

Direct Investment Positions for 2001: Country and Industry Detail

By Maria Borga and Daniel R. Yorgason

IN 2001, the historical-cost positions of U.S. direct investment abroad (USDIA) and of foreign direct investment in the United States (FDIUS) grew more slowly than in 2000. The USDIA position grew 7 percent in 2001, down from 10 percent in 2000. The FDIUS position grew 9 percent in 2001, down significantly from the exceptionally strong growth of 27 percent in 2000 and of 23 percent in 1999 (table 1 and chart 1). The slowdowns of the two positions in 2001 followed a period of more rapid growth in direct investment that began in the mid-1990s and extended through 2000.

The slower rates of growth in the direct investment positions in 2001 partly reflected slowdowns in economic growth in the United States and in a number of European and Asian countries that have historically been important destinations for U.S. direct investment abroad, or important sources for foreign direct investment in the United States, or both. The economic slowdowns affected growth in the positions in two ways. First, they contributed to a drop in merger and

acquisition activity in 2001, which included a slow-down in cross-border activity.¹ The drop in merger and acquisition activity also reflected uncertainty around the world about the vitality of future economic growth, which made it difficult for prospective buyers

1. According to information from Thomson Financial Securities Data, the worldwide dollar volume of announced merger and acquisition activity decreased nearly 50 percent in 2001.

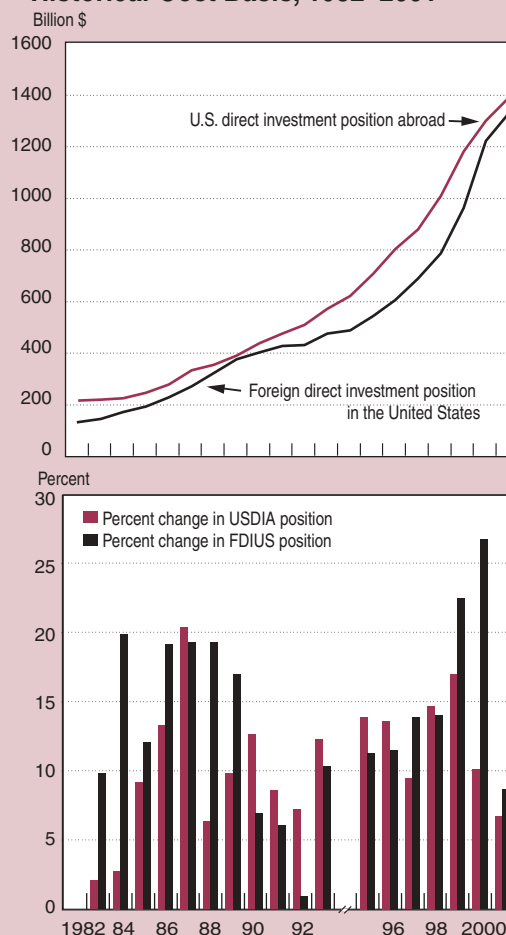
Table 1. U.S. Direct Investment Position Abroad and Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 1982–2001

Yearend	Billions of dollars		Percent change from preceding year	
	USDIA	FDIUS	USDIA	FDIUS
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	(¹)	(¹)
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 ^p	1,173.1	955.7	17.2	22.8
2000 ^r	1,293.4	1,214.3	10.3	27.1
2001 ^p	1,381.7	1,321.1	6.8	8.8

^p Preliminary.
^r Revised.
 1. The USDIA and FDIUS positions reflect a discontinuity between 1993 and 1994 due to the reclassification from direct investment to other investment accounts of intercompany debt between parent companies and affiliates that are nondepository financial intermediaries.
 FDIUS Foreign direct investment in the United States
 USDIA U.S. direct investment abroad

CHART 1

Direct Investment Positions on a Historical-Cost Basis, 1982–2001



Note.—There is a discontinuity between 1993 and 1994. See footnote 1 in table 1.
 USDIA U.S. direct investment abroad
 FDIUS Foreign direct investment in the United States
 U.S. Bureau of Economic Analysis

Key Terms

The key terms used in this article are described in this box. For a more detailed discussion of these terms and the methodologies used to prepare the estimates, see *Foreign Direct Investment in the United States: Final Results from the 1997 Benchmark Survey* (Washington, DC: U.S. Government Printing Office, June 2001) and *U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results* (Washington, DC: U.S. Government Printing Office, May 1998) (publication of the final results of the 1999 benchmark survey of U.S. direct investment abroad, including an updated methodology, is scheduled for next year). The methodologies are also available at BEA's Web site at <www.bea.gov>.

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

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

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

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

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

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

Foreign parent group. Consists of (1) the foreign parent, (2) any foreign person, proceeding up the foreign parent's ownership chain, that owns more than 50 percent of the person below it, up to and including the UBO, and (3) any foreign person, proceeding down the ownership chain(s) of each of these members, that is owned more than 50 percent by the person above it.

Direct investment capital flows. Funds that parent companies provide to their affiliates net of funds that affiliates provide to their parents. For USDIA, capital flows also include the funds that U.S. direct investors pay to unaffiliated foreign parties when affiliates are acquired and the funds that U.S. investors receive from them when affiliates are sold. Similarly, FDIUS capital flows include the funds that foreign direct investors pay to unaffiliated U.S. residents when affiliates are acquired and the funds that foreign investors receive from them when affiliates are sold. FDIUS capital flows also include debt and equity transactions between U.S. affiliates and members of their foreign parent groups other than their foreign parents, described as follows.

Direct investment capital flows consist of equity capital, intercompany debt, and reinvested earnings. **Equity capital flows** are the net of equity capital increases and decreases. Equity capital increases consist of payments by parents to third parties for the purchase of capital stock when they acquire an existing business, payments made to acquire additional ownership interests in their affiliates, and capital contributions to their affiliates. Equity capital decreases are the funds parents receive when they reduce their equity interest in their affiliates. **Intercompany debt flows** result from changes in net outstanding loans and trade accounts between parents (and for FDIUS, other members of the foreign parent groups) and their affiliates, including loans by parents to affiliates and loans by affiliates to parents. **Reinvested earnings** are the parents' claim on the current-period undistributed after-tax earnings of the affiliates.

Direct investment position. The value of direct investors' equity in, and net outstanding loans to, their affiliates. The position may be viewed as the direct investors' contributions to the total assets of their affiliates or as the financing provided in the form of equity (including reinvested earnings) or debt. Financing obtained from other sources, such as local or third-party borrowing, is excluded.

BEA prepares estimates of the positions for USDIA and for FDIUS that are valued on three bases—historical cost, current cost, and market value. See the box "Alternative Measures of the Direct Investment Positions."

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

Valuation adjustments to the historical-cost position consist of currency translation and "other" adjustments. **Currency-translation adjustments** are made to account for changes in the exchange rates that are used to translate affiliates' foreign-currency-denominated assets and liabilities into U.S. dollars. The precise effects of currency fluctuations on these adjustments depend on the value and currency composition of affiliates' assets and liabilities. Depreciation of foreign currencies against the dollar usually results in negative translation adjustments because it tends to lower the dollar value of foreign-currency-denominated net assets. Similarly, appreciation of foreign currencies usually results in positive adjustments because it tends to raise the dollar value of foreign-currency-denominated net assets.

"Other" adjustments are made to account for differences between the proceeds from the sale or liquidation of affiliates and their book values, for differences between the purchase prices of affiliates and their book values, for writeoffs resulting from uncompensated expropriations of affiliates, for changes in industry of affiliate or country of foreign parent, and for capital gains and losses (other than currency-translation adjustments). These capital gains and losses represent the revaluation of the assets of ongoing affiliates for reasons other than exchange-rate changes, such as the sale of assets (other than inventory) for an amount different from their book value.

and sellers to project earnings and to agree on valuations for companies. Second, slower economic growth depressed the earnings, and thus the reinvested earnings, of both U.S. and foreign affiliates. For U.S. affiliates of foreign companies, reinvested earnings were negative in 2001 and partly offset the growth in the position that resulted from inflows of equity capital and intercompany loans from foreign parents.

Alternative Measures of the Direct Investment Positions

This article presents country and industry detail on the positions of foreign direct investment in the United States and of U.S. direct investment abroad. These detailed estimates are prepared only on a historical-cost basis and, thus, largely reflect price levels of earlier periods. Current-cost and market-value estimates of the positions are also prepared, but only at an aggregate level. The current-cost estimates value the U.S. and foreign parents' shares of their affiliates' investment in plant and equipment, using the current cost of capital equipment; in land, using general price indexes; and in inventories, using estimates of their replacement cost. The market-value estimates value the equity portion of direct investment, using indexes of stock market prices. Because the historical-cost estimates are not ordinarily adjusted to reflect changes in the current costs of tangible assets or in the market values of the firms, the estimates on this valuation basis are less than BEA's current-cost and market-value estimates of the positions. The revised estimates of the position for 2000 and the preliminary estimates for 2001 are shown on all three valuation bases below. The current-cost and market-value estimates of the position are discussed in "The International Investment Position of the United States at Yearend 2001" in this issue.

Alternative Direct Investment Position Estimates,
2000 and 2001
[Millions of dollars]

Valuation method	Position at yearend 2000 ^r	Changes in 2001 (decrease (-))			Position at yearend 2001 ^p
		Total	Capital flows	Valuation adjustments	
U.S. direct investment abroad:					
Historical cost	1,293,431	88,243	113,977	-25,734	1,381,674
Current cost	1,515,279	107,843	127,840	-19,997	1,623,122
Market value.....	2,674,207	-384,281	127,840	-512,121	2,289,926
Foreign direct investment in the United States:					
Historical cost	1,214,254	106,808	124,435	-17,627	1,321,063
Current cost	1,374,752	124,172	130,796	-6,624	1,498,924
Market value.....	2,766,042	-239,331	130,796	-370,127	2,526,711

^p Preliminary.
^r Revised.

In 1998–2000, much of the merger and acquisition activity was concentrated in petroleum, in telecommunications and related industries, and in financial services (including asset management, insurance, and banking). In 2001, however, the merger and acquisition activity in these industries declined. In telecommunications, rapid technological change and deregulation had spurred both merger and acquisition activity and investment spending in 1998–2000. The increased investment spending on telecommunications infrastructure and networks led to growth and acquisition activity in related industries, such as the manufacturing of telecommunications equipment and the development of software to manage networks. In 2001, business conditions for telecommunications companies and manufacturers of telecommunications equipment deteriorated, as the previous spending on networks and other infrastructure resulted in excess capacity and large debt obligations, so acquisitions in these industries slowed substantially.

Reflecting the effect of the drop in merger and acquisition activity on the FDIUS position, equity capital inflows, which are mainly used to acquire U.S. firms, were substantially lower than in 2000, but they were still higher than in any year prior to 1998.² Weak economic conditions in many of the countries that are historically major sources of FDIUS—including France, Germany, the Netherlands, Canada, and Japan—contributed to the slowdown in the expansion of foreign multinational companies (MNC's) into the United States. In addition, the weakness of the U.S. economy, which followed 10 years of economic expansion, reduced the attractiveness of U.S. firms as acquisition targets. The acquisitions that did occur in 2001 tended to be smaller than in the previous 3 years, when equity capital inflows were boosted by a few especially large acquisitions. In particular, the absence of these

2. According to preliminary data from BEA's survey of new foreign direct investment, total outlays to acquire or establish U.S. businesses, including those financed by capital inflows from foreign parents, decreased 60 percent to \$132.9 billion in 2001 from \$335.6 billion in 2000. See Thomas W. Anderson, "Foreign Direct Investment in the United States: New Investment in 2001," SURVEY OF CURRENT BUSINESS 82 (June 2002): 28–35. These data cover only transactions involving U.S. businesses newly acquired or established by foreign direct investors, and they include financing other than that from the foreign parent, such as local borrowing by existing U.S. affiliates. In contrast, the changes in the FDIUS position reflect transactions of both new and existing U.S. affiliates with their foreign parents or other members of their foreign parent groups and valuation adjustments, and they exclude financing not provided by the foreign parent group.

Notwithstanding these differences, the two types of data are related. Any outlays to acquire or establish U.S. businesses that are funded by foreign parent groups are part of capital inflows for FDIUS, a component of the change in the position. Data from the new investments survey indicate that foreign parent groups funded \$70.7 billion, or 53 percent, of outlays to acquire or establish new U.S. affiliates in 2001, compared with \$214.3 billion, or 64 percent, in 2000.

large acquisitions resulted in a significant slowing in the growth of the position of parents in the United Kingdom.

Despite being substantially lower than in 2000, equity capital inflows still accounted for most of the growth in the FDIUS position in 2001. In contrast, reinvested earnings of foreign affiliates continued to account for most of the growth in the USDIA position. The greater importance of reinvested earnings in the growth of the USDIA position reflects the higher earnings of foreign affiliates of U.S. companies relative to those of U.S. affiliates of foreign companies; this difference may be partly due to the greater average maturity of foreign affiliates relative to that of U.S. affiliates.³

The remainder of this article is presented in two sections. The first section discusses changes in the USDIA position by type of capital flow and by host country. The second section discusses the changes in the FDIUS position by type of capital flow and by country of the foreign parent.

U.S. Direct Investment Abroad

The USDIA position valued at historical cost—the book value of U.S. direct investors' equity in, and net outstanding loans to, their foreign affiliates—was \$1,381.7 billion at the end of 2001 (table 1 and chart 1). In 2001, as in 2000, the largest positions were those in the United Kingdom (\$249.2 billion, or 18 percent of the total position), in Canada (\$139.0 billion, or 10 percent), and in the Netherlands (\$131.9 billion, or 10 percent) (table 2.2 and chart 2).

The USDIA position increased \$88.2 billion in 2001, the smallest increase since 1997. The following table shows the changes in the position in 2000 and 2001 by the type of capital flow and by valuation adjustment.

	[Billions of dollars]	
	2000	2001
Total	120.3	88.2
Capital outflows.....	165.0	114.0
Equity capital	66.1	49.8
Increases	91.0	70.8
Decreases	25.0	20.9
Intercompany debt	11.0	-1.7
Reinvested earnings	87.9	65.8
Valuation adjustments.....	-44.7	-25.7
Currency translation.....	-17.8	-12.1
Other	-26.9	-13.7

3. For a discussion of the profitability of U.S. affiliates, see Raymond J. Mataloni, Jr., "An Examination of the Low Rates of Return of Foreign-Owned U.S. Companies," *SURVEY* 80 (March 2000): 55-73.

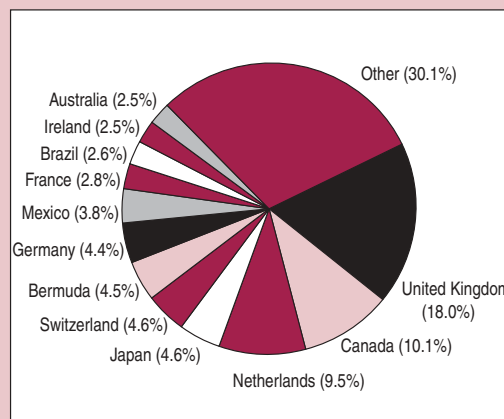
Capital outflows were \$114.0 billion in 2001, 31 percent smaller than in 2000 and the smallest since 1997. Reinvested earnings accounted for the largest portion of capital outflows, 58 percent, and equity capital accounted for 44 percent. Flows of intercompany debt shifted from outflows to small inflows.

Reinvested earnings, at \$65.8 billion, were down 25 percent from 2000, reflecting both substantially lower earnings of affiliates and a decrease in the share of earnings that was reinvested. Earnings fell 18 percent to \$107.4 billion. The share of total earnings reinvested by foreign affiliates fell to 61 percent from 67 percent. The industries with the largest declines in shares—petroleum and manufacturing—were those with the largest proportional decreases in earnings. The decline in the reinvestment ratio in 2001 may be partly attributable to parents lowering the scale of funding for current and projected future operations of their affiliates as a result of sluggish economic growth in many host countries.

Equity capital outflows fell 25 percent in 2001, to \$49.8 billion. Equity capital increases were \$70.8 billion, and equity capital decreases were \$20.9 billion. About 60 percent of the increases were for the direct acquisition or establishment of new affiliates. The remaining 40 percent were capital contributions to existing affiliates. Equity capital increases were largest in Europe and in Latin America and Other Western Hemisphere. In Europe, the increases were highest in chemicals and allied products and in finance, insurance, and real estate (FIRE). In Latin America and

CHART 2

U.S. Direct Investment Position Abroad, 2001: Host-Country Shares



U.S. Bureau of Economic Analysis

Other Western Hemisphere, the increases were partly due to acquisitions of depository institutions. Equity capital decreases result from the liquidation or sale of affiliates or from the return of equity capital. In 2001, each of these accounted for roughly half of the total. Equity capital decreases from the United Kingdom were particularly large.

Intercompany debt shifted to small net inflows in 2001 after net outflows of \$11.0 billion in 2000. This shift was largely accounted for by changes in the net lending of parents of European affiliates in chemicals. In addition, the net lending from affiliates in FIRE in several Caribbean countries to their U.S. parents increased.

The capital outflows were partly offset by \$25.7 billion in negative valuation adjustments to the position; the adjustments were split rather evenly between currency-translation adjustments and other adjustments (see the box "Key Terms"). The negative currency-translation adjustments reflect the appreciation of the U.S. dollar in 2001, particularly against the Canadian dollar, the Japanese yen, the British pound, and the Brazilian real.

Changes by area and by country

In 2001, the USDIA position grew 8 percent in Canada, 7 percent each in Europe and in Latin America and Other Western Hemisphere, and 5 percent in Asia and Pacific. Growth in the USDIA positions in both Africa and the Middle East exceeded 10 percent, but

the levels of these positions remained very small. Position changes that exceeded \$3 billion in absolute value by area and by country are shown in the following table.

[Billions of dollars]	
All countries.....	88.2
Canada.....	10.2
Europe.....	46.3
<i>Of which:</i>	
Netherlands.....	14.3
Germany.....	10.5
United Kingdom.....	7.5
Switzerland.....	7.0
Luxembourg.....	4.5
Sweden.....	-4.7
Latin America and Other Western Hemisphere	17.7
<i>Of which:</i>	
Mexico.....	14.8
Bermuda.....	5.3
Panama.....	-4.0
Asia and Pacific.....	11.2
<i>Of which:</i>	
Japan.....	4.7

Within Europe, position increases were largest in the Netherlands and Germany. (In Germany, the position grew more than 20 percent.) The next largest increases were in the United Kingdom, Switzerland, and Luxembourg. In contrast, the position in Sweden dropped more than 20 percent.

In the Netherlands, the increase in the position was primarily accounted for by reinvested earnings of affiliates in FIRE, particularly affiliates that are holding companies, and of affiliates in chemicals. The holding companies derive virtually all of their earnings from operating affiliates, many of which are located in other foreign countries and many of which operate in multiple industries.⁴ The increase in Germany was partly due to equity capital increases resulting from acquisitions in chemicals and to intercompany debt outflows in industrial machinery and equipment manufacturing. In the United Kingdom, equity capital increases, increases in intercompany debt, and reinvested earnings were only partly offset by negative valuation adjustments of nearly \$6 billion. The increases in Switzerland and Luxembourg resulted mainly from the reinvested earnings of affiliates in FIRE (particularly holding companies). The decrease in Sweden was largely accounted for by intercompany debt inflows.

Acknowledgments

The data for U.S. direct investment abroad were drawn from BEA's quarterly survey of transactions between U.S. parent companies and their foreign affiliates. The survey was conducted under the supervision of Mark W. New, assisted by Howard S. Chenkin, Jennifer C. Chilzer, Laura A. Downey, Javier J. Hodge, Marie K. Laddomada, Sherry Lee, Leila C. Morrison, and Dwayne Torney. Computer programming for data estimation and tabulation was provided by Marie Colosimo and Mark A. Ledbetter.

The data for foreign direct investment in the United States were drawn 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, assisted by Peter J. Fox, Michelle L. Granson, Barbara C. Huang, Y. Louise Ku-Graf, Tracy K. Leigh, and Beverly E. Palmer. Computer programming for data estimation and tabulation was provided by Karen E. Poffel, assisted by Paula D. Brown and Tracy K. Leigh.

4. For the past two decades, U.S. parent companies have been funneling an increasing share of their direct investments abroad through holding companies. For more information, 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.

The increases in the position in Latin America and other Western Hemisphere were largest in Mexico and in Bermuda. The increase of \$14.8 billion, or 40 percent, in the position in Mexico was larger than that in any other country. Equity capital increases related to the acquisitions of depository institutions contributed to the increase. The increase in Bermuda was primarily associated with affiliates in FIRE and primarily reflected reinvested earnings and, to a lesser extent, increases in equity capital. In contrast, the position in Panama fell 14 percent, largely because of valuation adjustments in FIRE.

Within Asia and Pacific, Japan had the largest increase in position, mainly reflecting the reinvested earnings of affiliates in FIRE and in services.

In Canada, the increase in the position was largely due to affiliates' reinvested earnings in several industries; equity capital increases—primarily in petroleum—also contributed to the increase.

Foreign Direct Investment in the United States

The FDIUS position valued at historical cost—the book value of foreign direct investors' equity in, and net outstanding loans to, their U.S. affiliates—was \$1,321.1 billion at the end of 2001 (table 1 and chart 1). The largest positions remained those of the United Kingdom (\$217.7 billion, or 16 percent), Japan (\$159.0 billion, or 12 percent), and the Netherlands (\$158.0 billion, or 12 percent) (table 3.2 and chart 3).

In 2001, the FDIUS position increased \$106.8 billion, or 9 percent, following an increase of 27 percent in 2000. The following table shows the changes in the

position in 2000 and 2001 by type of capital flow and by valuation adjustment.

[Billions of dollars]		
	2000	2001
Total	258.5	106.8
Capital inflows	300.9	124.4
Equity capital	245.9	107.7
Increases	267.1	125.5
Decreases	21.2	17.8
Intercompany debt	55.3	42.8
Reinvested earnings	-0.3	-26.1
Valuation adjustments	-42.4	-17.6
Currency translation	-2.1	-3.0
Other	-40.3	-14.6

Capital inflows were \$124.4 billion in 2001, less than half the \$300.9 billion recorded in 2000. The largest contributor to total capital inflows was equity capital inflows, followed by intercompany debt. Total capital inflows were reduced by negative reinvested earnings.

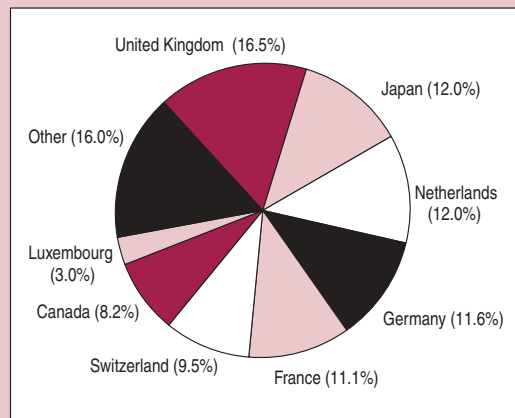
Equity capital inflows were \$107.7 billion, down sharply from \$245.9 billion in 2000. Equity capital increases were \$125.5 billion, and equity capital decreases were \$17.8 billion. Equity capital increases reflected both acquisitions of U.S. businesses by foreigners and contributions of equity to existing U.S. affiliates. The firms acquired were mostly in finance, petroleum, depository institutions, publishing (classified in "other" manufacturing) and broadcasting and telecommunications (classified in "other industries").⁵ Equity capital decreases reflected selloffs of affiliates by, and returns of capital to, foreign direct investors (transactions that are reported as U.S. capital outflows).

Intercompany debt inflows were \$42.8 billion, down from the \$55.3 billion in 2000. A substantial portion of intercompany debt represents U.S. affiliates' borrowing from their foreign parents to finance acquisitions. As the pace of acquisitions slowed in 2001, borrowing by existing U.S. affiliates decreased.

Capital inflows were reduced by reinvested earnings of -\$26.1 billion in 2001, compared with -\$0.3 billion in 2000. (Reinvested earnings are negative when affiliates incur losses or when they distribute earnings to their foreign parents in excess of the parents' share in their current earnings.) In 2001, U.S. affiliates earnings

CHART 3

Foreign Direct Investment Position in the United States, 2001: Parent-Country Shares



5. A few of the larger acquisitions were accomplished by U.S. shareholders exchanging their stock in the acquired firms for shares in the foreign firms. These self-financing transactions resulted in large, but offsetting, financial flows in the U.S. international transactions accounts: The large inflows on direct investment that resulted from the foreign investors' acquisitions of U.S. companies were offset by the outflows on foreign securities that resulted from the U.S. shareholders receiving the stock of the foreign firms. The outflows were recorded as foreign securities transactions rather than as U.S. direct investment abroad because the exchanges of stock did not result in any single U.S. investor owning as much as 10 percent of the shares of a foreign firm.

shifted from profits of \$32.4 billion to losses of \$6.7 billion, primarily reflecting the economic slowdown in the United States. In addition, U.S. affiliates distributed earnings of \$19.3 billion to their foreign parents. The industries with the largest negative reinvested earnings, machinery and finance, were also the industries with the largest losses. Negative valuation adjustments also reduced the size of the increase in the position (see the box “Key Terms”).

Changes by area and by country

In 2001, affiliates with parents in Europe more than accounted for the increase in the FDIUS position. Within Europe, the changes in the positions of some countries were related to debt restructuring within foreign MNC's. As part of the restructuring, intercompany debt obligations were shifted from foreign parents to their foreign affiliates in other countries.⁶ These shifts had no impact on the overall FDIUS position, but they resulted in offsetting changes in the positions of the countries involved. The increase in the position of Switzerland accounted for about half of the increase in the total position of Europe. The next largest dollar increases were for parents in Germany, France, and the Netherlands. The position of parents in the United Kingdom increased by a relatively small amount, and the position of parents in Luxembourg decreased. Outside Europe, the position of parents in Latin America and Other Western Hemisphere increased by a small amount. In contrast, the positions of parents in Canada and in Asia and Pacific decreased. The decrease in Asia and Pacific was more than accounted for by the decrease in the position of parents in Japan.

The following table presents major changes in position from 2000 to 2001 by area and by country.

[Billions of dollars]	
All countries	106.8
Canada	-6.0
Europe	111.6
<i>Of which:</i>	
Switzerland	56.3
Germany	27.9
France.....	15.7
Netherlands.....	11.5
United Kingdom.....	3.9
Luxembourg.....	-13.6
Latin America and Other Western Hemisphere	4.4
Asia and Pacific	-3.6
<i>Of which:</i>	
Japan.....	-4.6

6. Intercompany debt transactions include affiliates' payables to, and receivables from, their foreign parents and other members of their foreign parent groups (see the box “Key Terms”).

The position of Switzerland increased 81 percent in 2001. This increase was largely the result of MNC's debt restructuring, which shifted loans from their foreign parents in other countries to the Swiss affiliates of the foreign parents.

The position of Germany increased 22 percent. The increase was more than accounted for by “other industries” and reflected acquisitions of telecommunications firms. The position of France increased 12 percent. Most of this increase was in services, finance, and insurance. The increase in services was accounted for by acquisitions; the increase in finance was mostly accounted for by equity capital contributions from French parents and a step-up in affiliates' borrowing from their parents; and the increase in insurance was largely due to French parents' increasing ownership shares in their insurance affiliates. The position of the Netherlands increased 8 percent; the increase was more than accounted for by affiliates in services, insurance, and retail trade. The increases in services and retail trade were the result of acquisitions, and the increase in insurance resulted from several large loans from parents to their affiliates. The position of the United Kingdom increased 2 percent after increasing 39 percent in 2000, when an especially large acquisition occurred. The position of Luxembourg decreased 25 percent as a result of a shift in debt: Direct debt obligations to Luxembourg parents were shifted to become obligations to the Swiss affiliates of the parents. The reduction in the position of Luxembourg parents as a result of this shift more than offset increases due to acquisitions of companies in commercial lending, communications, and electronic machinery manufacturing. These acquisitions were by firms ultimately owned by investors in other countries.⁷

The position of Canada decreased 5 percent. This decrease was more than accounted for by negative reinvested earnings in machinery that resulted from a shift to losses for affiliates in this industry. The position of Japan decreased 3 percent, largely because of selloffs of affiliates in machinery and finance.⁸

7. BEA also prepares data on the FDIUS position by country of ultimate beneficial owner; the data are included in the detailed tables on FDIUS that are usually published in the September SURVEY.

8. The year-to-year changes in machinery and finance reflected in tables 3.1 and 3.2 were dampened or partly offset by reclassifications of existing affiliates into these industries from “other industries.”

Tables 2.1, 2.2, 3.1, and 3.2 follow.

Table 2.1. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 2000¹
[Millions of dollars]

	All industries	Petroleum	Manufacturing								Wholesale trade	Depository institutions	Finance (except depository institutions), insurance, and real estate	Services	Other industries
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Industrial machinery and equipment	Electronic and other electric equipment	Transportation equipment	Other manufacturing					
All countries	1,293,431	95,834	353,550	35,933	100,872	18,773	41,199	49,065	40,052	67,656	83,724	38,071	542,641	80,144	99,469
Canada	128,814	18,461	50,768	5,462	8,827	4,227	3,484	3,077	12,606	13,085	9,614	2,107	32,746	6,324	8,795
Europe	679,457	30,944	185,663	17,006	69,468	9,483	23,008	21,118	13,532	32,047	46,050	24,435	299,345	46,733	46,288
Austria.....	2,686	(²)	1,225	39	68	(³)	131	434	313	(⁴)	583	256	316	207	(⁵)
Belgium.....	19,527	8	7,528	1,002	4,756	143	115	260	296	955	1,792	530	7,328	2,539	-198
Denmark.....	5,363	1,096	2,023	98	101	14	(⁶)	332	-13	(⁷)	656	0	(⁸)	122	(⁹)
Finland.....	1,110	26	680	8	343	0	(¹⁰)	77	76	77	270	0	-5	61	77
France.....	38,752	(¹¹)	16,056	3,125	2,912	3,738	997	2,318	647	2,321	2,589	2,986	9,371	5,013	(¹²)
Germany.....	50,963	1,540	24,083	588	3,542	1,217	5,892	2,512	6,104	4,228	3,459	314	14,757	3,568	3,241
Greece.....	637	(¹³)	83	(¹⁴)	33	1	0	13	0	37	144	117	(¹⁵)	41	26
Ireland.....	33,816	(¹⁶)	8,762	393	3,395	112	732	728	32	3,370	798	-50	14,303	8,817	(¹⁷)
Italy.....	22,392	(¹⁸)	12,265	1,097	2,504	105	1,059	4,663	767	2,071	2,370	344	2,832	2,509	(¹⁹)
Luxembourg.....	25,571	49	3,401	(²⁰)	50	(²¹)	10	-7	0	(²²)	1,058	310	20,630	103	19
Netherlands.....	117,557	3,084	29,484	2,696	19,131	-43	2,908	2,632	8	2,151	8,742	(²³)	71,270	3,025	(²⁴)
Norway.....	5,833	4,195	338	4	28	9	208	7	-10	91	337	(²⁵)	613	234	(²⁶)
Portugal.....	1,888	(²⁷)	483	103	95	-11	(²⁸)	252	68	(²⁹)	284	128	290	466	(³⁰)
Spain.....	19,846	155	6,813	872	1,641	1,287	59	981	985	988	1,815	2,279	7,877	541	365
Sweden.....	22,676	89	14,002	-26	(³¹)	-15	251	880	184	(³²)	359	(³³)	5,949	1,294	(³⁴)
Switzerland.....	55,854	245	4,916	(³⁵)	2,790	144	609	536	(³⁶)	596	11,916	2,674	33,201	1,688	1,215
Turkey.....	1,356	48	712	193	81	(³⁷)	0	-39	228	(³⁸)	35	354	2	50	155
United Kingdom.....	241,663	15,629	49,845	6,278	15,023	2,314	8,751	3,769	3,416	10,292	8,293	12,341	105,242	16,128	34,186
Other.....	11,969	2,008	2,964	(³⁹)	430	(⁴⁰)	23	769	(⁴¹)	(⁴²)	550	(⁴³)	3,921	325	(⁴⁴)
Latin America and Other Western Hemisphere	251,863	10,026	47,980	9,037	11,236	2,944	2,928	1,907	8,283	11,646	8,887	-231	150,107	9,691	25,403
South America.....	84,012	6,460	26,713	4,051	6,589	2,240	1,837	1,882	2,803	7,311	1,979	5,838	20,912	4,404	17,706
Argentina.....	15,646	634	3,914	1,066	1,568	210	46	3	224	797	347	2,002	5,179	659	2,913
Brazil.....	39,033	1,038	18,039	1,598	3,951	1,449	1,743	1,738	2,260	5,299	734	2,115	10,345	2,195	4,567
Chile.....	9,451	78	1,447	491	207	(⁴⁵)	17	(⁴⁶)	17	(⁴⁷)	359	997	2,902	203	3,465
Colombia.....	4,606	872	1,314	345	375	(⁴⁸)	(⁴⁹)	(⁵⁰)	(⁵¹)	(⁵²)	436	122	802	(⁵³)	(⁵⁴)
Ecuador.....	763	397	235	-10	109	(⁵⁵)	0	(⁵⁶)	0	(⁵⁷)	77	53	56	(⁵⁸)	(⁵⁹)
Peru.....	3,485	357	196	53	89	(⁶⁰)	1	0	0	(⁶¹)	73	(⁶²)	846	80	(⁶³)
Venezuela.....	9,530	2,961	1,395	469	250	20	35	54	136	432	204	52	670	1,072	3,175
Other.....	1,497	123	173	39	40	0	(⁶⁴)	0	(⁶⁵)	0	87	319	112	121	562
Central America.....	70,474	1,345	20,001	4,865	3,742	(⁶⁶)	1,089	(⁶⁷)	5,477	4,029	3,605	1,673	37,156	1,429	5,265
Costa Rica.....	1,655	31	451	116	166	28	-5	96	0	50	(⁶⁸)	0	2	-2	(⁶⁹)
Guatemala.....	907	474	231	103	61	2	0	0	0	65	34	(⁷⁰)	124	3	(⁷¹)
Honduras.....	257	(⁷²)	216	203	2	-1	0	0	(⁷³)	0	3	(⁷⁴)	9	0	-1
Mexico.....	37,332	163	18,794	4,390	3,435	(⁷⁵)	1,094	-55	(⁷⁶)	3,856	1,947	1,625	8,494	1,233	5,077
Panama.....	29,316	354	152	40	(⁷⁷)	30	0	0	0	(⁷⁸)	(⁷⁹)	15	28,192	195	(⁸⁰)
Other.....	1,006	(⁸¹)	157	12	(⁸²)	6	0	(⁸³)	0	(⁸⁴)	30	(⁸⁵)	336	0	(⁸⁶)
Other Western Hemisphere.....	97,377	2,221	1,267	121	905	(⁸⁷)	3	(⁸⁸)	3	306	3,303	-7,741	92,038	3,857	2,432
Bahamas.....	2,317	(⁸⁹)	0	0	0	0	-2	0	0	0	0	-3,872	4,402	33	55
Barbados.....	1,170	(⁹⁰)	65	(⁹¹)	0	0	0	3	0	12	298	(⁹²)	263	339	(⁹³)
Bermuda.....	56,594	(⁹⁴)	0	0	0	0	0	0	0	0	2,330	0	52,087	2,656	-30
Dominican Republic.....	813	(⁹⁵)	303	25	31	-1	0	0	0	248	46	(⁹⁶)	(⁹⁷)	19	180
Jamaica.....	2,354	(⁹⁸)	239	(⁹⁹)	167	0	0	0	0	0	(¹⁰⁰)	14	53	1,965	(¹⁰¹)
Netherlands Antilles.....	3,518	(¹⁰²)	2	0	0	0	0	0	0	(¹⁰³)	62	0	3,433	0	(¹⁰⁴)
Trinidad and Tobago.....	1,524	1,010	309	(¹⁰⁵)	263	0	0	0	0	(¹⁰⁶)	22	(¹⁰⁷)	0	119	(¹⁰⁸)
United Kingdom Islands, Caribbean.....	28,514	320	-104	(¹⁰⁹)	-15	-5	0	0	(¹¹⁰)	3	4	322	-4,081	31,142	694
Other.....	573	-139	0	0	0	0	0	0	0	3	9	(¹¹¹)	11	(¹¹²)	(¹¹³)
Africa	14,417	8,985	1,779	482	306	230	113	70	184	394	264	430	1,239	589	1,130
Egypt.....	2,344	1,996	239	(¹¹⁴)	29	(¹¹⁵)	0	-2	0	0	39	(¹¹⁶)	0	-137	(¹¹⁷)
Nigeria.....	1,237	840	54	(¹¹⁸)	18	-1	0	0	0	0	0	(¹¹⁹)	0	0	4
South Africa.....	3,245	6	900	139	222	45	(¹²⁰)	71	114	(¹²¹)	160	(¹²²)	318	608	(¹²³)
Other.....	7,591	6,143	587	172	37	185	3	1	0	(¹²⁴)	140	(¹²⁵)	318	118	(¹²⁶)
Middle East	11,087	2,395	87	220	31	138	1,087	-12	442	398	863	1,703	1,358	2,037	
Israel.....	3,386	4	1,974	102	(¹²⁷)	116	1,424	320	72	0	222	897	217	217	(¹²⁸)
Saudi Arabia.....	4,225	221	137	(¹²⁹)	53	17	(¹³⁰)	2	-19	75	109	(¹³¹)	970	295	(¹³²)
United Arab Emirates.....	737	240	75	0	(¹³³)	15	0	0	0	(¹³⁴)	217	(¹³⁵)	92	-63	(¹³⁶)
Other.....	2,739	1,931	147	(¹³⁷)	0	0	(¹³⁸)	0	(¹³⁹)	(¹⁴⁰)	(¹⁴¹)	-1	(¹⁴²)	73	(¹⁴³)
Asia and Pacific	205,317	22,316	65,027	3,859	10,814	1,858	11,528	21,467	5,459	10,042	18,512	10,466	57,500	15,450	16,047
Australia.....	35,364	8,286	7,795	1,252	2,673	651	673	147	1,057	1,341	2,480	1,523	7,743	2,285	5,252
China.....	9,861	1,531	6,213	209	446	200	915	3,243	418	782	336	78	812	303	588
Hong Kong.....	26,621	217	3,110	-56	387	350	139	1,564	34	691	5,766	2,436	10,776	513	3,803
India.....	1,431	-440	774	229	94	(¹⁴⁴)	357	154	-164	(¹⁴⁵)	221	291	222	70	292
Indonesia.....	5,579	253	18	143	1	-1	-29	-1	(¹⁴⁶)	(¹⁴⁷)	249	169	169	1	292
Japan.....	59,441	1,721	15,468	1,205	2,778	328	1,539	2,578	3,179	3,861	4,940	859	24,047	10,345	2,061
Korea, Republic of.....	8,914	45	4,918	518	753	21	430	1,925	217	1,054	1,073	1,938	136	468	336
Malaysia.....	7,400	970	4,725	-9	323	-4	607	3,612	(¹⁴⁸)	196	342	(¹⁴⁹)	762	154	(¹⁵⁰)
New Zealand.....	3,854	64	436	-34											

Table 2.2. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 2001^p

[Millions of dollars]

	All industries	Petroleum	Manufacturing								Wholesale trade	Depository institutions	Finance (except depository institutions), insurance, and real estate	Services	Other industries
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Industrial machinery and equipment	Electronic and other electric equipment	Transportation equipment	Other manufacturing					
All countries	1,381,674	102,074	376,259	35,496	108,663	21,488	52,392	48,391	39,142	70,687	92,836	49,319	572,545	86,491	102,150
Canada	139,031	23,755	53,724	4,629	9,640	5,315	2,866	2,838	13,312	15,123	10,150	2,049	33,568	6,531	9,256
Europe	725,793	28,227	204,338	18,179	75,990	10,987	31,861	21,256	11,330	34,733	51,261	25,177	320,621	50,621	45,548
Austria	3,374	(^o)	1,718	36	78	(^o)	81	473	334	(^o)	710	278	424	259	(^o)
Belgium	20,392	-41	7,110	1,176	4,524	148	118	115	245	783	2,095	583	7,745	3,014	-114
Denmark	6,537	887	2,117	120	112	12	(^o)	463	(^o)	327	1,868	0	(^o)	98	(^o)
Finland	1,143	9	724	5	408	136	77	66	13	17	300	0	(^o)	62	(^o)
France	38,457	(^o)	16,199	3,410	2,548	3,765	1,244	2,519	712	2,002	2,638	2,703	8,403	5,207	(^o)
Germany	61,437	2,430	34,482	577	9,981	2,598	10,139	2,420	4,791	3,977	2,546	236	14,355	4,162	3,226
Greece	648	5	92	7	60	-1	0	14	0	13	207	88	168	47	42
Ireland	34,499	(^o)	10,457	542	3,770	122	950	930	42	4,100	935	-32	12,682	9,924	(^o)
Italy	23,893	(^o)	13,132	1,198	2,842	195	1,249	4,727	683	2,238	2,167	353	3,256	2,475	(^o)
Luxembourg	30,039	46	3,623	1	(^o)	(^o)	14	-13	0	1,328	381	24,489	151	20	(^o)
Netherlands	131,884	4,337	34,701	3,061	22,509	-98	3,801	3,170	-4	2,261	10,364	(^o)	76,304	3,649	(^o)
Norway	6,660	2,265	325	3	29	8	206	3	-2	78	407	25	3,320	132	184
Portugal	1,924	(^o)	568	107	103	-15	(^o)	275	63	(^o)	335	127	294	390	(^o)
Spain	19,421	(^o)	6,576	956	1,624	1,267	-131	952	902	1,005	1,162	2,344	8,514	527	(^o)
Sweden	17,968	56	8,653	156	(^o)	-155	222	917	(^o)	(^o)	437	(^o)	6,584	1,275	(^o)
Switzerland	62,897	354	4,808	24	2,841	145	716	483	(^o)	(^o)	15,146	2,495	37,507	2,071	515
Turkey	1,207	20	567	209	-1	(^o)	0	-44	222	(^o)	47	387	2	72	113
United Kingdom	249,201	11,890	55,396	6,221	16,432	2,459	12,026	2,968	3,000	12,291	7,986	13,279	110,208	16,746	33,696
Other	14,212	2,907	3,088	371	489	(^o)	37	817	(^o)	796	584	1,409	4,963	357	904
Latin America and Other Western Hemisphere	269,556	10,566	45,633	8,654	11,884	2,981	2,327	1,677	8,468	9,642	9,773	9,988	153,796	10,784	29,017
South America	83,415	6,351	23,354	3,754	6,396	2,249	1,718	1,833	2,157	5,247	1,555	5,891	21,970	4,393	19,901
Argentina	14,234	541	2,339	830	1,363	175	31	-6	-596	542	243	1,865	5,798	631	2,816
Brazil	36,317	1,022	15,506	1,376	3,690	1,460	1,627	1,674	2,262	3,416	356	2,280	10,542	2,101	4,511
Chile	11,674	87	1,888	651	438	(^o)	16	18	18	140	362	1,011	2,997	194	5,136
Colombia	4,844	1,049	1,414	349	388	(^o)	-7	15	(^o)	(^o)	119	(^o)	866	79	(^o)
Ecuador	417	117	187	-69	112	-1	0	59	(^o)	(^o)	40	(^o)	76	5	(^o)
Peru	3,591	418	217	58	113	-21	1	0	66	77	(^o)	(^o)	862	56	(^o)
Venezuela	10,680	2,932	1,540	439	250	12	49	73	262	454	255	31	718	1,231	3,971
Other	1,659	185	265	120	43	0	2	0	9	91	102	311	110	96	590
Central America	80,560	933	20,708	4,817	4,234	708	605	(^o)	6,309	3,521	(^o)	(^o)	34,036	1,669	(^o)
Costa Rica	1,614	41	461	139	175	31	-13	107	0	23	(^o)	0	4	-2	(^o)
Guatemala	477	76	187	97	65	2	0	0	24	30	(^o)	(^o)	127	3	(^o)
Honduras	49	12	54	(^o)	2	-1	0	0	2	7	(^o)	(^o)	5	0	(^o)
Mexico	52,168	265	19,701	4,501	3,894	(^o)	618	-365	(^o)	4,139	1,969	(^o)	9,647	1,180	(^o)
Panama	25,296	331	173	44	(^o)	(^o)	0	0	0	(^o)	(^o)	(^o)	23,900	488	-26
Other	955	207	133	(^o)	4	0	0	(^o)	0	41	(^o)	(^o)	351	0	(^o)
Other Western Hemisphere	105,581	3,283	1,570	82	1,254	24	4	(^o)	2	(^o)	4,697	(^o)	97,791	4,721	(^o)
Bahamas	2,125	1,456	(^o)	0	0	0	-1	0	196	0	0	-4,520	4,801	38	(^o)
Barbados	1,238	102	66	20	(^o)	0	0	4	0	(^o)	374	24	(^o)	496	(^o)
Bermuda	61,929	(^o)	611	0	611	0	0	0	0	3,516	0	0	54,451	3,122	(^o)
Dominican Republic	752	189	187	21	34	-1	0	0	0	134	59	(^o)	(^o)	(^o)	(^o)
Jamaica	2,280	32	188	(^o)	0	0	0	0	0	1	(^o)	(^o)	18	59	(^o)
Netherlands Antilles	3,661	(^o)	26	2	(^o)	0	0	0	0	24	64	0	3,577	-5	(^o)
Trinidad and Tobago	1,978	1,397	369	(^o)	(^o)	0	0	5	0	11	24	0	(^o)	26	(^o)
United Kingdom Islands, Caribbean	30,680	201	-2	(^o)	-53	(^o)	0	0	2	2	410	-5,369	34,168	951	322
Other	936	(^o)	(^o)	0	(^o)	0	0	0	0	2	(^o)	(^o)	(^o)	(^o)	(^o)
Africa	15,872	11,649	1,435	58	372	173	127	11	275	419	284	434	631	386	1,054
Egypt	3,068	3,068	-108	-211	13	-4	36	-2	56	3	27	(^o)	2	-104	(^o)
Nigeria	1,467	1,801	51	(^o)	18	-1	0	0	(^o)	(^o)	(^o)	(^o)	(^o)	4	(^o)
South Africa	2,950	67	1,007	114	300	11	87	17	196	283	123	(^o)	(^o)	353	(^o)
Other	8,386	6,713	485	(^o)	41	167	3	-4	(^o)	(^o)	193	(^o)	425	137	(^o)
Middle East	12,643	2,896	3,030	79	292	31	151	1,931	-16	563	461	834	1,922	1,397	2,104
Israel	4,122	4	2,626	104	69	-5	124	1,929	7	398	69	-5	229	907	293
Saudi Arabia	4,162	219	169	(^o)	19	(^o)	19	(^o)	-23	(^o)	109	(^o)	948	336	(^o)
United Arab Emirates	942	265	(^o)	0	(^o)	16	0	0	0	(^o)	282	(^o)	40	107	3
Other	3,417	2,408	(^o)	(^o)	(^o)	0	27	0	1	-1	(^o)	(^o)	706	48	(^o)
Asia and Pacific	216,501	22,401	68,100	3,897	10,486	2,002	15,060	20,677	5,773	10,206	20,907	10,837	62,008	16,773	15,475
Australia	34,041	9,208	6,761	1,211	1,744	697	684	84	1,263	1,076	2,470	1,529	7,752	2,025	4,297
China	10,526	1,300	7,044	231	595	208	1,168	3,683	422	736	549	183	628	234	589
Hong Kong	29,389	177	2,650	-64	397	271	182	1,035	41	789	7,402	2,016	12,458	660	4,026
India	1,739	-446	912	202	146	86	397	191	(^o)	-253	144	404	263	96	389
Indonesia	8,807	5,526	254	16	144	-2	-41	(^o)	(^o)	(^o)	295	(^o)	118	2,533	
Japan	64,103	1,352	16,579	1,299	3,270	368	1,778	2,716	3,195	3,953	5,678	910	25,993	11,596	1,996
Korea, Republic of	9,864	47	5,532	529	830	22	500	2,230	241	1,179	992	2,099	266	518	410
Malaysia	6,820	639	4,401	-88	330	-4	794	3,140	-5	235	375	(^o)			

Table 3.1. Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 2000^r

[Millions of dollars]

	All industries	Petroleum	Manufacturing						Wholesale trade	Retail trade	Depository institutions	Finance, except depository institutions	Insurance	Real estate	Services	Other industries
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery	Other manufacturing								
All countries	1,214,254	87,055	479,851	23,975	122,446	24,741	151,237	157,453	110,286	29,666	68,128	84,383	112,482	42,682	109,504	90,219
Canada	114,599	3,401	56,608	1,819	2,686	4,725	34,723	12,654	7,542	996	3,095	12,631	8,805	6,383	5,827	9,312
Europe	835,137	78,706	358,521	18,213	114,472	16,198	91,807	117,831	46,395	24,479	50,453	43,982	91,113	15,967	77,756	47,766
Austria	3,174	0	933	0	-7	125	192	624	367	(^o)	(^o)	(^o)	(^o)	40	(^o)	-19
Belgium	14,585	-166	6,304	5	(^o)	(^o)	201	861	1,305	(^o)	(^o)	3,688	-1	38	1,345	703
Denmark	4,428	(^o)	4,220	492	25	0	521	3,182	-367	10	(^o)	(^o)	-4	(^o)	23	435
Finland	9,107	(^o)	6,069	(^o)	(^o)	603	429	4,625	2,426	(^o)	(^o)	-29	(^o)	(^o)	(^o)	445
France	131,484	(^o)	72,385	3,940	29,701	1,149	23,858	13,737	3,791	243	3,108	(^o)	14,783	(^o)	(^o)	4,352
Germany	124,839	225	60,483	84	17,098	2,513	11,364	29,424	10,126	2,067	18,892	4,702	13,488	4,939	4,610	5,309
Ireland	23,528	(^o)	4,489	413	63	356	898	2,760	5,473	(^o)	(^o)	(^o)	(^o)	(^o)	589	5,279
Italy	5,994	(^o)	1,245	124	219	219	326	356	222	1,414	1,170	(^o)	(^o)	80	13	(^o)
Liechtenstein	202	0	-10	-1	(^o)	(^o)	2	(^o)	110	0	0	(^o)	0	67	(^o)	28
Luxembourg	53,794	(^o)	37,910	(^o)	(^o)	93	25,590	9,608	1,794	295	0	1,072	(^o)	482	9,400	(^o)
Netherlands	146,493	11,695	51,002	3,326	19,699	1,245	11,931	24,801	7,831	12,307	12,204	3,237	33,647	4,528	7,460	2,580
Norway	2,241	(^o)	1,900	3	855	(^o)	106	(^o)	-456	(^o)	(^o)	(^o)	(^o)	31	175	(^o)
Spain	5,459	(^o)	1,161	(^o)	-7	(^o)	-2	560	133	(^o)	1,318	3	280	50	(^o)	92
Sweden	22,427	(^o)	9,289	0	(^o)	(^o)	2,773	5,103	(^o)	25	-135	(^o)	(^o)	(^o)	7,672	397
Switzerland	69,240	1,297	33,241	2,293	19,357	716	3,257	7,617	2,557	577	(^o)	(^o)	13,013	471	3,669	(^o)
United Kingdom	213,820	63,499	65,448	7,287	19,225	6,551	10,285	22,101	7,587	4,959	6,854	4,260	8,872	3,350	23,894	25,096
Other	4,322	713	2,455	57	-41	6	76	2,357	(^o)	0	361	(^o)	15	522	(^o)	18
Latin America and Other Western Hemisphere	54,463	2,363	5,735	1,000	-1,281	813	4,082	1,120	3,440	1,649	2,599	6,013	11,165	5,130	1,614	14,756
South and Central America	13,682	465	-1,567	997	-2,613	552	-271	-232	492	(^o)	2,027	4,547	(^o)	171	295	780
Brazil	886	(^o)	-249	-8	-97	-8	-165	28	55	3	425	(^o)	(^o)	13	-10	-6
Mexico	7,832	-10	1,261	1,004	(^o)	(^o)	35	-220	509	(^o)	268	(^o)	(^o)	-8	270	636
Panama	3,726	-3	(^o)	1	(^o)	(^o)	(^o)	-33	-70	2	57	(^o)	(^o)	176	33	(^o)
Venezuela	802	(^o)	-20	(^o)	-1	(^o)	-26	6	3	(^o)	582	-3	3	-21	-8	(^o)
Other	435	-2	(^o)	-1	(^o)	4	-115	-12	-5	(^o)	696	43	-1	11	9	-96
Other Western Hemisphere	40,782	1,897	7,302	3	1,332	262	4,353	1,352	2,948	(^o)	572	1,466	(^o)	4,960	1,319	13,976
Bahamas	1,268	(^o)	293	11	1	(^o)	154	(^o)	291	(^o)	(^o)	(^o)	0	218	6	-78
Bermuda	18,502	189	3,215	-65	(^o)	22	(^o)	(^o)	(^o)	195	(^o)	(^o)	3,660	388	410	10,431
Netherlands Antilles	3,940	(^o)	695	(^o)	(^o)	(^o)	(^o)	117	484	(^o)	161	22	-2	1,080	170	57
United Kingdom Islands, Caribbean	15,353	299	3,037	33	735	122	1,692	455	1,575	234	240	1,602	(^o)	3,174	652	(^o)
Other	1,718	96	61	(^o)	-6	2	31	(^o)	(^o)	(^o)	(^o)	23	(^o)	101	81	(^o)
Africa	2,756	(^o)	226	(^o)	261	(^o)	-4	-14	368	(^o)	(^o)	(^o)	-11	199	369	295
South Africa	1,218	-1	-100	(^o)	(^o)	0	-1	-19	(^o)	0	0	(^o)	-11	(^o)	331	-1
Other	1,538	(^o)	325	61	(^o)	(^o)	-3	4	(^o)	(^o)	(^o)	(^o)	0	(^o)	38	296
Middle East	6,189	(^o)	877	(^o)	227	(^o)	539	101	154	(^o)	(^o)	(^o)	0	931	213	19
Israel	2,690	0	882	(^o)	227	(^o)	546	99	155	5	1,107	(^o)	0	(^o)	117	79
Kuwait	908	-6	2	0	(^o)	0	2	0	(^o)	0	(^o)	1	0	(^o)	(^o)	-2
Lebanon	1	0	(^o)	0	0	0	(^o)	(^o)	0	0	0	0	0	0	0	(^o)
Saudi Arabia	(^o)	(^o)	-4	0	(^o)	0	-6	2	0	(^o)	(^o)	2	0	57	(^o)	-15
United Arab Emirates	64	47	-4	0	-1	0	-3	0	(^o)	(^o)	(^o)	1	0	10	0	-19
Other	(^o)	-6	(^o)	0	0	(^o)	(^o)	0	-1	0	49	(^o)	0	31	11	-24
Asia and Pacific	201,110	135	57,886	2,873	6,080	3,080	20,090	25,762	52,387	2,495	10,704	20,225	1,410	14,071	23,724	18,072
Australia	20,701	65	5,371	(^o)	184	275	(^o)	1,963	79	10	(^o)	1,904	(^o)	(^o)	7,623	2,863
Hong Kong	1,544	(^o)	529	(^o)	2	(^o)	265	-5	395	2	207	8	-1	172	336	(^o)
Japan	163,577	585	44,936	1,489	5,247	2,513	12,118	23,569	48,294	2,238	7,314	18,290	1,127	10,900	15,315	14,578
Korea, Republic of	3,287	(^o)	1,018	(^o)	48	169	693	(^o)	2,307	41	245	(^o)	17	40	-7	6
Malaysia	92	-5	30	-2	-1	1	14	19	13	(^o)	(^o)	0	0	(^o)	134	-13
New Zealand	385	0	4	(^o)	-4	(^o)	1	7	228	(^o)	0	0	0	(^o)	-1	(^o)
Philippines	50	(^o)	24	0	2	1	19	2	8	0	(^o)	6	0	7	(^o)	(^o)
Singapore	7,751	2	(^o)	2	-112	(^o)	(^o)	46	138	36	169	7	1	(^o)	84	(^o)
Taiwan	3,131	-5	1,083	-1	783	(^o)	248	52	713	21	878	124	(^o)	49	242	(^o)
Other	593	-43	(^o)	(^o)	-68	(^o)	-10	(^o)	212	1	400	16	(^o)	36	-1	-69
Addenda:																
European Union (15) ¹	760,017	76,334	321,737	15,864	94,299	14,666	88,404	108,504	43,305	23,902	45,763	33,801	78,084	15,154	74,765	47,171
OPEC ²	4,363	(^o)	-23	(^o)	-12	(^o)	-34	23	3	(^o)	754	2	909	80	58	

^a Less than \$500,000 (+/-).^b Suppressed to avoid disclosure of data of individual companies.^c Revised.¹ The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy,

Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

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

Table 3.2. Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 2001 ^P

[Millions of dollars]

	All industries	Petroleum	Manufacturing						Wholesale trade	Retail trade	Depository institutions	Finance, except depository institutions	Insurance	Real estate	Services	Other industries
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery	Other manufacturing								
All countries	1,321,063	95,922	508,535	23,847	127,139	25,683	166,198	165,668	112,997	35,811	78,094	85,990	120,400	44,163	125,660	113,491
Canada	108,600	3,654	39,935	1,986	3,175	3,622	16,563	14,588	7,484	679	6,022	17,422	8,902	6,257	5,940	12,305
Europe	946,758	79,982	396,630	17,576	119,161	19,132	116,917	123,845	49,039	30,528	56,568	43,077	96,353	16,089	91,487	87,005
Austria	3,298	0	971	0	-8	148	212	619	415	(^Q)	(^Q)	(^Q)	-1	39	(^Q)	-19
Belgium	14,721	(^Q)	7,399	(^Q)	5,951	(^Q)	174	904	1,149	(^Q)	(^Q)	2,561	4	38	1,376	750
Denmark	2,091	(*)	2,506	448	28	-1	261	1,770	(^Q)	14	(^Q)	(^Q)	-4	(^Q)	(^Q)	392
Finland	8,762	(^Q)	6,077	2	(^Q)	(^Q)	414	4,950	(^Q)	(^Q)	(^Q)	-41	(*)	(^Q)	108	(^Q)
France	147,207	94	74,677	3,498	31,122	633	23,859	15,565	4,695	(^Q)	4,967	19,575	18,200	(^Q)	22,486	1,218
Germany	152,760	199	59,987	100	17,630	2,668	11,602	27,988	9,385	1,894	19,394	4,822	12,216	5,310	6,009	33,544
Ireland	28,196	(^Q)	3,789	474	(^Q)	(^Q)	879	(^Q)	5,795	(^Q)	(^Q)	4,646	287	1,460	(^Q)	54
Italy	5,916	(^Q)	900	113	251	189	61	286	370	1,627	1,061	(^Q)	(^Q)	88	79	152
Liechtenstein	193	0	-18	-1	(*)	(^Q)	5	(^Q)	109	0	0	3	0	66	4	28
Luxembourg	40,232	(^Q)	19,299	(^Q)	(^Q)	75	(^Q)	9,819	1,596	256	0	282	(^Q)	(^Q)	9,633	8,633
Netherlands	158,020	6,987	50,109	3,143	18,973	1,095	13,094	13,803	7,613	(^Q)	12,092	2,422	38,911	4,635	16,479	(^Q)
Norway	2,277	370	2,068	3	991	(^Q)	120	(^Q)	89	-3	(^Q)	(^Q)	(*)	(^Q)	-339	-22
Spain	5,092	0	1,256	(^Q)	-6	(^Q)	5	594	69	(^Q)	1,396	(^Q)	288	52	1,963	93
Sweden	23,299	(^Q)	9,265	0	(^Q)	(^Q)	3,076	5,032	4,400	22	-30	(^Q)	(^Q)	765	6,859	337
Switzerland	125,521	(^Q)	85,445	2,681	22,965	1,306	(^Q)	2,693	647	(^Q)	8,057	13,666	510	3,926	705	705
United Kingdom	217,746	(^Q)	67,152	6,803	17,624	9,958	9,057	23,710	(^Q)	4,426	10,484	3,695	4,970	2,965	21,295	29,396
Other	11,428	1,077	5,748	(^Q)	(^Q)	(^Q)	2,304	2,450	849	(^Q)	363	221	(^Q)	1,033	68	(^Q)
Latin America and Other Western Hemisphere	58,881	9,385	4,889	1,139	-1,808	157	3,533	1,868	4,031	1,883	2,858	5,442	14,093	6,762	1,349	8,189
South and Central America	17,040	(^Q)	-2,204	1,120	-2,959	26	-310	-81	757	847	2,126	3,935	(^Q)	113	484	471
Brazil	578	124	-150	-7	-104	-33	-77	71	103	(^Q)	447	(^Q)	(^Q)	(^Q)	-5	(^Q)
Mexico	7,418	-10	960	1,131	(^Q)	(^Q)	-29	-112	753	831	283	3,592	-9	-1	451	571
Panama	4,199	27	(^Q)	-4	(^Q)	(^Q)	-3	-31	(^Q)	3	(^Q)	(^Q)	(^Q)	161	33	169
Venezuela	4,722	(^Q)	-24	(*)	-8	0	-25	8	6	(*)	587	-3	3	(^Q)	-8	(^Q)
Other	123	(^Q)	-1	(^Q)	3	-177	-18	(^Q)	(^Q)	(^Q)	42	(^Q)	(*)	15	14	-444
Other Western Hemisphere	41,840	(^Q)	7,094	18	1,152	131	3,843	1,950	3,273	1,036	732	1,506	(^Q)	6,649	864	7,717
Bahamas	1,351	(^Q)	238	10	1	(^Q)	(^Q)	4	292	(^Q)	(^Q)	4	0	269	-26	-95
Bermuda	15,748	199	2,200	-38	(^Q)	(^Q)	100	308	487	(^Q)	(^Q)	(^Q)	4,963	(^Q)	505	7,084
Netherlands Antilles	3,923	(^Q)	609	(^Q)	(^Q)	-7	(^Q)	110	465	(^Q)	179	53	-2	746	145	56
United Kingdom Islands, Caribbean	18,244	3,173	3,995	(^Q)	710	(^Q)	1,545	1,735	1,854	291	254	1,646	(^Q)	5,348	75	(^Q)
Other	2,575	(^Q)	52	(^Q)	-3	(^Q)	1	354	(^Q)	(^Q)	(^Q)	(^Q)	(^Q)	166	(^Q)	(^Q)
Africa	3,264	(^Q)	194	(^Q)	(^Q)	(^Q)	-7	-17	259	(^Q)	(^Q)	(^Q)	38	173	(^Q)	318
South Africa	1,867	(*)	-105	-1	-82	0	-2	-20	(^Q)	0	0	(^Q)	(^Q)	(*)	(^Q)	-1
Other	1,397	(^Q)	299	(^Q)	(^Q)	(^Q)	-5	2	(^Q)	(^Q)	(^Q)	(^Q)	(^Q)	173	36	319
Middle East	6,039	(^Q)	892	(^Q)	(^Q)	(^Q)	427	257	157	(^Q)	(^Q)	(^Q)	0	999	(^Q)	-64
Israel	2,876	0	905	(^Q)	(^Q)	(^Q)	441	255	156	(^Q)	1,316	(^Q)	0	(^Q)	142	(^Q)
Kuwait	990	-4	2	0	(*)	0	2	0	(*)	0	(^Q)	1	0	(^Q)	(^Q)	-2
Lebanon	1	0	(^Q)	0	0	0	0	0	0	0	0	0	0	0	0	(*)
Saudi Arabia	(^Q)	(^Q)	-14	0	-1	0	-15	2	0	(^Q)	(^Q)	2	0	56	7	-20
United Arab Emirates	-23	(^Q)	-2	0	-1	(*)	-1	0	0	0	(^Q)	1	0	10	0	(^Q)
Other	(^Q)	(^Q)	0	0	0	(^Q)	0	0	1	0	49	(^Q)	0	31	11	-26
Asia and Pacific	197,522	816	65,995	3,023	6,213	2,869	28,765	25,127	52,027	2,642	11,139	18,539	1,014	13,883	25,729	5,738
Australia	23,488	(^Q)	4,883	(^Q)	263	258	(^Q)	1,620	104	4	(^Q)	(^Q)	-55	(^Q)	(^Q)	3,338
Hong Kong	1,552	-1	401	(^Q)	-40	(^Q)	173	4	431	(*)	249	(^Q)	-1	189	241	(^Q)
Japan	158,988	891	53,822	1,524	5,379	2,377	21,218	23,325	48,578	2,306	7,550	16,433	1,045	11,070	14,761	2,534
Korea, Republic of	3,121	(^Q)	983	(^Q)	50	144	710	(^Q)	1,836	41	272	(^Q)	17	43	-13	18
Malaysia	21	-4	13	-2	-4	(*)	-1	20	17	(^Q)	(^Q)	0	1	(^Q)	-1	-14
New Zealand	465	0	38	(^Q)	1	(^Q)	2	(^Q)	326	(^Q)	0	6	0	0	0	-1
Philippines	2	-1	-11	0	1	(*)	-13	(*)	-2	0	18	8	0	7	(*)	-18
Singapore	6,502	39	4,858	(^Q)	-112	(^Q)	21	131	117	183	6	-1	1,116	83	-32	(^Q)
Taiwan	2,551	(*)	963	-1	732	1	177	54	335	(^Q)	936	(^Q)	8	48	166	(^Q)
Other	831	-36	45	8	-57	74	6	14	271	1	438	16	1	48	118	-69
Addenda:																
European Union (15) ¹	808,301	72,898	304,265	14,846	94,464	16,807	70,060	108,088	45,301	29,844	51,696	34,749	81,021	14,771	87,826	85,930
OPEC ²	7,968	(^Q)	-33	(*)	-13	(*)	-40	19	9	(^Q)	787	2	5	945	77	53

¹ Less than \$500,000 (+/-).² Suppressed to avoid disclosure of data of individual companies.³ Preliminary.

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Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

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