

U.S. Multinational Companies: Operations in 1997

By Raymond J. Mataloni, Jr.

THE COMBINED domestic and foreign operations of nonbank U.S. multinational companies (MNC's) continued to grow at a strong pace in 1997, according to preliminary estimates from the annual survey of U.S. direct investment abroad conducted by the Bureau of Economic Analysis (BEA).¹ Current-dollar estimates of the worldwide

gross product of U.S. MNC's (U.S. parents and majority-owned foreign affiliates (MOFA's) combined) increased 5.6 percent in 1997, compared with an 8.1-percent increase in 1996 and an average annual increase of 5.5 percent from 1989 to 1996 (table 1).

Two other key measures of MNC operations grew much faster in 1997 than in 1989-96. MNC employment increased 6.1 percent,

1. The year 1989 is used for comparison because it was a benchmark survey year for U.S. direct investment abroad and because before 1994, gross product estimates (which are the basis for much of the analysis in this article) were only available for U.S. parents in the years covered by benchmark surveys. In addition, in 1989, like in 1997, economic growth continued in the United States and in most major host countries.

This article presents highlights from the 1996 and 1997 annual surveys. More detailed estimates will be available later this year (see the box "Data Availability" on page 15).

Table 1.—Gross Product, Employment, and Capital Expenditures of Nonbank U.S. MNC's, U.S. Parents, and Foreign Affiliates, 1982-97

	MNC's worldwide			Affiliates				MNC's worldwide			Affiliates		
	Parents and all affiliates	Parents and MOFA's	Parents	Total	MOFA's	Other		Parents and all affiliates	Parents and MOFA's	Parents	Total	MOFA's	Other
Gross product							1992	24,190	22,812	17,530	6,660	5,282	1,378
Millions of dollars:							1993	24,222	22,760	17,537	6,685	5,223	1,461
1982	n.a.	1,019,734	796,017	n.a.	223,717	n.a.	1994	25,670	24,273	18,565	7,105	5,707	1,398
1983	n.a.	n.a.	n.a.	n.a.	216,683	n.a.	1995	25,921	24,500	18,576	7,345	5,924	1,421
1984	n.a.	n.a.	n.a.	n.a.	220,331	n.a.	1996 ^r	26,334	24,867	18,790	7,544	6,077	1,467
1985	n.a.	n.a.	n.a.	n.a.	220,074	n.a.	1997 ^p	27,885	26,392	19,867	8,018	6,525	1,493
1986	n.a.	n.a.	n.a.	n.a.	231,644	n.a.							
1987	n.a.	n.a.	n.a.	n.a.	269,734	n.a.	Percent change at annual rates:						
1988	n.a.	n.a.	n.a.	n.a.	297,556	n.a.	1982-96	0.3	0.3	0.0	0.9	1.4	-0.7
1989	n.a.	1,364,878	1,044,884	n.a.	319,994	n.a.	1989-96	0.5	0.6	0.0	1.9	2.5	-0.4
1990	n.a.	n.a.	n.a.	n.a.	356,033	n.a.	1995-96	1.6	1.5	1.2	2.7	2.6	3.2
1991	n.a.	n.a.	n.a.	n.a.	355,963	n.a.	1996-97	5.9	6.1	5.7	6.3	7.4	1.8
1992	n.a.	n.a.	n.a.	n.a.	361,524	n.a.							
1993	n.a.	n.a.	n.a.	n.a.	359,179	n.a.	Capital expenditures						
1994	n.a.	1,717,488	1,313,792	n.a.	403,696	n.a.	Millions of dollars:						
1995	n.a.	1,831,046	1,365,470	n.a.	465,576	n.a.	1982	248,262	233,078	188,266	59,996	44,812	15,184
1996 ^r	n.a.	1,978,948	1,480,638	n.a.	498,310	n.a.	1983	n.a.	197,534	160,656	n.a.	36,878	n.a.
1997 ^p	n.a.	2,089,796	1,570,490	n.a.	519,306	n.a.	1984	n.a.	203,791	168,692	n.a.	35,099	n.a.
							1985	n.a.	221,509	185,027	n.a.	36,482	n.a.
Percent change at annual rates:							1986	n.a.	203,809	169,131	n.a.	34,678	n.a.
1982-96	n.a.	4.8	4.5	n.a.	5.9	n.a.	1987	n.a.	199,171	162,139	n.a.	37,032	n.a.
1989-96	n.a.	5.5	5.1	n.a.	6.5	n.a.	1988	n.a.	223,814	177,203	n.a.	46,611	n.a.
1995-96	n.a.	8.1	8.4	n.a.	7.0	n.a.	1989	276,790	260,488	201,808	74,982	58,680	16,302
1996-97	n.a.	5.6	6.1	n.a.	4.2	n.a.	1990	n.a.	274,614	213,079	n.a.	61,535	n.a.
							1991	n.a.	269,221	206,290	n.a.	62,931	n.a.
Number of employees							1992	n.a.	272,049	208,834	n.a.	63,215	n.a.
Thousands:							1993	n.a.	271,661	207,437	n.a.	64,224	n.a.
1982	25,345	23,727	18,705	6,640	5,022	1,618	1994	328,240	303,364	231,917	96,323	71,447	24,876
1983	24,783	23,253	18,400	6,383	4,854	1,530	1995	n.a.	323,616	248,017	n.a.	75,599	n.a.
1984	24,548	22,973	18,131	6,418	4,842	1,576	1996 ^r	n.a.	340,510	260,048	n.a.	80,462	n.a.
1985	24,532	22,923	18,113	6,419	4,810	1,609	1997 ^p	n.a.	387,148	298,902	n.a.	88,246	n.a.
1986	24,082	22,543	17,832	6,250	4,711	1,539							
1987	24,255	22,650	17,986	6,270	4,664	1,605	Percent change at annual rates:						
1988	24,141	22,498	17,738	6,404	4,761	1,643	1982-96	n.a.	2.7	2.3	n.a.	4.2	n.a.
1989	25,388	23,879	18,765	6,622	5,114	1,508	1989-96	n.a.	3.9	3.7	n.a.	4.6	n.a.
1990	25,264	23,786	18,430	6,834	5,356	1,478	1995-96	n.a.	5.2	4.9	n.a.	6.4	n.a.
1991	24,837	23,345	17,959	6,878	5,387	1,492	1996-97	n.a.	13.7	14.9	n.a.	9.7	n.a.

^r Preliminary.
Revised.
n.a. Not available.

MNC Multinational company
MOFA Majority-owned foreign affiliate

compared with a 1.5-percent increase in 1996 and negligible growth in 1989–96. Capital expenditures increased 13.7 percent, compared with a 5.2-percent increase in 1996 and an average annual increase of 3.9 percent in 1989–96.

The strong growth in MNC operations in 1997 reflected continued economic growth and a strong upturn in new investments. In 1997, real gross domestic product (GDP) increased 3.9 percent in the United States, up from a 3.4-percent increase in 1996; in major host countries, real GDP increased 3.2 percent, on average, up from a 2.4-percent increase in

1996.² These favorable economic conditions resulted in the expansion of existing MNC operations and the growth of MNC operations through acquiring or establishing other businesses, both in the United States and abroad. The upturn in new investment partly reflected the growing availability of investment opportunities abroad as a result of legal and economic changes—such as the privatization of electric utilities and telephone companies and the liberalization of direct investment policies in foreign host countries.

2. The average real GDP growth rate for major host countries is a weighted average covering host countries that are members of the Organisation for Economic Co-Operation and Development; these countries hosted roughly 80 percent of MOFA gross product in 1997.

Key Terms

The following key terms are used to describe U.S. multinational companies (MNC's) and their operations. For a comprehensive discussion of the terms and the concepts used, see Raymond J. Mataloni, Jr., "A Guide to BEA Statistics on U.S. Multinational Companies," SURVEY OF CURRENT BUSINESS 75 (March 1995): 38–55.

U.S. MNC's

U.S. multinational company. The U.S. parent and its foreign affiliates.

U.S. parent. A person, resident in the United States, who owns or controls 10 percent or more of the voting securities, or the equivalent, of a foreign business enterprise. "Person" is broadly defined to include any individual, branch, partnership, associated group, association, estate, trust, corporation or other organization (whether organized or not under the laws of any State), or any government entity. If incorporated, the U.S. parent is the fully consolidated U.S. enterprise consisting of (1) the U.S. corporation whose voting securities are not owned more than 50 percent by another U.S. corporation and (2) proceeding down each ownership chain from that U.S. corporation, any U.S. corporation (including Foreign Sales Corporations located within the United States) whose voting securities are more than 50 percent owned by the U.S. corporation above it. A U.S. parent comprises the domestic operations of a U.S. MNC, covering operations in the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and all other U.S. areas.

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 business enterprise.

Foreign affiliate. A foreign business enterprise in which there is U.S. direct investment, that is, in which a U.S. person owns or controls (directly or indirectly) 10 percent or more of the voting securities or the equivalent. Foreign affiliates comprise the foreign operations of a U.S. MNC over which the parent is presumed to have a degree of managerial influence.

Majority-owned foreign affiliate (MOFA). A foreign affiliate in which the combined ownership of all U.S. parents exceeds 50 percent. MOFA's comprise the foreign operations of a U.S. MNC that are controlled by the parent or parents.

Operations of U.S. MNC's

Gross product. The contribution to host-country gross domestic product, which is the goods and services produced by labor and

property located in that country. Gross product, often referred to as "value added," can be measured as gross output (sales or receipts and other operating income plus inventory change) minus intermediate inputs (purchased goods and services). Alternatively, it can be measured as the sum of the costs incurred (except for intermediate inputs) and the profits earned in production. The gross product estimates presented here were prepared by summing cost and profit data collected in the annual and benchmark surveys of USDIA. For the derivation of the current-dollar estimates of gross product, see Raymond J. Mataloni, Jr., and Lee Goldberg, "Gross Product of U.S. Multinational Companies, 1977–91," SURVEY 74 (February 1994): 57.

Profit-type return. Profits from the production of goods and services in the current period. It is measured before income taxes, and it excludes nonoperating items (such as special charges and capital gains and losses) and income from equity investments.

Capital expenditures. Expenditures made to acquire, add to, or improve property, plant, and equipment (PP&E). PP&E includes land, timber, mineral and like-rights owned, structures, machinery, equipment, special tools, and other depreciable property; construction in progress; and tangible and intangible exploration and development costs. Changes in PP&E due to changes in entity—such as mergers, acquisitions, and divestitures—or to changes in accounting principles are excluded. Capital expenditures are measured on a gross basis; sales and other dispositions of fixed assets are not netted against them.

Employment. The number of full-time and part-time employees on the payroll at yearend. If a parent or affiliates' employment was unusually high or low because of temporary factors (for example, a strike) or large seasonal variations, the number that reflected normal operations or an average for the year was requested.

Origin of output. In this article, this term refers to the decomposition of a firm's output (sales plus inventory change) into the output that originates within the firm and the output that originates elsewhere and that is incorporated in the intermediate inputs purchased by the firm. The intermediate inputs can also be decomposed into those that are purchased locally and those that are purchased from abroad.

Source of change in gross product. In this article, this term refers to the decomposition of the year-to-year change in the gross product of U.S. parents and MOFA's into changes in operations, the addition of parents and MOFA's to the survey universe, the departure of parents and MOFA's from the survey universe, and all other changes.

Additional highlights of U.S.-MNC operations in 1997 follow:

- Worldwide production and productive resources of U.S. MNC's remained concentrated in the United States: U.S. parents accounted for about three-fourths, and MOFA's for about one-fourth, of MNC gross product, capital expenditures, and employment. These shares have been relatively stable since at least 1989.
- U.S. exports of goods involving U.S. parents, their foreign affiliates, or both accounted for 63 percent of all U.S. exports of goods, down from 65 percent in 1989. Intra-MNC exports (goods shipped by U.S. parents to their foreign affiliates) accounted for 42 percent of the MNC-associated exports, up from 38 percent in 1989.
- U.S. MNC's accounted for 40 percent of U.S. imports of goods, down from 42 percent in 1989. Intra-MNC imports (goods shipped by foreign affiliates to their U.S. parents) accounted for 42 percent of these MNC-associated imports, up from 38 percent in 1989.
- Newly acquired or established foreign affiliates continued to be concentrated in countries with large and prosperous markets rather than in countries with low labor costs. Although low-wage countries have been attracting a rising share of the new investments, affiliates in high-wage countries still accounted for 71 percent of all new affiliates and for 59 percent of their employment.
- The return on assets for nonfinancial MOFA's, at 10.8 percent, continued to exceed the return on assets for all nonfinancial corporations (chart 1). The higher rate of return for MOFA's may be needed to offset the added risks and costs to U.S. parents of operating abroad.
- Real gross product of MOFA's in manufacturing grew more than twice as fast in 1997 (7.7 percent) as in 1989-96 (3.5 percent). The strong growth reflected both the economic growth in most host countries and

Data on U.S. Direct Investment Abroad

BEA collects two broad sets of data on U.S. direct investment abroad (USDIA): (1) Financial and operating data of U.S. parent companies and their foreign affiliates, and (2) balance of payments and direct investment position data.¹ This article presents the first set of data; the balance of payments and direct investment position data appear in the following articles in this issue of the SURVEY OF CURRENT BUSINESS: Russell B. Scholl, "The International Investment Position of the United States in 1998"; Douglas B. Weinberg, "U.S. International Transactions, First Quarter 1999"; and Rosaria Troia and Sylvia E. Bargas, "Direct Investment Positions for 1998: Country and Industry Detail."

BEA data on USDIA are classified by International Surveys Industry groups adapted from the *Standard Industrial Classification (SIC) Manual, 1987*—the classification system used, until recently, as the standard for industry classification in Federal economic statistics. The SIC system has been superseded by the 1997 North American Industrial Classification System (NAICS). BEA has developed new ISI codes that are based on the NAICS, and for USDIA, these new codes will be first used for the data collected in the 1999 benchmark survey.

Financial and operating data.—The data on the overall operations of U.S. parent companies and their foreign

affiliates are collected in BEA's annual and benchmark surveys of USDIA. The data cover balance sheets and income statements, employment and compensation of employees, research and development expenditures, sources of finance, and trade in goods. In addition, the gross product of U.S. parent companies and their majority-owned foreign affiliates is estimated from the data reported in these surveys.

Except in benchmark survey years, these data cover only nonbank U.S. multinational companies (MNC's) because U.S. MNC's in banking (1987 Standard Industrial Classifications 6011, 602, 602, 606, 6712, and 608) are exempt from reporting. All the financial and operating data are on a fiscal year basis. The data cover the entire operations of U.S. parent companies and their foreign affiliates, irrespective of the percentage of U.S.-parent ownership.

Balance of payments and direct investment position data.—These data, covering bank and nonbank U.S. MNC's, are collected in the quarterly survey of USDIA. The data cover the cross-border transactions and positions between U.S. parents and their foreign affiliates, so these data focus on the parent's share, or interest, in the affiliate rather than on the affiliate's size or scale of operations. The major items included in the U.S. balance of payments are direct investment capital flows, direct investment income, royalties and license fees, and other services transactions between U.S. parents and their foreign affiliates.

1. For a comprehensive discussion of these two sets of data, see Raymond J. Mataloni, Jr., "A Guide to BEA Statistics on U.S. Multinational Companies," SURVEY 75 (March 1995): 38-55. This guide is available on BEA's Web site: go to <www.bea.doc.gov> and click on International, Articles.

the addition of newly acquired or established affiliates.

Worldwide Operations of U.S. MNC's

This section examines worldwide U.S.-MNC operations and compares the domestic and foreign aspects of these operations.⁴

Changes in gross product

Gross product of all U.S. MNC's grew 5.6 percent in 1997, to \$2,090 billion; the U.S.-parent component of U.S.-MNC gross product grew 6.1 percent, and the MOFA component grew 4.2 percent. Available evidence suggests that for both parents and MOFA's, these increases reflected increases in real gross product to a greater extent than they reflected increases in prices. The growth of U.S. parents' gross product, at 6.1 percent, substantially exceeded the 1.4-percent rate of U.S. price inflation (as measured by the GDP implicit price deflator for all private U.S. businesses, except depository institutions). Despite the dampening effect of the significant appreciation of the U.S. dollar, the gross product of MOFA's grew 4.2 percent in dollar value, exceeding the 2.8-percent average rate of price inflation in the host countries.⁵

4. In most of this section, the examination of the foreign operations of U.S. MNC's uses the data for MOFA's rather than data for all foreign affiliates, because parents and MOFA's are conceptually under U.S. managerial control (other foreign affiliates may be under the control of foreign owners) and because the necessary data items for this analysis are collected only for MOFA's.

Although MOFA's and U.S. parents are under the control of one or more U.S. parents, in some cases the U.S. parent is, in turn, under the control of a foreign parent company; in 1997, U.S. parents that were ultimately controlled by foreign parents accounted for 11 percent of all U.S. parents and for 8 percent of their gross product.

5. In 1997, the weighted average U.S.-dollar price of the currencies of 23 major host countries (in terms of MOFA gross product) fell 7.8 percent. This decline lowered the dollar value of MOFA gross product by a similar amount when the data reported to BEA in dollars was translated from foreign currencies as was generally necessary.

The average rate of price inflation in these host countries was derived as a weighted average (in terms of MOFA gross product), using, in most cases, the GDP implicit price deflators for the countries.

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Revisions to the 1996 estimates.—The estimates of U.S.-MNC operations for 1996 were revised to incorporate the final results of the 1996 Annual Survey of U.S. Direct Investment Abroad.³ The year-to-year percent changes for the three key measures were revised less than 1 percentage point from the changes shown in the preliminary estimates: The increase in gross product was revised up 0.8 percentage point to 8.1 percent; the increase in employment was revised down 0.2 percentage point to 1.6 percent; and the increase in capital expenditures was revised up 0.2 percentage point to 5.3 percent.

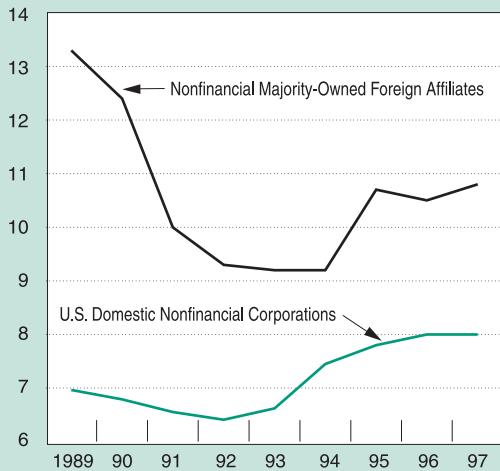
Organization of the article.—The first part of this article analyzes the worldwide operations of U.S. MNC's; the second part analyzes their domestic (U.S.-parent) operations; and the third part analyzes their foreign (foreign-affiliate) operations.

3. The preliminary 1996 estimates were published in Raymond J. Matoloni, Jr., "U.S. Multinational Companies: Operations in 1996," SURVEY OF CURRENT BUSINESS 78 (September 1998): 47-73.

CHART 1

Return on Assets of Nonfinancial Majority-Owned Foreign Affiliates and U.S. Domestic Nonfinancial Corporations, 1989-97

Percent



NOTE.—The return on assets equals the ratio of profit-type return plus interest paid to total assets (at current cost).

Nonfinancial industries are all industries except depository institutions; finance, except depository institutions; and insurance.

For U.S. domestic nonfinancial corporations, data on property income are from tables 1.16 and 8.18 in the national income and product accounts. Data on total assets are from the Federal Reserve Board's flow of funds accounts.

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

Table 2.—Selected Data for Nonbank U.S. MNC's, U.S. Parents, and MOFA's, by Industry of U.S. Parent, 1989, 1996, and 1997

	MNC's worldwide				Parents				MOFA's				MOFA share of worldwide MNC total (percent)			
	Millions of dollars			Thou- sands	Millions of dollars			Thou- sands	Millions of dollars			Thou- sands	Gross product	Profit- type return	Capital expendi- tures	Number of employ- ees
	Gross product	Profit- type return	Capital expendi- tures	Number of employ- ees	Gross product	Profit- type return	Capital expendi- tures	Number of employ- ees	Gross product	Profit- type return	Capital expendi- tures	Number of employ- ees				
1989																
All industries	1,364,878	251,434	260,488	23,879.4	1,044,884	164,910	201,808	18,765.4	319,994	86,524	58,680	5,114.0	23	34	23	21
Petroleum	165,680	31,337	41,465	786.0	93,128	15,807	26,790	579.8	72,552	15,530	14,675	206.2	44	50	35	26
Manufacturing	793,771	146,963	133,168	13,791.1	586,568	86,214	98,662	10,127.0	207,203	60,749	34,506	3,664.1	26	41	26	27
Food and kindred products	79,472	19,533	11,982	1,473.1	60,310	14,574	9,361	1,135.8	19,162	4,959	2,621	337.3	24	25	22	23
Chemicals and allied products	141,006	38,398	29,341	1,881.1	97,119	23,389	20,295	1,255.0	43,887	15,009	9,046	626.1	31	39	31	33
Primary and fabricated metals	45,775	9,594	7,222	843.2	37,556	6,335	5,402	684.6	8,219	3,259	1,820	158.6	18	34	25	19
Industrial machinery and equipment	116,146	16,242	18,392	1,905.0	70,887	1,799	11,535	1,249.9	45,259	14,443	6,857	655.1	39	89	37	34
Electronic and other electric																
equipment	68,515	12,371	13,594	1,479.4	56,139	9,218	11,004	1,093.3	12,376	3,153	2,590	386.1	18	25	19	26
Transportation equipment	160,292	21,989	24,302	2,851.9	121,141	11,552	18,642	2,104.4	39,151	10,437	5,660	747.5	24	47	23	26
Other manufacturing	182,567	28,839	28,334	3,357.4	143,417	19,347	22,423	2,604.0	39,150	9,492	5,911	753.4	21	33	21	22
Wholesale trade	28,766	5,648	6,074	582.6	22,587	3,176	4,953	434.2	6,179	2,472	1,121	148.4	21	44	18	25
Finance (except depository																
institutions), insurance, and real	62,715	20,221	10,006	1,408.0	50,535	16,406	7,581	1,107.6	12,180	3,815	2,425	300.4	19	19	24	21
estate	66,999	7,767	16,675	2,014.6	57,090	5,949	13,628	1,700.0	9,909	1,818	3,047	314.6	15	23	18	16
Services	246,946	39,495	53,100	5,297.1	234,975	37,358	50,194	4,816.7	11,971	2,137	2,906	480.4	5	5	5	9
Other industries																
1996																
All industries	1,978,948	456,953	340,510	24,866.8	1,480,638	326,666	260,048	18,790.0	498,310	130,287	80,462	6,076.8	25	29	24	24
Petroleum	229,827	51,971	43,267	653.7	125,380	26,752	26,186	475.1	104,447	25,219	17,081	178.6	45	49	39	27
Manufacturing	1,071,324	242,399	162,488	13,043.6	764,725	159,439	114,979	8,959.9	306,599	82,960	47,509	4,083.7	29	34	29	31
Food and kindred products	114,050	33,411	12,637	1,403.9	77,290	24,105	9,331	982.3	36,760	9,306	3,306	421.6	32	28	26	30
Chemicals and allied products	196,665	60,397	30,921	1,706.6	127,284	34,303	20,642	1,022.2	69,381	26,094	10,279	684.4	35	43	33	40
Primary and fabricated metals	58,014	8,793	7,688	799.1	38,420	5,873	5,881	560.9	19,594	2,920	1,807	238.2	34	33	24	30
Industrial machinery and equipment	148,792	32,298	18,817	1,816.5	95,342	17,917	12,485	1,164.6	53,450	14,381	6,332	651.9	36	45	34	36
Electronic and other electric																
equipment	119,637	33,612	29,343	1,737.2	87,732	22,238	21,578	1,181.2	31,905	11,374	7,765	556.0	27	34	26	32
Transportation equipment	215,534	33,848	32,256	2,438.5	168,884	26,186	20,698	1,683.3	46,650	7,662	11,558	755.2	22	23	36	31
Other manufacturing	218,632	40,042	30,827	3,141.8	169,773	28,818	24,364	2,365.4	48,859	11,224	6,463	776.4	22	28	21	25
Wholesale trade	56,708	9,303	10,193	1,039.1	41,753	4,969	8,266	681.9	14,955	4,334	1,927	357.2	26	47	19	34
Finance (except depository																
institutions), insurance, and real	96,029	48,354	14,094	1,286.4	71,797	37,538	11,594	1,069.6	24,232	10,816	2,500	216.8	25	22	18	17
estate	142,684	23,427	21,151	2,997.5	116,126	18,847	17,791	2,421.8	26,558	4,580	3,360	575.7	19	20	16	19
Services	382,376	81,499	89,318	5,846.3	360,857	79,121	81,232	5,181.6	21,519	2,378	8,086	664.7	6	3	9	11
Other industries																
1997																
All industries	2,089,796	484,998	387,148	26,392.8	1,570,490	336,994	298,902	19,867.4	519,306	148,004	88,246	6,525.4	25	31	23	25
Petroleum	229,602	53,556	49,215	660.2	125,214	24,200	30,187	483.2	104,388	29,356	19,028	177.0	45	55	39	27
Manufacturing	1,080,824	248,837	166,815	12,842.8	765,122	154,521	116,314	8,622.7	315,702	94,316	50,501	4,220.1	29	38	30	33
Food and kindred products	107,813	31,681	12,744	1,094.6	69,852	20,092	9,184	732.8	37,961	11,589	3,560	361.8	35	37	28	33
Chemicals and allied products	199,911	61,564	34,843	1,667.2	126,931	33,172	23,258	966.8	72,980	28,392	11,585	700.4	37	46	33	42
Primary and fabricated metals	55,242	9,971	7,188	852.1	41,926	6,942	5,609	611.4	13,316	3,029	1,579	240.7	24	30	22	28
Industrial machinery and equipment	148,586	36,362	20,669	1,838.5	92,094	19,045	14,069	1,103.8	56,492	17,317	6,600	734.7	38	48	32	40
Electronic and other electric																
equipment	127,535	37,272	28,275	1,760.2	94,413	25,986	21,241	1,175.1	33,122	11,286	7,034	585.1	26	30	25	33
Transportation equipment	220,862	36,554	32,156	2,442.9	167,277	24,283	18,823	1,657.6	53,585	12,271	13,333	785.3	24	34	41	32
Other manufacturing	220,876	35,434	30,939	3,187.3	172,630	25,002	24,130	2,375.2	48,246	10,432	6,809	812.1	22	29	22	25
Wholesale trade	69,184	13,503	12,170	1,166.4	51,621	8,000	9,867	756.9	17,563	5,503	2,303	409.5	25	41	19	35
Finance (except depository																
institutions), insurance, and real	106,548	54,011	15,991	1,290.2	81,872	43,991	13,083	1,052.1	24,676	10,020	2,908	238.1	23	19	18	18
estate	160,626	24,611	24,983	3,710.2	130,070	19,993	21,457	3,024.3	30,556	4,618	3,526	685.9	19	19	14	18
Services	443,012	90,481	117,973	6,723.0	416,591	86,290	107,993	5,928.3	26,421	4,191	9,980	794.7	6	5	8	12
Other industries																

MNC Multinational company
MOFA Majority-owned foreign affiliate

Domestic and foreign shares of MNC operations

Worldwide production and the productive resources of U.S. MNC's remained concentrated in the United States: In 1997, U.S. parents accounted for about three-fourths of MNC gross product, capital expenditures, and employment and for over two-thirds of MNC profit-type return. From 1989 to 1997, however, the distribution of gross product and employment shifted slightly from the United States to abroad: The MOFA share of worldwide MNC gross product edged up from

23 percent to 25 percent, and the MOFA share of MNC employment rose from 21 percent to 25 percent (table 2). In contrast, the MOFA share of worldwide MNC profit-type return fell from 34 percent to 31 percent, probably in response to cyclical factors here and abroad that were relatively less favorable to MOFA's in 1997 than in 1989.

By industry, the most significant shift towards foreign operations was in manufacturing: The MOFA share of MNC gross product rose from 26 percent in 1989 to 29 percent in 1997; the MOFA

Table 3.—Origin of Output of Nonbank U.S. MNC's, by Major Industry of U.S. Parent, 1989, 1996, and 1997

	Millions of dollars							Share of total output, in percent			
	Sales to unaffiliated persons	Inventory change	Total output ¹	Gross product			Purchases from outside the MNC ²	Gross product			Purchases from outside the MNC
				Total	U.S. parents	MOFA's		Total	U.S. parents	MOFA's	
1989											
All industries	3,780,150	15,656	3,795,806	1,364,878	1,044,884	319,994	2,430,928	36	28	8	64
Petroleum	454,570	-335	454,235	165,680	93,128	72,552	288,555	36	21	16	64
Manufacturing	1,949,221	10,151	1,959,372	793,771	586,568	207,203	1,165,601	41	30	11	59
Food and kindred products	238,629	-564	238,065	79,472	60,310	19,162	158,593	33	25	8	67
Chemicals and allied products	321,167	1,745	322,912	141,006	97,119	43,887	181,906	44	30	14	56
Primary and fabricated metals	122,068	610	122,678	45,775	37,556	8,219	76,903	37	31	7	63
Industrial machinery and equipment	249,741	2,935	252,676	116,146	70,887	45,259	136,530	46	28	18	54
Electronic and other electric equipment	169,909	1,898	171,807	68,515	56,139	12,376	103,292	40	33	7	60
Transportation equipment	432,713	1,133	433,846	160,292	121,141	39,151	273,554	37	28	9	63
Other manufacturing	414,994	2,395	417,389	182,567	143,417	39,150	234,822	44	34	9	56
Wholesale trade	254,746	1,234	255,980	28,766	22,587	6,179	227,214	11	9	2	89
Finance (except depository institutions), insurance, and real estate	433,328	-1,058	432,270	62,715	50,535	12,180	369,555	15	12	3	85
Services	125,561	545	126,106	66,999	57,090	9,909	59,107	53	45	8	47
Other industries	562,724	5,119	567,843	246,946	234,975	11,971	320,897	43	41	2	57
1996											
All industries	5,646,502	11,484	5,657,986	1,978,948	1,480,638	498,310	3,679,038	35	26	9	65
Petroleum	623,595	838	624,433	229,827	125,380	104,447	394,606	37	20	17	62
Manufacturing	2,800,312	1,832	2,802,144	1,071,324	764,725	306,599	1,730,820	38	27	11	63
Food and kindred products	308,270	-2,656	305,614	114,050	77,290	36,760	191,564	37	25	12	63
Chemicals and allied products	476,671	1,789	478,460	196,665	127,284	69,381	281,795	41	27	15	59
Primary and fabricated metals	142,579	636	143,215	58,014	38,420	19,594	85,201	41	27	14	59
Industrial machinery and equipment	399,720	-1,431	398,289	148,792	95,342	53,450	249,497	37	24	13	63
Electronic and other electric equipment	356,720	3,822	360,542	119,637	87,732	31,905	240,905	33	24	9	67
Transportation equipment	587,987	33	588,020	215,534	168,884	46,650	372,486	37	29	8	63
Other manufacturing	528,363	-362	528,001	218,632	169,773	48,859	309,369	41	32	9	59
Wholesale trade	428,822	5,367	434,189	56,708	41,753	14,955	377,481	13	10	3	87
Finance (except depository institutions), insurance, and real estate	602,021	413	602,434	96,029	71,797	24,232	506,405	16	12	4	84
Services	277,880	738	278,618	142,684	116,126	26,558	135,934	51	42	10	49
Other industries	913,903	2,296	916,199	382,376	360,857	21,519	533,823	42	39	2	58
1997											
All industries	6,068,351	24,765	6,093,116	2,089,796	1,570,490	519,306	4,003,320	34	26	9	66
Petroleum	603,962	-1,157	602,805	229,602	125,214	104,388	373,203	38	21	17	62
Manufacturing	2,899,447	15,525	2,914,972	1,080,824	765,122	315,702	1,834,148	37	26	11	63
Food and kindred products	313,201	772	313,973	107,813	69,852	37,961	206,160	34	22	12	66
Chemicals and allied products	481,990	2,433	484,423	199,911	126,931	72,980	284,512	41	26	15	59
Primary and fabricated metals	153,719	-781	152,938	55,242	41,926	13,316	97,696	36	27	9	64
Industrial machinery and equipment	413,411	-572	412,839	148,586	92,094	56,492	264,253	36	22	14	64
Electronic and other electric equipment	383,665	2,959	386,624	127,535	94,413	33,122	259,089	33	24	9	67
Transportation equipment	623,904	8,370	632,274	220,862	167,277	53,585	411,412	35	26	8	65
Other manufacturing	529,559	2,344	531,903	220,876	172,630	48,246	311,027	42	32	9	58
Wholesale trade	488,712	5,527	494,239	69,184	51,621	17,563	425,055	14	10	4	86
Finance (except depository institutions), insurance, and real estate	655,657	683	656,340	106,548	81,872	24,676	549,792	16	12	4	84
Services	314,483	800	315,283	160,626	130,070	30,556	154,657	51	41	10	49
Other industries	1,106,086	3,387	1,109,473	443,012	416,591	26,421	666,461	40	38	2	60

1. Equals sales to unaffiliated persons plus inventory change; also equals gross product plus purchases from outside the MNC.
 2. Equals total output less gross product. Includes purchases from minority-owned foreign affiliates, which could not be excluded because the necessary data are unavailable.
 MNC Multinational company
 MOFA Majority-owned foreign affiliate

share of MNC capital expenditures rose from 26 percent to 30 percent; and the MOFA share of MNC employment rose from 27 percent to 33 percent.

Production abroad by U.S. MNC's may have been stimulated by new market opportunities and improved business conditions abroad, such as the further integration of the European Union, the end of hyperinflation in Brazil and Argentina, and the economic liberalizations in Eastern Europe.

Origin of output

The output of U.S. MNC's (sales to unaffiliated customers plus inventory change) consists of both the gross product that originates within the MNC's themselves and the gross product that originates elsewhere and is incorporated in the intermediate inputs purchased by MNC's from unaffiliated suppliers. The gross product originating in U.S. MNC's consists of the gross product of both the U.S. parents and their foreign affiliates.

The origins of U.S.-MNC output in 1997 were essentially unchanged from 1989: The share of the output of U.S. MNC's that originated within the MNC's edged down from 36 percent to 34 percent (table 3, column 8). Underlying this stability were offsetting changes by industry. For example, in industrial machinery and equipment, the share of output originating within MNC's decreased from 46 percent to 36 percent.

The share of MNC output that was accounted for by U.S.-parent gross product edged down from 28 percent to 26 percent. The share accounted for by MOFA gross product edged up from 8 percent to 9 percent.

U.S.-MNC-associated trade in goods

In 1997, U.S.-MNC-associated trade—U.S. trade involving U.S. parents, their foreign affiliates, or both—accounted for 63 percent of all U.S. exports of goods and for 40 percent of all U.S. imports of goods (table 4 and chart 2).⁶ U.S. MNC's accounted for a larger share of exports than of imports, partly reflecting the intrafirm sourcing patterns of MNC's; parents tend to be a much more important source of supply to their affiliates than the affiliates are to their parents.

6. MNC-associated trade accounts for an even larger share of U.S. trade in goods if U.S. businesses owned by foreign MNC's are included. In 1996—the latest year for which data are available—U.S. affiliates of foreign MNC's accounted for 22 percent of U.S. exports of goods and 32 percent of U.S. imports of goods. As noted in footnote 4, however, these U.S. affiliate shares overlap the U.S.-MNC shares because some U.S. parents belong to both groups. In 1997, trade by U.S. parents that were also U.S. affiliates of foreign companies accounted for 13 percent of MNC-associated exports and 26 percent of MNC-associated imports. (See the addenda to table 4.)

Of the \$434 billion in U.S.-MNC-associated exports in 1997, 42 percent represented trade between U.S. parents and their foreign affiliates—*intra-MNC trade*—and 58 percent represented U.S.-MNC trade with others. Data on trade by broad product category from the most recent benchmark survey of U.S. direct investment abroad, covering 1994, indicate that most of the *intra-MNC exports* consist of machinery (57 percent of total *intra-MNC exports* in 1994), chemicals (13 percent), and road vehicles and parts (12 percent).⁷ Of the \$251 billion in MNC trade with

7. In the 1994 benchmark survey, exports and imports of U.S. parents and majority-owned foreign affiliates were desegregated into 12 product categories on the basis of the *Standard International Trade Classification, Revision 2*, United Nations Statistical Papers, ser. M, no. 34 (New York: United Nations, 1975).

Table 4.—U.S. Trade in Goods Associated with Nonbank U.S. MNC's, 1989, 1996, and 1997

[Millions of dollars, unless otherwise noted]

Line		1989	1996	1997
1	MNC-associated U.S. exports, total	236,371	405,721	433,978
2	Intra-MNC trade	89,539	161,751	183,062
3	Shipped by U.S. parents to their MOFA's	86,050	161,359	181,115
4	Shipped by U.S. parents to their other foreign affiliates	3,489	392	1,947
5	MNC trade with others	146,832	243,970	250,916
6	Shipped by U.S. parents to foreigners other than their own affiliates	133,813	211,692	218,227
	<i>Of which:</i>			
7	Shipped by U.S. parents to their foreign parent groups	10,413	22,627	20,720
8	Shipped to foreign affiliates by U.S. persons other than their own parents	13,019	32,278	32,689
9	To MOFA's	11,437	26,601	27,426
10	To other foreign affiliates	1,582	5,677	5,263
11	MNC-associated U.S. imports, total	201,182	326,200	349,926
12	Intra-MNC trade	77,307	137,160	147,405
13	Shipped by MOFA's to their U.S. parents	71,283	133,388	145,434
14	Shipped by other foreign affiliates to their U.S. parents	6,024	3,772	1,971
15	MNC trade with others	123,875	189,040	202,521
16	Shipped to U.S. parents by foreigners other than their own affiliates	103,788	161,427	171,230
	<i>Of which:</i>			
17	Shipped to U.S. parents by their foreign parent groups	32,398	61,893	63,974
18	Shipped by foreign affiliates to U.S. persons other than their own parents	20,087	27,613	31,291
19	By MOFA's	13,015	18,939	21,335
20	By other foreign affiliates	7,072	8,674	9,956
	Addenda:			
21	All U.S. exports of goods	363,836	625,075	689,182
22	U.S.-MNC-associated U.S. exports as a percentage of total (line 1/ line 21) * 100	65	65	63
23	Intra-U.S.-MNC exports as a percentage of total (line 2/ line 21) * 100	25	26	27
24	All U.S. imports of goods	473,647	795,289	870,671
25	U.S.-MNC-associated U.S. imports as a percentage of total (line 11/ line 24) * 100	42	41	40
26	Intra-U.S.-MNC imports as a percentage of total (line 12/ line 24) * 100	16	17	17
27	U.S. exports of goods by U.S. parent companies that are also U.S. affiliates of foreign companies	n.a.	60,341	56,953
28	U.S. imports of goods by U.S. parent companies that are also U.S. affiliates of foreign companies	n.a.	86,920	91,345

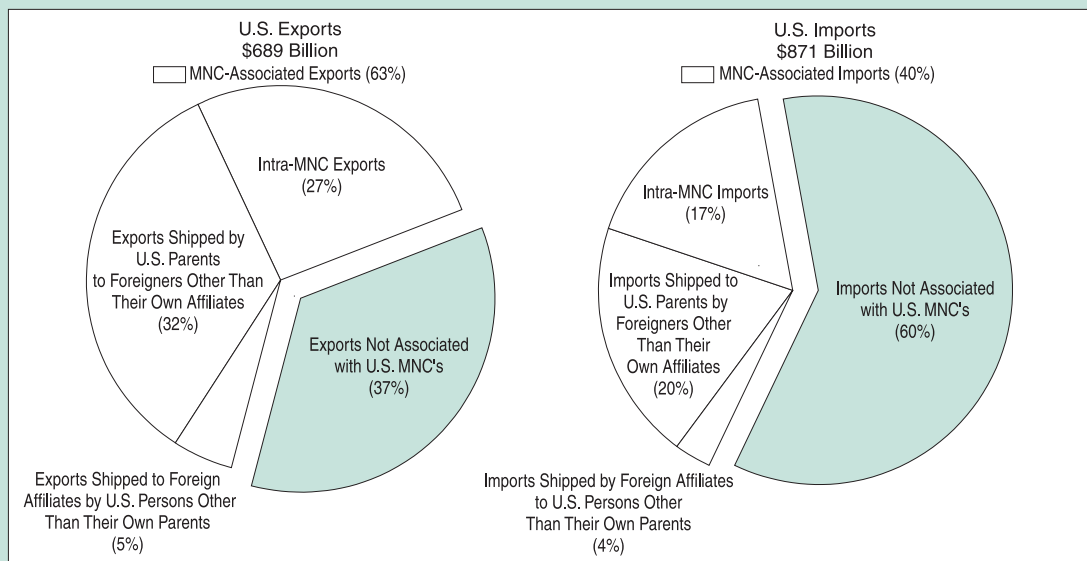
MNC Multinational company
MOFA Majority-owned foreign affiliate
n.a. Not available.

others, 87 percent represented exports shipped by U.S. parents to foreigners other than their foreign affiliates, and 13 percent represented exports shipped to foreign affiliates by U.S. persons other than their U.S. parents. Data from the 1994 benchmark survey indicate that U.S. parents' exports to foreigners other than their foreign affiliates consist mainly of machinery (27 percent in 1994), "other" transportation equipment, mainly aircraft (14 percent), and chemicals (12 percent) and that exports shipped to foreign affiliates by U.S. persons other than U.S. parents consist mainly of machinery (53 percent).

Of the \$350 billion in U.S.-MNC-associated imports of goods in 1996, 42 percent represented intra-U.S.-MNC trade, and 58 percent represented U.S.-MNC trade with others. Data from the 1994 benchmark survey indicate that most of the intra-MNC imports consist of road vehicles and parts (38 percent in 1994) and machinery (37 percent). Of the \$203 billion in MNC trade with others, 85 percent represented imports shipped to U.S. parents by foreigners other than their foreign affiliates, and 16 percent represented imports shipped by foreign affiliates to U.S. persons other than their U.S. parents. Data from the

CHART 2

U.S. Trade in Goods Associated with U.S. Multinational Companies in 1997



MNC Multinational company
 U.S. Department of Commerce, Bureau of Economic Analysis

Data Availability

This article presents a summary of the preliminary estimates of the worldwide operations of U.S. multinational companies (MNC's) from the 1997 Annual Survey of U.S. Direct Investment Abroad and the final estimates from the 1996 Annual Survey of U.S. Direct Investment Abroad. More detailed estimates, including the gross product estimates, will be available later this year on BEA's Web site, on diskettes, and in printed publications; availability will be announced on the inside back cover of the SURVEY OF CURRENT BUSINESS.

The most recent benchmark survey results, for 1994, are available on BEA's Web site, on diskette, and in the publication *U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results*.

Detailed estimates of U.S.-MNC operations for 1983-93 and 1995 and preliminary estimates for 1996 are available on BEA's Web site (go to <www.bea.doc.gov>, and click on *Catalog of Products*) and on diskettes.

For information on the diskette products, see the *Catalog of Products*, or call 1-800-704-0415 (outside the United States, call 202-606-9666) for a copy of the catalog.

For information on publications, see the Product Guide of the International Investment Division on the Web site, or write to the International Investment Division, BE-50, Bureau of Economic Analysis, Washington, DC 20230. Among the recent publications is a collection of BEA studies on international direct investment; see the inside back cover of the SURVEY.

1994 benchmark survey indicate that U.S. parents' imports from foreigners other than their foreign affiliates consist mainly of machinery (35 percent in 1994), petroleum and coal products (15 percent) and "other" manufactures (15 percent) and that U.S. imports shipped by foreign affiliates to unaffiliated U.S. persons consist mainly of petroleum (27 percent), other manufactures (19 percent), and machinery (18 percent).

U.S. Parents' Operations

This section examines the following selected aspects of the domestic (U.S.-parent) operations of U.S. MNC's: The change in U.S.-parent gross product by industry and by source of change in 1996-97; the U.S.-parent share of private GDP in 1989 and 1997; and the origin of U.S.-parent output in 1989 and 1997.

Changes in gross product

The gross product of all U.S. parents increased 6.1 percent in 1997, to \$1,570 billion, compared with an average annual increase of 5.1 percent in 1989-96 (table 5).

By industry.—In 1997, U.S.-parent gross product increased most rapidly in wholesale trade (23.6 percent), in "other" industries (15.4 percent), in finance (except depository institutions), insurance, and real estate (14.0 percent), and in services (12.0 percent).⁸ U.S.-parent gross product decreased in manufacturing industries; the

8. "Other" industries consists of agriculture, forestry, and fishing; mining; construction; transportation; communication; electric, gas, and sanitary services; and retail trade.

decreases were particularly sharp in food and in industrial machinery.

The increase in wholesale trade primarily reflected increased sales to meet strong demand. This increase and the decrease in manufacturing also reflected the reclassification of some U.S. parent companies from manufacturing to wholesale trade.⁹ The increase in "other" industries was concentrated in electric, gas, and sanitary services and in retail trade, mainly reflecting the entry of U.S. companies that acquired or established their first foreign affiliate in 1997. The increase in finance (except depository institutions), insurance, and real estate primarily reflected increased revenues as a result of favorable financial market conditions. The increase in services mainly reflected the entry of new parent companies, but it also reflected increased sales to meet strong demand for new products, such as enhanced computer software.

By source of change.—In 1997, the gross product of U.S. parents increased \$89.9 billion; \$53.4 billion of this increase was attributable to changes in the operations of U.S. companies that were parents in both 1996 and 1997 (table 6). Even so, the \$22.3 billion that was attributable to the entry of new parent companies was much stronger in 1997 than in 1995 or 1996 and largely reflected the

9. Each U.S. parent is classified in the industry that accounts for the largest portion of its sales or, for holding companies, its total income. Many U.S. parents are involved in a variety of business activities; changes in the mix of these activities can cause a parent's industry classification to change, but reclassifications due to minor or temporary shifts in industry mix are avoided. A parent is reclassified by industry only if the change in the primary activity from the prior year is significant or if the change has occurred for 2 successive years.

The change of a parent company's industry from manufacturing to wholesale trade is related to the percentage of that parent's output originating within the parent itself. Parents classified in manufacturing are primarily engaged in the transformation of materials or substances into new products, and parents classified in wholesale trade are engaged in selling merchandise produced by others to businesses.

Table 5.—Gross Product of Nonbank U.S. Parents by Major Industry for 1989, 1996, and 1997

	Millions of dollars				Percent change at annual rates	
	1989	1996	1997	Change, 1996-97	1989-96	1996-97
	All industries	1,044,884	1,480,638	1,570,490	89,852	5.1	6.1
Petroleum	93,128	125,380	125,214	-166	4.3	-0.1
Manufacturing	586,568	764,725	765,122	397	3.8	0.1
Food and kindred products	60,310	77,290	69,852	-7,438	3.6	-9.6
Chemicals and allied products	97,119	127,284	126,931	-353	3.9	-0.3
Primary and fabricated metals	37,556	38,420	41,926	3,506	0.3	9.1
Industrial machinery and equipment	70,887	95,342	92,094	-3,248	4.3	-3.4
Electronic and other electric equipment	56,139	87,732	94,413	6,681	6.5	7.6
Transportation equipment	121,141	168,884	167,277	-1,607	4.8	-1.0
Other manufacturing	143,417	169,773	172,630	2,857	2.4	1.7
Wholesale trade	22,587	41,753	51,621	9,868	9.1	23.6
Finance (except depository institutions), insurance, and real estate	50,535	71,797	81,872	10,075	5.1	14.0
Services	57,090	116,126	130,070	13,944	10.6	12.0
Other industries	234,975	360,857	416,591	55,734	6.3	15.4

Table 6.—Sources of Change in Gross Product for Nonbank U.S. Parents, 1996-97

Line		Millions of dollars
1	1996 level	1,480,638
2	Total change	89,852
3	New parents ¹	22,253
4	Changes in operations ²	53,442
5	Parents departing the universe ³	-4,905
6	Other changes ⁴	19,062
7	1997 level	1,570,490

1. Parents that established or acquired their first foreign affiliate in 1997.

2. Consists of changes in existing operations and changes resulting from parents acquiring, establishing, selling, or liquidating parts of their consolidated operations. BEA generally requires survey respondents to fully consolidate their parent operations.

3. Parents that sold or liquidated their last foreign affiliate in 1997.

4. Equals the change in the gross product of parents not accounted for in lines 3-5. It includes changes resulting from the addition to the survey universe of parents that were required to report in earlier years but did not.

entry of new parents in electric, gas, and sanitary services and in retail trade.

U.S.-parent shares of private GDP

The gross product of U.S. parents accounted for 26 percent of the gross product of all private U.S. businesses in 1997, the same as in 1989 and in 1996 (table 7).¹⁰ The U.S.-parent share was highest in manufacturing, partly reflecting the firm-specific advantages (such as superior production or marketing techniques) of U.S. manufacturers that allow them to overcome the additional costs entailed in producing in foreign markets.

The U.S.-parent share in services remained low. U.S. direct investment in some service industries may be inhibited by the structure of the industries in some host countries. For example, U.S. direct investment in health care services is constrained or precluded in countries where the government plays a prominent role in the delivery of health care. In addition, some service industries that are characterized by small-scale production (such as dry cleaners and hair stylists) may lack the firm-specific advantages that often

provide the basis for direct investment in other industries.

Although the overall U.S.-parent share of the gross product of private U.S. businesses was stable from 1989 to 1997, there were offsetting changes among industries: The U.S.-parent share in manufacturing decreased from 63 percent to 60 percent; the share in services increased from 6 percent to 8 percent; and the share in all other industries combined increased from 16 percent to 19 percent.

The increase in services partly reflects the entry of new U.S. parent companies. These additions have been widespread across service industries, but they have been pronounced in computer and data processing services, motion pictures, and management and public relations services.

Origin of output

The output of U.S. parents consists of both the gross product that originates within the parents themselves and the gross product that originates elsewhere and is incorporated in the intermediate inputs purchased by parents from foreign affiliates and from unaffiliated suppliers.

In 1997, gross product originating in U.S. parents accounted for 32 percent of parent output, compared with 33 percent in 1989 (table 8, column 11). The industries with the highest shares were services, "other" industries (mainly communication and electric and gas utilities), and "other" manufacturing (mainly instruments and related products). The share in services is high partly because the production of services tends to be labor-intensive and is not as easily outsourced as the production of goods. The high share in

10. Generally, at the all-industries level, the estimates of U.S.-parent gross product are conceptually consistent with the estimates of gross product for all U.S. businesses in the national income and product accounts. However, for individual industries, inconsistencies may result from differences in the basis for the industrial distribution of the estimates. The industrial distributions of gross product for all U.S. businesses are based on data collected from establishments, which are classified by the principal product or service produced at each establishment, whereas the industrial distributions of U.S.-parent gross product are based on data collected from enterprises (companies), which are classified by the principal product or service produced by all of their establishments combined. Because the establishments of large companies usually are classified in several industries, the distributions of data by industry of establishment can differ significantly from those by industry of enterprise. In this article, U.S.-parent gross product as a share of the gross product for all private U.S. businesses is computed only at the highly aggregated level shown in table 7.

Table 7.—Gross Product of Nonbank U.S. Parents and Gross Product of All Nonbank U.S. Private Businesses by Major Industry for 1989, 1996, and 1997

	Millions of dollars						Percent		
	1989		1996		1997		U.S.-parent share of gross product of all private U.S. businesses		
	Gross product of U.S. parents	Gross product of all private U.S. businesses ¹	Gross product of U.S. parents	Gross product of all private U.S. businesses ¹	Gross product of U.S. parents	Gross product of all private U.S. businesses ¹	1989	1996	1997
All industries	1,044,884	4,056,084	1,480,638	5,767,362	1,570,490	6,123,014	26	26	26
Manufacturing	671,911	1,074,173	870,152	1,383,354	873,403	1,458,196	63	63	60
Services	57,524	952,060	118,123	1,525,018	133,809	1,637,507	6	8	8
All other industries	315,449	2,029,851	492,363	2,858,990	563,278	3,027,311	16	17	19

1. For improved comparability with U.S.-parent gross product, gross product of all private U.S. businesses was adjusted to remove categories not applicable to nonbank U.S. parents—such as gross product of depository institutions. In addition, housing product of owner-occupied farm housing (part of farm product) and nonfarm housing product (part of real estate product) were removed because U.S. parents are not involved in these activities. Business transfer payments were also removed because few U.S. parents are in industries that receive most of the business transfer payments in the United States.

NOTE.—In this table, petroleum is not shown as a separate major industry. Instead, in order to be consistent with the all-U.S. data on gross product originating by industry, U.S. parent gross product in the various petroleum subindustries is distributed among the other major industries.

Thus, manufacturing includes petroleum and coal products; "all other industries" includes petroleum wholesale trade, gasoline service stations, petroleum tanker operations, pipelines, and storage; and services includes oil and gas field services. A significant portion of U.S.-parent gross product in petroleum and coal products is accounted for by integrated petroleum companies that have, in addition to their manufacturing activities, significant petroleum extraction activities; because the extraction activities cannot be identified separately in the U.S.-parent data, and to improve comparability between the estimates for U.S. parents and those for all U.S. businesses, they are included in manufacturing. For consistency, gross product estimates for the "oil and gas extraction without refining" industry are also included in manufacturing rather than in "all other industries," which includes mining.

communications and in electric and gas utilities partly reflects industry regulations that have historically granted exclusive production and distribution rights to a few large companies. The high share in instruments and related products may partly reflect the proprietary knowledge that is embodied in these products and that firms may protect by internalizing production.

In manufacturing, the origin of U.S.-parent output shifted away from internal production, as the share of U.S.-parent output that was accounted for by their own gross product decreased from 38 percent to 34 percent; the shift was pronounced for parents in industrial machinery, particularly in computers and components, and in electric equipment, particularly in consumer

Table 8.—Origin of Output of Nonbank U.S. Parents, by Major Industry, 1989, 1996, and 1997

	Millions of dollars										Share of total output, in percent			
	Sales	Inventory change	Total output ¹	Gross product	Total ²	Purchases				Addendum: Local content of output ⁵	U.S. parent gross product	Imports of goods from foreign affiliates	Purchases from outside the MNC	Addendum: Local content
						Imports of goods			Other ⁴					
						Total	Shipped by foreign affiliates ³	Shipped by unaffiliated foreign persons						
1989														
All industries	3,136,837	13,474	3,150,311	1,044,884	2,105,427	178,526	74,738	103,788	1,926,901	2,971,785	33	2	64	94
Petroleum	328,989	-464	328,525	93,128	235,397	25,976	7,789	18,187	209,421	302,549	28	2	69	92
Manufacturing	1,553,374	6,945	1,560,319	586,568	973,751	106,532	61,122	45,410	867,219	1,453,787	38	4	58	93
Food and kindred products	190,617	254	190,871	60,310	130,561	3,609	966	2,643	126,952	187,262	32	1	68	98
Chemicals and allied products	235,731	817	236,548	97,119	139,429	11,783	3,708	8,075	127,646	224,765	41	2	57	95
Primary and fabricated metals	104,727	346	105,073	37,556	67,517	5,665	2,088	3,577	61,852	99,408	36	2	62	95
Industrial machinery and equipment	171,239	1,447	172,686	70,887	101,799	16,660	11,763	4,897	85,139	156,026	41	7	52	90
Electronic and other electric equipment	146,277	1,132	147,409	56,139	91,270	13,169	5,382	7,787	78,101	134,240	38	4	58	91
Transportation equipment	361,979	1,181	363,160	121,141	242,019	44,973	31,808	13,165	197,046	318,187	33	9	58	88
Other manufacturing	342,804	1,768	344,572	143,417	201,155	10,674	5,407	5,267	190,481	333,898	42	2	57	97
Wholesale trade	226,707	1,249	227,956	22,587	205,369	34,644	2,492	32,152	170,725	193,312	10	1	89	85
Finance (except depository institutions), insurance, and real estate	394,461	1,238	395,699	50,535	345,164	(^P)	(^P)	357	(^P)	(^P)	13	(^P)	(^P)	(^P)
Services	106,517	214	106,731	57,090	49,641	508	219	289	49,133	106,223	53	54	46	100
Other industries	526,789	4,292	531,081	234,975	296,106	(^P)	(^P)	7,393	(^P)	(^P)	44	(^P)	(^P)	(^P)
1996														
All industries	4,478,970	6,785	4,485,755	1,480,638	3,005,117	298,587	137,160	161,427	2,706,530	4,187,168	33	3	64	93
Petroleum	428,067	-113	427,954	125,380	302,574	44,976	8,140	36,836	257,598	382,978	29	2	69	89
Manufacturing	2,119,731	2,346	2,122,077	764,725	1,357,352	191,858	120,380	71,478	1,165,494	1,930,219	36	6	58	91
Food and kindred products	223,293	362	223,655	77,290	146,365	4,816	1,368	3,448	141,549	218,839	35	1	65	98
Chemicals and allied products	326,770	902	327,672	127,284	200,388	20,069	7,614	12,455	180,319	307,603	39	2	59	94
Primary and fabricated metals	115,037	581	115,618	38,420	77,198	5,705	2,332	3,373	71,493	109,913	33	2	65	95
Industrial machinery and equipment	269,979	-949	269,030	95,342	173,688	38,035	29,462	8,573	135,653	230,995	35	11	54	86
Electronic and other electric equipment	281,920	2,904	284,824	87,732	197,092	34,974	15,108	19,866	162,118	249,850	31	5	64	88
Transportation equipment	489,143	-412	488,731	168,884	319,847	71,154	56,843	14,311	248,693	417,577	35	12	54	85
Other manufacturing	413,588	-1,042	412,546	169,773	242,773	17,106	7,654	9,452	225,667	395,440	41	2	57	96
Wholesale trade	349,012	342	349,354	41,753	307,601	46,358	6,004	40,354	261,243	302,996	12	2	86	87
Finance (except depository institutions), insurance, and real estate	517,346	174	517,520	71,797	445,723	(^P)	([*])	(^P)	(^P)	(^P)	14	(^P)	(^P)	(^P)
Services	220,137	693	220,830	116,126	104,704	(^P)	445	(^P)	(^P)	(^P)	53	(^P)	(^P)	(^P)
Other industries	844,677	3,342	848,019	360,857	487,162	14,097	2,190	11,907	473,065	833,922	43	([*])	57	98
1997														
All industries	4,859,568	23,406	4,882,974	1,570,490	3,312,484	318,635	147,405	171,230	2,993,849	4,564,339	32	3	65	93
Petroleum	412,833	-120	412,713	125,214	287,499	43,170	8,523	34,647	244,329	369,543	30	2	68	90
Manufacturing	2,233,109	16,799	2,249,908	765,122	1,484,786	206,060	127,870	78,190	1,278,726	2,043,848	34	6	60	91
Food and kindred products	226,871	1,132	228,003	69,852	158,151	4,753	1,824	2,929	153,398	223,250	31	1	69	98
Chemicals and allied products	331,127	1,051	332,178	126,931	205,247	23,042	10,254	12,788	182,205	309,136	38	3	59	93
Primary and fabricated metals	126,882	243	127,125	41,926	85,199	5,999	2,778	3,221	79,200	121,126	33	2	65	95
Industrial machinery and equipment	296,209	191	296,400	92,094	204,306	38,128	29,346	8,782	166,178	258,272	31	10	59	87
Electronic and other electric equipment	307,526	2,736	310,262	94,413	215,849	37,717	16,558	21,159	178,132	272,545	30	5	64	88
Transportation equipment	524,935	8,882	533,817	167,277	366,540	76,488	58,598	17,890	290,052	457,329	31	11	58	86
Other manufacturing	419,558	2,564	422,122	172,630	249,492	19,933	8,512	11,421	229,559	402,189	41	2	57	95
Wholesale trade	396,163	3,236	399,399	51,621	347,778	50,404	7,957	42,447	297,374	348,995	13	2	85	87
Finance (except depository institutions), insurance, and real estate	552,886	185	553,071	81,872	471,199	(^P)	([*])	(^P)	(^P)	(^P)	15	(^P)	(^P)	(^P)
Services	249,348	735	250,083	130,070	120,013	(^P)	434	(^P)	(^P)	(^P)	52	(^P)	(^P)	(^P)
Other industries	1,015,230	2,571	1,017,801	416,591	601,210	17,552	2,620	14,932	583,658	1,000,249	41	([*])	59	98

^{*} Less than \$500,000 or 0.5 percent.

^P Suppressed to avoid disclosure of data of individual companies.

1. Equals sales plus inventory change; also equals gross product plus purchases.

2. Equals total output less gross product.

3. As reported on parents' forms.

4. Includes purchases of goods and services from U.S. residents and purchases of services from foreign resi-

dents.

5. Equals gross product plus "other" purchases. The local content of output is overstated to the extent that "other" purchases include imported services and that imported goods and services are embodied in purchases from domestic suppliers. (These items were not reported separately and thus could not be identified and included in foreign content.)

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electronics. In these industries, the movement to unaffiliated suppliers was partly in response to increased global competition; to improve their competitiveness, parents specialized in areas in which they had an advantage and relied on unaffiliated suppliers for other inputs or finished products.

In petroleum, the origin of U.S.-parent output shifted slightly toward internal production. The share of U.S.-parent output that was accounted for by the parents' gross product edged up from 28 percent to 30 percent.

The share of U.S. parents' output that was accounted for by local (U.S.) content—U.S.-parent gross product and purchases from U.S. suppliers—was 93 percent in 1997, compared with 94 percent in 1989. The industries with the highest U.S. content were services (100 percent) and food and kindred products (98 percent).¹¹ The high share in services partly reflects the tendency towards internal production. The share in food and kindred products is high partly because the United States is a major agricultural producer, so most of the inputs are available locally at competitive prices.

In wholesale trade, the local-content share of the output of U.S. parents edged up from 85 percent to 87 percent. (In this industry, local content consists primarily of purchases from do-

mestic sources.) In manufacturing, the share edged down from 93 percent to 91 percent. In petroleum, it edged down from 92 percent to 90 percent.

Foreign Affiliates' Operations

This section examines selected aspects of the foreign (foreign-affiliate) operations of U.S. MNC's. First, the 1996-97 change in employment by all affiliates is examined, and the patterns of newly acquired or established affiliates in 1997 are presented. The remainder of the section focuses on selected aspects of the operations of majority-owned foreign affiliates (MOFA's).

All affiliates

The broadest measures of the foreign operations of U.S. MNC's cover all affiliates, regardless of the degree of U.S. ownership. The discussion of all-affiliate operations uses data on employment because estimates of gross product are available only for MOFA's.

The total employment of nonbank foreign affiliates increased 6.3 percent to 8.0 million in 1997, compared with an average annual increase of 1.9 percent in 1989-96 (table 9). The unusually large increase reflected both new investments and the expansion of existing operations in industries—such as personnel supply services, computer component assembly, and telephone utilities—that typically employ many workers.

Table 9.—Employment by Nonbank Foreign Affiliates, by Major Area and Industry of Affiliate, 1989, 1996, and 1997

	Thousands of employees				Percent change, at annual rates	
	1989	1996	1997	Change, 1996-97	1989-96	1996-97
	All areas, all industries	6,622.1	7,544.1	8,018.0	473.9	1.9	6.3
By major area						
Canada	955.2	920.5	941.9	21.4	-0.5	2.3
Europe	2,699.1	3,167.0	3,333.9	166.9	2.3	5.3
Latin America and Other Western Hemisphere	1,307.9	1,529.2	1,629.2	100.0	2.3	6.5
Africa	116.8	121.6	186.6	65.0	0.6	53.5
Middle East	92.0	77.8	77.4	-0.4	-2.4	-0.5
Asia and Pacific	1,422.0	1,715.1	1,835.8	120.7	2.7	7.0
International ¹	29.1	12.9	13.2	0.3	-11.0	2.3
By major industry						
Petroleum	285.2	232.9	226.1	-6.8	-2.9	-2.9
Manufacturing	4,191.1	4,392.6	4,592.9	200.3	0.7	4.6
Food and kindred products	483.5	563.6	598.0	34.4	2.2	6.1
Chemicals and allied products	580.4	614.1	622.4	8.3	0.8	1.4
Primary and fabricated metals	222.9	245.1	244.7	-0.4	1.4	-0.2
Industrial machinery and equipment	557.4	542.9	634.1	91.2	-0.4	16.8
Electronic and other electric equipment	659.7	713.5	774.5	61.0	1.1	8.5
Transportation equipment	823.2	705.4	724.2	18.8	-2.2	2.7
Other manufacturing	863.9	1,008.0	995.0	-13.0	2.2	-1.3
Wholesale trade	533.2	558.1	588.0	29.9	0.7	5.4
Finance (except depository institutions), insurance, and real estate	165.7	193.0	218.8	25.8	2.2	13.4
Services	481.5	837.7	988.9	151.2	8.2	18.0
Other industries	965.3	1,329.7	1,403.3	73.6	4.7	5.5

1. Consists of affiliates that have operations spanning more than one country and that are engaged in petroleum shipping, other water transportation, or offshore oil and gas drilling.

The increase was widespread by geographic area. By industry, most of the increase was accounted for by affiliates in manufacturing and in services.

Newly acquired or established affiliates.—In 1997, 489 new affiliates were acquired or established by U.S. MNC's, up significantly from 294 in 1995 and 413 in 1996 (table 10). These affiliates had a combined employment of 228,000, up from 138,000 in 1995 and 150,000 in 1996. The rapid increase in new investments in 1995–97 partly reflected the new investment opportunities and the improved business climates created by economic and legal changes, such as the privatization of electric utilities in the United Kingdom and Australia, the liberalization of foreign direct investment policies, the end of hyperinflation in Brazil and Argentina, and the reinstatement of the U.S. foreign tax credit on investment in South Africa.

In 1997, new affiliates continued to be primarily located in high-wage countries. These affiliates accounted for 71 percent of all new affiliates and for 59 percent of their employment. This large share suggests that U.S. direct investment abroad tends to be attracted more by access to large and prosperous markets than by access to low-wage labor. The United Kingdom, Germany, and

France were among the high-wage countries that attracted significant amounts of new investment in 1997.

Low-wage countries have nevertheless been attracting a rising proportion of the new investments. Their share of new investments rose steadily from 18 percent in 1989 to 30 percent in 1996 before slipping to 29 percent in 1997. South Africa, Brazil, and China were among the low-wage countries that attracted relatively large amounts of new investment in 1997.

Manufacturing continued to be the primary industry for new investments. In 1997, it accounted for 35 percent of all new affiliates and for 41 percent of their employment. "Other industries" also accounted for some large new investments; for example, some U.S. providers of electric power and telecommunications services acquired foreign affiliates as a result of host-country privatizations.

Majority-owned foreign affiliates

In 1997, majority-owned foreign affiliates (MOFA's) accounted for 90 percent of all foreign affiliates. The MOFA share of the employment of all affiliates was 81 percent, up from 77 percent in 1989 (table 1). These high percentages are consistent with the "internalization" theory of the origins of MNC's, which suggests that MNC's tend to have

Table 10.—Newly Acquired or Established Nonbank Foreign Affiliates by Major Area and Industry of Affiliate, 1997

	Number of newly acquired and established affiliates			Millions of dollars		Thousands of employees
	Total	Acquired	Established	Total assets	Sales	
All areas, all industries	489	241	248	129,189	41,129	227.7
By major area						
Canada	28	18	10	4,389	1,361	13.4
Europe	265	145	120	84,115	28,115	115.8
Latin America and Other Western Hemisphere	99	36	63	18,113	3,892	16.2
Africa	8	4	4	5,626	4,097	54.0
Middle East	2	2	0	79	71	0.6
Asia and Pacific	87	36	51	16,867	3,593	27.8
International ¹	0	0	0	0	0	0.0
Addenda ² :						
High-wage country sample	284	151	133	93,889	29,974	127.8
Low-wage country sample	115	59	56	25,639	9,933	89.0
Non-sample countries	90	31	59	9,661	1,222	10.9
By major industry						
Petroleum	20	10	10	7,076	656	2.0
Manufacturing	173	120	53	18,892	12,171	92.7
Food and kindred products	10	4	6	2,589	1,800	11.1
Chemicals and allied products	33	22	11	3,698	1,530	15.3
Primary and fabricated metals	32	27	5	2,088	953	10.8
Industrial machinery and equipment	31	25	6	3,777	2,367	16.4
Electronic and other electric equipment	14	5	9	485	633	5.8
Transportation equipment	14	8	6	2,438	2,016	11.5
Other manufacturing	39	29	10	3,818	2,872	21.7
Wholesale trade	55	32	23	3,640	4,798	6.1
Finance (except depository institutions), insurance, and real estate	126	30	96	45,588	2,966	6.7
Services	51	14	37	5,050	2,226	20.6
Other industries	64	35	29	48,943	18,312	99.7

1. See footnote 1 to table 9.

2. The distinction between "high-wage" countries and "low-wage" countries is based on estimates of average hourly wages of production workers of majority-owned foreign affiliates (MOFA's) in manufacturing; the estimates were derived from data collected in the 1994 benchmark survey of U.S. direct investment abroad. To ensure the significance of the data underlying this distinction,

the analysis is restricted to host countries in which employment by manufacturing MOFA's totalled at least 10,000 employees in 1994.

NOTE.—The data in this table cover only newly acquired or established foreign affiliates. They exclude data for consolidated units of existing foreign affiliates that were acquired or established during the year.

firm-specific advantages that must be preserved by strict control of operations.¹²

In all but 20 host countries, more than three-fourths of all affiliates are majority owned. Saudi Arabia, at 43 percent, and Israel, at 56 percent, are among the countries that had a relatively low percentage of MOFA's in 1997. In some countries, laws constrain, or have constrained, the level of foreign ownership of domestic businesses or have assessed lower taxes on, or provided other benefits to, businesses that have majority local ownership.

In India, the percentage of MOFA's was relatively low, at 58 percent, in 1997, but it was up substantially from 22 percent in 1989. The rapid rise in the MOFA share partly reflected the Indian Government's New Industrial Policy, adopted in 1991, which significantly liberalized the country's foreign direct investment policy. One change raised the maximum permitted foreign ownership of newly acquired or established Indian businesses to 51 percent in most sectors. Despite these changes, the share of the Indian economy accounted for by production by MOFA's remained

relatively low in 1997. (For details, see the section "MOFA share of host-country GDP.")

Changes in gross product.—The gross product of MOFA's increased 4.2 percent in 1997, to \$519.3 billion, compared with an average annual increase of 6.5 percent in 1989–96 (table 11). The slowdown was primarily accounted for by affiliates in Europe and in Asia and Pacific, and it mainly reflected a substantial decline in the U.S.-dollar price of foreign currencies. In contrast, MOFA gross product in Latin America and Other Western Hemisphere, Canada, and Africa grew faster in 1997 than in 1989–96. The increase in Latin America and Other Western Hemisphere was strong enough to overcome the dampening effect of the significant appreciation of the U.S. dollar against the two primary currencies in the region—the Brazilian real and the Mexican peso; the increase was widespread across industries, reflecting robust economic conditions in the host countries and the addition of newly acquired or established MOFA's. In Canada, the increase was concentrated in transportation equipment manufacturing and largely reflected increased production to meet strong demand in the United States. In Africa, the increase was concentrated in manufacturing and mainly reflected newly established affiliates in South Africa. In Eastern Europe, affiliate operations continued to grow rapidly, but they remained quite small; MOFA gross product in this area increased

12. According to this theory, these advantages, such as superior production or marketing techniques, are necessary so that MNC's can overcome the various barriers to investing abroad, such as foreign languages and unfamiliar business environments.

For a discussion of this theory, see Stephen H. Hymer, *The International Operations of National Firms* (Cambridge, MA: MIT Press, 1976). For a recent appraisal of the theory, see John H. Dunning and Alan M. Rugman, "The Influence of Hymer's Dissertation on the Theory of Foreign Direct Investment" in *The Theory of Multinational Enterprises*, vol. 1 (Cheltenham, United Kingdom: Edward Elgar Publishing, 1996).

Table 11.—Gross Product of Nonbank Majority-Owned Foreign Affiliates, by Major Area and Industry of Affiliate, 1989, 1996, and 1997

	Millions of dollars				Percent change at annual rates	
	1989	1996	1997	Change, 1996–97	1989–96	1996–97
	All areas, all industries	319,994	498,310	519,306	20,996	6.5	4.2
By major area						
Canada	52,114	53,783	57,554	3,771	0.5	7.0
Europe	179,758	291,732	297,604	5,872	7.2	2.0
Latin America and Other Western Hemisphere	29,601	51,965	60,579	8,614	8.4	16.6
Africa	5,299	8,248	8,875	627	6.5	7.6
Middle East	4,891	4,552	4,322	-230	-1.0	-5.1
Asia and Pacific	46,875	86,168	88,943	2,775	9.1	3.2
International ¹	1,457	1,862	1,429	-433	3.6	-23.3
By major industry						
Petroleum	77,195	109,870	110,818	948	5.2	0.9
Manufacturing	172,008	250,351	256,442	6,091	5.5	2.4
Food and kindred products	13,643	24,437	25,579	1,142	8.7	4.7
Chemicals and allied products	32,059	50,478	52,987	2,509	6.7	5.0
Primary and fabricated metals	7,623	11,002	11,549	547	5.4	5.0
Industrial machinery and equipment	30,430	37,023	37,318	295	2.8	0.8
Electronic and other electric equipment	12,646	23,345	26,183	2,838	9.2	12.2
Transportation equipment	33,764	37,809	43,471	5,662	1.6	15.0
Other manufacturing	41,843	66,257	59,355	-6,902	6.8	-10.4
Wholesale trade	37,947	54,472	56,446	1,974	5.3	3.6
Finance (except depository institutions), insurance and real estate	3,439	17,161	21,441	4,280	25.8	24.9
Services	14,612	37,840	44,292	6,452	14.6	17.1
Other industries	14,793	28,617	29,866	1,249	9.9	4.4

1. See footnote 1 to table 9.

26.7 percent, to \$3.9 billion, but the level was only 1 percent as large as that in Western Europe.

By industry, affiliates in services and manufacturing accounted for most of the increase in MOFA gross product.

In 1997, \$14.3 billion of the \$21.0 billion increase in MOFA gross product was attributable to changes in existing operations (table 12). The entry of new MOFA's contributed \$7.0 billion, up significantly from 1996.

MOFA share of host-country GDP.—In 1997, the gross product of MOFA's accounted for 7 percent or more of the gross domestic product (GDP) of four of the host countries shown in table 13: Ireland (17 percent), Singapore (9 percent), Canada (9 percent), and the United Kingdom (7 percent).

The relatively high MOFA shares of host-country GDP in these countries can be traced to some of the following factors: A common language with the United States, marketing and commercial legal systems similar to those in the United States, geographic proximity to the United States, the availability of a skilled work force, political stability, and low corporate tax rates.

The MOFA share of host-country GDP was less than 1 percent in four of the host countries shown in table 13: India, China, the Republic of Korea, and Japan. The low shares in most of these countries partly reflect past or present barriers to investment, including limits on foreign ownership.

Origin of output.—The output of MOFA's consists of both the gross product that originates in the MOFA's themselves and the gross product that originates elsewhere and that is incorporated in intermediate inputs purchased by MOFA's

Table 12.—Sources of Change in Gross Product for Nonbank Majority-Owned Foreign Affiliates, 1996–97

Line		Millions of dollars
1	1996 level	498,310
2	Total change	20,996
3	New MOFA's	6,988
4	Acquired by U.S. parents	4,666
5	Established by U.S. parents	2,322
6	Changes in existing operations ¹	14,325
7	Sales or liquidations of MOFA's	-11,054
8	Other changes ²	10,737
9	1997 level	519,306

1. Also includes changes resulting from MOFA's acquiring, establishing, selling, or liquidating parts of their consolidated operations. BEA permits survey respondents to consolidate affiliate operations that are in the same country if the affiliates are also in the same industry or are integral parts of a single business operation.

2. Equals the change in the gross product of MOFA's not accounted for in lines 3–7. It includes changes resulting from the addition to the survey universe of MOFA's that were exempt from reporting in earlier years and MOFA's that were required to report in earlier years but did not.

MOFA Majority-owned foreign affiliate

from U.S. parents, other foreign affiliates, or from unaffiliated suppliers.

In 1997, gross product originating in MOFA's accounted for 26 percent of MOFA output, compared with 31 percent in 1989 (tables 14 and 15, column 12). The industries with the highest shares of MOFA gross product were "other" manufacturing (mainly tobacco products), services, and petroleum. The high MOFA share in tobacco products partly reflects the fact that these products have relatively few material components that could be outsourced. Like the U.S.-parent

Table 13.—Gross Product of MOFA's as a Percentage of GDP of Selected Host Countries, 1989, 1996, and 1997

	1989	1996	1997
Ireland	12.4	13.5	16.5
Singapore	8.0	10.6	9.4
Canada	9.5	8.9	9.2
United Kingdom	6.2	7.1	6.8
Honduras	5.6	6.3	6.4
Costa Rica	4.0	6.3	5.7
Belgium	5.6	5.1	5.5
Netherlands	5.8	4.4	5.5
Malaysia	4.6	4.6	5.0
Australia	4.9	4.4	4.8
New Zealand	2.3	4.1	4.8
Hong Kong	5.0	4.2	4.4
Norway	4.6	4.1	4.1
Chile	2.7	3.6	3.7
Switzerland	2.9	2.8	3.3
Colombia	2.9	3.1	3.2
Venezuela	1.7	3.0	3.2
Mexico	2.4	3.1	3.0
Brazil	(¹)	2.7	2.9
Germany ²	3.0	2.6	2.7
France	2.3	2.5	2.7
Portugal	2.2	2.7	2.6
Philippines	2.4	2.6	2.6
Indonesia	4.2	2.5	2.5
United Arab Emirates	4.3	2.9	2.3
Thailand	2.5	1.9	2.2
Peru	(¹)	1.6	2.2
Argentina	(¹)	2.1	2.1
Sweden	1.2	2.0	2.0
Italy	1.9	1.8	1.9
Spain	1.9	1.6	1.8
Finland .....	.9	1.6	1.8
Guatemala	1.9	1.5	1.7
Denmark	1.2	1.4	1.5
South Africa .....	.8	1.0	1.4
Egypt	1.1	1.4	1.2
Ecuador	2.8	1.4	1.2
Greece	1.2	1.1	1.1
Turkey .....	.4	1.0	1.1
Israel .....	.8	1.1	1.0
Japan .....	.5	0.6	0.6
Korea, Republic of .....	.3	0.5	0.5
China	(*)	0.2	0.3
India .....	.1	0.1	0.2

* Less than 0.05 percent.

1. A share could not be calculated for this country for 1989, because dollar-denominated estimate of host-country GDP was incompatible with dollar-denominated estimate of MOFA gross product. Because the economy of the host country was experiencing hyperinflation in 1989, most MOFA operating there translated their financial statements from host-country currency to dollars daily, following U.S. generally accepted accounting principles. These daily translations, which are used to derive the dollar-denominated estimate of MOFA gross product, are not comparable the annual average exchange rate that is used to derive the dollar-denominated estimate of host-country GDP.

2. On October 3, 1990, the former German Democratic Republic became of the Federal Republic of Germany (FRG). Accordingly, the 1989 data shown in this table pertain to the FRG before unification and the post-1990 data pertain to the FRG after unification.

NOTE.—The countries are sorted in descending order of their 1997 values. Where two countries have the same 1997 value in the table, they were sorted using unrounded values. Host country GDP data for all countries except Hong Kong are from the International Monetary Fund, *International Financial Statistics*, April 1999 Edition (Washington, DC: International Monetary Fund, 1999). Data for Hong Kong are from the Web site for the Census and Statistics Department of the Hong Kong Special Administrative Region.

GDP Gross domestic product
MOFA Majority-owned foreign affiliate

Table 14.—Origin of Output for Nonbank MOFA's, by Major Industry of Affiliate, 1989, 1996, and 1997

	Millions of dollars										Share of total output, in percent					
	Sales	Inventory change	Output ¹	Gross product	Purchases					Addendum: Foreign content of output ⁵	Foreign content			U.S. content		
					Total ²	U.S. exports of goods to MOFA's			Other ⁴		Total	MOFA gross product	Other	Total	U.S. exports of goods shipped by U.S. parents	U.S. exports of goods shipped by unaffiliated U.S. persons
						Total	Shipped by U.S. parents ³	Shipped by unaffiliated U.S. persons								
1989																
All industries	1,019,966	2,182	1,022,148	319,994	702,154	97,488	86,050	11,437	604,666	924,660	90	31	59	10	8	1
Petroleum	179,420	602	180,022	77,195	102,827	2,462	1,869	593	100,365	177,560	99	43	56	1	1	(*)
Manufacturing	509,308	4,299	513,607	173,298	340,309	66,493	57,707	8,786	273,816	447,114	87	34	53	13	11	2
Food and kindred products	50,791	-245	50,546	13,643	36,903	2,078	1,465	613	34,825	48,468	96	27	69	4	3	1
Chemicals and allied products	94,652	421	95,073	32,059	63,014	7,342	6,500	842	55,672	87,731	92	34	59	8	7	2
Primary and fabricated metals	21,032	-51	20,981	7,623	13,358	1,756	1,409	348	11,602	19,225	92	36	55	8	7	1
Industrial machinery and equipment ...	100,319	1,073	101,392	31,720	69,672	11,682	10,837	845	57,990	89,710	88	31	57	12	11	1
Electronic and other electric equipment	39,678	658	40,336	12,646	27,690	8,122	7,286	837	19,568	32,214	80	31	49	20	18	2
Transportation equipment	114,391	1,000	115,391	33,764	81,627	27,874	23,841	4,032	53,753	87,517	76	29	47	24	21	3
Other manufacturing	88,444	1,442	89,886	41,843	48,043	7,639	6,370	1,269	40,404	82,247	92	47	45	8	7	1
Wholesale trade	204,295	105	204,400	36,760	167,640	26,797	25,247	1,550	140,843	177,603	87	18	69	13	12	1
Finance (except depository institutions), insurance, and real estate	51,137	-3,203	47,934	3,439	44,495	1	(*)	(*)	44,494	47,933	100	7	93	(*)	(*)	(*)
Services	32,466	202	32,668	14,509	18,159	448	388	60	17,711	32,220	99	44	54	1	1	(*)
Other industries	43,342	178	43,520	14,793	28,727	1,286	838	448	27,441	42,234	97	34	63	3	2	1
1996																
All industries	1,868,588	4,699	1,873,287	498,310	1,374,977	187,960	161,359	26,601	1,187,017	1,685,327	90	27	63	10	9	1
Petroleum	295,615	248	295,863	109,870	185,993	3,048	1,936	1,113	182,945	292,815	99	37	62	1	1	0
Manufacturing	899,737	2,326	902,063	250,351	651,712	120,259	100,117	20,142	531,453	781,804	87	28	59	13	11	2
Food and kindred products	100,189	441	100,630	24,437	76,193	2,631	1,954	677	73,562	97,999	97	24	73	3	2	1
Chemicals and allied products	174,362	618	174,980	50,478	124,502	13,502	12,005	1,497	111,000	161,478	92	29	63	8	7	1
Primary and fabricated metals	34,355	631	34,986	11,002	23,984	2,664	1,934	729	21,320	32,322	92	31	61	8	6	2
Industrial machinery and equipment ...	159,289	-1,215	158,074	37,023	121,051	19,588	17,284	2,305	101,463	138,486	88	23	64	12	11	1
Electronic and other electric equipment	93,787	491	94,278	23,345	70,933	19,907	18,312	1,595	51,026	74,371	79	25	54	21	19	2
Transportation equipment	188,321	807	189,128	37,809	151,319	47,676	35,996	11,679	103,643	141,452	75	20	55	25	19	6
Other manufacturing	149,434	554	149,988	66,257	83,731	14,291	12,631	1,660	69,440	135,697	90	44	56	10	8	1
Wholesale trade	371,726	2,623	374,349	54,472	319,877	59,543	55,767	3,776	260,334	314,806	84	15	70	16	15	1
Finance (except depository institutions), insurance, and real estate	109,757	112	109,869	17,161	92,708	25	22	3	92,683	109,844	100	16	84	0	0	0
Services	98,233	-1,824	96,409	37,840	58,569	2,116	1,984	132	56,453	94,293	98	39	59	2	2	0
Other industries	93,520	1,214	94,734	28,617	66,117	2,969	1,533	1,436	63,148	91,765	97	30	67	3	2	2
1997																
All industries	1,982,817	1,359	1,984,176	519,306	1,464,870	208,541	181,115	27,426	1,256,329	1,775,635	89	26	63	11	9	1
Petroleum	288,059	-24	288,035	110,818	177,217	4,898	3,646	1,252	172,319	283,137	98	38	60	2	1	0
Manufacturing	942,604	-1,134	941,470	256,442	685,028	133,109	112,482	20,626	551,919	808,361	86	27	59	14	12	2
Food and kindred products	103,895	265	104,160	25,579	78,581	2,582	1,993	589	75,999	101,578	98	25	73	2	2	1
Chemicals and allied products	184,902	271	185,173	52,987	132,186	15,819	14,347	1,472	116,367	169,354	91	29	63	9	8	1
Primary and fabricated metals	36,244	271	36,515	11,549	24,966	2,579	1,951	628	22,387	33,936	93	32	61	7	5	2
Industrial machinery and equipment ...	159,921	-485	159,436	37,318	122,118	20,300	18,014	2,286	101,818	139,136	87	23	64	13	11	1
Electronic and other electric equipment	102,909	460	103,369	26,183	77,186	22,356	20,592	1,764	54,830	81,013	78	25	53	22	20	2
Transportation equipment	203,317	-252	203,065	43,471	159,594	54,920	42,819	12,101	104,674	148,145	73	21	52	27	21	6
Other manufacturing	151,417	-1,666	149,751	59,355	90,396	14,553	12,766	1,787	75,843	135,198	90	40	51	10	9	1
Wholesale trade	401,744	1,593	403,337	56,446	346,891	64,397	60,328	4,069	282,494	338,940	84	14	70	16	15	1
Finance (except depository institutions), insurance, and real estate	127,013	84	127,097	21,441	105,656	22	20	2	105,634	127,075	100	17	83	0	0	0
Services	112,823	1,140	113,963	44,292	69,671	2,411	2,330	81	67,260	111,552	98	39	59	2	2	0
Other industries	110,574	-300	110,274	29,866	80,408	3,704	2,309	1,395	76,704	106,570	97	27	70	3	2	1

* Less than \$500,000 or 0.5 percent.
 1. Equals sales plus inventory change; also equals gross product plus purchases.
 2. Equals total output less gross product.
 3. As reported on affiliates' forms.
 4. Includes purchases of goods and services from foreign residents and purchases of services from U.S. residents.
 5. Equals gross product plus "other" purchases. The foreign content of output is overstated to the extent that "other" purchases include services exported from the United States and that goods and services exported from the United States are embodied in purchases from foreign suppliers. (These items were not reported separately and thus could not be identified and included in U.S. content.)
 MOFA Majority-owned foreign affiliate

share, the MOFA share in services is high partly because the production of services tends to be labor-intensive and is not as easily outsourced as the production of goods. The share in petroleum is high partly because the large fixed capital costs that must be incurred to reach a profitable scale of operation allows a small number of highly integrated companies to dominate production.

The shift to unaffiliated suppliers from 1989 to 1997 was widespread across geographic areas. It was also widespread across industries, but it was most pronounced in manufacturing. MOFA's in some industries probably sought to decrease their reliance on internal production in order to meet rising global competition by specializing in areas in which they had an advantage and by rely-

ing on unaffiliated suppliers for other inputs and finished products.

The U.S. content of MOFA output was 11 percent in 1997, compared with 10 percent in 1989. The geographic areas with the highest U.S. content were Canada and Latin America and Other Western Hemisphere, particularly in Mexico. In Canada and Mexico, the high U.S. content mainly reflects these countries' proximity to, and strong economic ties with, the United States.

In Canada, the U.S. content of MOFA output increased from 22 percent in 1989 to 27 percent in 1997; this increase was widespread across manufacturing industries and may have been related to the initial implementation of the Canada-United States Free Trade Agreement in 1989 and the North American Free Trade Agreement in 1994.

Table 15.—Origin of Output for Nonbank Majority-Owned Foreign Affiliates, by Major Area of Affiliate, 1989, 1996, and 1997

	Millions of dollars										Share of total output, in percent					
	Sales	Inventory change	Output ¹	Gross product	Purchases				Addendum: Foreign content of output ⁵	Foreign content			U.S. content			
					Total ²	U.S. exports of goods to MOFA's		Other ⁴		Total	MOFA gross product	Other	Total	U.S. exports of goods shipped by U.S. parents	U.S. exports of goods shipped by unaffiliated U.S. persons	
						Total	Shipped by U.S. parents ³									Shipped by unaffiliated U.S. persons
	1989															
All areas	1,019,966	2,182	1,022,148	319,994	702,154	97,488	86,050	11,437	604,666	924,660	90	31	59	10	8	1
Canada	173,251	1,309	174,560	52,114	122,446	37,843	32,050	5,792	84,603	136,717	78	30	48	22	18	3
Europe	573,270	-813	572,457	179,758	392,699	29,888	27,585	2,303	362,811	542,569	95	31	63	5	5	(*)
Latin America and Other Western Hemisphere	87,014	530	87,544	29,601	57,943	11,236	9,495	1,741	46,707	76,308	87	34	53	13	11	2
Africa	11,576	-267	11,309	5,299	6,010	(D)	(D)	(D)	(D)	(D)	47	(D)	(D)	(D)	(D)	(D)
Middle East	8,021	-43	7,978	4,891	3,087	367	288	78	2,720	7,611	95	61	34	5	4	1
Asia and Pacific	161,640	1,444	163,084	46,875	116,209	17,491	16,136	1,355	98,718	145,593	89	29	61	11	10	1
International	5,196	22	5,218	1,457	3,761	(D)	(D)	(D)	(D)	(D)	(D)	28	(D)	(D)	(D)	(D)
	1996															
All areas	1,868,588	4,699	1,873,287	498,310	1,374,977	187,960	161,359	26,601	1,187,017	1,685,327	90	27	63	10	9	1
Canada	231,671	46	231,717	53,783	177,934	59,280	45,903	13,377	118,654	172,437	74	23	51	26	20	6
Europe	1,049,313	-78	1,049,235	291,732	757,503	51,577	46,362	5,215	705,926	997,658	95	28	67	5	4	0
Latin America and Other Western Hemisphere	178,619	1,769	180,388	51,965	128,423	28,017	24,111	3,906	100,406	152,371	84	29	56	16	13	2
Africa	19,986	243	20,229	8,248	11,981	716	459	257	11,265	19,513	96	41	56	4	2	1
Middle East	10,596	534	11,130	4,552	6,578	585	484	100	5,993	10,545	95	41	54	5	4	1
Asia and Pacific	371,988	2,174	374,162	86,168	287,994	47,781	44,035	3,745	240,213	326,381	87	23	64	13	12	1
International	6,415	12	6,427	1,862	4,565	4	4	0	4,561	6,423	100	29	71	0	0	0
	1997															
All areas	1,982,817	1,359	1,984,176	519,306	1,464,870	208,541	181,115	27,426	1,256,329	1,775,635	89	26	63	11	9	1
Canada	250,429	294	250,723	57,554	193,169	68,208	54,502	13,706	124,961	182,515	73	23	50	27	22	5
Europe	1,085,571	-2,551	1,083,020	297,604	785,416	55,041	49,672	5,368	730,375	1,027,979	95	27	67	5	5	0
Latin America and Other Western Hemisphere	213,155	3,176	216,331	60,579	155,752	34,768	30,082	4,686	120,984	181,563	84	28	56	16	14	2
Africa	22,795	612	23,407	8,875	14,532	705	539	166	13,827	22,702	97	38	59	3	2	1
Middle East	9,571	33	9,604	4,322	5,282	503	396	107	4,779	9,101	95	45	50	5	4	1
Asia and Pacific	396,610	-144	396,466	88,943	307,523	49,312	45,920	3,392	258,211	347,154	88	22	65	12	12	1
International	4,686	-63	4,623	1,429	3,194	4	4	0	3,190	4,619	100	31	69	0	0	0

* Less than 0.5 percent.

^D Suppressed to avoid disclosure of data of individual companies.

1. Equals sales plus inventory change; also equals gross product plus purchases.

2. Equals total output less gross product.

3. As reported on affiliates' forms.

4. Includes purchases of goods and services from foreign residents and purchases of services from U.S. resi-

dents.

5. Equals gross product plus "other" purchases. The foreign content of output is overstated to the extent that "other" purchases include services exported from the United States and that goods and services exported from the United States are embodied in purchases from foreign suppliers. (These items were not reported separately and thus could not be identified and included in U.S. content.)

MOFA Majority-owned foreign affiliate

In Latin America and Other Western Hemisphere, the U.S. content of MOFA output rose from 13 percent to 16 percent, partly as a result of currency-related valuation changes.¹³

Real gross product of MOFA's in manufacturing.—Changes in the current-dollar measures of MOFA operations can sometimes be difficult to interpret because they can be strongly influenced by changes in prices and exchange rates. (The effects of exchange-rate changes that are unrelated to the relative prices of goods and services in various countries can be especially problematic.) To overcome these limitations, BEA recently began producing estimates of real gross product for MOFA's.¹⁴ These new estimates provide more meaningful comparisons of gross product across countries because they are based on purchasing-power-parity exchange rates rather

13. The dollar-denominated measures of the operations of affiliates in the two largest economies in the area—Mexico and Brazil—were affected by changes in the host-countries' currencies. From 1989 to 1997, the Mexican peso lost over two-thirds of its value against the U.S. dollar, and Brazil introduced a new currency, the real. The effects of these changes cannot be precisely measured; however, a devaluation of host-country currency generally depresses the U.S.-dollar value of affiliate sales, but it has no direct effect on the dollar value of U.S. exports to affiliates, so that, all else equal, the U.S.-content share of affiliate output is raised.

The effect on U.S. content may be mitigated to the extent that, after a devaluation, MOFA's substitute locally purchased goods for more expensive U.S. goods. However, it is unlikely that such substitution is significant, at least in the short run, because locally produced substitutes are not usually readily available.

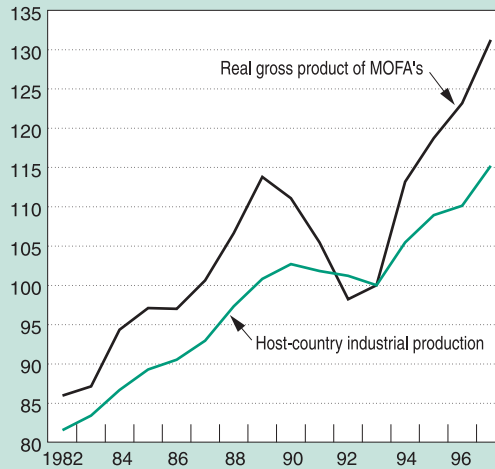
14. For a summary of the methodology used to derive the real gross product estimates and for the 1982–88 and 1990–93 estimates, see Raymond J. Mataloni, Jr., "Real Gross Product of U.S. Companies' Majority-Owned Foreign Affiliates in Manufacturing," SURVEY 77 (April 1997): 8–17.

than on market exchange rates, and they provide more meaningful comparisons across time because they are in chained dollars.

CHART 3

Real Gross Product of MOFA's in Manufacturing and Industrial Production in 19 OECD Countries, 1982–97

Index (1993=100)



MOFA Majority-owned foreign affiliate
OECD Organisation for Economic Co-Operation and Development

NOTE.—The 19 OECD countries covered in this chart are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Spain, Sweden, and the United Kingdom.

The composite index of industrial production was derived by weighting each country's index by the country's share in the cumulative dollar value of real gross product of MOFA's in manufacturing in 1982–97.

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

Table 16.—Current-Dollar and Real Gross Product of Majority-Owned Foreign Affiliates in Manufacturing, by Country, 1989 and 1994–97

	Billions of current dollars						Percent change, at annual rates		Billions of chained (1993) dollars						Percent change, at annual rates		
	1989	1994	1995	1996	1997	Change, 1996–97	1989–96	1996–97	1989	1994	1995	1996	1997	Change, 1996–97	1989–96	1996–97	
All countries	172.0	205.2	238.9	250.4	256.4	6.1	6.5	2.4	All countries	160.1	171.4	185.7	197.1	212.3	15.1	3.5	7.7
19 OECD countries	141.4	159.3	185.0	189.8	189.9	0.0	5.0	0.0	19 OECD countries	126.1	125.8	131.9	136.9	145.8	9.0	1.4	6.5
Australia	6.9	5.8	5.9	6.8	7.2	0.4	-0.1	5.9	Australia	6.5	5.2	5.1	5.5	6.1	0.6	-2.9	11.3
Austria	0.7	1.3	1.2	1.5	1.4	-0.2	14.2	-12.0	Austria	0.6	0.9	0.7	1.0	1.0	0.0	9.3	1.0
Belgium	5.0	6.8	8.3	7.5	7.5	0.0	7.1	0.4	Belgium	4.7	5.3	5.4	5.2	5.9	0.8	1.6	14.5
Canada	28.9	25.3	26.9	25.9	28.8	2.8	-1.8	10.9	Canada	27.4	25.0	25.3	23.9	26.6	2.7	-2.3	11.1
Denmark	0.4	0.6	0.7	0.7	0.7	0.0	12.1	1.1	Denmark	0.3	0.3	0.4	0.4	0.4	0.0	5.9	8.9
Finland	0.1	0.3	0.4	0.7	0.9	0.1	48.7	15.5	Finland	0.0	0.2	0.3	0.5	0.6	0.1	47.4	30.4
France	11.8	16.5	18.9	20.7	20.1	-0.6	9.9	-3.0	France	9.5	11.6	11.6	13.4	14.6	1.2	5.9	9.2
Germany ¹	25.8	36.7	41.0	40.4	38.4	-2.0	7.7	-5.0	Germany ¹	23.3	26.2	25.3	26.0	28.3	2.2	1.9	8.5
Greece	0.2	0.3	0.4	0.4	0.4	0.0	12.1	0.5	Greece	0.3	0.3	0.3	0.4	0.4	0.0	4.3	5.6
Ireland	3.5	4.8	6.9	7.0	9.5	2.5	12.3	35.7	Ireland	3.4	4.2	5.6	5.7	8.3	2.6	8.7	46.0
Italy	7.8	8.3	8.6	9.1	9.5	0.3	2.7	3.6	Italy	6.7	7.2	7.0	6.9	7.8	0.9	0.5	12.9
Japan	7.7	10.9	12.6	13.3	12.6	-0.7	9.6	-5.3	Japan	5.0	5.4	5.7	7.1	7.4	0.3	6.1	3.6
Luxembourg	0.5	0.7	0.8	0.6	0.6	0.0	3.9	0.0	Luxembourg	0.4	0.5	0.5	0.5	0.5	0.0	0.7	9.0
Netherlands	7.8	7.2	9.0	8.8	9.5	0.6	2.2	7.1	Netherlands	6.5	5.5	5.9	6.0	7.2	1.2	-1.4	19.2
New Zealand	0.3	0.4	0.4	1.5	1.9	0.4	30.3	28.4	New Zealand	0.3	0.4	0.4	1.3	1.7	0.4	26.1	33.6
Norway	0.1	0.4	0.3	0.5	0.4	0.0	25.2	0.0	Norway	0.1	0.2	0.2	0.3	0.3	0.0	21.3	0.8
Spain	5.7	5.5	6.4	6.1	6.4	0.3	1.1	4.6	Spain	5.0	4.7	4.8	4.6	5.5	0.9	-1.2	18.8
Sweden	1.0	0.8	2.7	2.4	2.1	-0.3	15.2	-11.7	Sweden	0.7	0.6	1.7	1.4	1.4	0.0	11.4	0.0
United Kingdom	27.4	26.7	33.6	35.7	32.0	-3.7	4.5	-10.2	United Kingdom	25.8	22.4	25.8	27.3	23.2	-4.2	1.0	-15.2
All other countries	30.6	45.9	53.9	60.5	66.6	6.1	12.0	10.0	All other countries	33.9	45.6	53.9	60.0	66.1	6.0	10.0	10.0
									Residual	-0.3	-0.4	-0.3	0.0	-0.7			

¹ Less than \$50 million or 0.5 percent.

1. See footnote 2 to table 13.

NOTE.—Chained (1993) dollar series were derived by extrapolating the base-year (1993) PPP-exchange-rate-based current-dollar value of the corresponding series by a Fisher quantity index. Because the formula for the Fisher quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not addi-

tive. The residual line is the difference between the total line and the sum of the most detailed lines.

For a summary of the methodology used to derive the chained-dollar estimates, and for the 1982–88 and 1990–93 estimates, see "Real Gross Product of U.S. Companies' Majority-Owned Foreign Affiliates in Manufacturing," SURVEY OF CURRENT BUSINESS 77 (April 1997): 8–17.

OECD Organisation for Economic Co-Operation and Development

The real gross product of MOFA's in manufacturing grew more than twice as fast in 1997 (7.7 percent) as in 1989–96 (3.5 percent) (table 16).¹⁵ The faster growth partly reflected the faster growth in industrial production in most host countries. The real gross product of manufacturing MOFA's in the 19 member countries of the Organisation for Economic Co-Operation and Development grew faster (6.5 percent) in 1997 than total industrial production partly because of the entry of new MOFA's (chart 3). Industrial production in these countries grew 4.6 percent in 1997, compared with 1.1 percent in 1996.

15. The real gross product grew much faster (8 percent) than the current-dollar gross product (2 percent) in 1997. The slower growth in the current-dollar gross product reflected the dampening effect of the appreciation of the U.S. dollar. (See also footnote 5.)

The \$15.1 billion increase in the real gross product of MOFA's in manufacturing in 1997 was concentrated in Canada (up \$2.7 billion), Ireland (up \$2.6 billion), and Germany (up \$2.2 billion). In Canada and Germany, the increases primarily reflected rising production of motor vehicles to meet strong demand; in Germany, the acquisition of new affiliates that manufacture automobile components also contributed. In Ireland, the increase primarily reflected the rising production of new, higher value pharmaceuticals to meet strong demand, mainly in other European countries.

The real gross product of manufacturing MOFA's in the United Kingdom decreased sharply (\$4.2 billion), partly because of the sale of a few large MOFA's.


Tables 17 through 21 follow. 

Table 17.1.—Selected Data for Nonbank U.S. Parents, by Industry of U.S. Parent, 1996

	Millions of dollars										Thousands of employees
	Total assets	Sales				Net income	Capital expenditures	Research and development expenditures	Gross product	Compensation of employees	
		Total	Goods	Services	Investment income ¹						
All industries	7,821,047	4,478,970	3,105,123	1,185,679	188,168	304,191	260,048	100,551	1,480,638	846,847	18,790.0
Petroleum	553,341	428,067	389,178	33,010	5,880	31,999	26,186	1,683	125,380	31,225	475.1
Oil and gas extraction	28,578	8,734	(D)	(D)	7	1,160	2,669	22	5,404	1,811	39.7
Crude petroleum extraction (no refining) and gas	18,340	5,369	4,921	441	7	703	1,840	(*)	3,406	640	9.6
Oil and gas field services	10,238	3,364	(D)	(D)	0	458	829	22	1,997	1,171	30.1
Petroleum and coal products	325,106	301,139	291,292	9,567	280	26,597	18,676	1,568	102,021	23,319	356.0
Integrated petroleum refining and extraction	307,253	277,752	269,206	8,266	280	26,530	17,343	1,520	94,694	21,407	308.0
Petroleum refining without extraction	13,541	19,804	(D)	(D)	(*)	-38	1,179	6	6,352	1,314	33.7
Petroleum and coal products, not elsewhere classified	4,312	3,584	(D)	(D)	0	105	153	42	975	599	14.2
Petroleum wholesale trade	157,338	94,250	79,161	9,630	5,459	2,504	2,444	(D)	9,259	3,392	41.4
Other	42,320	23,944	(D)	(D)	133	1,737	2,397	(D)	8,697	2,702	38.0
Manufacturing	2,609,397	2,119,731	1,971,284	118,271	30,176	156,315	114,979	89,973	764,725	465,536	8,959.9
Food and kindred products	217,480	223,293	219,524	3,682	87	22,198	9,331	1,264	77,290	33,083	982.3
Grain mill and bakery products	30,122	34,747	(D)	(D)	0	2,427	1,457	283	8,564	3,618	73.9
Beverages	114,730	98,932	95,926	2,919	87	15,941	5,116	552	47,353	16,861	529.4
Other	72,628	89,614	(D)	(D)	0	3,830	2,759	429	21,373	12,605	379.0
Chemicals and allied products	475,205	326,770	319,632	6,671	467	38,924	20,642	21,011	127,284	66,546	1,022.2
Industrial chemicals and synthetics	165,143	115,132	113,648	1,480	4	6,731	9,094	4,253	45,268	23,177	325.8
Drugs	195,450	120,165	116,672	3,194	299	29,172	6,804	14,269	51,784	26,460	381.1
Soap, cleaners, and toilet goods	75,597	53,901	52,628	1,113	160	4,902	2,661	1,554	17,915	9,940	179.8
Agricultural chemicals	14,999	13,821	13,553	266	2	563	784	218	4,026	2,098	40.3
Chemical products, not elsewhere classified	24,016	23,751	23,131	618	2	4,756	1,299	716	8,291	4,870	95.2
Primary and fabricated metals	115,337	115,037	113,283	1,734	20	5,164	5,881	1,016	38,420	25,280	560.9
Primary metal industries	55,309	60,263	59,145	1,099	19	2,932	3,450	503	19,112	12,072	260.4
Ferrous	26,090	29,770	(D)	(D)	19	1,550	1,752	198	11,137	7,006	131.3
Nonferrous	29,219	30,493	(D)	(D)	0	1,382	1,698	305	7,975	5,065	129.1
Fabricated metal products	60,028	54,774	54,138	635	1	2,232	2,431	513	19,308	13,209	300.5
Industrial machinery and equipment	289,376	269,979	237,467	30,712	1,800	21,244	12,485	15,316	95,342	63,615	1,164.6
Farm and garden machinery	23,596	20,644	19,159	(D)	34	1,208	517	495	6,381	3,929	69.4
Construction, mining, and materials handling machinery	36,090	32,654	31,185	1,436	34	2,282	1,148	597	10,913	6,744	133.2
Computer and office equipment	134,757	129,817	108,091	20,139	1,588	12,873	7,099	11,416	40,674	27,256	417.9
Other	94,934	86,864	79,033	(D)	(D)	4,881	3,721	2,808	37,375	25,687	544.1
Electronic and other electric equipment	399,063	281,920	248,882	29,455	3,582	21,012	21,578	16,503	87,732	58,983	1,181.2
Household appliances	11,164	15,194	15,194	0	0	553	636	214	3,902	2,656	74.9
Household audio and video, and communications equipment	65,227	74,216	70,631	3,585	0	2,790	4,249	6,447	24,260	17,208	304.9
Electronic components and accessories	263,638	129,999	(D)	(D)	3,582	14,675	13,523	7,754	35,661	21,341	438.6
Electronic and other electric equipment, not elsewhere classified	59,035	62,511	(D)	(D)	0	2,993	3,170	2,088	23,909	17,778	362.7
Transportation equipment	615,380	489,143	439,478	25,784	23,881	24,291	20,698	24,769	168,884	111,300	1,683.3
Motor vehicles and equipment	480,747	359,368	320,587	15,445	23,336	17,390	16,268	16,851	109,244	68,999	954.1
Other	134,634	129,775	118,892	10,339	545	6,901	4,429	7,918	59,640	42,301	729.3
Other manufacturing	497,556	413,588	393,018	20,232	338	23,482	24,364	10,094	169,773	106,729	2,365.4
Tobacco products	(D)	16,043	16,009	34	0	762	395	(D)	6,394	2,689	46.4
Textile products and apparel	26,537	33,474	33,389	58	27	1,633	1,497	76	11,827	7,982	301.5
Lumber, wood, furniture, and fixtures	36,511	43,632	(D)	(D)	0	1,543	2,447	271	14,906	9,420	252.6
Paper and allied products	128,784	92,098	91,300	689	108	6,127	8,359	1,223	42,415	22,215	416.3
Printing and publishing	88,954	57,340	50,491	6,768	81	2,269	2,556	187	23,745	15,787	384.4
Rubber products	26,359	26,919	(D)	(D)	0	697	971	574	9,873	7,715	154.8
Miscellaneous plastics products	17,882	19,893	(D)	(D)	0	1,640	1,041	251	7,281	4,308	112.4
Glass products	24,917	20,168	(D)	(D)	(*)	1,287	1,960	482	8,600	5,150	111.3
Stone, clay, and nonmetallic mineral products	16,168	13,637	13,600	29	8	324	780	184	3,960	2,497	59.4
Instruments and related products	88,077	75,815	66,607	9,198	10	6,605	3,623	6,412	35,601	25,628	440.7
Other	(D)	14,570	13,682	783	104	595	734	(D)	5,171	3,338	85.7
Wholesale trade	179,297	349,012	341,209	6,672	1,132	5,079	8,266	1,789	41,753	26,771	681.9
Durable goods	105,063	184,242	178,355	5,346	541	724	5,332	1,412	20,528	15,109	307.5
Non-durable goods	74,235	164,770	162,854	1,326	591	4,356	2,934	376	21,225	11,662	374.4
Finance (except depository institutions), insurance, and real estate	3,096,185	517,346	5,214	363,707	148,425	43,876	11,594	197	71,797	72,906	1,069.6
Finance, except depository institutions	961,628	118,034	(D)	(D)	58,740	11,488	2,826	170	28,342	27,954	268.0
Insurance	2,115,142	395,663	4,742	301,253	89,668	31,018	8,648	28	40,477	43,987	787.8
Real estate	8,899	(D)	(D)	(D)	17	(D)	116	0	1,793	905	13.3
Holding companies	10,517	(D)	(D)	(D)	0	(D)	5	0	1,185	60	0.4
Services	291,303	220,137	21,543	197,436	1,158	15,529	17,791	5,365	116,126	80,232	2,421.8
Hotels and other lodging places	33,452	20,743	(D)	(D)	40	650	1,500	0	9,548	5,917	305.9
Business services	105,579	91,022	10,514	79,703	805	6,386	6,260	5,035	50,184	37,784	1,047.7
Advertising	10,383	6,912	0	6,912	0	284	174	0	3,302	2,783	39.6
Equipment rental (except automotive and computers)	3,749	1,954	216	1,738	0	114	321	9	1,072	531	12.3
Computer and data processing services	75,017	55,906	9,763	46,014	130	5,051	4,963	5,000	28,801	19,397	355.3
Business services, not elsewhere classified	16,429	26,249	535	25,039	675	936	802	27	17,009	15,073	640.5
Automotive rental and leasing	12,210	7,613	(D)	(D)	0	36	3,538	(*)	3,325	2,075	71.2
Motion pictures, including television tape and film	62,512	(D)	(D)	(D)	(D)	(D)	(D)	5	10,707	4,319	167.2
Health services	38,968	32,817	537	32,223	57	2,089	2,467	5	19,368	13,020	418.9
Engineering, architectural, and surveying services	7,349	13,128	1,319	11,807	3	176	206	162	5,255	4,833	78.0
Management and public relations services	8,002	8,130	(D)	(D)	(D)	372	235	(D)	4,289	3,744	55.5
Other	23,232	(D)	(D)	(D)	0	(D)	(D)	(D)	13,450	8,540	277.5
Other industries	1,091,523	844,677	376,695	466,584	1,398	51,393	81,232	1,544	360,857	170,177	5,181.6
Agriculture, forestry, and fishing	3,913	4,263	(D)	(D)	1	139	175	63	1,112	803	30.0
Mining	24,314	15,106	(D)	(D)	9	1,068	1,958	41	6,925	3,665	70.2
Construction	18,443	31,636	23,791	7,812	33	863	980	(D)	9,062	7,804	153.3
Transportation	146,452	121,439	1,682	119,374	382	5,552	11,060	19	67,065	44,530	983.4
Communication	399,779	224,392	13,475	210,732	184	23,133	39,749	1,200	120,187	47,625	860.2
Electric, gas, and sanitary services	319,927	124,513	1,235	122,950	328	10,428	15,573	84	73,143	20,688	327.5
Retail trade	178,696	323,328	318,664	4,203	461	10,210	11,738	(D)	83,364	45,063	2,757.1

* Less than \$500,000 (±).

D Suppressed to avoid disclosure of data of individual companies.

1. Some parents and majority-owned foreign affiliates (MOFA's), primarily those in finance and insurance, include investment income in sales or gross operating revenues. Most parents and MOFA's not in finance or insurance consider investment income an incidental revenue source and include it in their income statements in a separate "other income" category, rather than in sales. BEA collects separate data on investment income to ensure that—

where it is included in total sales—it is not misclassified as sales of services.

Table 17.2.—Selected Data for Nonbank U.S. Parents, by Industry of U.S. Parent, 1997

	Millions of dollars										Thousands of employees
	Total assets	Sales				Net income	Capital expenditures	Research and development expenditures	Gross product	Compensation of employees	
		Total	Goods	Services	Investment income ¹						
All industries	8,567,320	4,859,568	3,298,115	1,357,524	203,928	326,370	298,902	108,610	1,570,490	894,807	19,867.4
Petroleum	459,873	412,833	375,448	37,006	378	30,448	30,187	1,779	125,214	30,900	483.2
Oil and gas extraction	37,967	13,031	(D)	(D)	12	1,026	5,103	59	7,226	2,716	52.7
Crude petroleum extraction (no refining) and gas	21,369	6,526	6,063	451	12	-133	2,546	(*)	3,487	792	11.7
Oil and gas field services	16,597	6,505	(D)	(D)	0	1,159	2,557	58	3,739	1,925	41.0
Petroleum and coal products	347,233	307,771	296,054	11,381	336	28,377	20,832	1,615	104,794	23,934	370.9
Integrated petroleum refining and extraction	317,145	272,701	264,457	7,908	336	27,451	18,650	1,571	95,128	21,442	312.3
Petroleum refining without extraction	25,617	31,450	(D)	(D)	(*)	813	2,020	5	8,640	1,910	45.1
Petroleum and coal products, not elsewhere classified	4,472	3,620	(D)	(D)	0	113	161	39	1,026	582	13.5
Petroleum wholesale trade	44,840	77,525	66,283	11,242	0	829	2,220	(D)	6,545	2,000	32.4
Other	29,834	14,506	(D)	(D)	30	217	2,032	(D)	6,649	2,250	27.2
Manufacturing	2,695,247	2,233,109	2,075,301	126,823	30,985	159,765	116,314	96,141	765,122	464,162	8,622.7
Food and kindred products	223,583	226,871	221,720	5,150	1	19,711	9,184	1,396	69,852	29,792	732.8
Grain mill and bakery products	47,291	43,074	43,056	18	0	1,149	1,700	391	11,206	4,917	103.6
Beverages	118,619	98,441	94,427	4,014	1	14,588	4,882	637	39,201	13,362	289.4
Other	57,674	85,356	84,237	1,118	0	3,973	2,603	369	19,445	11,513	339.8
Chemicals and allied products	479,925	331,127	324,778	5,828	521	39,803	23,258	22,760	126,931	67,165	966.8
Industrial chemicals and synthetics	151,255	109,127	108,052	1,075	(*)	9,005	10,244	3,834	41,765	21,117	273.4
Drugs	197,019	125,726	122,536	2,839	351	21,441	7,465	15,459	52,724	27,433	373.0
Soap, cleaners, and toilet goods	76,413	53,108	51,720	1,227	160	6,149	2,786	1,582	17,468	9,713	171.2
Agricultural chemicals	24,437	17,376	17,083	290	2	799	1,450	(D)	5,779	3,567	48.5
Chemical products, not elsewhere classified	30,801	25,791	25,387	397	7	2,408	1,313	(D)	9,195	5,333	100.8
Primary and fabricated metals	129,337	126,882	125,031	1,822	29	6,355	5,609	1,113	41,926	26,937	611.4
Primary metal industries	60,124	66,821	(D)	(D)	26	3,309	3,268	510	21,127	13,167	286.6
Ferrous	27,754	32,285	32,189	69	26	1,632	1,511	207	11,350	7,285	134.3
Nonferrous	32,370	34,536	(D)	(D)	0	1,677	1,757	304	9,777	5,882	152.3
Fabricated metal products	69,212	60,061	(D)	(D)	3	3,045	2,341	603	20,799	13,769	324.8
Industrial machinery and equipment	293,541	296,209	263,175	31,302	1,732	22,699	14,069	16,653	92,094	59,875	1,103.8
Farm and garden machinery	27,320	23,586	21,602	(D)	(D)	1,580	691	538	7,040	4,268	71.4
Construction, mining, and materials handling machinery	40,584	34,115	32,299	1,194	621	2,461	1,564	668	11,274	6,447	122.9
Computer and office equipment	139,117	149,656	122,896	25,973	786	13,553	8,234	12,552	41,023	27,033	408.7
Other	86,518	88,853	86,378	(D)	(D)	5,106	3,581	2,895	32,757	22,127	500.8
Electronic and other electric equipment	438,066	307,526	267,639	34,282	5,605	26,102	21,241	19,090	94,413	60,302	1,175.1
Household appliances	11,004	15,913	15,913	0	0	366	462	201	4,267	2,847	74.2
Household audio and video, and communications equipment	17,713	79,896	76,288	3,607	0	1,814	4,453	8,437	23,971	17,733	305.5
Electronic components and accessories	290,650	145,958	112,179	(D)	(D)	20,243	13,993	8,184	41,504	21,802	444.5
Electronic and other electric equipment, not elsewhere classified	64,698	65,759	63,258	(D)	(D)	3,678	2,393	2,268	24,671	17,920	351.0
Transportation equipment	640,194	524,935	473,504	28,685	22,746	23,948	18,823	24,931	167,277	108,866	1,657.6
Motor vehicles and equipment	509,252	387,398	346,117	18,651	22,630	18,708	14,362	17,097	107,173	67,007	898.6
Other	130,942	137,537	127,387	10,034	116	5,240	4,461	7,834	60,103	41,859	759.1
Other manufacturing	490,602	419,558	399,454	19,752	351	21,147	24,130	10,197	172,630	111,226	2,375.2
Tobacco products	(D)	16,800	16,766	34	0	857	387	(D)	6,412	2,577	41.9
Textile products and apparel	28,017	34,738	34,639	84	14	1,798	1,435	90	12,819	8,427	292.7
Lumber, wood, furniture, and fixtures	39,939	46,461	(D)	(D)	0	1,526	2,163	341	15,228	9,897	263.6
Paper and allied products	131,119	96,251	95,430	710	110	3,296	7,578	1,436	40,729	23,731	421.9
Printing and publishing	54,670	48,903	43,868	4,942	93	2,301	2,311	200	20,460	13,791	329.1
Rubber products	24,801	25,413	(D)	(D)	0	1,177	1,493	574	10,512	7,577	145.1
Miscellaneous plastics products	14,921	17,690	(D)	(D)	0	926	1,014	263	6,448	3,972	103.2
Glass products	26,739	21,504	(D)	(D)	(*)	1,535	2,150	548	9,657	5,420	110.5
Stone, clay, and nonmetallic mineral products	18,977	16,124	16,071	45	8	1,430	1,044	226	5,783	2,908	68.6
Instruments and related products	108,367	80,840	70,852	9,982	5	5,361	3,866	6,084	39,116	29,535	510.2
Other	(D)	14,834	13,755	959	120	938	688	(D)	5,467	3,390	88.4
Wholesale trade	216,964	396,163	383,040	11,962	1,161	7,877	9,867	2,552	51,621	32,635	756.9
Durable goods	131,803	214,248	204,758	8,785	704	6,557	2,082	2,082	26,735	18,421	367.1
Non-durable goods	85,161	181,915	178,281	3,177	457	4,867	3,310	470	24,886	14,214	389.8
Finance (except depository institutions), insurance, and real estate	3,514,546	552,886	5,613	378,334	168,939	57,068	13,083	318	81,872	79,818	1,052.1
Finance, except depository institutions	1,507,802	167,531	(D)	85,537	(D)	16,996	4,427	(D)	40,919	37,436	326.0
Insurance	1,989,821	381,631	5,092	289,931	86,608	39,338	8,543	(D)	39,523	41,174	709.7
Real estate	8,579	3,723	(D)	2,866	(D)	-363	98	0	1,726	1,140	15.9
Holding companies	8,344	1	1	0	0	1,097	14	0	-296	68	0.5
Services	335,065	249,348	23,494	224,831	1,023	14,885	21,457	5,907	130,070	90,153	3,024.3
Hotels and other lodging places	35,984	21,229	(D)	(D)	5	250	1,937	0	10,051	6,714	312.7
Business services	133,882	107,650	13,773	93,093	784	7,637	7,368	5,556	60,592	44,657	1,529.9
Advertising	12,950	8,503	0	8,503	0	613	220	0	4,303	3,337	51.4
Equipment rental (except automotive and computers)	3,883	2,032	250	1,783	0	152	365	5	1,184	584	11.9
Computer and data processing services	83,878	63,222	12,885	50,148	189	5,766	5,797	5,535	31,578	21,745	363.6
Business services, not elsewhere classified	33,171	33,892	638	32,659	595	1,106	985	17	23,526	18,991	1,103.0
Automotive rental and leasing	13,016	7,195	(D)	(D)	0	272	(D)	(*)	3,247	1,780	67.6
Motion pictures, including television tape and film	64,620	(D)	(D)	(D)	(D)	(D)	(D)	5	13,107	4,574	210.4
Health services	42,742	(D)	(D)	(D)	(D)	(D)	2,897	5	17,244	13,602	440.8
Engineering, architectural, and surveying services	7,857	12,838	1,288	11,545	4	145	223	176	5,666	5,140	84.7
Management and public relations services	11,035	12,741	(D)	(D)	(D)	1,072	794	(D)	6,844	5,318	104.1
Other	25,929	20,919	634	20,285	0	3,152	(D)	(D)	13,320	8,367	274.0
Other industries	1,345,625	1,015,230	435,220	578,569	1,441	56,329	107,993	1,913	416,591	197,139	5,928.3
Agriculture, forestry, and fishing	3,939	4,709	4,380	328	1	247	209	77	1,304	844	29.3
Mining	24,939	15,717	(D)	(D)	38	1,113	1,825	43	6,930	3,704	65.2
Construction	18,956	35,858	(D)	(D)	33	1,215	1,128	(D)	10,082	8,355	155.4
Transportation	163,175	127,534	1,079	125,801	654	6,727	12,875	(D)	74,313	48,990	1,022.0
Communication	505,260	272,085	20,626	251,192	267	23,838	60,077	1,480	138,045	57,449	1,053.2
Electric, gas, and sanitary services	420,980	186,726	2,017	184,416	292	11,278	19,666	116	89,894	24,455	403.9
Retail trade	208,376	372,602	364,832	7,613	157	11,912	12,213	47	96,025	53,342	3,199.3

* Less than \$500,000 (±).

D Suppressed to avoid disclosure of data of individual companies.

1. See footnote 1 to table 17.1.

Table 18.—Selected Data for Nonbank Foreign Affiliates, by Country and Major Industry of Affiliate, 1996 and 1997

	1996						1997							
	Millions of dollars						Millions of dollars							
	Total assets	Sales	Net income	U.S. exports of goods shipped to affiliates	U.S. imports of goods shipped by affiliates	Compensation of employees	Thousands of employees	Total assets	Sales	Net income	U.S. exports of goods shipped to affiliates	U.S. imports of goods shipped by affiliates	Compensation of employees	Thousands of employees
All countries	3,091,927	2,233,698	138,962	194,029	164,773	252,601	7,544.1	3,397,262	2,356,416	155,267	215,751	178,696	261,243	8,018.0
Canada	276,909	254,442	10,963	60,501	67,041	30,744	920.5	294,943	274,205	13,654	70,037	72,199	31,393	941.9
Europe	1,761,758	1,181,252	70,298	52,141	26,282	141,021	3,167.0	1,914,373	1,214,194	77,854	55,676	27,677	144,067	3,333.9
Austria	11,640	15,097	566	1,303	(P)	1,599	25.9	(P)	14,031	528	1,139	165	1,540	27.8
Belgium	74,452	53,134	2,875	3,214	1,227	7,894	135.5	80,061	53,501	2,822	3,729	1,198	7,564	133.1
Denmark	(P)	8,646	263	187	135	1,386	25.3	(P)	8,666	267	143	168	1,372	26.9
Finland	3,452	4,673	259	180	128	618	12.4	3,734	5,074	353	164	139	625	13.2
France	145,828	135,934	4,320	5,228	3,198	22,332	448.8	144,057	130,883	3,424	(P)	3,341	22,371	483.7
Germany	221,703	244,320	7,597	8,179	(P)	35,287	612.6	213,029	234,508	7,531	8,572	4,312	32,966	627.4
Greece	2,925	4,305	159	41	(P)	639	21.4	3,184	4,392	154	40	(P)	630	21.8
Ireland	45,298	27,292	6,404	1,129	2,203	1,915	57.6	57,948	30,339	8,393	1,536	2,778	2,110	65.5
Italy	61,178	72,851	2,049	2,510	1,330	8,998	188.5	66,091	74,035	2,311	2,744	(P)	9,131	205.5
Luxembourg	17,128	3,523	2,330	225	(P)	473	9.6	18,373	3,545	2,231	240	(P)	434	9.2
Netherlands	163,898	122,202	14,517	6,112	1,306	7,807	160.7	179,751	130,053	17,014	(P)	1,997	8,153	169.4
Norway	16,231	14,294	1,096	168	121	1,624	37.4	16,936	14,193	1,172	241	136	1,706	41.6
Portugal	6,058	8,086	469	186	56	787	29.8	6,150	8,263	466	158	106	782	32.4
Spain	32,344	44,395	1,488	(P)	(P)	6,007	144.0	35,298	44,555	1,726	(P)	711	5,971	158.6
Sweden	(P)	18,971	795	(P)	(P)	3,331	59.6	18,976	19,490	732	516	(P)	2,745	55.7
Switzerland	85,638	66,187	9,056	(P)	831	4,175	52.3	93,348	67,620	9,155	6,111	1,330	(P)	L
Turkey	4,109	6,771	140	229	87	493	26.4	5,012	6,685	171	215	125	512	27.5
United Kingdom	816,570	310,612	15,220	15,666	8,155	33,828	949.5	923,207	337,907	18,020	16,563	8,364	39,582	977.2
Other	26,336	19,960	697	(P)	168	1,829	169.7	30,578	24,452	1,384	486	173	(P)	M
Latin America and Other Western Hemisphere	376,816	223,494	23,547	29,809	31,260	26,174	1,529.2	458,889	268,912	30,849	36,691	37,650	29,599	1,629.2
South America	136,147	110,578	7,975	7,684	4,041	15,228	654.6	174,071	133,844	10,187	9,975	(P)	17,145	694.7
Argentina	28,542	20,968	981	1,081	137	2,849	105.6	36,527	24,019	1,003	1,628	174	2,854	106.9
Brazil	60,118	55,155	4,083	3,845	2,258	8,508	320.4	79,240	67,380	4,934	4,558	2,922	9,850	340.8
Chile	17,693	8,608	959	556	(P)	889	48.7	20,476	10,931	1,193	781	(P)	994	57.4
Colombia	8,721	9,823	768	669	193	938	48.4	10,513	10,695	970	820	147	1,041	52.0
Ecuador	2,002	2,000	-541	(P)	(P)	128	13.5	2,059	2,184	54	(P)	301	135	13.7
Peru	4,206	2,970	458	(P)	151	320	14.5	5,584	3,941	476	(P)	201	386	18.1
Venezuela	12,514	9,121	1,094	1,047	254	1,395	94.4	16,155	12,450	1,501	1,560	175	1,535	95.1
Other	2,351	1,934	172	155	(P)	201	9.0	3,517	2,244	56	118	(P)	241	10.8
Central America	92,080	79,666	8,547	21,403	25,126	9,554	818.2	116,214	96,787	10,641	25,170	28,948	11,299	878.8
Costa Rica	(P)	2,124	334	(P)	641	195	26.6	3,006	2,324	306	(P)	782	195	26.8
Guatemala	645	1,147	31	79	65	105	11.5	852	1,342	66	136	93	115	12.6
Honduras	621	(P)	(P)	(P)	123	128	23.9	700	1,212	-8	243	173	136	24.3
Mexico	66,892	71,676	6,874	20,307	24,216	8,885	731.8	83,500	88,063	8,488	23,941	27,714	10,605	793.0
Panama	20,624	2,314	1,246	595	52	185	17.4	(P)	(P)	(P)	(P)	127	184	15.5
Other	(P)	(P)	92	29	56	7.1	(P)	(P)	(P)	(P)	86	60	64	6.5
Other Western Hemisphere	148,589	33,249	7,025	722	2,093	1,392	56.4	168,604	38,281	10,021	1,547	(P)	1,156	55.7
Bahamas	1,996	964	120	82	31	48	1.9	2,245	967	229	70	(P)	48	1.8
Barbados	(P)	(P)	(P)	58	5	54	3.7	(P)	(P)	67	5	53	3.7	
Bermuda	80,542	15,060	3,753	78	(P)	141	3.3	102,144	17,224	5,406	344	(P)	301	8.0
Dominican Republic	(P)	(P)	(P)	115	146	(P)	J	(P)	(P)	(P)	(P)	(P)	(P)	J
Jamaica	3,113	(P)	(P)	211	134	5.7	(P)	1,546	153	(P)	198	142	5.6	
Netherlands Antilles	19,488	839	207	8	0	21	0.8	15,154	838	240	8	(*)	21	0.8
Trinidad and Tobago	2,302	1,329	184	33	(P)	75	4.1	2,342	1,134	86	47	(P)	73	4.8
United Kingdom Islands, Caribbean	32,841	4,899	1,272	(P)	484	644	12.0	33,719	7,390	2,460	403	2,778	231	6.6
Other	3,010	4,902	129	63	(P)	G	(P)	(P)	(P)	(P)	(P)	(P)	(P)	G
Africa	27,929	23,400	2,254	761	2,554	1,885	121.6	40,602	29,150	2,653	757	2,623	2,739	186.6
Egypt	3,621	3,258	395	32	(*)	145	12.5	3,828	3,565	357	85	(P)	214	24.5
Nigeria	5,820	4,353	726	132	1,023	144	9.3	6,442	4,595	719	130	(P)	175	10.0
South Africa	5,940	7,364	345	303	27	1,014	54.3	12,873	11,552	778	292	33	1,723	106.0
Other	12,548	8,426	789	294	1,503	581	45.5	17,459	9,437	799	250	1,407	628	46.1
Middle East	35,428	23,792	3,210	690	1,310	2,448	77.8	39,411	24,950	2,603	755	1,211	2,449	77.4
Israel	9,350	7,546	605	311	(P)	1,115	46.3	10,093	8,499	625	(P)	914	1,211	47.9
Saudi Arabia	14,189	8,329	1,328	120	(P)	799	18.2	15,378	9,307	904	186	(P)	799	18.9
United Arab Emirates	1,852	2,844	228	163	34	213	4.9	1,928	(P)	(P)	175	4	195	4.6
Other	10,038	5,074	1,049	95	0	321	8.5	12,011	(P)	(P)	(P)	(P)	243	6.0
Asia and Pacific	592,934	519,680	27,708	50,123	36,327	49,873	1,715.1	628,118	536,462	26,231	51,831	37,336	50,583	1,835.8
Australia	94,370	69,945	3,379	4,833	1,294	8,838	280.3	96,250	68,519	3,899	4,718	1,304	9,425	304.2
China	14,066	11,403	935	1,259	1,043	827	135.3	18,460	14,989	1,106	1,537	1,399	1,229	175.4
Hong Kong	48,077	43,418	2,774	8,629	(P)	3,008	110.3	56,124	49,517	2,809	9,842	5,199	3,300	122.9
India	4,411	3,747	64	229	50	363	60.9	7,194	4,525	-22	240	88	426	72.5
Indonesia	19,645	10,546	1,861	465	560	761	61.9	21,572	10,350	1,439	(P)	408	795	66.2
Japan	248,276	206,371	5,863	17,585	5,401	24,522	409.0	266,028	205,072	5,925	16,900	5,584	23,463	396.7
Korea, Republic of	21,468	22,326	986	2,767	598	1,949	65.3	18,004	22,419	741	2,125	307	1,792	59.8
Malaysia	17,998	16,759	1,408	2,906	4,015	1,174	119.6	18,704	19,520	1,892	3,096	(P)	1,329	141.9
New Zealand	21,731	13,817	1,630	263	40	2,027	63.0	21,899	13,791	2,487	301	39	2,153	60.5
Philippines	10,631	8,705	706	1,048	849	801	97.1	10,225	8,756	610	(P)	1,075	721	91.8
Singapore	48,418	76,770	6,121	6,303	15,966	2,899	114.8	51,448	82,114	4,554	7,047	14,988	3,113	124.4
Taiwan	19,517	16,970	1,023	2,109	(P)	1,469	66.6	20,741	17,554	1,174	2,464	1,482	1,604	70.8
Thailand	20,887	16,381	889	1,669	(P)	1,099	117.6	17,126	1					

Table 19.1.—Selected Data for Majority-Owned Nonbank Foreign Affiliates, by Country and by Major Industry of Affiliate, 1996

	Millions of dollars													Thousands of employees
	Total assets	Sales				Net income	Capital expenditures	Research and development expenditures	U.S. exports of goods shipped to MOFA's	U.S. imports of goods shipped by MOFA's	Gross product	Compensation of employees		
		Total	Goods	Services	Investment income ¹									
All countries	2,657,831	1,868,588	1,588,324	238,114	42,149	118,918	80,462	14,039	187,960	152,327	498,310	210,744	6,076.8	
Canada	244,572	231,671	202,347	22,326	6,998	10,236	9,359	1,563	59,280	62,060	53,783	27,242	832.4	
Europe	1,613,154	1,049,313	891,206	133,696	24,411	63,987	40,250	9,662	51,577	25,177	291,732	127,439	2,794.4	
Austria	8,268	14,420	13,277	1,048	95	542	721	108	1,303	(P)	3,989	1,548	25.4	
Belgium	61,451	46,409	41,203	4,531	675	2,338	1,762	356	3,211	1,227	13,767	6,307	103.0	
Denmark	8,265	8,156	6,140	1,824	192	302	480	(P)	187	135	2,497	1,305	23.7	
Finland	3,400	4,588	4,058	437	92	249	180	44	178	128	2,014	593	12.0	
France	128,653	126,738	109,250	16,241	1,247	4,112	5,256	1,315	5,015	3,087	38,570	20,634	408.1	
Germany	181,451	195,067	169,802	22,717	2,548	6,368	6,060	3,073	8,147	3,687	61,097	31,783	556.4	
Greece	2,459	3,930	3,581	283	66	139	81	5	41	(P)	1,401	369	11.5	
Ireland	44,339	27,050	24,786	1,580	684	6,367	1,069	193	1,129	2,203	9,288	1,887	56.7	
Italy	55,485	68,196	60,998	6,495	703	1,804	2,166	554	2,477	1,305	21,259	8,330	173.4	
Luxembourg	16,329	3,189	3,039	113	37	2,358	97	(P)	225	(P)	1,181	430	8.7	
Netherlands	147,508	98,299	83,423	11,112	3,764	12,015	2,028	547	6,065	1,305	17,221	7,212	149.3	
Norway	14,637	12,968	11,245	1,630	93	1,106	1,226	18	153	120	6,527	1,408	32.5	
Portugal	5,730	7,916	6,803	1,041	72	460	303	92	186	56	2,949	761	28.9	
Spain	29,903	41,888	38,143	3,196	349	1,388	1,554	327	1,483	665	9,448	5,588	134.4	
Sweden	15,468	16,232	13,008	2,888	336	792	436	443	611	229	4,947	2,930	49.3	
Switzerland	84,845	65,499	59,877	4,661	961	9,026	570	190	5,017	831	8,193	3,980	48.8	
Turkey	3,137	5,812	5,542	261	9	69	198	27	188	52	1,781	382	20.4	
United Kingdom	784,541	287,941	222,733	52,867	12,341	14,321	14,506	2,139	15,625	8,095	82,224	30,781	826.4	
Other	17,285	15,215	14,296	772	147	232	1,548	40	335	158	3,379	1,212	125.7	
Latin America and Other Western Hemisphere	300,682	178,619	153,191	20,522	4,906	17,488	10,284	546	28,017	29,188	51,965	19,250	1,159.0	
South America	105,807	94,714	83,528	9,872	1,314	6,693	7,338	421	7,139	3,389	35,975	12,977	533.1	
Argentina	18,673	16,824	13,978	2,588	192	921	1,455	42	1,034	135	6,121	2,235	76.1	
Brazil	52,971	50,054	45,791	3,506	757	3,527	3,454	346	3,662	2,050	21,082	7,774	287.4	
Chile	13,256	7,108	5,800	1,147	161	816	620	6	421	428	2,478	725	37.1	
Colombia	7,201	4,100	3,551	470	79	428	528	9	620	183	2,217	851	42.7	
Ecuador	7,424	1,362	1,165	183	14	30	131	1	79	248	274	100	10.8	
Peru	3,777	2,507	2,311	186	10	326	335	8	186	151	976	284	12.8	
Venezuela	6,874	6,980	5,261	1,691	28	485	730	9	987	129	2,144	829	58.9	
Other	1,631	1,780	1,670	101	9	159	85	1	150	66	683	180	7.4	
Central America	57,616	53,987	50,875	2,743	369	4,244	2,354	125	20,194	23,706	11,778	5,201	584.1	
Costa Rica	2,568	2,040	2,004	36	0	331	49	2	149	641	580	186	25.7	
Guatemala	591	1,057	1,014	36	7	21	24	1	77	65	233	94	10.1	
Honduras	606	1,123	981	139	3	-6	38	(*)	147	123	256	125	23.2	
Mexico	32,906	46,402	43,695	2,382	325	2,586	2,142	121	19,142	22,796	10,125	4,571	501.5	
Panama	20,328	2,148	1,984	130	34	1,258	54	1	585	52	313	175	16.9	
Other	616	1,217	1,196	20	1	54	46	(*)	92	29	271	51	6.7	
Other Western Hemisphere	137,260	29,918	18,788	7,907	3,223	6,551	592	(*)	685	2,093	4,213	1,071	41.9	
Bahamas	1,802	852	760	79	13	96	8	(*)	82	31	161	41	1.7	
Barbados	3,310	1,783	1,022	139	622	139	677	4	0	5	755	44	3.2	
Bermuda	77,346	14,673	7,504	4,771	2,398	3,685	134	0	76	(P)	1,514	124	3.0	
Dominican Republic	1,402	1,571	(P)	(P)	(P)	296	70	0	115	146	629	144	19.0	
Jamaica	3,044	438	1,297	64	2	182	55	(*)	212	211	399	115	4.9	
Netherlands Antilles	15,770	428	60	50	318	218	20	0	6	0	-378	9	0.2	
Trinidad and Tobago	2,042	1,221	1,146	63	12	150	234	0	29	(P)	832	60	3.0	
United Kingdom Islands, Caribbean	29,967	3,497	1,847	1,312	338	1,168	46	(*)	43	484	127	461	4.8	
Other	2,577	4,530	(P)	(P)	(P)	78	21	0	63	(P)	174	71	2.2	
Africa	24,833	19,986	18,010	1,845	131	1,969	2,759	21	716	2,552	8,248	1,460	86.5	
Egypt	3,078	2,645	2,355	283	7	306	356	1	28	(*)	930	124	9.0	
Nigeria	5,750	4,250	4,076	173	1	720	874	1	132	1,023	2,977	139	7.8	
South Africa	4,617	5,663	4,946	663	54	190	234	18	266	27	1,322	708	33.3	
Other	11,387	7,429	6,633	725	71	753	1,296	1	290	1,502	3,019	488	36.4	
Middle East	15,177	10,596	8,337	2,184	76	1,205	897	170	585	785	1,568	1,368	42.9	
Israel	3,629	3,162	2,583	565	14	282	354	169	308	751	1,053	585	27.0	
Saudi Arabia	4,331	1,229	285	930	14	291	33	(*)	77	0	567	409	7.4	
United Arab Emirates	1,622	2,470	2,145	304	21	182	119	(*)	131	34	1,295	200	4.2	
Other	5,595	3,324	3,85	385	26	449	392	0	69	0	1,637	174	4.3	
Asia and Pacific	440,626	371,988	315,231	51,129	5,628	23,109	16,417	2,076	47,781	32,566	86,168	33,570	1,149.7	
Australia	75,917	54,214	44,293	9,001	920	2,935	4,261	409	4,789	1,282	17,335	7,311	222.2	
China	10,436	8,678	8,069	590	19	756	1,239	25	954	1,029	2,073	636	101.4	
Hong Kong	45,404	40,762	34,318	5,623	821	2,538	982	38	8,611	4,257	6,127	2,575	81.7	
India	2,206	1,952	1,812	109	31	46	253	3	157	38	432	134	24.2	
Indonesia	16,083	9,594	9,134	415	45	1,705	1,139	6	458	559	5,665	601	50.5	
Japan	167,241	110,776	85,945	22,564	2,267	4,268	2,178	1,333	16,200	20,080	25,677	13,464	167.2	
Korea, Republic of	6,314	9,074	7,637	1,377	60	610	404	34	2,525	464	2,533	972	32.2	
Malaysia	16,020	16,188	14,636	1,392	160	1,426	1,623	23	2,846	4,015	4,553	1,077	111.3	
New Zealand	14,170	8,491	7,304	1,079	108	554	519	16	263	40	2,662	1,321	38.8	
Philippines	7,228	6,938	6,330	529	79	580	561	14	1,030	806	2,131	525	62.4	
Singapore	45,755	74,394	70,747	3,262	385	6,101	1,932	88	6,241	15,965	9,801	2,737	102.3	
Taiwan	16,265	14,673	10,772	3,388	76	762	366	75	2,080	1,484	2,846	1,314	59.9	
Thailand	14,372	14,243	12,412	1,625	206	747	705	5	1,575	527	3,506	776	83.4	
Other	3,214	2,011	1,822	176	13	82	254	(*)	51	20	827	127	12.1	
International²	18,787	6,415	2	6,413	0	924	496	(*)	4	0	1,862	415	11.9	
By major industry														
Petroleum	222,909	295,615	284,306	11,307	2	12,243	17,577	116	3,048	12,663	109,870	8,845	174.7	
Manufacturing	715,110	899,737	876,953	21,408	1,376	49,549	37,962	12,205	120,259	125,531	250,351	122,782	3,666.1	
Food and kindred products	78,123	100,189	99,975	214	0	5,962	3,351	380	2,631					

Table 19.2.—Selected Data for Majority-Owned Nonbank Foreign Affiliates, by Country and by Major Industry of Affiliate, 1997

	Millions of dollars													Thousands of employees
	Total assets	Sales				Net income	Capital expenditures	Research and development expenditures	U.S. exports of goods shipped to MOFA's	U.S. imports of goods shipped by MOFA's	Gross product	Compensation of employees		
		Total	Goods	Services	Investment income ¹									
All countries	2,929,023	1,982,817	1,664,198	272,919	45,700	136,043	88,246	14,075	208,541	166,769	519,306	219,374	6,525.4	
Canada	264,643	250,429	217,337	25,600	7,491	12,263	11,041	1,825	68,208	67,482	57,554	28,100	858.3	
Europe	1,759,939	1,085,571	906,383	153,247	25,941	73,443	44,184	9,478	55,041	26,766	297,604	130,882	2,988.6	
Austria	7,575	13,542	12,297	1,176	69	481	437	117	1,139	165	3,948	1,508	27.5	
Belgium	68,082	47,059	41,660	4,657	742	2,572	1,900	310	3,724	1,197	13,350	5,849	102.2	
Denmark	7,687	8,216	6,309	1,775	132	282	406	(P)	143	168	2,505	1,314	25.8	
Finland	3,683	4,989	4,419	499	71	344	199	51	162	139	2,138	601	12.8	
France	125,627	121,177	104,330	15,558	1,289	3,792	4,799	1,238	4,899	3,239	37,024	20,464	438.6	
Germany	178,062	186,642	164,431	19,876	2,335	6,073	5,676	2,964	8,552	4,299	56,879	30,058	579.0	
Greece	2,693	3,936	3,587	284	65	104	97	7	40	(P)	1,318	371	11.7	
Ireland	56,975	30,138	27,637	1,908	593	8,363	1,418	323	1,535	2,778	12,075	2,083	64.8	
Italy	57,373	68,056	61,281	6,473	302	2,003	1,848	569	2,718	1,475	21,741	8,310	187.6	
Luxembourg	17,610	3,244	3,126	78	40	2,247	127	(P)	240	(P)	1,049	396	8.4	
Netherlands	164,982	107,838	92,578	11,620	3,640	15,461	2,585	479	6,333	1,992	19,782	7,583	158.3	
Norway	15,578	12,933	10,991	1,854	88	1,110	1,760	23	227	135	6,266	1,544	38.1	
Portugal	5,752	8,107	6,941	1,110	56	454	423	39	158	106	2,619	761	31.5	
Spain	30,642	40,634	37,181	3,194	259	1,762	1,479	176	1,492	711	9,690	5,462	143.0	
Sweden	16,430	16,657	13,375	3,151	131	1,056	628	375	511	419	4,630	2,345	45.4	
Switzerland	92,514	66,901	61,500	4,430	971	9,139	739	230	6,101	1,330	8,449	3,668	47.9	
Turkey	3,859	6,996	6,695	289	12	11	403	6	190	83	2,033	403	21.8	
United Kingdom	884,647	320,377	231,091	74,340	14,946	17,285	17,296	2,310	16,480	8,297	87,916	36,754	897.0	
Other	20,169	18,128	16,954	975	199	803	1,963	56	398	162	4,191	1,410	147.1	
Latin America and Other Western Hemisphere	359,685	213,155	178,377	29,687	5,091	22,671	11,388	667	34,768	35,703	60,579	21,445	1,229.1	
South America	134,732	113,362	98,513	13,477	1,372	7,929	8,331	522	9,291	4,112	40,783	14,633	570.2	
Argentina	26,902	19,932	16,498	3,207	227	1,037	1,688	43	1,559	173	6,762	2,388	81.1	
Brazil	66,995	58,685	52,824	5,185	676	4,149	3,761	437	4,270	2,643	23,590	8,837	300.9	
Chile	15,225	9,119	7,415	1,425	279	958	630	7	630	440	2,823	794	40.3	
Colombia	7,728	8,913	8,196	626	91	511	553	12	759	139	2,509	718	44.3	
Ecuador	1,517	1,497	1,205	267	25	6	127	1	101	301	2,338	103	11.0	
Peru	4,957	3,718	3,351	343	24	462	468	10	368	201	1,402	341	15.2	
Venezuela	9,637	9,612	7,257	2,312	43	748	948	11	1,493	102	2,812	1,056	69.3	
Other	1,769	1,887	1,766	111	10	56	135	1	111	112	647	196	8.2	
Central America	69,432	64,651	60,596	3,576	479	5,288	2,441	137	23,974	27,506	13,559	5,870	613.1	
Costa Rica	2,946	2,235	2,194	41	0	302	61	4	193	779	553	182	25.7	
Guatemala	790	1,237	1,171	58	8	53	48	1	135	93	299	102	11.2	
Honduras	700	1,212	1,088	122	2	-8	56	(*)	243	173	304	136	24.3	
Mexico	40,821	56,360	52,856	3,058	446	3,845	2,172	132	22,789	26,275	12,009	5,220	530.7	
Panama	23,482	2,285	1,999	265	21	1,041	54	0	528	127	102	171	15.0	
Other	695	1,322	1,288	33	1	55	50	(*)	86	60	293	59	6.1	
Other Western Hemisphere	155,521	35,141	19,268	12,635	3,238	9,454	615	8	1,503	4,085	6,236	942	45.8	
Bahamas	2,038	872	786	78	8	205	7	(*)	70	(P)	177	39	1.5	
Barbados	4,183	1,743	664	930	149	752	4	0	67	5	811	43	3.3	
Bermuda	97,575	16,576	5,051	9,119	2,406	5,221	61	(*)	339	(P)	2,322	280	7.6	
Dominican Republic	1,690	1,824	(P)	(P)	0	367	85	0	180	192	749	148	18.6	
Jamaica	3,902	1,400	1,370	67	3	157	75	(*)	197	198	379	148	4.8	
Netherlands Antilles	11,517	3,922	69	58	265	258	11	0	8	(*)	-110	9	0.3	
Trinidad and Tobago	2,021	994	891	95	8	56	273	0	(P)	(P)	622	56	3.3	
United Kingdom Islands, Caribbean	30,462	6,554	4,465	1,694	395	2,379	52	8	388	2,778	1,066	168	4.3	
Other	2,734	4,746	(P)	(P)	0	59	45	0	(P)	(P)	220	80	2.2	
Africa	30,729	22,795	20,474	2,186	136	2,017	3,404	26	705	2,618	8,875	1,809	108.6	
Egypt	3,188	2,843	2,457	386	0	266	490	1	51	(P)	921	160	11.9	
Nigeria	6,377	4,494	4,278	216	0	717	806	(*)	130	(P)	2,972	170	8.3	
South Africa	7,069	7,024	5,998	1,003	23	282	306	22	278	30	1,758	935	50.0	
Other	14,095	8,434	7,740	582	112	753	1,801	2	246	1,406	3,224	543	38.4	
Middle East	15,018	9,571	7,098	2,399	74	1,046	918	209	503	689	4,322	1,420	42.9	
Israel	3,842	3,236	2,587	642	7	162	289	209	203	(P)	956	640	28.5	
Saudi Arabia	4,548	1,157	1,447	996	14	181	33	(*)	26	0	403	383	6.5	
United Arab Emirates	1,658	2,391	2,034	334	23	177	79	(*)	142	4	1,160	178	3.7	
Other	4,971	2,787	2,330	427	30	526	516	0	132	(P)	1,802	218	4.3	
Asia and Pacific	485,708	396,610	334,529	55,114	6,968	23,858	16,961	1,870	49,312	33,511	88,943	35,350	1,285.7	
Australia	71,847	55,615	44,729	9,986	900	3,630	3,575	365	4,690	1,249	18,933	7,831	227.8	
China	14,286	11,898	11,133	741	24	1,017	1,226	1,316	3,099	1,316	3,099	1,008	135.8	
Hong Kong	53,686	47,623	39,755	6,462	1,406	2,605	1,331	84	9,820	5,184	7,133	3,101	111.1	
India	3,584	2,604	2,338	227	39	15	302	15	162	85	671	208	38.4	
Indonesia	16,074	9,282	8,675	567	40	1,473	1,556	5	446	400	5,378	592	51.3	
Japan	200,017	114,113	88,181	23,126	2,806	4,330	2,138	1,087	15,431	2,130	25,038	13,243	178.3	
Korea, Republic of	5,275	9,055	7,638	1,326	91	313	360	42	2,030	221	2,273	977	31.8	
Malaysia	16,326	18,620	16,958	1,479	183	2,024	1,456	32	3,020	4,686	4,912	1,228	132.3	
New Zealand	13,661	8,131	6,906	1,077	148	1,459	562	18	301	39	3,119	1,329	35.1	
Philippines	7,298	7,640	6,952	591	97	560	459	12	1,319	1,029	2,104	523	57.5	
Singapore	48,696	79,705	75,444	3,891	370	4,654	1,845	73	6,985	14,988	9,087	2,911	110.5	
Taiwan	18,353	15,596	10,997	3,971	628	990	442	87	2,625	1,454	2,921	1,425	62.6	
Thailand	12,477	14,641	13,012	1,412	217	682	893	5	1,473	712	3,437	790	97.9	
Other	4,129	2,087	1,812	259	16	104	474	1	54	18	838	185	15.4	
International²	13,301	4,686	0	4,686	0	745	350	0	4	0	1,429	369	12.1	
By major industry														
Petroleum	235,862	288,059	274,086	13,973	0	15,249	20,044	138	4,898	13,384	110,818	9,222	180.6	
Manufacturing	744,753	942,604	922,888	19,169	548	55,773	39,698	12,114	133,109	139,131	256,442	124,098	3,880.2	
Food and kindred products	81,770	103,895												

Table 20.1.—Employment of Majority-Owned Nonbank Foreign Affiliates, Country by Industry of Affiliate, 1996

[Thousands of employees]

	All industries	Petroleum	Manufacturing								Wholesale trade	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	6,076.8	174.7	3,666.1	378.2	537.3	206.9	498.9	645.4	577.5	821.9	524.7	172.7	712.4	826.2
Canada	832.3	18.0	363.5	32.0	41.2	31.3	27.7	27.1	103.8	100.4	75.7	25.8	86.1	263.2
Europe	2,794.4	50.9	1,683.5	154.3	267.2	116.9	264.2	205.5	290.6	385.0	278.4	85.4	430.5	265.9
Austria	25.4	0.5	14.8	2.0	1.3	0.3	1.6	1.3	5.3	2.9	6.2	0.6	2.2	1.1
Belgium	103.0	1.9	63.5	8.5	17.0	2.8	6.7	3.7	10.3	14.5	14.4	2.0	16.3	4.9
Denmark	23.7	0.2	9.2	H	1.0	0.5	0.5	1.1	0.6	H	8.5	0.7	4.0	1.1
Finland	12.0	0.4	5.6	0.1	1.2	0.9	0.3	0.5	0.2	2.3	3.2	0.1	0.6	2.2
France	408.1	4.6	242.2	12.3	41.2	34.2	51.4	20.9	18.1	64.1	44.3	4.0	91.3	21.8
Germany	556.4	4.6	400.7	21.5	43.1	22.9	61.0	57.4	125.8	69.1	32.1	6.6	49.1	63.3
Greece	11.5	0.4	6.3	3.3	1.8	0.3	(*)	0.1	0.0	0.7	2.8	0.3	1.3	0.3
Ireland	56.7	0.3	49.0	2.2	6.9	1.4	7.4	13.8	0.5	16.8	2.1	1.5	2.8	1.1
Italy	173.4	3.2	120.4	8.5	24.1	8.2	25.1	15.0	13.8	25.7	20.2	2.2	16.6	10.9
Luxembourg	8.7	0.1	6.9	0.0	0.0	0.6	0.1	0.3	0.0	5.9	0.3	0.1	0.5	0.7
Netherlands	149.3	3.9	78.8	9.9	15.4	7.7	9.1	11.4	7.5	17.8	23.6	7.1	27.6	8.2
Norway	32.5	5.7	6.2	2.2	0.6	0.7	1.2	0.4	0.2	0.8	4.2	0.2	15.4	0.9
Portugal	28.9	0.4	18.9	4.7	2.4	0.1	0.6	8.7	1.4	1.1	5.6	0.2	3.0	0.8
Spain	134.4	0.7	89.6	14.2	14.5	4.3	3.4	9.2	30.6	13.4	17.8	2.1	8.8	15.3
Sweden	49.3	0.4	29.9	H	14.9	0.1	3.5	1.4	0.5	I	9.8	1.4	4.1	3.7
Switzerland	48.8	1.5	16.9	1.4	2.9	0.5	2.4	3.5	0.0	6.1	13.9	1.4	12.1	3.0
Turkey	20.4	0.6	12.2	2.8	1.5	0.3	0.0	H	0.8	H	4.3	0.1	2.2	0.9
United Kingdom	826.4	19.2	416.0	35.8	62.2	25.3	86.7	36.0	65.3	104.7	55.0	54.2	167.8	114.2
Other	125.7	2.2	96.5	19.4	15.1	5.8	3.1	J	9.7	K	10.0	0.7	4.8	11.4
Latin America and Other Western Hemisphere	1,159.0	35.3	839.7	124.0	122.4	32.7	43.9	181.9	148.9	185.8	41.1	18.3	83.9	140.9
South America	533.1	29.0	363.3	72.2	72.1	20.8	25.4	29.9	55.5	87.5	25.1	13.1	40.0	62.7
Argentina	76.1	6.4	45.8	16.0	10.6	1.6	0.2	1.3	7.9	8.3	3.8	2.1	10.6	7.5
Brazil	287.4	3.9	236.4	32.1	40.9	12.7	24.3	24.8	41.3	60.4	8.7	2.6	15.8	20.2
Chile	37.1	G	12.8	2.0	3.4	3.3	(*)	0.4	F	H	3.8	6.1	4.2	I
Colombia	42.7	3.4	20.9	4.9	6.0	1.1	0.1	0.8	G	I	2.7	0.8	4.7	10.3
Ecuador	10.8	1.3	3.8	2.0	0.9	0.3	0.0	0.0	0.0	0.7	0.8	0.3	1.0	3.7
Peru	12.8	1.3	3.2	1.2	0.9	0.3	0.0	0.0	0.0	0.8	1.4	0.0	0.5	6.3
Venezuela	58.9	11.0	37.0	12.4	8.8	1.5	0.8	2.6	3.7	7.2	3.4	1.2	3.1	3.2
Other	7.4	F	3.3	1.7	0.5	0.0	(*)	0.0	0.0	1.1	0.4	(*)	0.2	H
Central America	584.1	3.4	456.9	50.8	47.8	11.8	18.3	151.9	93.4	82.9	14.5	3.9	34.7	70.7
Costa Rica	25.7	0.1	11.5	2.1	1.3	0.8	0.0	H	0.0	H	0.6	0.0	0.1	13.4
Guatemala	10.1	0.4	5.1	1.8	1.6	0.6	0.0	0.0	0.0	1.1	0.4	0.2	G	H
Honduras	23.2	0.1	8.9	5.5	0.3	0.1	0.0	0.0	0.0	3.0	0.2	0.2	0.0	13.8
Mexico	501.5	0.9	424.1	40.7	43.3	9.8	18.3	147.6	93.4	71.0	11.8	3.1	33.0	28.6
Panama	16.9	0.8	2.5	0.3	1.0	0.1	0.0	0.0	0.0	1.1	1.1	0.3	A	J
Other	6.7	1.0	4.9	0.4	0.2	0.5	0.0	G	0.0	G	0.4	0.1	(*)	0.2
Other Western Hemisphere	41.9	2.9	19.4	1.0	2.6	0.1	0.2	0.1	0.0	15.4	1.6	1.3	9.2	7.4
Bahamas	1.7	0.1	0.4	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.3	0.7
Barbados	3.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	(*)	2.8	0
Bermuda	3.0	0.4	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.5	0.6	1.4	0
Dominican Republic	19.0	0.1	13.2	0.8	0.6	0.0	0.0	0.0	0.0	11.8	0.3	0.1	0.5	4.7
Jamaica	4.9	0.2	2.8	0.0	1.1	0.0	0.0	0.0	0.0	1.7	0.2	0.1	0.5	1.1
Netherlands Antilles	0.2	(*)	(*)	(*)	0.0	0.0	0.0	0.0	0.0	0.0	0.1	(*)	0.0	0
Trinidad and Tobago	3.0	0.7	0.4	0.0	0.3	0.1	(*)	0.0	0.0	(*)	0.2	0.2	0.6	0.9
United Kingdom Islands, Caribbean	4.8	0.1	1.8	0.0	(*)	0.0	0.2	(*)	0.0	1.6	0.1	0.3	2.6	0
Other	2.2	1.1	0.5	0.1	0.4	0.0	0.0	0.0	0.0	(*)	(*)	(*)	0.6	(*)
Africa	86.5	17.0	44.1	7.1	12.4	4.2	2.4	1.6	1.2	15.0	9.2	0.9	6.3	9.1
Egypt	9.0	1.4	4.1	0.3	2.3	0.6	0.4	0.5	0.0	0.1	1.0	0.0	2.3	0.2
Nigeria	7.8	6.0	1.6	0.1	1.4	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.1
South Africa	33.3	G	20.5	3.5	5.9	1.6	1.9	1.1	1.2	5.2	5.8	0.3	2.3	G
Other	36.4	I	17.9	3.2	2.8	2.0	0.1	(*)	0.0	9.7	2.2	0.7	1.6	I
Middle East	42.9	6.5	13.6	2.3	1.2	0.4	0.5	7.7	0	1.4	2.4	0.4	17.9	2.1
Israel	27.0	0.0	12.5	G	0.9	0.2	0.4	7.7	0.0	G	1.6	(*)	12.9	0
Saudi Arabia	7.4	1.2	0.4	0.2	0.3	(*)	0.0	0.0	0.0	0.0	0.1	0.1	4.3	1.3
United Arab Emirates	4.2	2.0	0.4	0.0	0.0	0.2	(*)	0.0	0.0	0.2	0.6	0.1	0.6	0.4
Other	4.3	3.3	0.4	A	0.1	0.0	0.1	0.0	0.0	A	0.1	0.2	0.1	0.4
Asia and Pacific	1,149.7	38.6	721.8	58.4	92.9	21.4	160.1	221.5	33.0	134.3	118.0	42.0	87.7	141.7
Australia	222.2	4.7	100.3	19.5	16.2	7.0	11.3	2.8	20.9	22.6	17.2	6.4	36.0	57.7
China	101.4	0.6	86.4	2.9	14.2	H	10.5	42.3	G	J	5.6	0.6	1.5	6.7
Hong Kong	81.7	1.0	37.2	0.5	2.5	1.7	1.7	14.5	0.6	15.7	16.7	5.9	7.1	13.8
India	24.2	0.1	18.9	3.2	4.1	A	7.1	0.7	G	1.7	3.9	0.4	0.4	0.4
Indonesia	50.5	14.1	20.6	1.0	5.0	A	1.2	3.5	F	I	1.7	0.9	0.2	13.0
Japan	167.2	2.0	86.6	3.9	22.1	2.4	26.9	16.2	0.9	14.1	33.4	13.7	23.6	7.9
Korea Republic of	32.2	0.1	17.9	1.1	2.4	G	4.9	F	H	7.3	0.9	G	H	6.7
Malaysia	111.3	3.3	98.9	1.1	2.1	1.8	20.7	56.0	0.0	17.2	4.2	1.7	1.9	1.3
New Zealand	38.8	G	19.5	H	1.0	0.2	0.2	0.2	(*)	J	3.3	0.9	H	I
Philippines	102.3	1.2	50.7	10.1	7.4	0.1	0.6	25.8	0.0	6.7	3.0	G	0.5	H
Singapore	102.3	2.9	77.4	0.4	2.5	1.2	42.7	23.6	2.8	4.1	8.5	2.2	5.4	5.9
Taiwan	59.9	0.1	33.7	1.8	5.5	0.8	2.2	14.8	H	I	5.1	4.7	H	J
Thailand	83.4	4.4	68.3	8.4	4.4	1.1	K	16.1	0.0	I	5.0	G	1.0	H
Other	12.1	H	5.4	G	3.4	A	(*)	0.3	(*)	0.0	2.4	0.2	F	A
International ¹	11.9	8.5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3.4
Addenda:														
Eastern Europe ²	118.3	2.1	91.1	19.4	11.2	5.7	3.1	17.3	9.7	24.6	9.8	0.7	3.6	11.1
European Union (15) ³	2,567.1	40.8	1,551.7	128.5	247.0	109.5	257.5	180.9	279.9	348.4	246.0	82.9	396.0	249.7
OPEC ⁴	130.9	35.9	60.0	13.7	15.6	2.1	1.9	6.1	4.3	16.3	6.1	2.2	8.2	18.5

Table 20.2.—Employment of Majority-Owned Nonbank Foreign Affiliates, Country by Industry of Affiliate, 1997

[Thousands of employees]

	All industries	Petroleum	Manufacturing								Wholesale trade	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	6,525.4	180.6	3,880.2	376.6	550.5	204.8	563.1	718.9	609.9	856.4	556.0	199.4	842.5	866.8
Canada	858.3	18.6	374.7	38.3	38.7	29.2	36.2	27.7	104.5	100.0	77.0	27.4	93.6	267.0
Europe	2,988.6	49.2	1,743.7	147.7	271.9	119.4	278.2	226.1	304.2	396.3	293.8	102.2	515.1	284.6
Austria	27.5	0.6	15.3	1.9	1.1	0.2	1.7	1.9	5.4	3.1	6.9	0.6	2.8	1.4
Belgium	102.2	1.8	61.5	6.2	18.8	2.6	6.2	3.8	10.9	13.1	15.0	1.9	16.9	5.1
Denmark	25.8	0.3	10.2	2.3	1.0	0.5	1.4	1.6	0.6	2.9	8.3	F	5.4	G
Finland	12.8	0.4	6.3	0.1	1.2	0.9	0.4	0.8	0.3	2.7	3.5	0.1	0.5	2.1
France	438.6	4.1	256.6	13.3	46.1	35.3	50.8	21.6	21.7	67.8	43.8	4.7	104.4	25.0
Germany	579.0	4.7	413.4	15.7	41.9	26.5	65.2	66.3	130.3	67.6	35.6	6.9	56.5	61.8
Greece	11.7	0.5	6.6	3.2	1.7	0.3	(*)	0.1	0.0	1.2	2.7	0.3	1.3	0.3
Ireland	64.8	0.3	55.1	2.2	8.0	1.2	11.0	14.8	0.6	17.4	2.4	0.6	4.1	2.3
Italy	187.6	3.2	124.8	8.3	24.1	6.5	28.0	16.2	14.6	27.2	20.8	2.0	26.4	10.4
Luxembourg	84.4	0.1	6.6	0.0	0.0	0.6	0.2	0.0	0.0	5.8	0.4	0.1	0.5	0.7
Netherlands	158.3	3.9	79.5	9.6	14.6	5.8	11.4	10.4	8.2	19.5	23.4	14.3	28.5	8.7
Norway	38.1	5.8	6.5	1.9	1.0	0.1	2.0	0.4	0.2	0.9	4.2	0.2	20.4	1.0
Portugal	31.5	0.4	21.1	5.2	2.4	0.1	0.6	9.9	1.0	1.8	5.2	A	3.5	G
Spain	143.0	0.7	95.2	14.0	16.1	4.3	3.8	9.3	29.6	18.2	17.7	2.1	13.5	13.8
Sweden	45.4	0.4	23.5	2.5	7.1	0.1	4.7	1.6	0.4	7.1	12.2	1.3	4.3	3.8
Switzerland	47.9	1.1	16.1	1.2	2.6	0.3	2.7	2.8	0.2	6.4	14.2	1.4	12.1	3.0
Turkey	21.8	0.6	12.9	2.3	1.8	0.4	0.0	2.9	0.4	4.4	5.0	0.1	2.2	0.9
United Kingdom	897.0	17.8	421.8	35.7	64.9	28.1	85.4	40.8	65.3	101.6	57.6	63.6	205.3	131.0
Other	147.1	2.7	110.8	21.7	17.3	5.6	2.8	21.0	14.7	27.7	14.8	1.1	6.5	11.2
Latin America and Other Western Hemisphere	1,229.1	38.7	877.6	128.9	127.9	33.2	46.3	192.6	163.4	185.3	51.5	22.4	97.6	141.3
South America	570.2	31.6	369.9	72.5	76.2	20.5	24.3	28.2	66.3	81.8	32.3	15.0	47.7	73.8
Argentina	81.1	6.0	45.9	12.2	11.7	1.7	0.5	0.5	10.5	8.7	4.2	2.6	10.5	11.9
Brazil	300.9	4.2	237.6	35.5	43.3	12.3	22.6	23.9	45.5	54.6	14.6	4.0	17.8	22.6
Chile	40.3	G	13.9	2.0	3.7	3.4	0.4	0.4	F	H	3.2	6.1	5.4	J
Colombia	44.3	4.6	20.6	5.5	6.6	1.1	0.1	0.8	G	H	3.1	0.9	5.1	10.0
Ecuador	11.0	1.1	3.9	2.0	1.0	0.3	0.0	0.0	0.0	0.6	0.9	0.3	1.0	3.9
Peru	15.2	1.3	4.0	1.7	1.2	0.3	0.0	0.0	0.0	0.9	1.9	(*)	0.5	7.4
Venezuela	69.3	12.3	40.8	12.0	8.2	1.6	0.8	2.6	7.5	8.1	3.7	0.9	7.1	4.4
Other	8.2	F	3.2	1.6	0.4	0.0	(*)	0.0	0.0	1.0	0.6	(*)	0.3	H
Central America	613.1	4.0	487.7	54.9	48.5	12.5	21.8	164.3	97.1	88.8	14.6	4.0	42.5	60.3
Costa Rica	25.7	0.1	11.9	2.2	1.2	0.8	0.0	H	0.0	H	0.6	0.0	0.1	13.1
Guatemala	11.2	0.4	5.4	1.8	1.8	0.6	0.0	0.0	0.0	1.1	A	0.2	1.5	H
Honduras	24.3	0.1	10.2	6.2	0.2	0.1	0.0	0.0	0.0	3.7	0.2	0.2	0.0	13.7
Mexico	530.7	1.5	453.9	44.0	43.9	10.4	21.8	159.3	97.1	77.5	11.9	3.2	40.9	19.2
Panama	15.0	0.9	2.3	0.3	0.8	0.1	0.0	0.0	0.0	1.1	G	0.3	0.1	J
Other	6.1	1.0	4.0	0.4	0.5	0.5	0.0	G	0.0	G	0.4	0.1	(*)	0.5
Other Western Hemisphere	45.8	3.1	20.1	1.5	3.2	0.2	0.2	0.2	0.0	14.8	4.7	3.4	7.4	7.2
Bahamas	1.5	0.1	0.4	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.1	(*)	0.2	0.7
Barbados	3.3	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	(*)	2.8	0
Bermuda	7.6	0.2	0.2	0.0	0.0	0.0	0.0	0.2	0.0	0.0	H	2.7	G	0
Dominican Republic	18.6	0.2	12.8	0.8	0.8	0.0	0.0	0.0	0.0	11.1	0.3	0.1	0.5	4.7
Jamaica	4.8	0.2	2.8	0.1	0.9	0.0	0.0	0.0	0.0	1.7	0.2	0.1	A	G
Netherlands Antilles	0.3	(*)	0.1	(*)	0.0	0.0	0.0	0.0	0.0	0.1	0.1	(*)	0.0	0
Trinidad and Tobago	3.3	1.1	0.6	0.4	(*)	0.1	(*)	0.0	0.0	(*)	A	0.2	F	F
United Kingdom Islands, Caribbean	4.3	0.1	2.7	0.0	G	0.1	0.2	(*)	0.0	G	0.3	0.2	0.9	(*)
Other	2.2	1.1	0.5	0.2	A	0.0	0.0	0.0	0.0	A	(*)	(*)	0.6	(*)
Africa	108.6	17.9	61.7	H	12.4	4.0	3.5	3.0	1.4	K	7.1	1.0	11.6	9.4
Egypt	11.9	1.5	5.3	0.3	2.3	0.7	1.5	0.5	0.0	0.1	1.0	0.0	H	A
Nigeria	8.3	6.5	1.5	0.1	1.4	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.1
South Africa	50.0	G	35.6	0.7	5.7	1.4	1.8	2.5	1.4	22.0	3.2	0.3	6.2	H
Other	38.4	I	19.3	H	3.0	2.0	0.1	(*)	0.0	J	2.7	0.7	G	6.4
Middle East	42.9	6.8	14.9	G	1.4	0.3	1.2	8.4	0	G	1.2	0.4	18.1	1.5
Israel	28.5	0.0	14.0	G	1.1	0.2	1.1	8.4	0.0	G	0.5	(*)	13.9	0
Saudi Arabia	6.5	1.6	0.3	0.0	0.3	(*)	0.0	0.0	0.0	0.0	0.1	0.1	3.3	1.1
United Arab Emirates	3.7	1.6	0.3	0.0	0.0	(*)	(*)	0.0	0.0	0.2	0.6	0.2	0.7	0.3
Other	4.3	3.5	0.4	0.2	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.2	0.1	0.1
Asia and Pacific	1,285.7	40.8	807.5	54.8	98.1	18.8	197.7	261.2	36.3	140.6	125.3	46.0	106.4	159.6
Australia	227.8	5.3	97.1	18.6	16.3	3.1	12.0	2.8	20.7	23.4	18.6	6.4	40.2	60.3
China	138.8	1.2	112.5	4.0	16.6	3.8	12.1	55.5	4.9	15.6	7.8	0.6	1.9	11.7
Hong Kong	111.1	0.9	60.9	0.2	2.7	H	0.5	35.6	0.5	J	17.7	6.9	7.5	17.2
India	38.4	0.3	29.9	2.9	4.5	F	13.3	3.2	G	4.0	4.3	1.2	2.2	0.4
Indonesia	51.3	12.7	21.0	1.2	5.5	0.2	1.2	3.4	F	I	1.8	0.9	0.4	14.5
Japan	178.3	H	85.7	3.6	21.7	2.5	27.3	16.3	0.9	13.4	30.3	14.9	31.5	J
Korea, Republic of	31.8	A	16.7	1.1	2.6	0.3	2.5	4.9	0.6	4.7	6.1	0.8	3.2	H
Malaysia	132.3	3.3	118.7	0.8	2.6	0.4	32.7	64.7	0.0	17.4	3.8	1.9	2.9	1.7
New Zealand	35.1	G	18.7	H	1.2	0.3	0.2	0.1	(*)	J	3.1	0.9	4.6	I
Philippines	57.5	1.3	44.7	8.0	7.3	0.5	0.6	21.7	0.0	6.6	4.6	G	A	H
Singapore	110.5	2.9	78.7	0.3	2.6	1.0	45.9	21.8	3.1	4.1	13.6	2.4	5.8	7.2
Taiwan	62.6	0.1	35.3	1.5	6.0	0.8	H	15.8	H	I	5.4	5.1	3.6	13.0
Thailand	97.9	4.4	81.0	8.2	4.3	0.9	K	15.0	A	I	4.9	1.9	1.1	4.7
Other	15.4	3.1	6.5	G	4.2	0.1	(*)	0.3	0.2	A	3.5	A	G	F
International ¹	12.1	8.8												3.4
Addenda:														
Eastern Europe ²	139.9	2.6	105.6	21.7	13.7	5.6	2.8	20.1	14.7	27.0	14.5	1.0	5.4	10.6
European Union (15) ³	2,733.8	39.0	1,597.4	119.9	249.2	112.9	270.7	199.0	288.7	357.0	255.6	99.3	474.0	268.6
OPEC ⁴	141.3	36.6	63.9	13.3	15.4	1.8	1.9	6.0	8.2	17.3	6.4	2.1	11.5	20.8

Table 21.1.—Gross Product of Majority-Owned Nonbank Foreign Affiliates, Country by Industry of Affiliate, 1996

[Millions of dollars]

	All industries	Petroleum	Manufacturing								Wholesale trade	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	498,310	109,870	250,351	24,437	50,478	11,002	37,023	23,345	37,809	66,257	54,472	17,161	37,840	28,617
Canada	53,783	9,020	25,933	2,294	3,933	1,910	2,407	1,707	7,315	6,367	4,552	3,454	3,200	7,624
Europe	291,732	65,165	149,872	13,994	31,883	6,588	21,663	11,298	20,433	44,012	34,535	6,372	25,342	10,447
Austria	3,989	1,251	1,539	259	123	16	83	122	700	236	835	58	221	85
Belgium	13,767	2,149	7,486	678	3,197	188	513	313	853	1,743	2,152	301	1,476	202
Denmark	2,497	355	719	235	115	27	23	42	68	209	1,109	37	210	67
Finland	2,014	592	736	6	175	88	23	127	31	285	536	2	51	97
France	38,570	6,484	20,737	1,918	5,233	2,121	4,456	1,424	1,098	4,487	4,954	592	4,555	1,248
Germany	61,097	9,831	40,386	2,906	5,134	1,420	6,634	2,741	8,513	13,039	3,588	1,291	3,973	2,229
Greece	1,401	681	399	149	191	13	2	9	0	35	173	64	66	19
Ireland	9,288	763	7,014	611	2,948	80	313	1,280	36	1,748	1,065	276	88	82
Italy	21,259	7,494	9,130	798	2,288	356	1,994	1,082	820	2,591	338	1,268	439	439
Luxembourg	1,181	184	649	0	0	42	7	19	0	582	170	119	46	12
Netherlands	17,221	3,212	8,849	1,362	2,400	376	673	742	202	3,092	3,668	-1,700	2,633	559
Norway	6,527	4,850	462	135	49	59	118	26	11	64	707	35	372	100
Portugal	2,949	768	760	208	162	(*)	29	252	70	39	1,052	36	183	150
Spain	9,448	263	6,126	580	1,384	261	325	536	2,187	853	1,680	197	610	571
Sweden	4,947	413	2,353	247	1,393	5	239	73	34	364	1,336	214	432	198
Switzerland	8,193	1,104	3,230	233	841	65	228	346	0	1,516	2,063	428	1,186	181
Turkey	1,781	344	1,049	161	112	40	7	67	57	812	310	11	57	9
United Kingdom	82,224	24,750	35,696	3,187	5,789	1,310	5,975	1,876	5,481	12,078	5,930	3,996	7,795	4,056
Other	3,379	-125	2,552	322	348	120	30	220	273	1,238	615	75	119	143
Latin America and Other Western Hemisphere	51,965	6,657	33,796	4,857	7,033	1,494	1,671	1,944	8,195	8,602	3,192	1,156	3,145	4,020
South America	35,975	5,075	23,927	3,810	4,844	1,246	1,066	502	5,641	6,817	1,607	486	1,797	3,083
Argentina	6,121	1,236	3,582	916	943	91	11	36	204	1,382	357	146	339	463
Brazil	21,082	1,741	16,910	2,040	2,954	873	1,031	408	4,970	4,635	648	143	1,190	449
Chile	2,478	358	734	164	177	178	(*)	11	67	136	196	172	63	956
Colombia	2,217	1,064	238	352	41	-1	13	162	259	111	7	7	101	240
Ecuador	274	147	66	19	28	4	0	(*)	0	14	24	7	6	25
Peru	976	163	151	53	43	9	0	0	47	103	7	-3	13	549
Venezuela	2,144	586	1,186	226	321	51	23	34	238	293	129	10	61	172
Other	683	148	234	154	27	0	1	0	0	52	41	5	25	230
Central America	11,778	514	9,421	1,021	1,990	255	717	1,321	2,554	1,564	866	37	477	462
Costa Rica	580	31	206	46	37	14	0	40	0	69	297	(*)	1	45
Guatemala	233	97	116	33	28	7	0	0	0	49	11	6	4	-2
Honduras	256	20	93	74	3	2	0	0	0	14	2	4	(*)	137
Mexico	10,125	98	8,862	854	1,893	221	717	1,288	2,554	1,356	442	37	462	223
Panama	313	84	74	9	23	4	0	0	0	37	101	-11	9	56
Other	271	184	70	6	5	7	0	13	0	39	12	2	2	2
Other Western Hemisphere	4,213	1,068	448	26	199	-7	-111	121	0	220	719	632	871	475
Bahamas	161	48	25	0	21	0	0	0	0	4	34	9	16	29
Barbados	755	29	5	2	0	0	0	1	0	2	117	470	134	0
Bermuda	1,514	34	9	0	0	0	0	9	0	0	324	946	201	0
Dominican Republic	629	34	197	15	20	0	0	0	0	162	14	1	7	376
Jamaica	399	38	111	0	70	0	0	0	0	41	168	5	28	50
Netherlands Antilles	-378	13	0	0	0	0	0	0	0	12	-389	-4	(*)	0
Trinidad and Tobago	832	705	78	0	82	-7	1	0	0	2	8	15	6	19
United Kingdom Islands, Caribbean	127	31	6	0	1	0	-112	110	0	7	30	-410	461	0
Other	174	148	14	6	6	0	0	0	0	2	2	-14	23	1
Africa	8,248	6,032	1,114	167	389	131	68	19	36	303	468	126	154	354
Egypt	930	812	43	-24	51	9	1	7	0	-1	57	0	29	-10
Nigeria	2,977	2,935	35	18	17	0	0	0	0	0	5	-2	0	3
South Africa	1,322	149	613	77	244	63	64	11	36	117	350	67	96	47
Other	3,019	2,135	422	96	77	59	3	2	0	187	56	60	29	315
Middle East	4,552	2,759	780	90	25	36	38	523	0	68	225	97	474	217
Israel	1,053	(*)	723	82	28	15	32	523	0	43	153	3	174	0
Saudi Arabia	567	60	28	4	24	1	0	0	0	0	23	7	270	179
United Arab Emirates	1,295	1,104	45	0	1	21	1	0	0	22	44	39	39	25
Other	1,637	1,596	-16	3	-28	0	5	0	0	3	5	48	-9	13
Asia and Pacific	86,168	19,418	38,856	3,035	7,216	842	11,175	7,854	1,830	6,904	11,499	5,957	5,525	4,914
Australia	17,335	4,787	6,806	941	1,813	230	176	173	1,396	1,738	1,433	662	1,948	1,690
China	2,073	376	1,375	22	389	79	516	604	4	101	161	53	55	52
Hong Kong	6,127	535	1,292	30	171	79	20	640	17	335	1,845	1,067	411	977
India	432	11	328	33	120	7	69	4	-6	61	67	6	8	12
Indonesia	5,665	4,179	315	22	142	11	26	26	12	77	43	35	20	1,073
Japan	25,677	3,352	13,325	1,196	2,888	215	4,930	2,111	76	1,909	4,043	2,578	1,949	430
Korea	2,533	(*)	1,227	86	162	20	209	321	51	380	998	60	164	84
Malaysia	4,553	1,797	2,204	19	77	23	365	1,344	0	377	279	203	34	35
New Zealand	2,662	477	1,478	187	63	7	10	20	-8	1,199	320	21	238	127
Philippines	2,131	413	1,247	272	452	9	6	341	0	167	186	157	18	110
Singapore	9,801	1,049	6,676	24	305	73	4,434	1,533	142	164	1,121	420	402	133
Taiwan	2,846	25	1,415	89	389	20	63	526	145	182	624	428	227	127
Thailand	3,506	1,764	1,078	91	192	66	352	202	0	175	315	260	43	45
Other	827	652	88	23	53	2	-1	10	(*)	0	63	6	9	9
International ¹	1,862	821												1,041
Addenda:														
Eastern Europe ²	3,059	-178	2,422	322	264	112	30	198	273	1,223	567	82	31	136
European Union (15) ³	271,852	58,991	142,579	13,144	30,533	6,304	21,286	10,639	20,092	40,582	30,839	5,822	23,607	10,014
OPEC ⁴	13,455	9,647	1,587	270	473	84	52	60	250	392	244	98	383	1,496

* Less than \$500,000.

† Suppressed to avoid disclosure of data of individual companies.

1. See footnote 1 to table 9.

2. See footnote 2 to table 20.1.

3. See footnote 3 to table 20.1.

4. See footnote 4 to table 20.1.

Table 21.2.—Gross Product of Majority-Owned Nonbank Foreign Affiliates, Country by Industry of Affiliate, 1997

[Millions of dollars]

	All industries	Petroleum	Manufacturing								Wholesale trade	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	519,306	110,818	256,442	25,579	52,987	11,549	37,318	26,183	43,471	59,355	56,446	21,441	44,292	29,866
Canada	57,554	8,828	28,764	2,431	3,762	2,045	2,814	1,796	9,389	6,527	4,992	4,088	3,842	7,039
Europe	297,604	66,236	147,471	14,259	32,980	6,769	21,652	12,474	22,786	36,550	35,424	8,006	29,175	11,292
Austria	3,948	1,249	1,354	222	99	15	128	123	573	193	898	49	266	133
Belgium	13,350	1,895	7,517	793	3,361	170	547	263	816	1,566	2,127	238	1,381	192
Denmark	2,505	332	727	169	95	29	65	108	62	201	1,019	65	304	58
Finland	2,138	587	850	6	183	73	25	238	36	289	580	4	46	70
France	37,024	5,901	20,121	1,859	5,178	1,936	3,989	1,377	1,375	4,406	4,148	498	5,014	1,342
Germany	56,879	8,037	38,358	2,280	4,744	1,691	6,077	2,782	9,050	11,733	3,714	1,069	3,819	1,882
Greece	1,318	603	401	150	180	11	2	9	0	49	163	67	63	20
Ireland	12,075	809	9,515	980	4,248	77	564	1,866	38	1,742	1,376	191	82	102
Italy	21,741	7,309	9,459	843	2,457	367	2,163	1,025	819	1,784	2,963	141	1,380	489
Luxembourg	1,049	172	620	0	0	41	10	(*)	0	569	150	57	38	12
Netherlands	19,782	3,316	9,476	1,231	1,996	360	806	1,062	862	3,158	3,633	70	2,822	467
Norway	6,266	4,781	443	122	55	12	162	20	14	58	675	-223	479	112
Portugal	2,619	814	774	218	184	(*)	26	246	39	61	626	29	179	196
Spain	9,690	213	6,405	642	1,510	301	336	508	1,995	1,112	1,707	213	650	503
Sweden	4,630	308	2,077	232	1,016	5	276	71	38	440	1,450	115	413	267
Switzerland	4,449	757	2,941	161	841	43	257	186	22	1,431	3,029	293	1,242	186
Turkey	2,033	304	1,270	200	153	35	0	56	60	766	373	9	63	13
United Kingdom	87,916	28,827	32,044	3,759	6,272	1,477	6,187	2,149	6,658	5,542	6,186	4,989	10,813	5,058
Other	4,191	24	3,120	391	409	125	34	384	329	1,448	606	131	122	189
Latin America and Other Western Hemisphere	60,579	6,663	38,347	5,465	8,808	1,770	2,022	2,909	9,237	8,136	4,840	2,183	3,419	5,127
South America	40,783	4,930	25,993	4,027	5,444	1,437	1,213	1,177	6,523	6,171	2,982	587	2,303	3,987
Argentina	6,762	1,274	3,782	724	1,027	101	15	13	404	1,497	468	170	400	667
Brazil	23,590	1,393	18,283	2,384	3,326	992	1,166	1,092	5,469	3,854	1,773	159	1,450	532
Chile	2,823	382	805	160	192	216	9	9	65	154	219	173	125	1,119
Colombia	2,509	795	1,156	267	401	61	-1	18	180	230	164	23	118	254
Ecuador	238	92	72	24	28	4	0	(*)	0	5	22	10	6	36
Peru	1,402	235	187	67	61	15	0	0	0	43	101	14	14	852
Venezuela	2,812	635	1,526	305	386	48	23	45	404	315	185	33	161	274
Other	647	123	183	96	22	0	1	0	0	63	52	3	31	254
Central America	13,559	683	11,060	1,404	2,350	296	937	1,644	2,714	1,715	903	-272	580	605
Costa Rica	553	12	234	47	45	18	0	67	0	57	203	(*)	(*)	103
Guatemala	299	124	123	41	36	7	0	0	0	39	17	7	4	24
Honduras	304	31	129	101	4	2	0	0	0	23	2	-5	(*)	147
Mexico	12,009	181	10,424	1,201	2,229	256	937	1,567	2,714	1,521	549	19	562	274
Panama	102	127	83	8	25	9	0	0	0	40	119	-295	12	56
Other	293	207	67	7	12	3	0	10	0	35	13	2	2	2
Other Western Hemisphere	6,236	1,050	1,294	33	1,014	36	-128	88	0	250	955	1,868	536	535
Bahamas	177	58	28	0	24	0	0	0	0	4	51	-8	20	28
Barbados	811	65	6	2	0	0	0	2	0	2	123	497	120	0
Bermuda	2,322	38	18	0	0	0	0	18	0	0	556	1,514	201	-4
Dominican Republic	749	49	231	16	24	0	0	0	0	191	23	1	7	438
Jamaica	379	47	114	2	74	0	0	0	0	37	121	6	31	61
Netherlands Antilles	-110	2.4	3	0	0	0	0	0	1	14	-121	-8	(*)	13
Trinidad and Tobago	622	577	-6	2	1	-13	1	0	0	2	9	10	8	25
United Kingdom Islands, Caribbean	1,066	34	883	0	883	50	-129	69	0	11	57	-29	134	-14
Other	220	179	17	8	7	0	0	0	0	2	2	2	23	1
Africa	8,875	6,109	1,529	120	377	160	66	78	33	694	294	178	403	363
Egypt	921	757	73	-43	78	9	18	7	0	5	62	0	40	-11
Nigeria	2,972	2,922	30	14	16	0	0	0	0	0	5	12	0	3
South Africa	1,758	178	941	37	203	61	45	70	33	491	169	80	337	53
Other	3,224	2,252	484	112	79	90	3	2	0	199	58	86	25	318
Middle East	4,322	2,790	719	96	62	33	39	414	0	75	103	89	549	73
Israel	956	(*)	656	93	39	27	33	414	0	51	32	1	268	0
Saudi Arabia	403	90	25	0	24	(*)	0	0	0	0	12	4	241	31
United Arab Emirates	1,160	961	29	0	1	6	1	0	0	21	54	37	42	37
Other	1,802	1,738	9	3	-2	0	5	0	0	3	5	47	-2	4
Asia and Pacific	88,943	19,039	39,613	3,209	6,999	773	10,724	8,511	2,026	7,372	10,792	6,898	6,904	5,697
Australia	18,933	4,849	7,208	1,773	184	517	173	1,510	2,032	1,559	1,176	2,155	1,985	1,172
China	3,099	481	2,068	128	405	66	364	809	105	191	301	60	77	112
Hong Kong	7,133	600	1,409	29	189	80	15	729	18	349	1,993	1,382	573	20
India	671	49	493	48	116	11	159	8	-10	161	71	6	33	20
Indonesia	5,378	3,813	363	23	136	9	18	74	30	72	50	24	1,079	501
Japan	25,038	3,499	12,621	1,138	2,799	223	4,682	2,081	65	1,633	3,404	2,393	2,620	701
Korea	2,273	7	953	104	161	13	176	153	23	323	810	76	353	73
Republic of	4,912	1,425	2,988	18	87	6	696	1,722	0	460	201	207	57	33
New Zealand	3,119	471	1,898	225	87	16	10	30	-9	1,539	228	52	265	205
Philippines	2,104	423	1,183	270	397	24	6	362	0	124	178	155	22	142
Singapore	9,087	964	5,745	19	186	79	3,590	1,559	149	164	1,324	538	396	120
Taiwan	2,921	28	1,584	81	434	22	117	590	155	186	437	441	269	161
Thailand	3,437	1,821	1,015	71	188	38	375	211	-5	137	194	328	31	48
Other	838	609	84	35	42	2	-1	10	-5	1	42	32	28	43
International ¹	1,429	1,153												276
Addenda:														
Eastern Europe ²	3,877	-34	3,007	391	334	125	34	361	329	1,433	558	109	63	174
European Union (15) ³	276,665	60,371	139,697	13,386	31,523	6,553	21,199	11,827	22,361	32,847	30,741	7,796	27,269	10,791
OPEC ⁴	13,825	9,462	1,974	342	564	63	44	118	434	409	306	140	465	1,478

* Less than \$500,000.

P Suppressed to avoid disclosure of data of individual companies.

1. See footnote 1 to table 9.

2. See footnote 2 to table 20.1.

3. See footnote 3 to table 20.1.

4. See footnote 4 to table 20.1.