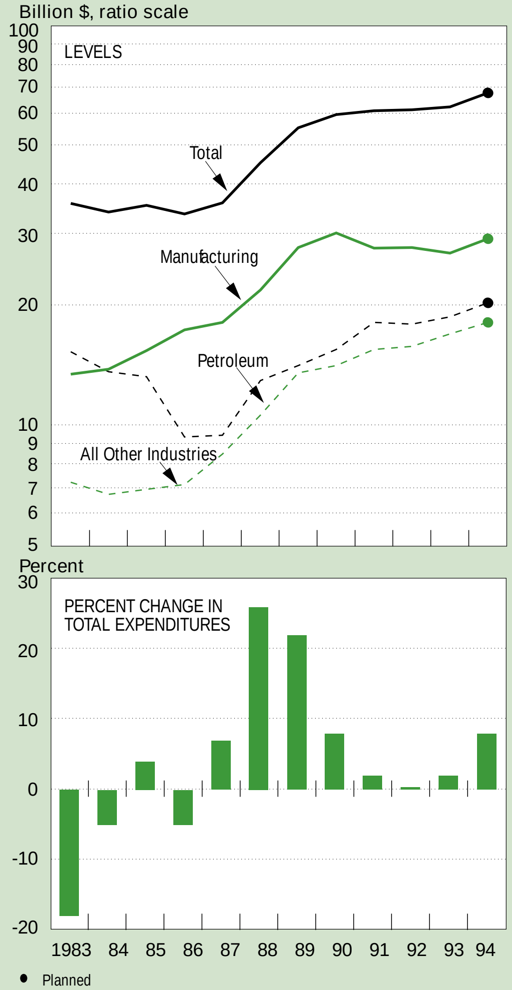
Majority-owned foreign affiliates of U.S. companies (MOFA's) plan to increase capital expenditures $5.3 billion, or 8 percent, to $69.6 billion in 1994 (table 1, chart 1).[1] If realized, the increase will be well above the 2-percent increase in MOFA capital spending in 1993 and the 4-percent average annual growth in 1989–92. However, it will be considerably below the average annual growth of 24 percent in 1987–89. The planned 1994 increase in MOFA spending exceeds the 5-percent increase in domestic capital spending planned by all U.S. businesses.[2]

The $5.3 billion increase in MOFA spending is concentrated in three areas—$1.6 billion in Asia and Pacific, mainly in Indonesia, Australia, Thailand, and Japan; $1.3 billion in Canada; and $1.2 billion in "Latin America and Other Western Hemisphere," particularly in Mexico and Brazil. In these areas, the increased spending may largely be prompted by the need to expand capacity to serve local markets; in most of the countries in these areas, local markets account for a majority of MOFA sales,[3] and economic growth is robust. In a few cases, however, other factors may also have contributed to the spending increases. In Mexico and Canada, for example, the increases may have been prompted partly by the approval of the North American Free Trade Agreement (NAFTA) last November and by the

CHART 1

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



● Planned

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

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

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

2. The estimate of capital spending planned by all U.S. businesses in 1994 is based on data from a survey conducted in October-November 1993 by the Census Bureau. Although the Census Bureau estimate covers all U.S. businesses rather than only U.S. parent companies, the available estimates of domestic capital spending of parent companies for 1982–91 are significantly correlated with spending by all U.S. businesses.

3. In 1991, the most recent year for which estimates are available, local sales (that is, sales within the country of the affiliate) accounted for a majority of sales by MOFA's in all of these countries except Indonesia. They accounted for 68 to 72 percent of sales by MOFA's in Thailand, Canada, and Mexico and for 84 to 89 percent of sales in Australia, Japan, and Brazil. In Indonesia, in contrast, a majority of the sales were exports of petroleum to other foreign countries. For more information on the destination of sales by MOFA's, see U.S. Department of Commerce, Bureau of Economic Analysis, *U.S. Direct Investment Abroad: Operations of U.S. Parent Companies and Their Foreign Affiliates, Preliminary 1991 Estimates* (Washington, DC: U.S. Government Printing Office, July 1993).

recent upturn in North American sales by U.S.-owned auto companies. In Mexico and Brazil, the increases may be partly attributable to regulatory environments that have become more open to foreign direct investment. In Japan, which is currently experiencing an economic downturn, increases primarily reflect increased spending in selected industries—wholesale trade, finance, and services—that historically have accounted for only a small share of capital spending by MOFA's.

In contrast to the planned 1994 growth in spending in these areas, spending is expected to remain virtually constant in Europe, where business conditions remain generally weak. As a result, 1994 is the first year since 1986 in which European countries are expected to account for less than one-half—48 percent—of the total capital spending by MOFA's. (They accounted for 53 percent of the total in 1987–93.)

Valuation issues.—The estimates of capital spending by MOFA's are in current dollars; thus, they are affected by changes in prices in host countries and by changes in foreign exchange rates, both of which influence the relationship between changes in current-dollar spending and changes in the real volume of capital goods purchased by affiliates. In 1993, the main factor was exchange rates: The U.S. dollar appreciated about 6 percent against the currencies of major host countries, whereas wholesale prices in those countries increased by an average of only 1 percent.[4] These figures suggest that the 2-percent increase in 1993 dollar spending was probably less than the real increase in spending: Dollar appreciation lowers

4. In these calculations, the changes in foreign-currency wholesale prices (or consumer prices when wholesale prices are unavailable) and in the value of the U.S. dollar are weighted by the value of MOFA assets in a group of 21 major host countries; these countries accounted for over 80 percent of affiliates' assets in 1991.

Table 1.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies, 1989–94

	Percent change from preceding year						Billions of dollars						
	Actual expenditures			Most recent plans [1]		Previous plans [2]	Actual expenditures				Most recent plans [1]		Previous plans [2]
	1990	1991	1992	1993	1994	1993	1989	1990	1991	1992	1993	1994	1993
Total	**8**	**2**	(*)	**2**	**8**	**7**	**57.0**	**61.5**	**62.9**	**63.2**	**64.3**	**69.6**	**67.4**
By industry													
Petroleum	10	17	–1	5	8	7	14.5	15.9	18.6	18.4	19.2	20.8	19.6
Manufacturing	9	–8	1	–3	8	4	28.6	31.1	28.5	28.6	27.7	30.1	29.8
Food and kindred products	17	12	7	8	12	5	2.3	2.7	3.0	3.2	3.5	3.9	3.4
Chemicals and allied products	7	–6	–3	–3	7	15	6.4	6.9	6.5	6.3	6.2	6.6	7.3
Primary and fabricated metals	9	–45	7	2	6	6	1.8	1.9	1.1	1.1	1.2	1.2	1.2
Machinery, except electrical	(*)	–5	–21	–18	7	4	4.8	4.8	4.5	3.6	2.9	3.1	3.7
Electric and electronic equipment	14	–6	–6	21	5	3	2.6	2.9	2.7	2.6	3.1	3.3	2.7
Transportation equipment	27	–10	10	–10	22	–9	4.9	6.2	5.6	6.2	5.6	6.8	5.6
Other manufacturing	–4	–12	11	–4	–4	6	6.0	5.8	5.1	5.6	5.4	5.2	6.0
Wholesale trade	–10	15	–6	–7	7	1	4.6	4.1	4.7	4.4	4.1	4.4	4.4
Finance (except banking), insurance, and real estate	21	28	–9	–1	1	5	1.7	2.0	2.6	2.4	2.3	2.4	2.5
Services	–3	–10	41	(*)	10	7	3.6	3.5	3.1	4.4	4.5	4.9	4.8
Other industries	21	11	–8	28	8	26	4.0	4.9	5.5	5.0	6.5	7.0	6.3
By area													
Canada	–11	–13	–13	3	16	5	10.7	9.6	8.3	7.2	7.4	8.7	7.6
Europe	22	3	1	–8	(*)	–1	28.3	34.6	35.6	36.1	33.4	33.5	35.9
Of which:													
France	14	2	8	–19	1	–8	3.5	4.0	4.0	4.3	3.5	3.6	4.0
Germany [3]	16	4	8	–17	4	–8	5.4	6.3	6.6	7.1	5.9	6.1	6.5
Italy	20	–15	–5	–16	4	–1	1.9	2.3	1.9	1.8	1.5	1.6	1.8
Netherlands	27	2	–7	–1	–8	13	1.8	2.3	2.4	2.2	2.2	2.0	2.5
Switzerland	5	–5	11	44	7	19	.6	.6	.6	.7	.9	1.0	.8
United Kingdom	30	6	–10	–9	2	–3	10.0	13.0	13.8	12.3	11.2	11.4	12.0
Latin America and Other Western Hemisphere	7	6	6	15	18	22	4.8	5.1	5.4	5.8	6.7	7.9	7.0
Africa	41	–1	2	10	36	15	1.1	1.6	1.6	1.6	1.7	2.4	1.8
Middle East	82	–5	24	11	–4	7	.4	.7	.7	.9	1.0	.9	.9
Asia and Pacific	–14	16	3	19	13	20	10.5	9.1	10.6	10.9	12.9	14.5	13.0
Of which:													
Australia	–31	30	–28	10	13	20	3.3	2.3	3.0	2.1	2.3	2.6	2.6
Japan	–24	11	–4	(*)	10	10	2.7	2.1	2.3	2.2	2.2	2.4	2.4
International [4]	–26	–8	3	60	34	41	1.1	.8	.8	.8	1.3	1.7	1.1
Addenda:													
European Communities (12) [5]	23	2	(*)	–10	(*)	–2	26.1	32.1	32.7	32.5	29.2	29.3	31.9
OPEC [6]	15	11	36	13	31	20	1.6	1.9	2.1	2.8	3.2	4.2	3.4

* Less than 0.5 percent (±).
1. Based on BEA survey taken in December 1993.
2. Based on BEA survey taken in June 1993.
3. Prior to 1990, this line includes data only for the Federal Republic of Germany. Beginning in 1990, this line also includes the former German Democratic Republic (GDR). This change does not create a discontinuity in the data because, prior to 1991, there were no majority-owned affiliates of U.S. companies in the former GDR.
4. "International" affiliates are those that have operations in more than one country and that are engaged in petroleum shipping, other water transportation, or operating movable oil- and gas-drilling equipment.
5. European Communities (12) comprises Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, and the United Kingdom.
6. OPEC, the Organization of Petroleum Exporting Countries, comprises Algeria, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela. Before January 1, 1993, Ecuador was also a member of OPEC; its data are included in this line through 1992.

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

the dollar value of a given amount of spending denominated in foreign currencies, and the appreciation that occurred in 1993 was only partly offset by price increases.

Comparison with Previous Estimates

The estimates of capital expenditures by MOFA's for 1993 and 1994 presented in this article are based on a BEA survey conducted in December 1993. These estimates revise and update estimates, published in the September 1993 SURVEY OF CURRENT BUSINESS, that were based on a survey conducted in June 1993. For 1993, the revised estimate of spending is 5 percent lower than the previous estimate and 8 percent lower than the initial estimate, which was based on a survey conducted in December 1992 (table 2).

Affiliates in all major industry categories except "other industries" reduced their spending estimates for 1993 from those reported 6 months earlier. The reductions were concentrated in manufacturing, particularly in chemicals and allied products and in nonelectrical machinery; they largely reflected increased deferrals and cancellations of expansion projects due to weak economic conditions in Europe. In addition, to the extent that it was not anticipated at the time of the June survey, the 1-percent appreciation of the dollar that occurred during the last 6 months of 1993 may also have slightly reduced the dollar value of spending plans.

By area, estimates for 1993 were reduced in all major areas except "International" and the Middle East.[5] More than 80 percent of the total reduction was accounted for by Europe.

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

Table 2.—Comparison of Capital Expenditures Estimates for 1993

	Billions of dollars	Percent change from preceding year
Date of BEA survey:[1]		
December 1992	70.2	7
June 1993	67.4	7
December 1993	64.3	2
	Percent	
Addenda:		
Revision from previous to most recent estimate	–5	
Revision from initial to most recent estimate	–8	

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

Plans for 1994

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

Area highlights

Affiliates in all major areas except Europe and the Middle East plan significant increases in spending in 1994. As planned, increases in Asia and Pacific, Canada, and "Latin America and Other Western Hemisphere" account for most of the overall increase. However, the fastest growth in spending is expected in Africa. In Europe, spending is expected to remain virtually constant; only a small increase is planned. In the Middle East, spending is expected to decrease.

In Asia and Pacific, affiliates plan to increase spending 13 percent in 1994, to $14.5 billion, after a 19-percent increase in 1993. Most of the 1994 increase is accounted for by affiliates in Indonesia, Australia, and Japan. In Indonesia, affiliates plan to increase spending 16 percent, to $2.4 billion, after a 13-percent increase; most of the 1994 increase is in petroleum and in "other industries." In Australia, affiliates plan to increase spending 13 percent, to $2.6 billion, after a 10-percent increase; most of the 1994 increase is in petroleum and manufacturing. In Japan, affiliates plan to increase spending 10 percent, to $2.4 billion, after virtually no change in 1993; the largest increases are expected in wholesale trade, in finance (except banking), insurance, and real estate, and in services. A small decline in spending is expected in manufacturing.

Elsewhere in Asia and Pacific, affiliates plan to increase spending in Thailand, the Philippines, Hong Kong, and China. The largest increases are planned by affiliates in petroleum and in "other industries," particularly mining. These affiliates have been attracted by their host countries' natural resources and by the growing energy needs resulting from the region's rapid economic growth.

In Canada, affiliates plan to increase spending 16 percent, to $8.7 billion, after a 3-percent increase. The 1994 increase partly reflects strong economic recovery and increased domestic demand. The largest increases are in manufacturing, particularly transportation equipment; in petroleum; and in "other industries," particularly mining.

In "Latin America and Other Western Hemisphere," affiliates plan to increase spending 18 percent, to $7.9 billion, after a 15-percent increase. Most of the 1994 increase is accounted for by affiliates in Mexico and Brazil—two of the largest economies in the area.

In Mexico, affiliates plan to increase spending 25 percent, to $2.6 billion, after an 18-percent increase. The continued strong spending in Mexico reflects the favorable investment climate produced by a growing economy, by recently liberalized policies toward foreign direct investment, and by approval of NAFTA late last year. Most of the 1994 increase is accounted for by affiliates in manufacturing, particularly in transportation equipment and food and kindred products. In transportation equipment, affiliates appear to be expanding capacity to serve the U.S. and other export markets, as well as local markets. In food and kindred products, affiliates are probably expanding capacity mainly to serve local markets.

In Brazil, affiliates plan to increase spending 17 percent, to $1.9 billion, after a 15-percent increase. Both increases partly reflect a shift to more open foreign trade and investment policies in recent years. The largest 1994 increases are in transportation equipment and in chemicals and allied products.

Elsewhere in Latin America, affiliates plan to increase spending in Argentina, Colombia, and Venezuela. In Argentina, affiliates in manufacturing and petroleum plan increases. In Colombia and Venezuela, affiliates in petroleum plan increases.

In Africa, affiliates plan to increase spending 36 percent, to $2.4 billion, after a 10-percent increase. Most of the 1994 increase is accounted for by affiliates engaged in the exploration and development of petroleum and natural gas in Algeria, Angola, and Congo.

In Europe, affiliates plan to hold spending virtually constant at $33.5 billion, after an 8-percent decrease. By country, spending plans are mixed: Large increases are planned by affiliates in Belgium, Germany, and the United Kingdom; large decreases are planned by affiliates in Spain, Ireland, and the Netherlands. In Belgium, the increase is concentrated in chemicals and allied products, particularly in drugs. In Germany, the increase is concentrated in transportation equipment. In the United Kingdom, one of the few countries in western Europe where sales of cars rose in 1993, the increase is also concentrated in transportation equipment. In contrast, decreases are planned in transportation equipment in Spain and in electric and electronic equipment in Ireland. In the Netherlands, decreases by affiliates in petroleum will more than offset increases by affiliates in manufacturing.

In the Middle East, affiliates plan to decrease spending 4 percent, to $0.9 billion, after an 11-percent increase. Most of the decrease is accounted for by affiliates engaged in the exploration and development of crude petroleum and natural gas.

Industry detail

Petroleum.—Petroleum affiliates plan to increase spending 8 percent in 1994, to $20.8 billion, after a 5-percent increase in 1993. The planned 1994 increase contrasts with a planned 3-percent decrease in domestic capital spending by all U.S. petroleum companies.[6] U.S. multinational oil companies continue to emphasize overseas exploration and development because oil and gas reserves abroad tend to be more economically exploitable than those in the United States, because some host governments have offered favorable financial incentives and production licenses to U.S. companies, and because environmental regulations in some foreign countries are less restrictive than those in the United States. Nevertheless, spending growth by foreign affiliates has been held below historical trends by project completions and by several interrelated factors—weak growth in demand for fuels, excess capacity in the industry, and low oil prices—that have accompanied the prolonged economic weakness in some areas, particularly Europe. (During 1987–92, capital spending by MOFA's in petroleum increased at an average annual rate of 14 percent.)

By area, petroleum affiliates in all major geographic areas except Europe and the Middle East plan to increase spending. In Africa, affiliates

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

plan to increase spending 39 percent, to $2.1 billion, after a 13-percent increase. The 1994 increase is mainly for petroleum exploration and development in Algeria and for the development of oilfields off the coasts of Angola and Congo.

In "Latin America and Other Western Hemisphere," affiliates plan to increase spending 20 percent, to $1.3 billion, after a 19-percent increase. The 1994 increase is mostly accounted for by affiliates in Venezuela and Colombia, which plan to expand petroleum and natural gas exploration.

In Canada, affiliates plan to increase spending 19 percent, to $2.5 billion, after a 27-percent increase. The 1994 increase is partly attributable to increased participation by several affiliates in the development of crude oil reserves off the coast of Newfoundland. It also reflects plans by several affiliates to expand petroleum refining and extraction facilities.

In Asia and Pacific, affiliates plan to increase spending 16 percent, to $6.0 billion, after a similar increase in 1993. As noted earlier, this increased spending has been encouraged by the area's growing energy needs. Thailand and Indonesia have attracted an especially large share of the spending increases: In Thailand, spending is mainly for refinery expansions, and in Indonesia, it is mainly for the exploration and development of crude petroleum and natural gas reserves. In China, spending increases are planned mainly to construct natural gas extraction facilities. In Australia, planned increases are mainly for the exploration and development of crude petroleum and natural gas reserves. In the Philippines, planned increases are mainly for the expansion of retail distribution networks for petroleum products.

In Europe, affiliates plan to decrease spending 8 percent, to $7.5 billion, after a 9-percent decrease. In 1994, large decreases in spending planned by affiliates in the United Kingdom and the Netherlands are expected to more than offset increases planned by affiliates in Norway, Germany, and France. In the United Kingdom, which is expected to have the largest decrease in spending, several petroleum and natural gas extraction projects are being completed or deferred. In the Netherlands, the decrease partly reflects the completion of refinery projects.

In the Middle East, affiliates plan to decrease spending 9 percent, to $0.7 billion, after a 7-percent increase. Most of the decrease is accounted for by affiliates engaged in the exploration and development of crude petroleum and natural gas reserves.

Manufacturing.—Manufacturing affiliates plan to increase spending 8 percent in 1994, to $30.1 billion, after a 3-percent decrease in 1993. The turnaround partly reflects large spending increases in transportation equipment, in chemicals and allied products, and in nonelectrical machinery—the three industries that more than accounted for the decrease in 1993. The 1994 increase is above the 5-percent increase in domestic capital spending planned by all U.S. companies in manufacturing (excluding petroleum manufacturing). By country, the largest increases in spending are expected to occur in the United Kingdom, Canada, Mexico, Belgium, Brazil, and Germany. By industry, increases in spending are planned in all major manufacturing industries except "other manufacturing."

In transportation equipment, affiliates plan to increase spending 22 percent, to $6.8 billion, after a 10-percent decrease. The turnaround reflects two key factors: Strong auto sales in the United States, which have improved parent companies' cash flow and increased their ability to finance overseas operations, and plans for the introduction of new car models abroad, which are resulting in increased expenditures for retooling and for expansion of capacity. The increase is concentrated in Mexico, Canada, and the United Kingdom. In Mexico, affiliates plan to boost spending 54 percent, to $1.0 billion, after a 5-percent increase. Spending appears to have been stimulated by growing auto markets both in that country and in the United States, by more favorable government policies toward foreign investment, and by the approval of NAFTA. In Canada, affiliates plan to increase spending 53 percent, to $1.7 billion, after a 42-percent increase. The 1994 increase partly reflects expenditures by an affiliate to modernize and expand an assembly plant; it also reflects capacity expansion by affiliates, partly to serve growing export markets in the United States and Mexico. In the United Kingdom, affiliates plan to increase spending 39 percent, to $1.1 billion, after a 13-percent decrease. The increase partly reflects expenditures for modernization and for retooling by an affiliate that is planning to begin production of a new line of cars.

In food and kindred products, affiliates plan to increase spending 12 percent, to $3.9 billion, after an 8-percent increase. Most of the 1994 increase is accounted for by affiliates in the United Kingdom, Mexico, and Australia. In the United Kingdom, the increase is largely accounted for by candy producers. In Mexico, the increase is concentrated in soft drinks and grain mill products, and in Australia, it is concentrated in bakery products.

In chemicals and allied products, affiliates plan to increase spending 7 percent, to $6.6 billion, after a 3-percent decrease. Large increases are planned by drug manufacturers in Belgium and by industrial chemical producers in Brazil.

In nonelectrical machinery, affiliates plan to increase spending 7 percent, to $3.1 billion, after an 18-percent decrease. Large spending increases by computer manufacturers are planned in the United Kingdom and France.

In primary and fabricated metals, affiliates plan to increase spending 6 percent, to $1.2 billion, after a 2-percent increase. Spending increases are planned by manufacturers of fabricated products in the United Kingdom and Germany.

In electric and electronic equipment, affiliates plan to increase spending 5 percent, to $3.3 billion, after a 21-percent increase. Spending increases are planned by manufacturers of household audio, video, and communication equipment in the Netherlands and by semiconductor producers in Japan.

In "other manufacturing," affiliates plan to decrease spending 4 percent, to $5.2 billion, after a similar decrease in 1993. Decreases are planned by producers of paper products in Japan and the Republic of Korea and by producers of tobacco products in Turkey.

All other industries.—In all other industries combined, affiliates plan to increase spending 7 percent in 1994, to $18.6 billion, after a similar increase in 1993.

In services, affiliates plan to increase spending 10 percent, to $4.9 billion, after virtually no change in 1993. The 1994 increase is concentrated in the United Kingdom, Canada, and Switzerland. In the United Kingdom, affiliates in computer processing and data preparation services and in automotive rental and leasing services plan increases. In Canada, affiliates in automotive rental and leasing services plan increases. In Switzerland, affiliates in management and public relations services plan increases.

In "other industries," affiliates plan to increase spending 8 percent, to $7.0 billion, after a 28-percent increase.[7] Most of the 1994 increase is by affiliates in public utilities and mining. By area, the largest increases are planned in "International," Canada, Indonesia, and Hong Kong. In "International," the increase is in water transportation. In Canada and Indonesia, the increases are mainly in mining. In Hong Kong, affiliates in electric utilities plan to construct power plants and related facilities.

In wholesale trade, affiliates plan to increase spending 7 percent, to $4.4 billion, after a 7-percent decrease. The increase is concentrated in Japan and Australia. In Japan, the increase is largely accounted for by motor-vehicle wholesalers, and in Australia, by computer wholesalers.

In finance (except banking), insurance, and real estate, affiliates plan to increase spending 1 percent, to $2.4 billion, after a 1-percent decrease. Most of the increase is accounted for by insurance and finance affiliates in Japan.

Tables 3.1 and 3.2 follow.

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

Table 3.1.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies in 1993 [1]

[Millions of dollars]

	All industries	Petroleum	Manufacturing								Wholesale trade	Finance (except banking), insurance, and real estate	Services	Other industries
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery except electrical	Electrical and electronic equipment	Transportation equipment	Other manufacturing				
All countries	**64,338**	**19,239**	**27,748**	**3,457**	**6,154**	**1,151**	**2,916**	**3,127**	**5,560**	**5,384**	**4,113**	**2,322**	**4,455**	**6,461**
Canada	**7,447**	**2,055**	**3,188**	**256**	**570**	**131**	**191**	**125**	**1,128**	**787**	**296**	**277**	**579**	**1,052**
Europe	**33,381**	**8,195**	**16,040**	**2,128**	**3,818**	**600**	**1,814**	**1,314**	**3,280**	**3,086**	**2,435**	**1,436**	**3,428**	**1,847**
Austria	253	41	(D)	3	4	2	3	3	(D)	11	67	(D)	17	(D)
Belgium	1,282	50	727	40	431	35	43	34	27	118	144	21	254	87
Denmark	323	111	69	44	9	2	(*)	6	2	5	66	(D)	36	(D)
Finland	64	(D)	8	(*)	4	(*)	1	(*)	0	3	25	(*)	1	(D)
France	3,525	(D)	1,829	189	678	35	307	81	93	445	433	115	685	(D)
Germany	5,854	416	4,134	507	637	167	444	257	1,597	524	333	179	331	461
Greece	59	6	35	23	11	0	0	(*)	0	2	15	1	2	0
Ireland	1,188	36	1,076	55	279	11	73	484	3	170	11	(D)	(D)	2
Italy	1,540	116	891	86	266	21	216	52	79	172	165	(D)	188	(D)
Luxembourg	128	1	110	0	2	1	2	1	(D)	(D)	4	4	9	(*)
Netherlands	2,180	470	978	209	344	44	46	36	4	295	151	308	121	151
Norway	1,448	1,343	15	(*)	2	(*)	2	2	0	8	39	1	(D)	(D)
Portugal	212	(D)	79	22	22	(*)	2	12	20	2	74	1	31	(D)
Spain	1,675	29	1,159	60	208	36	(D)	77	581	(D)	160	13	202	113
Sweden	247	7	109	4	14	1	(D)	(*)	1	(D)	50	3	(D)	(D)
Switzerland	949	16	437	(D)	58	4	19	12	(*)	(D)	206	137	126	25
Turkey	315	(D)	282	131	17	(D)	0	(D)	3	100	(D)	0	(D)	(*)
United Kingdom	11,240	5,029	3,508	335	751	156	545	214	757	750	428	463	1,336	476
Other	899	307	(D)	(D)	82	(D)	2	(D)	(D)	154	(D)	3	(*)	61
Latin America and Other Western Hemisphere	**6,664**	**1,087**	**4,166**	**693**	**829**	**286**	**261**	**306**	**971**	**820**	**310**	**164**	**79**	**858**
South America	3,714	733	2,282	424	469	248	230	76	319	516	140	62	48	449
Argentina	467	123	265	145	56	3	1	8	4	48	41	(D)	(D)	(D)
Brazil	1,626	44	1,467	164	280	(D)	226	63	295	(D)	27	26	24	38
Chile	549	(D)	(D)	15	13	(D)	1	1	0	6	23	5	4	354
Colombia	342	187	115	18	42	4	0	2	2	47	7	(D)	(D)	(D)
Ecuador	265	240	21	5	12	3	0	(*)	(*)	1	1	(*)	0	3
Peru	(D)	(D)	16	2	10	3	0	1	0	1	3	(*)	1	(*)
Venezuela	301	33	229	60	55	9	2	2	18	84	35	(*)	2	1
Other	(D)	41	(D)	16	1	(*)	0	0	0	(D)	3	0	(*)	(D)
Central America	2,401	55	1,849	267	339	38	31	229	652	293	163	56	19	259
Costa Rica	126	(*)	38	11	8	2	0	2	0	15	(D)	0	0	(D)
Guatemala	34	7	10	3	3	0	0	0	0	4	(*)	(D)	(*)	(D)
Honduras	43	(D)	18	12	3	1	0	0	0	2	(D)	(*)	0	21
Mexico	2,100	6	1,768	239	321	30	31	226	652	268	90	49	17	170
Panama	67	(D)	7	2	4	(*)	0	0	0	1	(D)	(D)	1	(D)
Other	33	23	8	1	1	4	0	(*)	0	3	(*)	(*)	1	(*)
Other Western Hemisphere	549	299	35	2	21	(*)	(*)	1	0	12	7	46	12	149
Bahamas	58	14	(D)	(*)	(D)	0	0	0	0	0	1	(D)	(D)	1
Barbados	6	5	(*)	0	0	0	0	0	0	(*)	(*)	(*)	1	0
Bermuda	57	19	(*)	0	(*)	0	0	0	0	(*)	(*)	(D)	(D)	(D)
Dominican Republic	(D)	5	12	1	2	0	0	(*)	0	9	1	(*)	(*)	(D)
Jamaica	51	6	(D)	0	(D)	(*)	0	0	0	1	1	(*)	1	(D)
Netherlands Antilles	5	1	1	1	(*)	0	0	0	0	0	1	1	(*)	2
Trinidad and Tobago	(D)	(D)	1	(*)	(*)	0	0	0	0	(*)	0	1	(*)	0
United Kingdom Islands, Caribbean	7	2	1	0	(*)	0	0	(*)	0	(*)	3	(*)	1	(*)
Other	(D)	(D)	1	1	0	0	(*)	0	0	1	(*)	(*)	(*)	(*)
Africa	**1,742**	**1,538**	**116**	**15**	**43**	**21**	(D)	**1**	**2**	(D)	**13**	**2**	(D)	(D)
Egypt	268	248	15	1	9	5	(*)	1	0	0	2	1	3	(*)
Nigeria	523	517	5	1	3	(*)	1	(*)	0	(*)	1	0	0	0
South Africa	125	(D)	44	2	16	8	7	0	2	9	(D)	0	1	2
Other	826	(D)	52	11	15	8	(D)	(*)	0	(D)	(D)	2	(D)	(D)
Middle East	**965**	**778**	**139**	**21**	**2**	**2**	(D)	**104**	**0**	(D)	**8**	**3**	(D)	(D)
Israel	153	(*)	129	(D)	(*)	0	(D)	103	0	9	1	1	20	(*)
Saudi Arabia	43	28	9	(D)	1	2	0	0	0	(D)	1	(*)	2	3
United Arab Emirates	118	104	1	0	(*)	0	0	1	0	0	3	(*)	2	9
Other	651	646	(*)	(*)	0	0	0	0	0	0	3	1	(D)	(D)
Asia and Pacific	**12,888**	**5,138**	**4,098**	**344**	**893**	**111**	**640**	**1,278**	**179**	**654**	**1,051**	**441**	**340**	**1,820**
Australia	2,331	732	708	154	277	15	38	31	97	97	196	44	214	436
China	487	351	125	8	29	(D)	7	(D)	(*)	(D)	8	0	(*)	3
Hong Kong	1,037	73	111	3	12	5	12	50	(*)	30	80	56	17	700
India	51	(D)	32	(D)	2	0	2	(*)	0	(D)	7	(*)	(D)	0
Indonesia	2,093	(D)	32	3	20	(*)	2	3	0	4	11	(*)	(*)	(D)
Japan	2,220	(D)	1,382	53	292	18	(D)	321	12	(D)	345	229	51	(D)
Korea, Republic of	238	5	176	(D)	28	5	23	32	4	(D)	52	2	(*)	2
Malaysia	1,022	625	376	2	11	4	8	325	0	26	11	8	(*)	1
New Zealand	228	58	56	(D)	16	(*)	(*)	(*)	(D)	6	18	16	24	55
Philippines	337	(D)	211	39	46	(*)	(*)	101	(D)	(D)	7	2	1	(D)
Singapore	1,318	556	426	1	37	3	155	212	3	14	254	50	30	3
Taiwan	304	1	241	18	43	1	(D)	121	(D)	23	30	29	2	1
Thailand	1,035	785	198	9	69	(D)	5	61	(D)	30	(D)	4	(D)	(D)
Other	187	128	23	8	12	(D)	0	(D)	0	0	(D)	(*)	0	(D)
International [2]	**1,251**	**447**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**804**
Addenda:														
European Communities (12) [3]	29,206	6,454	14,595	1,569	3,638	508	1,717	1,254	3,170	2,739	1,984	1,279	3,202	1,691
OPEC [4]	3,202	2,375	276	69	79	11	5	6	18	89	(D)	1	6	(D)

* Less than $500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. See footnote 1, table 1.
2. See footnote 4, table 1.
3. See footnote 5, table 1.
4. See footnote 6, table 1.

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

Table 3.2.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies in 1994 [1]

[Millions of dollars]

	All industries	Petroleum	Manufacturing								Wholesale trade	Finance (except banking), insurance, and real estate	Services	Other industries
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery except electrical	Electrical and electronic equipment	Transportation equipment	Other manufacturing				
All countries	**69,567**	**20,844**	**30,078**	**3,868**	**6,613**	**1,216**	**3,115**	**3,279**	**6,803**	**5,184**	**4,404**	**2,353**	**4,913**	**6,973**
Canada	**8,660**	**2,453**	**3,763**	**287**	**554**	**123**	**183**	**137**	**1,731**	**748**	**333**	**278**	**677**	**1,157**
Europe	**33,534**	**7,548**	**16,758**	**2,253**	**4,090**	**676**	**1,977**	**1,331**	**3,450**	**2,981**	**2,360**	**1,336**	**3,666**	**1,866**
Austria	230	(D)	66	3	5	1	3	3	(D)	(D)	71	(D)	13	(D)
Belgium	1,556	49	965	61	562	32	48	39	(D)	(D)	132	42	280	89
Denmark	318	(D)	67	40	10	2	(*)	6	2	6	65	(D)	32	(D)
Finland	67	(D)	9	(*)	4	(*)	(*)	(*)	0	4	30	(*)	1	(D)
France	3,567	(D)	1,860	215	636	35	334	84	107	448	441	122	710	(D)
Germany	6,069	430	4,286	459	662	191	443	292	1,668	572	314	179	356	505
Greece	84	(D)	42	25	12	0	0	(*)	0	5	23	4	(D)	0
Ireland	976	38	862	38	233	12	77	341	4	157	11	(D)	(D)	1
Italy	1,608	95	976	119	318	14	218	52	72	182	175	(D)	162	(D)
Luxembourg	146	7	122	0	1	2	2	4	(D)	(D)	4	4	9	(*)
Netherlands	2,008	261	1,067	210	367	59	59	107	6	259	137	296	124	123
Norway	1,500	1,391	15	(*)	3	(*)	2	3	0	8	40	1	(D)	(D)
Portugal	183	(D)	74	19	25	(*)	2	10	(D)	(D)	26	1	41	(D)
Spain	1,388	33	906	58	212	37	(D)	68	376	(D)	159	13	155	123
Sweden	265	8	125	4	23	1	(D)	(*)	1	(D)	47	3	(D)	(D)
Switzerland	1,013	19	463	(D)	47	4	20	20	(*)	(D)	196	77	219	38
Turkey	245	(D)	215	124	14	(D)	0	3	3	(D)	9	0	(D)	(D)
United Kingdom	11,413	4,504	4,152	444	834	208	648	256	1,052	710	418	366	1,475	499
Other	897	286	486	(D)	123	(D)	2	44	(D)	(D)	61	8	(*)	56
Latin America and Other Western Hemisphere	**7,887**	**1,309**	**4,939**	**820**	**998**	**303**	**287**	**317**	**1,416**	**798**	**415**	**208**	**103**	**912**
South America	4,180	832	2,581	440	618	260	253	94	415	501	190	84	65	428
Argentina	581	161	313	166	62	5	1	9	4	65	48	(D)	(D)	(D)
Brazil	1,895	53	1,718	152	392	(D)	249	78	388	(D)	26	29	26	42
Chile	539	(D)	(D)	15	18	(D)	1	1	0	5	29	12	5	315
Colombia	432	242	135	35	51	4	0	2	3	40	10	(D)	(D)	19
Ecuador	216	188	23	6	12	3	0	1	(*)	2	1	(*)	0	3
Peru	(D)	(D)	18	3	11	3	0	1	0	1	4	(*)	1	(*)
Venezuela	350	95	183	43	71	5	2	2	19	41	69	(*)	2	1
Other	(D)	(D)	(D)	19	1	(*)	0	0	0	(D)	3	0	(*)	(D)
Central America	3,068	107	2,327	378	360	43	34	222	1,001	289	218	65	(D)	(D)
Costa Rica	172	(*)	43	14	8	2	0	3	0	16	(D)	0	0	(D)
Guatemala	50	13	12	6	3	0	0	0	0	3	(*)	(D)	(D)	(D)
Honduras	55	(D)	19	13	3	(*)	0	0	0	3	(D)	(*)	0	31
Mexico	2,634	7	2,239	343	338	39	34	219	1,001	265	109	63	23	193
Panama	128	(D)	9	2	6	(*)	0	0	0	1	(D)	(D)	1	(D)
Other	29	23	4	1	1	1	0	(*)	0	1	(*)	(*)	2	(*)
Other Western Hemisphere	639	371	31	3	20	(*)	(*)	1	0	7	7	59	(D)	(D)
Bahamas	66	16	(D)	(*)	(D)	0	0	0	0	0	(*)	(D)	(D)	1
Barbados	6	5	(*)	0	0	0	0	0	0	(*)	(*)	(*)	1	0
Bermuda	71	23	(*)	0	(*)	0	0	0	0	(*)	(*)	(D)	(D)	(D)
Dominican Republic	(D)	5	8	1	2	0	0	(*)	0	4	1	(*)	1	(D)
Jamaica	41	7	(D)	0	(D)	(*)	0	0	0	1	2	(*)	2	(D)
Netherlands Antilles	7	1	1	(*)	(*)	0	0	0	0	0	1	1	(*)	3
Trinidad and Tobago	(D)	(D)	1	(*)	(*)	0	0	0	0	(*)	0	1	(*)	0
United Kingdom Islands, Caribbean	9	4	1	0	1	0	0	1	0	(*)	2	(*)	1	(*)
Other	(D)	(D)	2	1	0	0	(*)	0	0	1	(*)	8	(*)	(*)
Africa	**2,363**	**2,134**	**149**	**23**	**64**	**24**	(D)	**2**	**2**	(D)	**16**	**4**	(D)	(D)
Egypt	315	277	32	2	26	3	(*)	2	0	0	3	1	3	(*)
Nigeria	584	573	10	6	3	(*)	1	(*)	0	(*)	1	0	0	0
South Africa	154	(D)	44	4	13	(D)	7	0	2	(D)	(D)	0	1	2
Other	1,309	(D)	62	12	22	(D)	(D)	(*)	0	(D)	(D)	3	(D)	(D)
Middle East	**927**	**709**	**155**	**24**	**2**	**1**	(D)	**114**	**0**	(D)	**9**	**3**	(D)	(D)
Israel	170	(*)	144	(D)	(*)	0	(D)	114	0	(D)	1	2	23	(*)
Saudi Arabia	32	6	9	(D)	1	1	0	0	0	(D)	1	(*)	(D)	(D)
United Arab Emirates	145	129	1	0	(*)	0	0	1	0	0	3	(*)	(D)	(D)
Other	580	574	(*)	(*)	0	0	0	0	0	0	3	1	(*)	1
Asia and Pacific	**14,521**	**5,969**	**4,315**	**462**	**905**	**89**	**657**	**1,377**	**204**	**620**	**1,271**	**524**	**434**	**2,006**
Australia	2,642	855	804	209	250	15	49	39	119	124	263	51	232	437
China	642	493	138	(D)	43	(D)	9	20	(*)	8	6	0	(*)	4
Hong Kong	1,196	74	111	2	12	6	12	49	(*)	30	123	65	25	798
India	58	(D)	42	(D)	4	0	2	(*)	0	(D)	2	(*)	(D)	0
Indonesia	2,424	(D)	55	(D)	19	(*)	2	4	0	(D)	9	(*)	(*)	(D)
Japan	2,441	(D)	1,341	66	260	26	(D)	373	6	(D)	476	296	105	(D)
Korea, Republic of	207	5	132	10	41	4	12	36	5	24	62	5	(*)	3
Malaysia	1,102	666	412	2	13	5	9	338	0	45	14	8	(*)	2
New Zealand	229	67	61	(D)	11	(*)	(*)	(*)	(D)	8	21	18	27	34
Philippines	505	(D)	276	42	82	2	(*)	119	(D)	(D)	8	2	1	(D)
Singapore	1,225	456	441	3	32	3	168	217	4	13	236	48	39	5
Taiwan	297	5	235	6	48	1	(D)	112	(D)	29	26	27	3	2
Thailand	1,342	1,057	241	(D)	77	(D)	7	64	(D)	51	(D)	5	(D)	(D)
Other	209	159	25	7	14	(*)	0	3	0	0	(D)	(*)	0	(D)
International [2]	**1,675**	**722**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**953**
Addenda:														
European Communities (12) [3]	29,318	5,763	15,378	1,689	3,871	593	1,877	1,258	3,382	2,708	1,905	1,219	3,354	1,699
OPEC [4]	4,199	3,243	259	59	94	7	5	7	19	68	(D)	(*)	8	(D)

* Less than $500,000.

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1. See footnote 1, table 1.
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