Direct Investment Positions for 2009

Country and Industry Detail

By Marilyn Ibarra-Caton

IN 2009, the U.S. direct investment abroad historical-cost position grew 9 percent, up from 8 percent growth in 2008. The foreign direct investment in the United States historical-cost position grew 7 percent after growing 5 percent in 2008.

Growth in the U.S. direct investment abroad—or "outward"—position accelerated even though equity investment dropped sharply and reinvested earnings were unchanged.[1] The acceleration resulted largely because appreciation of the U.S. dollar against major currencies reduced growth in the position in 2008, while depreciation of the dollar boosted the position in 2009. The stronger growth in the foreign direct investment in the United States—or "inward"—position, which occurred even though equity investment declined sharply, reflected a shift to small capital gains in 2009 from capital losses in 2008, when there were large write-downs of assets by financial affiliates as a result of turbulence in financial markets. [2]

This article introduces two changes that are based on BEA's efforts to introduce new statistical international standards in its international economic accounts.[3] The first is a change in the classification of permanent bank debt. Beginning with statistics for the first quarter of 2007, permanent debt between affiliated domestic banks and foreign banks is reclassified from direct investment to "other investment." See the box "Change in the Treatment of Permanent Bank Debt" on page 28. The second is a change in terminology. "Financial flows" replaces "capital flows" and "equity" replaces "equity capital."

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

- The outward direct investment position increased 9 percent in 2009, up from 8 percent growth in 2008 but still below the average annual growth rate of 13 percent in 1997–2007.
- The largest contributor to the increase in the position was reinvested earnings, which remained virtually unchanged in 2009 as the effect of a sharp increase in the share of earnings' reinvested offset that of a 15 percent decline in foreign affiliates' earnings. This marked the first earnings decrease since 2001, when earnings declined by 19 percent. In 2009, the earnings decline reflected the severe downturn in global economic activity.
- Valuation adjustments also contributed to the increase in the outward position. Valuation adjustments shifted from negative to positive in 2009, largely as a result of a shift to positive currency-translation adjustments caused by the depreciation

Data Availability

This article summarizes the preliminary statistics on direct investment positions for 2009. It also presents revised statistics on both outward and inward direct investment positions for 2007–2008. More detailed statistics on the positions and financial transactions and related income flows for both outward and inward investment will be published in the September 2010 SURVEY OF CURRENT BUSINESS.

Detailed statistics on the outward direct investment position and related financial and income flows for 1982–2009 and statistics on the inward direct investment position and related financial and income flows for 1980–2009 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 financial flows used in this article differs from the measure of direct investment financial flows used in the international transactions accounts because the reinvested earnings component of financial flows included here excludes a current-cost adjustment. See the box "Key Terms" for more information. In this article, "(direct investment) financial flows" is shorthand for "(direct investment) financial flows without current-cost adjustment," and "reinvested earnings" is shorthand for "reinvested earnings without current-cost adjustment."

3. *Balance of Payments and International Investment Position Manual*, 6 ed. (Washington, DC: International Monetary Fund, 2009) and *Benchmark Definition of Foreign Direct Investment*, 4th ed. (Paris: Organisation for Economic Co-operation and Development, 2008). See Kristy L. Howell and Robert E. Yuskavage, "Modernizing and Enhancing BEA's International Economic Accounts," SURVEY OF CURRENT BUSINESS 90 (May 2010): 6–20 for a discussion of BEA's plan to introduce other new international statistical standards in its international economic accounts.

of the U.S. dollar against major currencies, particularly the euro.

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

- The inward direct investment position increased 7 percent in 2009 after growing 5 percent in 2008. Growth in both years was significantly below the 12 percent average annual growth in 1997–2007.
- Equity investment was the largest component of the increase in the inward position in 2009, as it has been in most years, though these investments were the lowest since 2005.
- Valuation adjustments and reinvested earnings also increased the position. A shift to positive valuation adjustments was largely attributable to a shift to capital gains in 2009 from large capital losses in 2008. Reinvested earnings were down 45 percent in 2009, reflecting decreases in both earnings and the share of earnings reinvested.

This article presents details on the direct investment positions valued at historical cost by type of financial flow. It also presents details for outward investment cross-classified by country of foreign affiliate and by primary industry of the affiliate and for inward investment cross-classified by country of foreign parent and by primary industry of the U.S. affiliate.[4] Revisions to previously released statistics are also discussed.

Table A. Direct Investment Positions on a Historical-Cost Basis, 1982–2009

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	1,840.5	10.5	12.6
2007	2,994.0 r	2,055.2 r	(4)	(4)
2008	3,219.7 r	2,165.7 r	7.5	5.4
2009	3,508.1 p	2,319.6 p	9.0	7.1

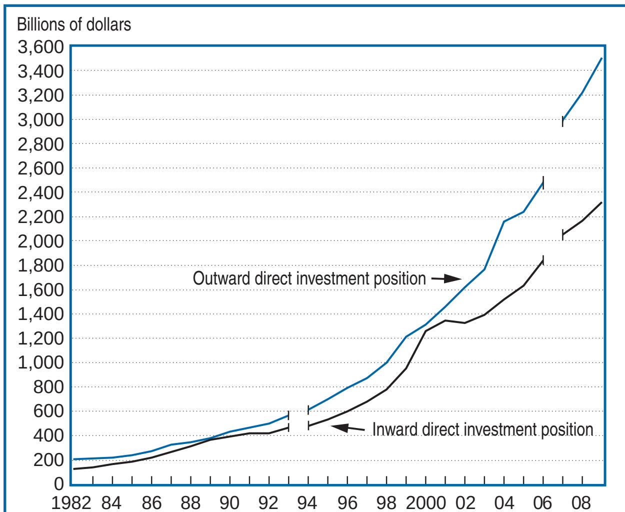
p Preliminary
r Revised
1. U.S. direct investment position abroad.
2. Foreign direct investment position in the United States.
3. The direct investment positions reflect a discontinuity between 1993 and 1994 because of the reclassification of intercompany debt between parent companies and affiliates that are nondepository financial intermediaries from direct investment to other investment accounts.
4. The direct investment positions reflect a discontinuity between 2006 and 2007 because of the reclassification of permanent debt between affiliated depository institutions from direct investment to other investment accounts. In 2007, if permanent bank debt had remained in direct investment, the outward direct investment position would have increased 21.1 percent, and the inward direct investment position would have increased 11.8 percent.

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 $3,508.1 billion at the end of 2009 (table A and chart 1). Positions in the Netherlands and the United Kingdom were the largest—each accounting for 13 percent of the total (table 1.2 and chart 2).

4. The outward direct investment position and related financial 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 financial 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.

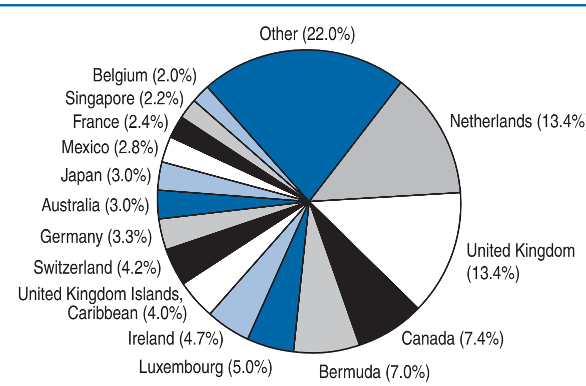
Chart 1. Direct Investment Positions at Historical Cost, 1982–2009



NOTE. There are discontinuities between 1993 and 1994 and between 2006 and 2007. See footnotes 3 and 4 in table A.

U.S. Bureau of Economic Analysis

Chart 2. Outward Direct Investment Position by Country of Foreign Affiliate at Yearend 2009



U.S. Bureau of Economic Analysis

The position in the Netherlands was $471.6 billion, and the position in the United Kingdom was $471.4 billion. For the Netherlands, most of the position increase and 70 percent of the position was accounted for by holding companies, which likely invested the funds in other countries or industries; see the box "Indirect Ownership in the Statistics on U.S. Direct Investment Abroad" on page 25. The positions in Canada and Bermuda were the next largest—each accounting for 7 percent of the worldwide total.

In 2009, the outward direct investment position grew 9 percent, or $288.4 billion, up from 8 percent in 2008. The higher growth in 2009 was the result of a shift in valuation adjustments from negative to positive, which was largely due to a shift to positive currency-translation adjustments.

Changes by component

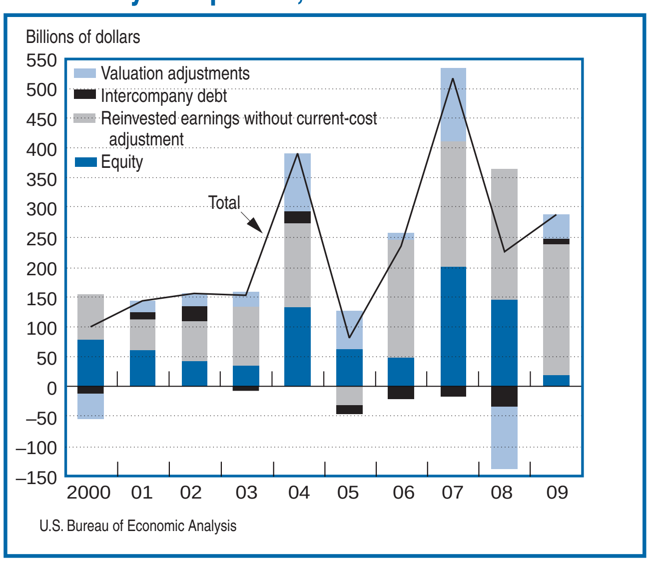
The $288.4 billion increase in the outward direct investment position resulted from financial outflows of $248.1 billion and valuation adjustments of $40.3 billion (table B and chart 3).

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

[Billions of dollars]

	2008	2009
Total	225.7	288.4
Financial flows without current-cost adjustment	330.5	248.1
Equity	145.5	18.4
Increases	208.2	68.5
Decreases	62.7	50.0
Intercompany debt	–33.9	10.3
Reinvested earnings without current-cost adjustment	218.9	219.3
Valuation adjustments	–104.7	40.3
Currency translation	–64.2	57.4
Other	–40.6	–17.1

Chart 3. Change in the Outward Direct Investment Position by Component, 2000–2009



Financial flows

Financial outflows for U.S. direct investment abroad were $248.1 billion in 2009, down from $330.5 billion in 2008. Financial flows in 2009 consisted of reinvested earnings of $219.3 billion, net equity investment of $18.4 billion, and net intercompany debt investment of $10.3 billion.

Equity investment. U.S. parents' net equity investment in their foreign affiliates was $18.4 billion in 2009, down sharply from $145.5 billion in 2008. Net equity investment in 2009 was the lowest since 1992, when it was $14.6 billion. Net equity investment resulted from equity increases of $68.5 billion, which were partly offset by equity decreases of $50.0 billion. Equity increases were down 67 percent from 2008, largely reflecting a slowdown in capital contributions to existing foreign affiliates, which were $52.7 billion in 2009, down from $156.3 billion. Equity increases also reflect the acquisition or establishment of new foreign affiliates, which were $15.7 billion in 2009, down from $51.9 billion. Equity decreases, which reduce the outward position, were down 20 percent from 2008, largely reflecting a drop in returns of capital from existing affiliates.

In 2009, over half of the capital contributions to existing foreign affiliates were to affiliates in Europe, primarily in the United Kingdom, Luxembourg, and the Netherlands. By industry, the largest contributions were to affiliates in "finance (except banks) and insurance" and holding companies.[5]

Equity increases for the acquisition or establishment of affiliates were largest in two European countries: the United Kingdom and the Netherlands. In the United Kingdom, the largest increase was in manufacturing, entirely in chemicals manufacturing. In the Netherlands, the increase was concentrated in holding companies, whose holdings include finance and information affiliates in Europe and Asia, pharmaceutical affiliates in Europe, and chemicals manufacturing affiliates in Europe and "Latin America and Other Western Hemisphere."

In 2009, equity decreases were largest in Asia and Pacific and in Europe. By industry, equity decreases were largest in banking and "finance (except banks) and insurance." Like in 2008, equity decreases due to returns of capital from continuing affiliates were higher than equity decreases due to liquidations or selloffs of affiliates.

Reinvested earnings. Reinvested earnings—the difference between U.S. parent companies' shares in their foreign affiliates' total earnings and the distributions to

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

the parents from the affiliates' current and cumulative retained earnings—were little changed from 2008. Reinvested earnings added $219.3 billion to the outward direct investment position in 2009, accounting for 88 percent of the financial flows and for more than three-fourths of the increase in the outward position.

Reinvested earnings were positive in all industries except banking and transportation equipment manufacturing. Affiliates in holding companies accounted for half of total reinvested earnings. By region, reinvested earnings were largest in Europe, accounting for 57 percent of the worldwide total. Reinvested earnings were particularly large in the Netherlands and Ireland.

Reinvested earnings were virtually unchanged in 2009 despite a $55.6 billion decline in foreign affiliates' earnings, from $374.3 billion to $318.7 billion. The 15 percent decrease in earnings followed a 9 percent increase in 2008. The decrease in 2009 marked the first earnings decrease for foreign affiliates since 2001. In 2009, the earnings decline reflected the severe downturn in global economic activity. The reinvestment ratio—reinvested earnings relative to current-year earnings—rose from 58 percent in 2008 to 69 percent in 2009, as the share of earnings distributed fell sharply.

By industry, foreign affiliates' earnings were down in all major industries except in information and in professional, scientific, and technical services, both of which had small increases. The largest decreases in earnings were in manufacturing (broadly spread over all subindustries), holding companies, and mining. By region, foreign affiliates' earnings were down in all major regions. The largest decreases were in Europe, Canada, and Asia and Pacific (particularly holding companies in Singapore). In Europe, the largest decreases were in banking in the United Kingdom and in mining in Norway.

Intercompany debt investment. In 2009, U.S. parents' borrowing and lending transactions with their foreign affiliates increased their net intercompany debt position in these affiliates by $10.3 billion, following a $33.9 billion reduction in 2008. The vast majority of the increase in 2009 resulted from parents' reducing their indebtedness to their foreign affiliates. By region, the net intercompany debt outflows were more than accounted for by outflows to affiliates in "Latin America and Other Western Hemisphere." By industry, "finance (except banks) and insurance" and manufacturing each more than accounted for the overall increase in the debt position. Partly offsetting were net intercompany debt inflows in holding companies.

Valuation adjustments

Valuation adjustments totaled $40.3 billion in 2009, compared with –$104.7 billion in 2008. Currency-translation adjustments were $57.4 billion in 2009, reflecting the change in the U.S. dollar value of investments in foreign affiliates caused by the depreciation of the U.S. dollar against most major currencies, particularly the euro. These currency-translation adjustments were partly offset by –$17.1 billion in "other" valuation adjustments, which largely reflected capital losses.

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 prepared only 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 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. The current-cost statistics on the position are discussed in "The International Investment Position of the United States at Yearend 2009" in this issue.

Alternative Direct Investment Positions, 2008 and 2009

[Millions of dollars]

Valuation method	Position at yearend 2008 r	Changes in 2009			Position at yearend 2009 p
		Total	Financial flows	Valuation adjustments	
U.S. direct investment abroad:					
Historical cost	3,219,725	288,418	248,074	40,345	3,508,142
Current cost	3,742,835	308,356	268,680	39,676	4,051,191
Market value	3,103,704	1,199,147	268,680	930,467	4,302,851
Foreign direct investment in the United States:					
Historical cost	2,165,748	153,838	129,883	23,955	2,319,585
Current cost	2,521,353	151,433	134,707	16,726	2,672,786
Market value	2,552,572	568,011	134,707	433,304	3,120,583

p Preliminary
r Revised

Changes by area and by country

In 2009, the outward direct investment position increased in each of the major areas (table C). Europe accounted for 50 percent of the overall increase in the outward direct investment position. The increase in "Latin America and Other Western Hemisphere" was also substantial, accounting for 30 percent of the overall increase.

Europe. The direct investment position increased $145.0 billion. The largest component of the increase was reinvested earnings, which accounted for 86 percent of the increase. Increases in the position were broadly based by country and by industry. The Netherlands, the United Kingdom, Luxembourg, and Ireland accounted for the largest dollar increases. By industry, the largest increase was in holding companies.

The Netherlands had the largest increase at $44.8 billion, which was largely attributable to reinvested earnings in holding companies. In the United Kingdom, the $21.9 billion increase was accounted for by increases in "finance (except banks) and insurance" and manufacturing, especially "other" manufacturing. In "finance (except banks) and insurance," the increase reflected reinvested earnings and valuation adjustments. In "other" manufacturing, much of the increase reflected intercompany debt investment in petroleum refining and extraction. In Luxembourg, the $21.3 billion increase was attributable to increases in "finance (except banks) and insurance," holding companies, and information. In "finance (except banks) and insurance," capital contributions to existing affiliates were the main cause of the increase. In Ireland, a large share of the $19.3 billion increase was in holding companies, most of it due to reinvested earnings.

Latin America and Other Western Hemisphere. The outward position rose $87.6 billion, with Bermuda's accounting for more than a third of the increase. The $31.8 billion increase in Bermuda was largely in "finance (except banks) and insurance" and holding companies. The next largest dollar increases were in the United Kingdom Islands, Caribbean and in Brazil—each had increases slightly larger than $12.0 billion. In the United Kingdom Islands, Caribbean, the increase was concentrated in holding companies. In Brazil, the increase was broadly based by industry, the largest of which was manufacturing (particularly transportation equipment manufacturing). By industry, increases in the position were broadly based. The largest increases were in holding companies, "finance (except banks) and insurance" and mining.

Asia and Pacific. Although smallest in dollar terms, the $22.5 billion increase in the position was spread over several industries, with the largest increases in "finance (except banks) and insurance," and manufacturing, especially "other" manufacturing. Within "other" manufacturing, much of the increase was in glass and glass products manufacturing.

The largest increases were in Australia, Hong Kong, and the Republic of Korea. In Australia and the Republic of Korea, the largest increases were in manufacturing. Nearly half of the increase in Hong Kong was attributable to "finance (except banks) and insurance."

Within this region, the largest position decreases were in Singapore and China. In Singapore, the decrease was more than accounted for by holding companies. In China, the decrease was more than accounted for by a decrease in banking.

Canada. In 2009, the position increased $20.6 billion, with the largest increases in holding companies and "other industries." In "other industries," the largest increases were in accommodations and food services and in retail trade (particularly general merchandise stores).

Africa. The $7.6 billion increase in the outward position in Africa, though relatively small in dollar terms, represented the largest percentage increase (20 percent) of the major regions. Within Africa, the countries with the largest dollar increases were Nigeria, Egypt, and South Africa. In Nigeria and Egypt, the increase was largely accounted for by mining. In South Africa,

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

	Change (2008–2009)	
	Billions of dollars	Percent
All countries	288.4	9
Canada	20.6	9
Europe	145.0	8
Of which:		
Netherlands	44.8	11
United Kingdom	21.9	5
Luxembourg	21.3	14
Ireland	19.3	13
Switzerland	16.1	12
Germany	8.6	8
Belgium	4.7	7
France	4.0	5
Sweden	–10.6	–28
Latin America and Other Western Hemisphere	87.6	15
Of which:		
Bermuda	31.8	15
United Kingdom Islands, Caribbean	12.3	10
Brazil	12.2	27
Mexico	8.3	9
Chile	6.2	38
Netherlands Antilles	4.2	31
Africa	7.6	20
Middle East	5.1	16
Asia and Pacific	22.5	5
Of which:		
Australia	11.9	13
Hong Kong	10.4	26
Korea, Republic of	4.6	21
India	2.0	12
Singapore	–9.2	–11
China	–3.1	–6

Indirect Ownership in the Statistics on U.S. Direct Investment Abroad

For the past three decades, the share of direct investments abroad owned indirectly—that is, by U.S. parent companies owning foreign affiliates that in turn own other foreign affiliates—has increased. While affiliates in any industry can own other foreign affiliates, much of this investment is funneled through holding-company affiliates.[1] Foreign affiliates classified as holding companies accounted for 36 percent of the U.S. direct investment position abroad in 2009.[2] In 1982, foreign affiliates classified as holding companies accounted for 9 percent of the U.S. direct investment position abroad (chart A).

One consequence of the rising use of indirect ownership arrangements is that U.S. direct investment abroad statistics on positions 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.

Indirect ownership of affiliates, especially through holding companies, 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. According to the operations statistics, in 2007, three-fourths of foreign affiliates' equity investment in other foreign affiliates was by holding companies, but there were also sizable holdings by affiliates in "finance (except banks) and insurance" and manufacturing. Other factors also contribute to the differences between the position statistics and the operations statistics, including 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 2007 (the latest year for which detailed operations statistics are available) illustrates the differences in distribution between the position statistics and the operations statistics. In that year, manufacturing's share of the outward position, 17 percent, was similar to its 12 percent share of the assets but much lower than its 35 percent share of the PP&E of foreign affiliates. By country, the Netherlands' share of the direct investment position was 14 percent, compared with its 9 percent share of assets and 2 percent share of PP&E.[5]

For further discussion of the effects 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 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.

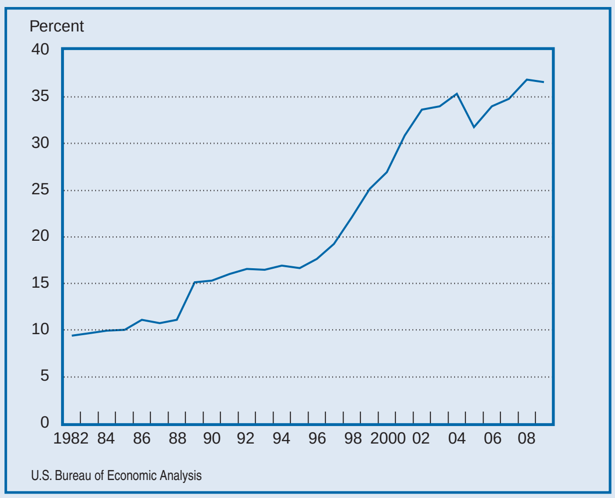
2. In 2009, the 36 percent share was virtually unchanged from that in 2008. In 2007 and 2004, the share was 35 percent. The shares in 2005-2006 were lower—32 percent in 2005 and 34 percent in 2006—primarily as the result of large earnings distributions (and the resulting negative reinvested earnings) in 2005 associated with the American Jobs Creation Act of 2004. The largest distributions by far 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, which may differ from the industries and countries of the affiliates whose operations the parents ultimately own or control. This convention follows international statistical guidelines in the International Monetary Fund's sixth edition of the *Balance of Payments Manual and International Investment Position Manual.*

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, 1982–2009



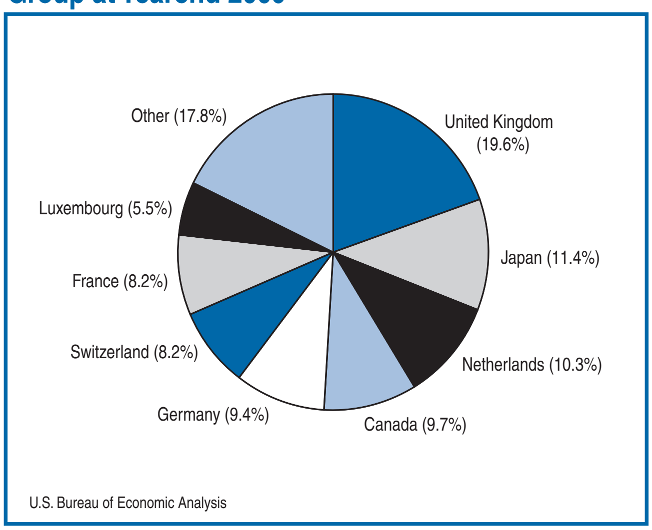
the largest increase was in manufacturing and the increase was broadly spread over several manufacturing subindustries.

Middle East. Although smallest in dollar terms, the $5.1 billion increase in the Middle East position was the second largest percentage increase (16 percent) of any major region. Within the region, Saudi Arabia and "Other" Middle East (especially Qatar) had the largest dollar increases.

Foreign Direct Investment in the United States

At the end of 2009, 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 $2,319.6 billion (table A and chart 1). The United Kingdom remained the largest investing country, with a position of $453.9 billion, or 20 percent of the total. Japan had the next largest position at $264.2 billion, or 11 percent of the total (table 2.2 and chart 4). Foreign direct investors in the Netherlands and Canada each accounted for 10 percent of the total position. See the box "Indirect Ownership in the Statistics on Foreign Direct Investment in the United States."

Chart 4. Inward Direct Investment Position by Country of Each Member of the Foreign Parent Group at Yearend 2009



In 2009, the inward direct investment position grew 7 percent, or $153.8 billion, after growing 5 percent in 2008. The higher growth in 2009 was the result of a shift in valuation adjustments from negative to positive, which more than offset a sizable decrease in net equity investment.

Changes by component

The $153.8 billion increase in the inward direct investment position resulted from financial inflows of $129.9 billion and valuation adjustments of $24.0 billion (table D and chart 5).

Financial flows

Direct investment financial flows were $129.9 billion in 2009, down from $324.6 billion in 2008. Financial flows in 2009 consisted of $94.8 billion in net equity investment, $23.7 billion in reinvested earnings, and $11.5 billion in net intercompany debt investment.

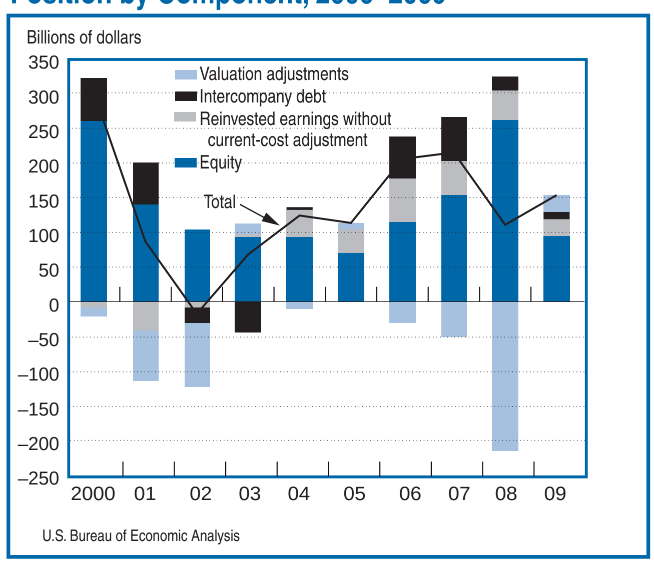
Equity investment. In 2009, foreign parents' net equity investment in their U.S. affiliates was $94.8 billion, down from $261.6 billion. Net equity investment in 2009 was the lowest since 2005, when it was $70.7 billion. In 2009, net equity investment resulted from equity increases of $117.4 billion that were partly offset by equity decreases of $22.6 billion. Equity increases were down 63 percent, largely reflecting a slowdown in

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

[Billions of dollars]

	2008	2009
Total	110.6	153.8
Financial flows without current-cost adjustment	324.6	129.9
Equity	261.6	94.8
Increases	320.8	117.4
Decreases	59.2	22.6
Intercompany debt	19.8	11.5
Reinvested earnings without current-cost adjustment	43.2	23.7
Valuation adjustments	–214.0	24.0
Currency translation	–7.1	3.6
Other	–206.9	20.4

Chart 5. Change in the Inward Direct Investment Position by Component, 2000–2009



Indirect Ownership in the Statistics on Foreign Direct Investment in the United States

Foreign multinational firms may own their U.S. affiliates indirectly through ownership chains that extend across countries. The position statistics that are presented in this article are classified by the country of the foreign parent or of the member of the foreign parent group (henceforth, by the country of foreign parent) with a positive or negative net debt investment in the U.S. affiliate, which is consistent with the international statistical guidelines.[1] As such, the position is classified by the first country outside of the United States with a direct claim on the U.S. affiliate. In addition to the data collected by country of foreign parent, the Bureau of Economic Analysis (BEA) collects data on the country of the ultimate beneficial owner (UBO) of the U.S. affiliate. The UBO ultimately owns or controls the U.S. affiliate (see the box “Key Terms”). For the first time in this article, BEA is also presenting the inward direct investment position classified by country of UBO for major regions and selected countries. [2]

For most affiliates, the country of the UBO is also the country of the foreign parent. Of the U.S. affiliates required to report in the 2007 Benchmark Survey of Foreign Direct Investment in the United States, the country of the UBO and that of its foreign parent was the same for 87 percent of affiliates. Together, these affiliates accounted for more than four-fifths of the total assets, sales, and employment of all affiliates.[3] However for some countries, especially financial centers through which multinational firms may channel their investments, the position classified by country of UBO can differ significantly from those classified by country of foreign parent.

For some foreign parent countries—most notably, Luxembourg, the Netherlands, and Ireland—the positions classified by country of foreign parent were much higher than those classified by country of UBO. For other UBO countries—most notably, Bermuda and a number of countries in the Middle East—positions classified by country of UBO were much higher than those classified by country of foreign parent.[4]

Bermuda is an example of a country that uses tax and regulatory policies to attract the corporate headquarters of multinational firms.[5] For Bermuda, the higher position by country of UBO than by country of the foreign parent represent investments by multinational companies organized with entities in Bermuda at the top-tier of the corporate group, including U.S. corporations that reorganize their ownership structure.[6]

For countries in the Middle East, positions by country of foreign parent are lower than those classified by country of UBO because investments from the Middle East are often routed through affiliates in other countries.

1. This convention follows guidelines in the *Balance of Payments and International Investment Position Manual*, 6th ed. (Washington, DC: International Monetary Fund, 2009).

2. BEA regularly publishes detailed tabulations that compare statistics classified by country of foreign parent and country of UBO for both the direct investment position and direct investment income in table 16 in the September SURVEY; for example, see table 16 on page 281 in the September 2009 SURVEY. This September, preliminary statistics for 2009 and revised statistics for 2007 and 2008 will be published. Table 16 will also be available in late July on BEA’s Web site.

3. Data are preliminary results from the 2007 benchmark survey.

4. The position for Bermuda when classified by country of foreign parent was –$13.2 billion in 2009. A negative direct investment position may result when affiliates’ financial claims on direct investors exceed direct investors’ claims on their affiliates. Typically, a negative position will result from debt transactions in which affiliates act as net lenders to their foreign parents.

5. For a summary of research on the effects of taxation on multinational firms, see Mihir A. Desai, Fritz C. Foley, and James R. Hines, “Taxation and Multinational Activity: New Evidence, New Interpretations,” SURVEY 86 (February 2006): 16–22.

6. Such reorganizations are sometimes referred to as “corporate inversions.” The U.S. corporation forms a new corporation in a foreign country and simultaneously inverts its ownership structure so that the U.S. corporation is now a U.S. affiliate of a foreign corporation.

Historical-Cost of Inward Direct Investment Position by Country of Foreign-Parent-Group Member and the UBO, 2009 [1]

[Billions of dollars]

	By country of each member of the foreign parent group	By country of ultimate beneficial owner
All countries	2,319.6	2,319.6
Canada	225.8	251.2
Europe	1,685.3	1,464.4
Of which:		
Ireland	32.6	24.0
Luxembourg	127.8	4.1
Netherlands	238.0	119.0
United Kingdom	453.9	557.9
Latin America and Other Western Hemisphere	27.9	154.5
Of which:		
Bermuda	–13.2	92.6
Mexico	11.4	34.2
United Kingdom Islands, Caribbean	17.5	8.4
Africa	1.7	1.8
Middle East	17.6	47.2
Asia and Pacific	361.3	381.0
Of which:		
Japan	264.2	271.9

1. The ultimate beneficial owner is that person, proceeding up a U.S. affiliate’s ownership chain, beginning with and including the foreign parent, that is not owned more than 50 percent by another person. The country of ultimate beneficial owner is often the same as that of the foreign parent, but it may be a different country or the United States.

worldwide merger and acquisition activity, compared with those in 2008. Equity decreases, which reduce the inward position, were down by 62 percent from those in 2008, as the number of returns of capital and large selloffs of U.S. affiliates declined in 2009.

Equity investment from all major regions and all industries declined except in real estate and rental and leasing and in information. By industry, the largest decreases were in manufacturing, particularly "other manufacturing" (especially beverages) and in "finance (except banks) and insurance"; equity investment in these industries had been boosted in 2008 by large acquisitions. By country, the largest decreases were for parents in the Netherlands, Japan, and the United Kingdom.

In 2009, equity increases were largest in manufacturing and "finance (except banks) and insurance," closely followed by "other industries." Within manufacturing, equity increases were largest in transportation equipment and in chemicals manufacturing. By country, the largest equity increases were from the United Kingdom, Luxembourg, France, and the Netherlands. Equity decreases were widely dispersed by industry.

Reinvested earnings. The foreign parents' share of U.S. affiliates' current-period earnings less distributions to the parents from affiliates' current and cumulative retained earnings added $23.7 billion to the inward direct investment position in 2009. Reinvested earnings were largest for affiliates in "other industries," manufacturing, and "finance (except banks) and insurance," which together more than accounted for the overall total. Within manufacturing, reinvested earnings in chemicals manufacturing more than accounted for the total. By country, reinvested earnings were largest for affiliates with parents in Germany, Switzerland, and France.

Reinvested earnings were down 45 percent in 2009, following a 13 percent decline in 2008. Reinvested earnings in 2009 were the lowest since 2003, when they were $3.7 billion. By industry, the decrease in reinvested earnings was more than accounted for by wholesale trade, resulting from a sizable shift to negative reinvested earnings in that industry.

The decrease in reinvested earnings reflected both lower earnings and a lower reinvestment ratio—the ratio of reinvested earnings to total earnings. The reinvestment ratio decreased from 50 percent in 2008 to 37 percent in 2009, as earnings fell more sharply than distributions to foreign parents. In 2009, U.S. affiliates' earnings decreased 26 percent, to $63.9 billion, following a 13 percent decline in 2008. The decline in both years coincided with declines in U.S. corporate profits, which fell 5 percent in 2009 and 12 percent in 2008.[6]

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

Change in the Treatment of Permanent Bank Debt

As a part of its ongoing efforts to introduce new international standards, BEA has changed the treatment of "permanent" debt transactions between affiliated depository institutions—banks, bank holding companies, and financial holding companies—by removing these transactions from direct investment and recording them in other investment accounts. Permanent debt is debt that is deemed to represent a lasting interest in the institution receiving the funds, such as funding used for working capital or to finance plant and equipment. The previous treatment was consistent with the recommendations of the International Monetary Fund's (IMF's) fifth edition of its *Balance of Payments Manual*. In the sixth edition of the manual, entitled the *Balance of Payments and International Investment Position Manual* (BPM6) released in 2009, the IMF recommends that *all* debt between affiliated financial intermediaries be excluded from direct investment and recorded in other investment accounts. Following this recommendation, beginning with the statistics for the first quarter of 2007, permanent debt between these affiliated financial intermediaries is excluded from direct investment, and like loans and deposits made in the ordinary course of carrying out financial intermediation, it is recorded in the international transactions accounts table 1 as claims (line 54) and liabilities (line 69) reported by U.S. banks.[1]

For the outward direct investment position, roughly $5.3 billion of net permanent bank debt included in the yearend 2008 position was reclassified from direct investment to U.S.-bank-reported claims and liabilities; for 2007, the amount was $6.5 billion. In the inward direct investment position, roughly $6.5 billion of permanent bank debt in the yearend 2008 position was reclassified; for 2007, the amount was $3.3 billion.[2]

1. In the prototype BPM6 tables presented in "Modernizing and Enhancing BEA's International Economic Accounts" in the May 2010 Survey, these permanent debt transactions would fall under the new category "other investment." However, this change in treatment was not reflected in the data presented in those tables.

2. For these previously published statistics, see "Table 4. U.S. Direct Investment Position Abroad on a Historical-Cost Basis by Account, 2006–2008 (page 216) and "Table 4. Foreign Direct Investment Position in the United States on a Historical-Cost Basis by Account, 2006–2008" (page 251) in the September 2009 Survey.

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 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, proceeding up to the affiliate's ownership chain, that is not more than 50 percent-owned by another person, 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 investors' 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 financial accounting records of affiliates and generally reflects the acquisition cost of the investments, cumulative reinvested earnings, and cumulative depreciation of fixed assets.

Direct investment financial 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. Financial **outflows** arise from transactions that increase U.S. assets or decrease U.S. liabilities. Financial **inflows** arise from transactions that decrease U.S. assets or increase U.S. liabilities. Direct investment financial flows consist of equity investment, intercompany debt investment, and reinvested earnings.

Equity investment is the difference between equity increases and decreases. Equity 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 decreases are the funds parents receive when they reduce their equity interests 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 financial 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) write-offs 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.

U.S. affiliates' earnings were down in several industries. Earnings fell sharply in wholesale trade and in manufacturing (particularly in primary and fabricated metals) and to a lesser extent in professional, scientific, and technical services. Additionally, earnings shifted to losses in banking and in real estate and rental and leasing. In wholesale trade, much of the decrease was attributable to U.S. affiliates with foreign parents in the United Kingdom.

Intercompany debt investment. Borrowing and lending transactions between U.S. affiliates and foreign parent groups increased the inward direct investment position by $11.5 billion in 2009, compared with a $19.8 billion increase in 2008. Net debt investment in 2009 resulted from an $8.0 billion decrease in affiliates' debt claims on foreign parent group members and a $3.4 billion increase in U.S. affiliates' debt obligations to their foreign parents or other members of the foreign parent group. By industry, wholesale trade more than accounted for the increase in the debt position. By country, Belgium more than accounted for the increase; increases were also sizable in France and Luxembourg.

Valuation adjustments

Valuation adjustments increased the inward position $24.0 billion in 2009 after decreasing it $214.0 billion in 2008. Valuation adjustments in 2009 consisted of "other" valuation adjustments of $20.4 billion, which include capital gains and losses, and currency-translation adjustments of $3.6 billion. The shift to positive valuation adjustments was largely attributable to a shift to capital gains in 2009 from large capital losses in 2008. These losses largely reflected write-downs and writeoffs of financial assets as a result of turbulence in financial markets.

Changes by area and by country

Foreign direct investors from Europe had by far the largest increase in the inward direct investment position, accounting for 85 percent of the overall increase (table E). The increase in the position for Canada was also substantial. In contrast, the positions for "Latin America and Other Western Hemisphere" and Africa decreased.

Europe. The position increased $130.1 billion in 2009. The largest component of the increase was capital contributions to existing affiliates. Increases in the position for Europe were broadly based by country and by industry. The Netherlands, France, and Switzerland accounted for the largest dollar increases. By industry, the largest increases were in "finance (except banks) and insurance," and "other industries."

By country, the Netherlands had the largest increase, $38.8 billion, with over half of the increase accounted for by "other industries," mainly due to valuation adjustments reflecting transfer of ownership of existing U.S. affiliates from foreign parents in other countries to the Netherlands.[7] For France, the $32.1 billion increase was largest in manufacturing (primarily in chemicals manufacturing, and to a lesser extent, in electrical equipment, appliances, and components manufacturing); the increase in manufacturing was evenly due to equity investment, intercompany debt investment, and reinvested earnings. For Switzerland, the $24.8 billion increase was largely accounted for by increases in manufacturing and "other industries." Within manufacturing, "other" manufacturing, especially medical equipment and supplies manufacturing, accounted for most of the increase as a result of intercompany debt investment and valuation adjustments reflecting transfer of ownership of existing U.S. affiliates to Switzerland.

Canada. The $31.7 billion increase in the position for Canada was the largest percentage increase (16 percent) of any region. The increase was largely due to acquisitions in manufacturing (especially transportation

7. Although transfer of ownership of affiliates increases the position for the countries to which ownership is transferred, the overall inward position is not affected because of offsetting decreases for the position of the countries from which ownership was transferred.

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 (2008–2009)	
	Billions of dollars	Percent
All countries	153.8	7
Canada	31.7	16
Europe	130.1	8
Of which:		
Netherlands	38.8	19
France	32.1	20
Switzerland	24.8	15
Germany	16.7	8
Belgium	15.5	67
Luxembourg	9.5	8
Ireland	6.5	25
Spain	4.8	12
Sweden	3.1	9
Italy	–9.0	–48
United Kingdom	–0.5	(*)
Latin America and Other Western Hemisphere	–18.3	–40
Of which:		
Bermuda	–17.3	(1)
United Kingdom Islands, Caribbean	–6.9	–28
Africa	–0.6	–27
Middle East	0.4	2
Asia and Pacific	10.6	3
Of which:		
Australia	5.0	12
Japan	4.5	2

* Less than –0.5 percent.
1. The percent change cannot be computed because of a change in sign attributable to a negative inward position in 2009. A negative direct investment position may result when affiliates' financial claims on direct investors exceed direct investors' claims on their affiliates. Typically, a negative position will result from debt transactions in which affiliates act as net lenders to their foreign parents.

equipment manufacturing). "Finance (except banking) and insurance" and banking also contributed to the increase.

Asia and Pacific. The position increased $10.6 billion and was largely attributable to parents in Australia and Japan. For Australia, the $5.0 billion increase was more than accounted for by an increase in "other industries," primarily holding companies, largely due to intercompany debt investment. For Japan, the $4.5 billion increase in position was more than accounted for by increases in "finance (except banks) and insurance" and in banking. In "finance (except banks) and insurance," intercompany debt investment was a large contributor to the increase. In banking, the increase largely reflected capital contributions to existing affiliates.

Middle East and Africa. The position for the Middle East increased $0.4 billion, with the largest increase in "finance (except banks) and insurance" and manufacturing (primarily chemicals manufacturing). In contrast, the position for Africa decreased $0.6 billion, largely in manufacturing; the largest decrease was in "other" manufacturing, primarily integrated petroleum refining and extraction.

Latin America and Other Western Hemisphere. The position decreased $18.3 billion. Bermuda accounted for most of the change, with a $17.3 billion decrease. In Bermuda, valuation adjustments largely reflecting transfers of ownership of existing U.S. affiliates from Bermuda to other countries reduced the position.

Acknowledgments

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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 2009 are preliminary. The revised statistics for both outward and inward direct investment positions and related financial flows for 2007–2008 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.[8]

The historical-cost outward direct investment position for 2007 was revised up $77.1 billion to $2,994.0 billion. The upward revision was attributable to a $61.9 billion upward revision to valuation adjustments and a $15.2 billion upward revision to financial flows. The outward position for 2008 was revised up $57.7 billion to $3,219.7 billion. The revision was the result of the $77.1 billion upward revision to the 2007 position, an $18.7 billion upward revision to 2008 financial flows, and a $38.0 billion downward revision to 2008 valuation adjustments.

The historical-cost inward direct investment position for 2007 was revised down $54.7 billion to $2,055.2 billion. The revision resulted from a $49.5 billion downward revision to valuation adjustments and a $5.2 billion downward revision to financial inflows. The inward position for 2008 was revised down $113.1 billion to $2,165.7 billion. The revision was the result of a $54.7 billion downward revision to the 2007 position, a $66.9 billion downward revision to 2008 valuation adjustments, and an $8.4 billion upward revision to 2008 financial flows.

8. For the previously published statistics, see Marilyn Ibarra and Jennifer Koncz, "Direct Investment Positions for 2008: Country and Industry Detail," SURVEY 89 (July 2009): 20–34.

Tables 1.1–2.2 follow.

Table 1.1. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 2008

[Millions of dollars]

	All industries	Mining	Manufacturing: Total	Manufacturing: Food	Manufacturing: Chemicals	Manufacturing: Primary and fabricated metals	Manufacturing: Machinery	Manufacturing: Computers and electronic products	Manufacturing: Electrical equipment, appliances, and components	Manufacturing: Transportation equipment	Manufacturing: 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	**3,219,725**	**153,442**	**484,596**	**41,201**	**114,171**	**20,078**	**39,093**	**65,530**	**23,582**	**45,456**	**135,486**	**176,869**	**135,037**	**116,874**	**688,160**	**74,691**	**1,181,323**	**208,733**
Canada	**239,170**	**21,967**	**62,558**	**4,456**	**11,740**	**4,051**	**3,421**	**2,251**	**2,341**	**6,889**	**27,412**	**19,795**	**5,331**	**4,423**	**40,191**	**4,597**	**48,985**	**31,322**
Europe [1]	**1,831,246**	**46,351**	**247,959**	**23,888**	**67,474**	**10,561**	**24,629**	**26,220**	**16,117**	**20,734**	**58,336**	**93,305**	**94,023**	**80,948**	**341,423**	**50,566**	**763,137**	**113,533**
Austria	15,926	1	4,061	1	245	(D)	197	(D)	(D)	1,553	–378	1,051	–55	(D)	2,148	410	(D)	763
Belgium	65,028	12	23,342	1,002	11,266	478	976	916	307	911	7,487	5,391	–736	(D)	30,403	1,466	2,808	(D)
Czech Republic	5,548	0	2,084	(D)	89	94	(D)	112	21	819	157	317	225	(D)	(D)	31	(D)	–4
Denmark	10,278	(D)	2,993	(D)	49	24	(D)	1,401	49	2	(D)	1,015	1,027	(D)	204	335	1,015	3,003
Finland	2,072	0	898	(D)	31	28	(D)	200	(D)	(D)	113	776	151	(D)	26	–33	(D)	233
France	81,753	99	25,527	5,619	3,085	3,049	1,532	1,865	305	2,090	7,982	5,132	2,608	3,427	6,066	2,795	24,915	11,184
Germany	108,217	29	26,817	818	6,487	1,834	3,737	3,871	(D)	2,363	(D)	10,775	3,784	1,617	19,139	5,504	33,958	6,592
Greece	2,139	–5	750	73	87	0	1	10	0	0	579	739	20	–141	552	12	(D)	(D)
Hungary	7,724	(D)	4,798	155	115	17	(D)	161	–8	(D)	(D)	375	107	(D)	102	–70	178	(D)
Ireland	146,672	(D)	13,778	261	4,747	92	462	3,128	–138	59	5,167	4,250	26,640	(D)	13,942	10,377	38,564	(D)
Italy	28,679	23	11,437	741	2,039	1,063	892	1,409	59	1,501	3,732	3,224	2,823	412	3,270	1,318	1,022	5,150
Luxembourg	152,825	163	7,357	0	(D)	(*)	(D)	60	(*)	(D)	(D)	–24	1,546	(D)	29,178	(D)	108,292	(D)
Netherlands	426,762	5,757	27,850	1,405	4,452	452	1,648	1,280	(D)	–174	(D)	15,144	11,326	(D)	47,027	3,803	296,856	(D)
Norway	24,389	5,816	1,497	(D)	378	59	959	48	–6	5	(D)	717	625	(D)	(D)	(D)	(D)	(D)
Poland	13,021	0	3,742	1,039	948	341	28	144	–5	566	682	2,106	622	3,950	1,353	(D)	(D)	(D)
Portugal	2,969	1	705	12	108	12	(D)	150	15	295	(D)	850	96	0	471	83	48	714
Russia	20,628	13,093	4,815	(D)	61	(D)	–6	52	5	2	(D)	502	64	1,217	–26	125	9	829
Spain	50,809	78	13,285	837	4,333	254	216	1,712	144	1,861	3,927	3,273	478	2,660	4,711	520	23,100	2,705
Sweden	38,003	0	3,401	(D)	(D)	398	299	698	184	136	(D)	752	711	(D)	11,630	448	19,234	(D)
Switzerland	132,126	190	19,966	149	14,880	37	1,102	1,369	482	303	1,644	17,561	3,476	7,180	7,919	1,207	65,235	9,392
Turkey	5,721	–2	1,390	20	619	5	3	20	1	290	433	1,729	–16	(D)	(D)	18	–4	(D)
United Kingdom	449,521	7,248	45,550	6,955	8,760	1,933	7,599	5,317	2,028	7,494	5,466	16,192	38,429	13,854	157,566	21,442	110,950	38,290
Other	40,436	12,011	1,914	361	(D)	156	66	(D)	50	112	615	1,458	73	2,246	(D)	(D)	16,190	(D)
Latin America and Other Western Hemisphere	**591,363**	**29,116**	**61,088**	**5,590**	**14,281**	**2,654**	**3,660**	**1,368**	**1,529**	**9,153**	**22,855**	**26,104**	**8,746**	**–14,300**	**197,327**	**2,171**	**254,726**	**26,385**
South America	100,442	17,825	32,399	2,571	10,283	(D)	2,520	(D)	(D)	3,973	(D)	4,036	4,023	6,340	14,773	1,335	16,176	3,537
Argentina	12,518	3,075	2,973	114	1,483	13	179	87	–134	499	733	539	904	526	1,196	73	3,053	179
Brazil	44,532	2,027	20,552	1,411	6,476	(D)	2,161	(D)	56	1,990	6,101	1,187	2,502	3,098	9,308	590	5,164	103
Chile	16,412	5,955	2,254	33	674	–1	72	45	(D)	(D)	(D)	900	121	1,386	3,186	236	626	1,748
Colombia	5,553	2,452	1,439	148	436	6	17	(*)	(D)	(D)	(D)	391	33	(D)	356	40	203	(D)
Ecuador	1,092	236	166	(D)	28	1	1	3	0	(D)	(D)	122	2	(D)	46	2	(D)	(D)
Peru	4,772	2,231	574	(D)	248	(D)	4	1	0	0	225	454	61	(D)	108	76	(D)	348
Venezuela	13,473	1,380	3,779	703	863	5	89	(D)	(D)	(D)	(D)	198	142	(D)	371	287	6,539	(D)
Other	2,089	469	661	(D)	76	(D)	–3	(D)	0	26	(D)	244	258	100	202	31	1	124
Central America	104,128	4,014	24,688	2,879	3,822	816	1,132	–1,755	1,454	5,180	11,161	2,798	2,902	5,227	18,755	511	33,090	12,143
Costa Rica	2,596	(*)	1,028	169	(D)	46	0	(D)	126	0	(D)	36	16	(D)	(D)	126	876	–258
Honduras	787	0	(D)	9	12	0	(*)	4	0	–7	(D)	58	(*)	112	(D)	(*)	–2	(D)
Mexico	89,610	3,971	22,493	2,549	3,693	776	1,130	–2,102	1,328	5,192	9,927	2,130	2,876	2,539	14,917	399	29,527	10,757
Panama	6,236	63	31	36	–32	4	0	(*)	0	0	22	349	–5	(D)	790	–20	2,699	(D)
Other	4,900	–21	(D)	115	(D)	–11	1	(D)	(*)	–5	(D)	225	15	1,291	(D)	6	–10	(D)
Other Western Hemisphere	386,792	7,277	4,001	141	176	(D)	8	(D)	(D)	–1	(D)	19,270	1,821	–25,867	163,800	324	205,460	10,705
Barbados	2,873	8	173	(D)	11	9	(*)	(D)	0	(*)	2	3,956	17	0	1,051	4	(D)	(D)
Bermuda	213,863	–201	1,412	0	(D)	(*)	6	(D)	0	0	(D)	4,464	518	46	76,624	272	124,223	6,504
Dominican Republic	714	0	364	(D)	–174	50	0	–20	0	0	(D)	137	(D)	(D)	1	1	(*)	10
United Kingdom Islands, Caribbean	129,243	(D)	566	11	44	–35	2	(D)	(D)	0	488	9,605	533	–23,977	72,118	98	65,855	(D)
Other	40,099	(D)	1,487	(D)	(D)	(D)	0	(*)	0	–1	(D)	1,108	(D)	(D)	14,005	–51	(D)	784
Africa	**37,221**	**19,103**	**2,937**	**79**	**347**	**294**	**313**	**168**	**95**	**808**	**834**	**1,068**	**171**	**1,899**	**1,776**	**362**	**8,472**	**1,433**
Egypt	8,385	(D)	(D)	27	–79	8	(D)	5	5	(D)	11	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Nigeria	3,298	2,075	(D)	19	28	(D)	1	0	0	0	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
South Africa	4,919	(D)	2,031	–21	344	221	183	(D)	90	747	(D)	795	147	(D)	135	279	(D)	296
Other	20,618	(D)	716	54	54	(D)	(D)	(D)	0	(D)	(D)	118	29	632	(D)	82	(D)	1,054
Middle East	**31,886**	**6,209**	**11,059**	**145**	**1,294**	**85**	**408**	**4,673**	**47**	**33**	**4,374**	**1,993**	**1,568**	**718**	**526**	**1,171**	**7,912**	**731**
Israel	9,729	0	(D)	139	–33	0	114	(D)	(D)	0	(D)	(D)	1,499	(D)	60	354	1,145	(D)
Saudi Arabia	5,189	626	341	2	(D)	(D)	(D)	0	0	33	50	(D)	(D)	0	(D)	299	3,435	187
United Arab Emirates	3,424	415	602	(D)	91	(D)	(D)	(D)	(D)	0	(D)	(D)	(D)	(D)	(D)	200	(D)	88
Other	13,546	5,167	(D)	(D)	(D)	0	2	0	0	0	(D)	12	(D)	63	355	318	(D)	(D)
Asia and Pacific	**488,839**	**30,696**	**98,994**	**7,044**	**19,035**	**2,434**	**6,663**	**30,851**	**3,453**	**7,840**	**21,676**	**34,604**	**25,198**	**43,186**	**106,917**	**15,824**	**98,092**	**35,329**
Australia	94,451	17,361	12,395	2,274	3,675	637	907	541	293	654	3,415	4,375	13,912	(D)	22,042	3,696	11,208	(D)
China	52,521	3,022	22,584	2,659	5,266	672	1,447	6,416	556	2,007	3,561	2,781	427	(D)	1,877	359	3,099	(D)
Hong Kong	40,014	(*)	3,928	18	283	64	647	2,173	229	36	477	7,012	1,034	3,220	8,560	2,955	11,229	2,075
India	16,571	429	3,268	–13	1,228	(D)	637	318	277	415	(D)	827	3,528	(D)	2,529	2,195	137	(D)
Indonesia	16,284	5,831	414	2	206	(*)	19	8	(D)	(D)	(D)	56	–75	(D)	736	125	7,887	(D)
Japan	101,918	1	17,450	267	2,395	187	961	3,244	1,274	2,489	6,632	8,063	4,300	(D)	50,524	2,108	7,260	(D)
Korea, Republic of	22,361	–1	8,651	850	1,052	(D)	152	2,074	301	712	(D)	(D)	491	(D)	3,415	269	(D)	(D)
Malaysia	12,295	2,258	5,883	259	921	19	151	4,071	4	79	379	242	76	1,435	479	207	1,336	380
New Zealand	4,802	124	1,191	(D)	135	36	39	45	(D)	(D)	518	(D)	294	(D)	1,184	345	(D)	653
Philippines	5,593	24	2,939	132	627	2	36	1,759	–4	24	363	253	35	(D)	(D)	310	(D)	449
Singapore	86,048	557	10,536	1	1,197	148	1,313	6,352	252	677	596	4,880	1,012	3,123	7,033	2,777	54,221	1,909
Taiwan	18,070	(*)	4,281	82	712	89	204	2,740	125	50	279	3,123	147	(D)	7,273	209	102	(D)
Thailand	9,309	214	5,026	141	1,220	150	148	1,090	51	631	1,595	426	15	1,689	837	270	192	640
Other	8,603	876	447	(D)	118	(D)	1	20	0	119	108	(D)	1	(D)	(D)	(*)	–62	(D)
Addenda:																		
European Union (27) [2]	1,613,037	15,612	219,728	19,911	51,522	10,381	22,532	24,729	15,636	20,094	54,924	72,088	89,872	67,873	328,793	48,802	668,362	101,905
OPEC [3]	62,866	17,796	9,892	809	2,446	137	410	102	191	1,071	4,727	1,662	171	(D)	1,497	1,258	26,454	(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 $1,086,231 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 revised.

Table 1.2. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 2009

[Millions of dollars]

	All industries	Mining	Manufacturing: 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	**3,508,142**	**171,106**	**541,080**	**45,247**	**129,529**	**23,186**	**43,612**	**65,598**	**24,694**	**47,235**	**161,978**	**198,985**	**149,826**	**114,032**	**746,993**	**77,474**	**1,279,952**	**228,693**
Canada	**259,792**	**18,839**	**65,019**	**4,973**	**13,514**	**4,124**	**3,177**	**2,645**	**2,432**	**2,470**	**31,684**	**21,877**	**6,360**	**4,991**	**43,035**	**5,728**	**58,244**	**35,700**
Europe [1]	**1,976,222**	**47,315**	**284,809**	**25,896**	**78,252**	**12,800**	**28,221**	**25,897**	**16,834**	**24,401**	**72,507**	**102,359**	**103,857**	**77,516**	**363,940**	**48,859**	**824,482**	**123,085**
Austria	18,203	1	4,841	(D)	234	187	160	(D)	(D)	1,624	282	998	–50	(D)	2,139	562	(D)	820
Belgium	69,773	12	26,127	1,452	12,343	437	1,078	1,045	357	901	8,515	5,682	–585	(D)	31,449	1,719	2,646	(D)
Czech Republic	5,871	0	2,512	(D)	132	157	303	137	22	992	(D)	355	(D)	(D)	805	19	37	–20
Denmark	9,318	123	3,079	108	50	29	352	1,370	62	2	1,105	997	376	263	284	502	608	3,086
Finland	2,094	0	863	(D)	40	50	(D)	114	(D)	88	169	790	150	32	31	–12	–5	244
France	85,801	101	28,077	5,850	4,324	3,138	1,907	1,789	330	2,108	8,630	5,623	2,475	4,517	6,139	2,832	25,827	10,209
Germany	116,832	48	31,800	845	7,372	2,176	4,034	4,172	838	4,182	8,181	10,582	3,961	1,679	17,295	6,410	36,691	8,366
Greece	2,028	–6	703	87	108	0	1	5	0	0	501	778	5	–165	537	11	(D)	(D)
Hungary	9,287	150	6,288	182	(D)	14	(D)	(D)	–3	408	(D)	621	202	1,818	129	–107	90	94
Ireland	165,924	(D)	16,174	280	(D)	93	508	2,868	(D)	63	(D)	4,171	32,676	(D)	12,384	9,435	53,571	(D)
Italy	31,470	–11	12,582	890	2,237	1,133	1,316	1,564	70	1,390	3,982	3,151	2,212	149	4,065	1,214	2,018	6,091
Luxembourg	174,092	158	8,305	0	(D)	1	(D)	90	(*)	283	(D)	–20	6,006	(D)	37,620	111	115,216	(D)
Netherlands	471,567	5,815	30,669	1,359	4,682	603	2,090	1,073	12,217	–116	8,761	19,821	12,660	(D)	50,351	5,659	331,624	(D)
Norway	26,984	8,483	3,263	(D)	(D)	(D)	923	47	–15	(D)	–2	952	693	(D)	365	426	(D)	(D)
Poland	13,957	0	3,946	1,073	1,043	407	30	151	2	540	701	2,180	(D)	(D)	1,488	204	(D)	(D)
Portugal	2,461	1	714	6	129	–15	(D)	126	14	(D)	86	382	143	0	585	148	–228	716
Russia	21,328	(D)	4,774	(D)	55	(D)	–16	38	5	–39	(D)	(D)	90	1,565	–82	149	5	(D)
Spain	50,644	88	15,029	1,223	5,020	184	247	1,689	137	2,279	4,252	3,484	777	2,418	4,999	535	20,076	3,237
Sweden	27,418	0	3,436	69	290	91	513	818	220	201	1,233	(D)	693	(D)	10,643	627	9,701	(D)
Switzerland	148,239	(D)	24,449	369	18,683	36	1,060	1,367	287	358	2,289	22,483	3,695	(D)	4,422	1,604	73,861	(D)
Turkey	6,268	–1	1,607	2	707	(*)	3	22	1	303	569	1,925	–52	(D)	108	16	–5	(D)
United Kingdom	471,384	5,321	53,386	7,173	10,206	2,088	8,019	4,901	2,101	8,340	10,558	14,560	36,749	17,491	173,535	16,687	114,280	39,376
Other	45,281	13,236	2,182	553	(D)	(D)	36	(D)	57	144	733	1,550	71	2,431	4,649	110	19,062	1,991
Latin America and Other Western Hemisphere	**678,956**	**39,780**	**69,838**	**5,861**	**17,039**	**2,940**	**4,504**	**1,126**	**1,820**	**11,079**	**25,469**	**32,887**	**10,349**	**–13,011**	**220,254**	**2,307**	**286,713**	**29,838**
South America	125,949	25,721	38,497	2,795	11,684	1,269	3,080	1,498	195	5,665	12,311	5,102	5,100	7,761	18,127	1,489	19,103	5,049
Argentina	14,108	3,728	2,787	123	1,408	15	209	80	–146	331	767	689	953	(D)	1,461	95	3,267	(D)
Brazil	56,692	2,986	25,569	1,298	7,443	1,052	2,680	1,276	96	4,177	7,547	2,128	3,595	3,870	11,227	706	6,290	322
Chile	22,608	(D)	2,712	39	680	(D)	79	(D)	(D)	(D)	1,795	775	141	1,547	3,776	278	761	(D)
Colombia	6,728	3,153	1,683	231	509	6	(D)	(*)	(D)	(D)	(D)	(D)	(D)	(D)	485	39	176	(D)
Ecuador	1,269	237	177	42	30	1	1	3	0	43	57	(D)	2	(D)	58	2	99	(D)
Peru	6,232	3,462	725	(D)	316	(D)	4	1	0	0	289	474	77	501	166	74	(D)	(D)
Venezuela	14,506	(D)	4,508	974	1,220	(D)	(D)	(D)	236	775	1,121	(D)	(D)	(D)	544	271	6,547	(D)
Other	3,806	303	335	(D)	78	(D)	–3	2	0	29	(D)	260	256	105	410	25	(D)	(D)
Central America	113,793	5,062	26,988	(D)	5,084	869	1,379	–2,165	1,663	(D)	(D)	3,037	2,975	6,493	19,426	550	36,180	13,082
Costa Rica	2,419	(*)	1,076	175	95	54	0	(D)	133	0	(D)	15	17	(D)	(D)	152	889	(D)
Honduras	844	0	494	4	15	0	(*)	4	0	(D)	(D)	74	(*)	116	158	(*)	–2	4
Mexico	97,897	4,961	24,432	(D)	4,822	821	1,378	–2,586	1,530	(D)	(D)	2,366	2,979	2,909	15,893	408	32,361	11,587
Panama	7,845	121	136	38	70	4	0	(*)	0	0	24	353	–5	1,886	771	–16	2,942	1,657
Other	4,788	–21	850	125	83	–11	1	(D)	(*)	(D)	(D)	229	–15	(D)	(D)	6	–10	(D)
Other Western Hemisphere	439,214	8,997	4,354	(D)	272	803	45	1,793	–37	(D)	(D)	24,749	2,274	–27,265	182,701	268	231,430	11,707
Barbados	3,650	8	330	(D)	11	9	(*)	(D)	0	(*)	0	4,420	24	0	727	4	–3,547	1,685
Bermuda	245,671	–65	1,781	0	(D)	(*)	(D)	(D)	0	0	(D)	6,418	763	47	96,069	307	133,287	7,064
Dominican Republic	1,006	0	617	(D)	31	(D)	0	–26	0	0	507	138	(D)	(D)	1	1	(*)	13
United Kingdom Islands, Caribbean	141,527	(D)	598	10	66	(D)	(D)	83	–37	0	(D)	(D)	648	–25,094	70,778	101	76,715	2,146
Other	47,360	(D)	1,029	(D)	(D)	(D)	0	(*)	0	(D)	82	(D)	(D)	(D)	15,126	–145	24,975	800
Africa	**44,805**	**25,045**	**3,550**	**127**	**542**	**328**	**344**	**190**	**117**	**919**	**983**	**1,324**	**155**	**2,151**	**2,408**	**442**	**7,816**	**1,913**
Egypt	9,826	(D)	(D)	30	–38	8	(D)	16	5	24	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Nigeria	5,369	3,875	(D)	19	33	7	5	(D)	0	0	(D)	(D)	1	(D)	(D)	(D)	(D)	(D)
South Africa	5,922	(D)	2,600	–9	487	277	204	114	112	853	563	889	(D)	(D)	(D)	354	437	452
Other	23,688	(D)	769	88	60	37	(D)	(D)	0	42	464	(D)	24	750	(D)	86	(D)	1,431
Middle East	**37,012**	**7,229**	**12,516**	**193**	**1,402**	**97**	**527**	**4,526**	**43**	**42**	**5,686**	**2,231**	**1,713**	**180**	**681**	**1,259**	**10,409**	**794**
Israel	10,013	0	6,193	158	–87	3	(D)	(D)	35	0	(D)	817	1,641	(D)	88	395	638	(D)
Saudi Arabia	8,122	677	484	2	200	(D)	–3	0	0	42	(D)	453	10	0	–60	318	6,022	219
United Arab Emirates	3,993	(D)	(D)	36	(D)	(D)	(D)	(D)	9	0	92	949	(D)	(D)	231	129	(D)	176
Other	14,885	(D)	(D)	–3	(D)	0	2	0	0	0	(D)	12	(D)	(D)	422	416	(D)	(D)
Asia and Pacific	**511,355**	**32,898**	**105,348**	**8,196**	**18,781**	**2,897**	**6,840**	**31,214**	**3,449**	**8,324**	**25,648**	**38,306**	**27,392**	**42,205**	**116,676**	**18,880**	**92,288**	**37,363**
Australia	106,370	18,880	15,428	2,957	4,426	905	905	575	341	932	4,387	5,238	14,500	2,366	23,872	4,469	12,550	9,067
China	49,403	3,648	22,618	2,874	4,987	691	1,186	5,745	493	2,736	3,904	2,899	459	10,856	1,834	605	3,882	2,602
Hong Kong	50,459	(*)	4,433	–2	235	77	636	2,495	246	39	706	8,289	1,499	3,291	13,604	3,340	13,300	2,703
India	18,610	658	3,580	116	1,129	(D)	730	362	316	486	(D)	759	3,806	3,191	2,730	3,101	224	560
Indonesia	16,005	4,863	326	–35	120	(D)	20	8	(D)	–86	(D)	68	–101	(D)	696	103	8,355	(D)
Japan	103,643	(*)	16,882	226	2,555	228	998	2,717	1,412	1,394	7,353	8,202	4,978	(D)	49,916	2,426	8,324	(D)
Korea, Republic of	26,953	–1	10,899	(D)	1,152	392	155	2,253	90	1,121	(D)	2,235	450	(D)	4,237	351	(D)	(D)
Malaysia	13,486	2,657	6,367	282	712	23	286	4,615	1	51	396	333	76	1,355	483	277	1,516	423
New Zealand	5,816	136	1,391	(D)	150	42	43	58	(D)	11	620	315	293	(D)	1,802	333	(D)	714
Philippines	5,806	29	2,945	186	710	2	27	1,687	1	25	308	281	31	381	491	304	(D)	(D)
Singapore	76,862	823	10,060	–1	477	132	1,421	6,473	263	833	462	5,659	1,178	3,681	7,837	3,088	42,118	2,418
Taiwan	19,534	(*)	4,280	79	601	86	134	2,862	133	71	315	3,259	214	(D)	8,405	202	87	(D)
Thailand	10,209	271	5,673	111	1,402	209	296	1,342	55	576	1,681	576	7	1,741	779	290	265	607
Other	8,199	934	465	(D)	125	(D)	1	21	0	135	104	194	1	405	–11	–9	–63	6,283
Addenda:																		
European Union (27) [2]	1,733,787	12,459	250,080	21,501	58,392	10,862	26,248	24,421	16,556	23,720	68,380	75,824	99,430	65,381	354,803	46,629	720,979	108,204
OPEC [3]	55,978	16,217	11,072	1,084	2,766	150	410	111	245	859	5,446	2,015	170	(D)	1,012	1,166	21,002	(D)

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

D Suppressed to avoid disclosure of data of individual companies.

1. In 2009, the "euro area" includes Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain. For 2009, the U.S. direct investment position in the "euro area" was $1,194,266 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 2009, its members were Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE. Estimates for 2009 are preliminary.

Table 2.1. 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	**2,165,748**	**746,475**	**23,849**	**187,332**	**47,645**	**88,730**	**59,757**	**20,561**	**83,907**	**234,695**	**316,581**	**40,129**	**164,491**	**92,565**	**238,875**	**57,459**	**62,934**	**446,238**
Canada	**194,140**	**40,635**	**1,081**	**7,149**	**5,104**	**1,224**	**–190**	**–73**	**10,919**	**15,420**	**4,431**	**5,203**	**–7**	**27,680**	**47,391**	**3,946**	**3,221**	**61,639**
Europe [1]	**1,555,208**	**572,203**	**19,738**	**155,701**	**37,638**	**83,263**	**31,988**	**16,595**	**36,346**	**190,935**	**157,638**	**27,957**	**161,243**	**45,258**	**194,977**	**27,874**	**48,583**	**319,475**
Austria	2,947	1,632	5	(D)	558	369	3	(*)	15	(D)	553	(D)	(*)	(D)	1	83	(D)	32
Belgium	23,066	9,809	–5	9,579	(D)	557	10	71	(D)	1,539	6,276	(D)	4	(D)	775	(D)	346	2,043
Denmark	4,883	3,018	(D)	2,294	0	1,022	(D)	0	(*)	–1,499	1,098	5	(*)	0	(*)	5	(D)	(D)
Finland	7,341	3,580	(D)	202	(D)	1,950	(D)	2	1	1,386	(D)	(D)	(D)	(D)	(*)	(D)	(D)	295
France	157,172	67,798	2,205	12,908	1,782	(D)	14,387	(D)	3,691	21,941	9,911	353	22,570	5,720	26,387	490	3,831	20,111
Germany	201,424	74,979	45	27,350	1,871	23,338	539	727	11,589	9,519	11,294	4,408	47,489	8,655	33,511	6,459	789	13,840
Ireland	26,146	16,282	1,492	4,218	(D)	(D)	30	0	(*)	8,962	274	(D)	–135	(D)	6,764	652	(D)	513
Italy	18,685	6,999	94	590	(D)	434	(D)	60	(D)	196	1,695	1,730	92	(D)	(D)	(D)	(D)	6,553
Luxembourg	118,283	50,973	448	2,128	10,857	(D)	(D)	–200	317	(D)	2,336	(D)	16,385	0	1,779	(D)	(D)	41,695
Netherlands	199,137	79,467	(D)	10,568	(D)	(D)	5,522	(D)	(D)	44,612	26,301	5,324	16,997	–8,803	40,213	7,853	10,981	20,804
Norway	8,873	639	(*)	(D)	(D)	(D)	438	(D)	(D)	(D)	3,537	(*)	358	(D)	–2	17	1,202	(D)
Spain	39,142	3,787	599	755	(D)	–7	38	–146	95	(D)	151	(D)	98	20,095	(D)	130	305	11,384
Sweden	35,843	28,242	(*)	(D)	5,344	4,234	(D)	(D)	(D)	1,056	5,659	86	626	(D)	270	(D)	(D)	1,227
Switzerland	164,534	86,076	9,598	25,429	3,024	4,510	429	60	(D)	(D)	7,401	3,990	(D)	(D)	33,326	2,366	525	27,413
United Kingdom	454,328	102,807	2,852	42,113	5,437	2,632	2,472	1,395	21,768	24,138	77,608	2,244	31,492	28,166	45,258	6,140	27,991	132,621
Other	93,405	36,117	(D)	(D)	5,214	(D)	(D)	(D)	167	(D)	(D)	3,536	13,024	313	(D)	146	(D)	37,202
Latin America and Other Western Hemisphere	**46,130**	**22,073**	**983**	**1,954**	**1,140**	**(D)**	**2,228**	**(D)**	**186**	**13,944**	**13,380**	**2,058**	**514**	**4,115**	**–29,782**	**10,086**	**1,834**	**21,854**
South and Central America	16,539	3,100	954	593	539	248	–62	(D)	–652	(D)	5,883	10	–181	3,314	294	473	–83	3,728
Brazil	–294	–1,078	(D)	–57	(D)	–20	–50	–5	3	–32	(D)	(D)	–19	514	13	45	–32	–30
Mexico	9,444	4,111	1,934	602	660	338	–29	(D)	(D)	1,247	1,397	(D)	–135	1,114	77	(D)	–36	2,895
Panama	822	75	0	(D)	(D)	(*)	(D)	(*)	(D)	14	–89	2	–6	(D)	194	(D)	4	260
Venezuela	4,567	–129	–5	–30	–4	–23	8	(D)	(D)	46	(D)	(*)	–11	(D)	1	11	–5	36
Other	1,999	121	(D)	(D)	–49	–48	(D)	–2	–10	(D)	604	8	–10	688	9	26	–14	567
Other Western Hemisphere	29,591	18,972	29	1,362	601	(D)	2,290	(D)	839	(D)	7,497	2,048	695	801	–30,076	9,613	1,917	18,125
Bahamas	67	82	(D)	(D)	(D)	0	(*)	0	0	(*)	(D)	(*)	(D)	(D)	–3	(D)	5	–806
Bermuda	4,116	12,083	(D)	1,038	(D)	(D)	(D)	(D)	0	(D)	257	0	(D)	0	–21,078	(D)	1,264	11,508
Netherlands Antilles	5,752	(D)	2	(D)	(D)	(*)	–2	0	–4	175	(D)	(D)	(D)	(D)	–11	768	(*)	–141
United Kingdom Islands, Caribbean	24,401	6,573	(D)	(D)	(D)	204	(D)	7	842	2,494	(D)	2,030	983	161	(D)	8,191	617	7,340
Other	–4,745	(D)	1	(D)	(D)	(D)	2	0	0	57	(D)	(D)	(D)	(D)	(D)	246	32	223
Africa	**2,309**	**383**	**–1**	**–6**	**(D)**	**(*)**	**(D)**	**(*)**	**(D)**	**403**	**453**	**–1**	**18**	**(D)**	**(D)**	**(D)**	**(D)**	**1,267**
South Africa	685	–44	–1	–5	–1	(*)	0	0	4	–41	(D)	(*)	(D)	0	(D)	1	–2	(D)
Other	1,624	427	0	–1	(D)	(*)	(D)	(*)	(D)	444	(D)	–1	(D)	(D)	(*)	(D)	(D)	(D)
Middle East	**17,242**	**3,928**	**(D)**	**(D)**	**(D)**	**103**	**(D)**	**1**	**(D)**	**351**	**6,001**	**(D)**	**936**	**(D)**	**(D)**	**(D)**	**(D)**	**5,860**
Israel	7,284	3,890	(D)	(D)	(D)	30	(D)	–1	(D)	(D)	(D)	(D)	981	250	(D)	159	81	1,219
Kuwait	360	2	0	0	0	0	(*)	2	0	0	(D)	0	2	(D)	(D)	(D)	(*)	(D)
Lebanon	(D)	(*)	0	0	0	0	0	0	0	(*)	(*)	0	0	0	0	(D)	0	(D)
Saudi Arabia	(D)	13	0	17	1	–4	0	0	–1	(*)	(D)	0	6	(D)	2	30	(*)	(D)
United Arab Emirates	2,570	(D)	0	(D)	0	–1	–6	0	–6	(D)	(D)	(*)	(D)	(D)	1	–80	(D)	2,749
Other	1,638	(D)	0	0	0	77	0	0	0	(D)	(D)	0	(D)	(D)	0	(D)	(*)	1,718
Asia and Pacific	**350,718**	**107,254**	**(D)**	**(D)**	**3,708**	**(D)**	**25,420**	**(D)**	**36,447**	**13,642**	**134,678**	**(D)**	**1,787**	**(D)**	**26,032**	**15,221**	**9,214**	**36,144**
Australia	40,626	6,194	34	765	1,150	229	–9	4	–26	4,048	141	1	(D)	3,033	4,909	(D)	329	20,020
China	1,205	–246	(*)	–12	5	–25	85	9	–164	–144	873	–5	(D)	(D)	135	2	(D)	117
Hong Kong	3,966	1,512	–1	(D)	–7	–22	(D)	(*)	1	9	1,758	(D)	(D)	436	4	151	(D)	105
India	3,886	190	0	71	(D)	(D)	(D)	–3	38	82	–48	(*)	58	352	–1	(*)	2,148	1,186
Japan	259,753	78,739	1,559	17,862	2,446	4,133	7,060	1,346	36,512	7,822	119,949	4,769	1,167	10,136	19,116	6,981	6,535	12,360
Korea, Republic of	12,132	(D)	466	53	82	(D)	(D)	–1	84	82	(D)	(D)	(D)	150	152	81	–3	(D)
Malaysia	429	27	1	8	(D)	(D)	22	(*)	3	12	68	(D)	3	(D)	(*)	(D)	1	280
New Zealand	1,059	(D)	(D)	(*)	8	3	–8	0	–2	(D)	460	0	(D)	0	1	(D)	–2	16
Singapore	23,074	(D)	–32	–4	8	(D)	17,149	7	19	–69	272	–4	8	387	(D)	(D)	27	1,295
Taiwan	3,917	1,463	–2	16	4	(D)	101	(D)	–68	(D)	(D)	35	59	840	(D)	10	–35	267
Other	670	30	2	–26	–2	–2	45	–30	50	–7	537	(*)	(*)	173	(D)	(D)	–9	(D)
Addenda:																		
European Union (27) [2]	1,362,433	478,541	10,089	127,771	30,728	77,810	31,120	16,508	35,630	148,885	146,451	23,420	141,141	53,518	161,382	25,411	46,846	285,722
OPEC [3]	14,871	–152	–5	–52	–38	–31	2	(D)	(D)	86	9,076	(*)	2	1,232	(D)	6	(D)	4,697

* 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 $793,642 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 revised.

Table 2.2. Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 2009

[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	**2,319,585**	**790,568**	**20,004**	**203,760**	**48,693**	**95,585**	**55,349**	**24,004**	**96,872**	**246,302**	**328,430**	**44,330**	**146,114**	**111,913**	**293,204**	**54,539**	**46,087**	**504,399**
Canada	**225,836**	**60,924**	**1,365**	**(D)**	**3,333**	**1,090**	**93**	**–91**	**(D)**	**20,563**	**3,861**	**4,946**	**–87**	**31,805**	**54,792**	**3,933**	**2,588**	**63,075**
Europe [1]	**1,685,279**	**609,358**	**15,857**	**169,200**	**40,150**	**88,968**	**28,854**	**22,659**	**36,519**	**207,151**	**171,114**	**32,074**	**142,292**	**56,732**	**243,460**	**25,768**	**30,936**	**373,545**
Austria	2,868	1,386	5	(D)	545	350	6	(D)	10	378	701	(D)	(*)	(D)	–1	(D)	(D)	24
Belgium	38,541	19,211	–3	9,036	4,369	792	4	78	(D)	(D)	6,810	(D)	(*)	(D)	1,449	7	252	3,444
Denmark	5,246	3,572	(D)	2,723	1	1,388	(D)	0	(*)	(D)	1,046	5	(*)	0	(*)	5	(D)	(D)
Finland	7,628	4,343	(D)	(D)	(D)	2,482	(D)	(*)	2	1,557	2,258	(D)	(D)	(D)	–1	(D)	(D)	204
France	189,285	81,835	2,285	21,477	1,651	(D)	13,365	(D)	5,006	23,209	12,054	385	20,873	9,908	32,391	533	4,928	26,378
Germany	218,153	79,286	38	29,134	1,912	(D)	613	675	10,281	(D)	13,317	4,591	50,441	7,897	41,130	6,896	803	13,792
Ireland	32,610	18,593	1,763	3,757	(D)	(D)	29	(D)	(*)	8,911	–148	–4	968	2,138	10,099	(D)	(D)	199
Italy	9,693	1,063	(D)	632	(D)	401	(D)	(D)	(D)	185	2,000	1,809	(D)	478	(D)	107	(D)	3,696
Luxembourg	127,768	50,394	(D)	–816	8,833	(D)	498	(D)	(D)	20,282	3,387	(D)	(D)	0	8,075	(D)	2,069	51,203
Netherlands	237,959	82,822	–747	11,378	(D)	(D)	5,018	(D)	–249	44,807	27,116	(D)	14,016	(D)	50,627	7,479	11,647	41,924
Norway	7,260	–295	(*)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	3,067	(*)	353	(D)	(*)	15	1,339	(D)
Spain	43,901	4,102	(D)	(D)	(D)	–2	48	(D)	(D)	813	89	(D)	87	22,877	3,215	(D)	(D)	13,012
Sweden	38,929	28,872	(*)	(D)	6,007	3,766	(D)	(D)	2,776	1,177	7,287	(D)	708	–361	264	(D)	84	1,225
Switzerland	189,371	97,400	10,503	26,353	2,014	4,583	418	57	(D)	(D)	9,331	3,077	(D)	(D)	39,447	903	527	36,543
United Kingdom	453,875	106,217	(D)	46,817	7,852	2,636	2,401	(D)	21,737	24,537	82,053	(D)	25,203	(D)	53,156	5,217	9,282	142,695
Other	82,192	30,558	(D)	1,440	4,381	(D)	(D)	(D)	186	(D)	746	(D)	(D)	384	(D)	(D)	113	35,904
Latin America and Other Western Hemisphere	**27,864**	**9,548**	**624**	**2,665**	**990**	**(D)**	**1,190**	**(D)**	**632**	**3,027**	**13,912**	**2,183**	**1,365**	**4,636**	**–32,855**	**8,653**	**2,366**	**18,056**
South and Central America	17,733	3,049	(D)	542	(D)	46	(D)	(D)	–217	(D)	6,436	20	215	3,810	210	512	–76	3,557
Brazil	–647	–2,820	(D)	–84	(D)	–15	–47	–5	18	–95	(D)	(D)	–18	(D)	(D)	45	–34	–80
Mexico	11,361	5,408	3,043	465	690	119	–41	–8	–225	1,365	718	(D)	(D)	(D)	47	(D)	–30	3,310
Panama	1,045	245	0	(D)	(D)	–3	(*)	(*)	(D)	16	–90	2	(D)	(D)	194	(D)	4	261
Venezuela	4,850	44	(D)	–25	–3	–17	8	(D)	(D)	(D)	(D)	(*)	(D)	(D)	3	11	–8	35
Other	1,125	172	9	(D)	–4	–38	(D)	0	(*)	(D)	125	(D)	–10	793	(D)	31	–8	31
Other Western Hemisphere	10,131	6,499	(D)	2,122	(D)	(D)	(D)	8	849	(D)	7,476	2,164	1,150	826	–33,065	8,141	2,442	14,499
Bahamas	466	82	(D)	(D)	(D)	0	(*)	0	0	(*)	–33	0	(D)	(D)	–3	202	5	(D)
Bermuda	–13,181	1,501	(D)	(D)	(D)	38	(D)	(*)	0	(D)	234	0	(D)	0	–24,053	52	(D)	7,314
Netherlands Antilles	7,354	96	2	(D)	(D)	(*)	–2	0	–4	172	(D)	(D)	(D)	(D)	–3	(D)	–1	–103
United Kingdom Islands, Caribbean	17,529	4,544	(D)	(D)	(D)	203	1,196	7	853	830	(D)	2,153	986	165	(D)	5,320	1,011	7,394
Other	–2,037	277	–4	(D)	(D)	(D)	7	0	0	77	244	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Africa	**1,689**	**89**	**(*)**	**–3**	**(D)**	**–3**	**1**	**(*)**	**12**	**(D)**	**437**	**–1**	**–3**	**(D)**	**4**	**(D)**	**(*)**	**1,164**
South Africa	621	–107	(*)	–2	(D)	–3	(*)	0	12	(D)	(D)	(*)	(*)	0	4	1	(*)	(D)
Other	1,068	196	1	–1	1	(*)	1	(*)	0	196	(D)	–1	–3	(D)	(*)	(D)	(*)	(D)
Middle East	**17,614**	**4,193**	**(D)**	**(D)**	**(D)**	**(D)**	**297**	**2**	**(D)**	**(D)**	**6,086**	**(D)**	**758**	**(D)**	**415**	**(D)**	**207**	**5,515**
Israel	7,306	4,120	(D)	(D)	(D)	(D)	301	0	(D)	(D)	417	(D)	804	427	(D)	(D)	(D)	851
Kuwait	345	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	(D)	(*)	(D)
Saudi Arabia	(D)	8	0	(D)	–4	(D)	0	0	–1	–7	(D)	0	6	(D)	2	29	(*)	–32
United Arab Emirates	2,628	(D)	0	(D)	(*)	(*)	–4	0	(D)	–5	–160	(*)	(D)	(D)	(D)	(D)	(D)	2,604
Other	1,691	(D)	0	0	0	(D)	0	0	0	(D)	(D)	0	(D)	(D)	0	112	(*)	(D)
Asia and Pacific	**361,303**	**106,456**	**(D)**	**(D)**	**4,221**	**5,033**	**24,913**	**(D)**	**33,028**	**15,102**	**133,021**	**(D)**	**1,790**	**(D)**	**27,389**	**15,775**	**9,990**	**43,044**
Australia	45,663	6,958	(D)	637	1,438	80	–5	(D)	–25	4,812	211	(*)	418	2,663	2,961	6,106	260	26,085
China	791	–187	–3	–72	–9	–16	79	34	–132	–67	486	–14	–4	(D)	(D)	2	87	129
Hong Kong	3,836	1,630	–2	(D)	–3	–5	(D)	(*)	(*)	55	1,462	(D)	(D)	471	5	177	–1	95
India	4,366	275	0	55	(D)	(*)	(D)	–3	(D)	183	–49	1	32	384	(*)	(*)	2,415	1,307
Japan	264,208	76,636	1,737	19,230	2,659	4,241	6,828	1,275	32,995	7,671	118,216	5,000	1,180	13,387	22,383	6,935	7,241	13,230
Korea, Republic of	12,020	1,796	492	61	111	(D)	(D)	(D)	(D)	88	9,685	(D)	(D)	122	(D)	(D)	–4	43
Malaysia	430	6	–1	–5	(D)	(D)	11	–2	4	7	87	(D)	2	(D)	–1	(D)	9	226
New Zealand	1,641	(D)	7	–2	8	3	(D)	0	–1	(D)	427	0	(*)	0	2	(D)	–2	20
Singapore	22,893	(D)	(D)	–54	9	12	(D)	(D)	(D)	–64	200	–4	52	346	(D)	(D)	29	1,517
Taiwan	4,211	1,453	–2	30	2	1	93	(D)	–74	(D)	1,493	41	(D)	1,075	(D)	10	–42	223
Other	1,244	44	3	–27	–6	–3	50	–17	55	–11	804	(*)	–1	174	(D)	(D)	–2	169
Addenda:																		
European Union (27) [2]	1,475,071	508,024	5,329	139,700	35,211	84,360	28,043	22,576	35,818	156,986	158,466	28,419	124,842	65,775	203,991	24,770	28,980	331,804
OPEC [3]	15,457	49	(D)	–21	(D)	–20	4	(D)	(D)	170	9,523	(*)	8	999	(D)	(D)	(D)	4,672

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

D Suppressed to avoid disclosure of data of individual companies.

1. In 2009, the “euro area” includes Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain. For 2009, the “euro area” direct investment position in the United States was $908,632 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 2009, Its members were Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE. Estimates for 2009 are preliminary.