

U.S. Affiliates of Foreign Companies

Operations in 1998

By William J. Zeile

ACCORDING to preliminary results from BEA's 1998 annual survey of foreign direct investment in the United States (FDIUS), record levels of new foreign investment helped to boost the current-dollar gross product of U.S. affiliates of foreign companies 7 percent, from \$389 billion in 1997 to \$418 billion in 1998.¹ Despite this increase, strong growth in the U.S. economy resulted in little change in the share of the private economy that is accounted for by U.S. affiliates: The affiliate share of gross product originating in private industries increased from 6.2 percent in 1997 to 6.3 percent in 1998 (table 1 and chart 1).

The record new foreign investments in 1998 included acquisitions of several very large U.S. companies.² These investments, which coincided with a sharp increase in overall merger and acquisition activity in the United States, reflected both the continuing strength and stability of the U.S. economy and several industry-specific factors.³ By industry, the impact of acquisitions on affiliate gross

1. The estimates of gross product of U.S. affiliates are conceptually consistent with the U.S. estimates of gross domestic product, or gross domestic product originating, by industry. Both sets of estimates are income-based estimates; that is, they are measured as the sum of costs incurred (except for intermediate inputs) and the profits earned in production (see the box "Key Terms").

The financial and operating data of nonbank U.S. affiliates presented in this article cover the entire operations of the U.S. affiliate, irrespective of the percentage of foreign ownership. All data are on a fiscal year basis. Thus, for 1998, an individual affiliate's fiscal year is its financial reporting year that ended in calendar year 1998.

The estimates of gross product and the other data items for affiliate operations for 1998 are preliminary. The estimates for 1997 are revised; for most of the key data items, the revisions to the totals ranged from -4 percent to 4 percent.

2. According to data from BEA's annual survey of new foreign investments, outlays by foreign direct investors to acquire or establish businesses in the United States surged from \$69.7 billion in 1997 to \$215.3 billion in 1998 (the previous high was \$72.7 billion in 1988). Investment outlays increased further in 1999, to a record \$282.9 billion. See Ned G. Howenstine and Rosaria Troia, "Foreign Direct Investment in the United States: New Investment in 1999," SURVEY OF CURRENT BUSINESS 80 (June 2000): 55-63.

3. For a discussion of some of the industry-specific factors behind the largest investment transactions in 1998, see Mahnaz Fahim-Nader, "Foreign Direct Investment in the United States: New Investment in 1998," SURVEY 79 (June 1999): 16-23.

Table 1.—Gross Product of Nonbank U.S. Affiliates of Foreign Companies, 1977–98

	Millions of dollars		Percentage of U.S. private-industry gross product		Addendum: Gross product of majority-owned nonbank affiliates as a percentage of that of all nonbank affiliates
	All nonbank affiliates	Majority-owned nonbank affiliates	All nonbank affiliates	Majority-owned nonbank affiliates	
1977	35,222	n.a.	2.3	n.a.	n.a.
1978	42,920	n.a.	2.4	n.a.	n.a.
1979	55,424	n.a.	2.8	n.a.	n.a.
1980	70,906	n.a.	3.3	n.a.	n.a.
1981	98,828	n.a.	4.2	n.a.	n.a.
1982	103,489	n.a.	4.3	n.a.	n.a.
1983	111,490	n.a.	4.2	n.a.	n.a.
1984	128,761	n.a.	4.4	n.a.	n.a.
1985	134,852	n.a.	4.3	n.a.	n.a.
1986	142,120	n.a.	4.3	n.a.	n.a.
1987	157,869	n.a.	4.4	n.a.	n.a.
1988	190,384	146,424	4.9	3.8	76.9
1989	223,420	168,547	5.4	4.1	75.4
1990	239,279	190,477	5.5	4.4	79.6
1991	257,634	207,126	5.8	4.7	80.4
1992	266,333	214,781	5.7	4.6	80.6
1993	285,738	223,008	5.8	4.5	78.0
1994	312,981	244,690	5.9	4.6	78.2
1995	322,631	254,938	5.8	4.6	79.0
1996	358,085	283,422	6.1	4.8	79.1
1997 ^r	389,432	313,655	6.2	5.0	80.5
1998 ^p	418,138	352,756	6.3	5.3	84.4
Percent change from preceding year:					
1989	17.4	15.1			
1990	7.1	13.0			
1991	7.7	8.7			
1992	3.4	3.7			
1993	7.3	3.8			
1994	9.5	9.7			
1995	3.1	4.2			
1996	11.0	11.2			
1997 ^r	8.8	10.7			
1998 ^p	7.4	12.5			

^p Preliminary.

^r Revised.

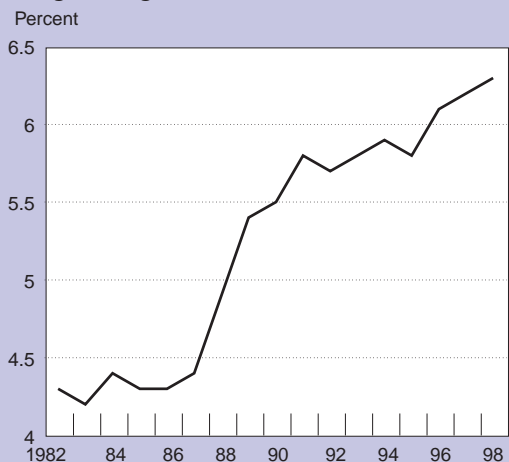
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NOTE.—For improved comparability with U.S.-affiliate gross product, U.S. private-industry gross product was adjusted to exclude gross product originating in depository institutions and private households, imputed rental income from owner occupied housing, and business transfer payments.

The estimates of U.S. private-industry gross product were recently revised. See Sherlene K.S. Lum, Brian C. Moyer, and Robert E. Yuskavage, "Improved Estimates of Gross Product by Industry for 1947–98," SURVEY OF CURRENT BUSINESS 80 (June 2000): 24–54.

CHART 1

U.S.-Affiliate Share of Gross Product Originating in Private Industries, 1982–98



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

product was most pronounced in manufacturing, particularly in transportation equipment and in petroleum and coal products.⁴

The effect of the record new investments on affiliate gross product in 1998 was partly offset by foreign selloffs of affiliates, most notably large minority-owned affiliates in the transportation and the broadcasting and telecommunications industries. In addition, the gross product of petroleum affiliates was reduced by unfavorable conditions in the world market for petroleum products.⁵

Other measures of affiliate operations were also boosted by the record new foreign investments in 1998. Employment by affiliates increased 8 percent to 5.6 million; the affiliate share of U.S. private nonbank employment increased to 5.2 percent, the highest share since 1991. Exports of goods by affiliates increased 7 percent in the face of a 1-percent decrease in total U.S. exports, and imports of goods by affiliates increased 9 percent, compared with a 5-percent increase in total U.S. imports. The affiliate share of U.S. exports of goods increased to 22.1 percent from 20.5 percent in 1997, and the af-

iliate share of U.S. imports of goods increased to 31.8 percent from 30.4 percent in 1997. Intrafirm exports and imports by affiliates, however, were largely unaffected by new foreign investments, and the shares of these exports and imports in total U.S. exports and imports of goods decreased.

The following are additional highlights of the operations of U.S. affiliates in 1998:

- By country of ownership, the United Kingdom remained the largest investing country in terms of affiliate gross product. As a result of new acquisitions of U.S. companies, Germany overtook Japan as the second-largest investing country.
- By industry, manufacturing's share of the gross product of all affiliates increased to more than 50 percent. Affiliate gross product in professional, scientific, and technical services also increased substantially.
- The affiliate share of U.S. employment in manufacturing increased to more than 13 percent. Within manufacturing, the affiliate share of employment in motor vehicles, bodies and trailers, and parts increased substantially, from 18.5 percent to 28.2 percent.
- By State, the affiliate share of total business employment was highest in Hawaii, South Carolina, and North Carolina. The affiliate share increased substantially in several States in the Great Lakes region, particularly in Michigan.

4. The data on affiliate operations are now classified by industry according to a new system that is based on the 1997 North American Industry Classification System; see the box "New Industry Classifications" in William J. Zeile, "Foreign Direct Investment in the United States: Preliminary Results from the 1997 Benchmark Survey," SURVEY 79 (August 1999): 24.

5. Crude oil prices fell 34 percent in 1998, according to 12-month averages of the refiners' acquisition cost of domestic and imported crude oil from the Energy Information Administration (EIA) of the U.S. Department of Energy. The decrease in oil prices was not accompanied by a corresponding increase in demand and production: Worldwide production of crude oil increased only 2 percent.

Key Terms

The following key terms are used to describe U.S. affiliates of foreign companies and their operations.

U.S. affiliate. A U.S. business enterprise in which there is foreign direct investment—that is, in which a single foreign person owns or controls, directly or indirectly, 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise. "Person" is broadly defined to include any individual, corporation, branch, partnership, associated group, association, estate, trust, or other organization and any government (including any corporation, institution, or other entity or instrumentality of a government). A "foreign person" is any person resident outside the United States—that is, outside the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and all U.S. territories and possessions.

Majority-owned U.S. affiliate. A U.S. affiliate that is owned more than 50 percent by foreign direct investors.

Foreign parent. The first person outside the United States in a U.S. affiliate's ownership chain that has a direct investment interest in the affiliate.

Ultimate beneficial owner (UBO). That person, proceeding up a U.S. affiliate's ownership chain, beginning with and including the foreign parent, that is not owned more than 50 percent by another person. Unlike the foreign par-

ent, the UBO of an affiliate may be located in the United States. The UBO of each U.S. affiliate is identified to ascertain the person that ultimately owns or controls the U.S. affiliate and that therefore ultimately derives the benefits from ownership or control.

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

Gross product. The contribution to U.S. gross domestic product, which is the goods and services produced by labor and property located in the United States. 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 estimates of gross product that are presented in this article were prepared by summing cost and profit data collected in the annual and benchmark surveys of foreign direct investment in the United States.

- Exports and imports of goods by affiliates increased substantially as a result of new foreign acquisitions. For German-owned affiliates, exports more than doubled, and imports increased more than 70 percent.
- Intrafirm exports by affiliates (which were relatively unaffected by foreign acquisitions) decreased, reflecting troubled economic conditions in Asia. Intrafirm imports by affiliates increased only slightly, and the share of affiliate intrafirm imports in total U.S. imports decreased.

This article examines changes in the gross product, employment, and trade in goods of U.S. affiliates in 1998, particularly as they relate to the corresponding totals for the U.S. economy. For each of these measures, changes in affiliate operations are examined both at the aggregate level and by major investing country; changes in gross product are also examined by industry of affiliate. For

employment, affiliate shares of the economy are examined by industry and by State.

Gross Product

Largely as a result of the surge in new foreign direct investment in 1998, the gross product (or value added) of nonbank U.S. affiliates in current dollars increased 7 percent, from \$389 billion to \$418 billion. In comparison, total U.S. gross product originating in private nonbank industries in current dollars increased 6 percent.⁶ The U.S.-affiliate share of total U.S. gross product edged up from 6.2 percent in 1997 to 6.3 percent in 1998, continuing an uptrend.

6. Although the rate of change in U.S.-private-industry gross product serves as a convenient benchmark against which the increase in U.S.-affiliate gross product can be evaluated, the two growth rates are not strictly comparable, because the latter partly reflects transfers in ownership that do not represent increased production for the whole economy. Similarly, changes in U.S.-affiliate employment, exports, and imports, which partly reflect changes in ownership, are not strictly comparable to the changes for the whole economy.

Data on Foreign Direct Investment in the United States

BEA collects three broad sets of data on foreign direct investment in the United States (FDIUS): (1) Financial and operating data of U.S. affiliates, (2) data on U.S. businesses newly acquired or established by foreign direct investors (new investment data), and (3) international transactions (balance of payments) and direct investment position data. This article presents the financial and operating data; new investment data were published in "Foreign Direct Investment in the United States: New Investment in 1999" in the June 2000 issue of the SURVEY OF CURRENT BUSINESS; the international transactions and direct investment position data were published in the articles "The International Investment Position of the United States at Yearend 1999," "U.S. International Transactions, First Quarter 2000," and "Direct Investment Positions for 1999: Country and Industry Detail," in the July 2000 issue of the SURVEY.

Each of the three data sets focuses on a distinct aspect of FDIUS. The *financial and operating data* provide a picture of the overall activities of the U.S. affiliates; the *new investment data* provide information about U.S. businesses that are newly acquired or established by foreign direct investors, regardless of whether the invested funds were raised in the United States or abroad; and the *international transactions and direct investment position data* cover foreign investors' transactions with, and positions in, both new and existing U.S. affiliates.¹

Financial and operating data of U.S. affiliates. The data on the overall operations of U.S. affiliates are collected in BEA's annual and benchmark surveys of FDIUS. (Bench-

mark surveys, which are BEA's most comprehensive surveys of foreign direct investment in terms of both coverage of companies and subject matter, are taken in place of the annual survey once every 5 years.) The data cover U.S. affiliates' balance sheets and income statements, employment and compensation of employees, trade in goods, research and development expenditures, sources of finance, and selected data by State. In addition, the gross product of affiliates is estimated from data reported in these surveys.

Except in benchmark survey years, these data, unlike the new investment data, cover only nonbank affiliates. The financial and operating data for affiliates are on a fiscal year basis. The data cover the entire operations of the U.S. affiliate, irrespective of the percentage of foreign ownership.

New investment data. The data on outlays by foreign direct investors to acquire or establish affiliates in the United States are collected on a calendar year basis in BEA's survey of new FDIUS. In addition, the new investment survey collects selected data on the operations of the newly acquired or established affiliates. For newly acquired affiliates, these data are for (or as of the end of) the most recent fiscal year preceding the acquisition, and for newly established businesses, they are projected for (or as of the end of) the first year of operation. The data cover the entire operations of the business, irrespective of the percentage of foreign ownership.

International transactions and direct investment position data. These data are collected in the quarterly survey of FDIUS. The data cover the U.S. affiliate's transactions and positions with its foreign parent or other members of its foreign parent group, so these data focus on the foreign parent's share, or interest, in the affiliate rather than on the affiliate's overall size or level of operations. The major items included in the U.S. international transactions (balance of payments) accounts are direct investment financial flows, direct investment income, royalties and license fees, and other services transactions with the foreign parent group.

1. For a more detailed discussion of the differences between these three sets of data, see Alicia M. Quijano, "A Guide to BEA Statistics on Foreign Direct Investment in the United States," SURVEY 70 (February 1990): 29-37. This guide is available on BEA's Web site at <www.bea.doc.gov/bea/aif.htm>.

For a comparison of the data on affiliate operations with the data on new investment, see the appendix "Sources of Data" in Mahnaz Fahim-Nader and William J. Zeile, "Foreign Direct Investment in the United States: New Investment in 1994 and Affiliate Operations in 1993," SURVEY 75 (May 1995): 68-70.

Despite record new investments, affiliate gross product increased at a slower pace than in the previous 2 years (9 percent in 1997 and 11 percent in 1996), partly because of the offsetting effect of foreign selloffs. In 1998, these selloffs mainly affected minority-owned affiliates. For majority-owned affiliates (which have consistently accounted for at least three-fourths of affiliate operations), the offsetting effect of foreign selloffs was relatively small. The gross product of majority-owned affiliates increased 12 percent, the fastest rate of increase since 1990. The share of these affiliates in U.S. gross product originating in private industries increased from 5.0 percent in 1997 to 5.3 percent in 1998.

By country of ownership

Affiliates with ultimate beneficial owners (UBO's) in seven major investing countries—Canada, France, Germany, Japan, the Netherlands, Switzerland, and the United Kingdom—have accounted for more than 80 percent of the gross product of all

nonbank affiliates since at least 1977, the first year for which annual data on affiliate operations are available. In 1998, as in each of the years 1977–97, the largest investing country in terms of affiliate gross product was the United Kingdom: British-owned affiliates accounted for 18.2 percent of the gross product of all nonbank affiliates and for 1.1 percent of total U.S. gross product originating in private industries (table 2). German-owned affiliates accounted for the second-largest share of affiliate gross product (15.9 percent), edging out Japanese-owned affiliates, which had accounted for the second-largest share in each of the years 1991–97. The share for German-owned affiliates was substantially higher in 1998 than in previous years: As recently as 1994, Germany had ranked as the fourth largest investing country, behind the United Kingdom, Japan, and Canada (chart 2).

The jump in share for German-owned affiliates reflected a 44-percent increase in gross product that mainly resulted from German acquisitions of

Table 2.—Gross Product of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1996–98

	Millions of dollars			Percentage of all-countries total			Percentage of U.S. private-industry gross product			Addendum: Percent change in affiliate gross product, 1997–98
	1996	1997	1998	1996	1997	1998	1996	1997	1998	
All nonbank affiliates:										
All countries	358,085	389,432	418,138	100.0	100.0	100.0	6.1	6.2	6.3	7.4
Canada	32,550	34,732	40,425	9.1	8.9	9.7	.6	.6	.6	16.4
Europe	229,286	248,970	267,066	64.0	63.9	63.9	3.9	3.9	4.0	7.3
France	34,227	36,182	37,349	9.6	9.3	8.9	.6	.6	.6	3.2
Germany	42,929	46,330	66,597	12.0	11.9	15.9	.7	.7	1.0	43.7
Netherlands	30,078	34,740	29,464	8.4	8.9	7.0	.5	.6	.4	-15.2
Switzerland	20,677	26,331	28,039	5.8	6.8	6.7	.3	.4	.4	6.5
United Kingdom	76,802	78,289	76,214	21.4	20.1	18.2	1.3	1.2	1.1	-2.7
Other	24,773	27,099	29,404	6.9	7.0	7.0	.4	.4	.4	8.5
Latin America and Other Western Hemisphere	12,955	13,682	16,995	3.6	3.5	4.1	.2	.2	.3	24.2
Africa	2,555	2,870	2,543	.7	.7	.6	(*)	(*)	(*)	-11.4
Middle East	6,387	7,481	4,614	1.8	1.9	1.1	.1	.1	.1	-38.3
Asia and Pacific	69,190	74,541	78,714	19.3	19.1	18.8	1.2	1.2	1.2	5.6
Japan	58,069	63,017	65,482	16.2	16.2	15.7	1.0	1.0	1.0	3.9
Other	11,121	11,524	13,232	3.1	3.0	3.2	.2	.2	.2	14.8
United States	5,161	7,156	7,780	1.4	1.8	1.9	.1	.1	.1	8.7
Majority-owned nonbank affiliates:										
All countries	283,422	313,655	352,756	100.0	100.0	100.0	4.8	5.0	5.3	12.5
Canada	27,687	29,779	34,635	9.8	9.5	9.8	.5	.5	.5	16.3
Europe	180,729	199,458	228,162	63.8	63.6	64.7	3.1	3.2	3.4	14.4
France	23,166	24,356	25,347	8.2	7.8	7.2	.4	.4	.4	4.1
Germany	34,224	36,914	57,658	12.1	11.8	16.3	.6	.6	.9	56.2
Netherlands	25,060	27,797	26,314	8.8	8.9	7.5	.4	.4	.4	-5.3
Switzerland	17,764	22,268	22,956	6.3	7.1	6.5	.3	.4	.3	3.1
United Kingdom	60,898	66,112	71,064	21.5	21.1	20.1	1.0	1.0	1.1	7.5
Other	19,617	22,013	24,823	6.9	7.0	7.0	.3	.3	.4	12.8
Latin America and Other Western Hemisphere	10,841	12,126	15,421	3.8	3.9	4.4	.2	.2	.2	27.2
Africa	1,048	1,659	1,339	.4	.5	.4	(*)	(*)	(*)	-19.3
Middle East	2,058	2,619	2,422	.7	.8	.7	(*)	(*)	(*)	-7.5
Asia and Pacific	59,496	65,069	67,496	21.0	20.7	19.1	1.0	1.0	1.0	3.7
Japan	50,412	55,280	56,617	17.8	17.6	16.0	.9	.9	.8	2.4
Other	9,084	9,789	10,879	3.2	3.1	3.1	.2	.2	.2	11.1
United States	1,563	2,994	3,282	.6	1.0	.9	(*)	(*)	(*)	9.6

* Less than 0.05 percent.

U.S. manufacturing companies, particularly in transportation equipment. In contrast, the gross product of Japanese-owned affiliates increased only 4 percent, reflecting little new direct investment from Japan.⁷

Although there was largescale new investment from the United Kingdom in 1998, the gross product of British-owned affiliates decreased as a result of selloffs (mainly of minority-owned affiliates) and of reductions in the value added of existing affiliates (which partly reflected unfavorable conditions in the world market for petroleum products). These factors were also primarily responsible for a large decrease in the gross product of Netherlands-owned affiliates.

By industry of affiliate

In 1998, affiliates classified in manufacturing accounted for more than half of the gross product of all nonbank affiliates (table 3). Among other sectors, the gross product of affiliates was largest in wholesale trade, which includes a number of large affiliates with substantial secondary operations in manufacturing.

Manufacturing's share of total affiliate gross product increased from 49 percent in 1997 to 54 percent in 1998. Within manufacturing, the gross product of affiliates classified in transportation equipment more than doubled, mainly as a result of new foreign acquisitions and of changes in the industry classification of affiliates with operations in more than one industry.⁸ Affiliate gross product

7. In 1998, as in 1997, outlays by Japanese direct investors accounted for less than 5 percent of the total outlays by foreign direct investors to acquire or establish businesses in the United States. See table 4 in Howenstine and Troia, "New Investment in 1999," 58.

also increased substantially in plastics and rubber products, in primary metals, and in petroleum and coal products. In plastics and rubber products and in primary metals, the increases reflected both new acquisitions and expansions in the operations of existing affiliates. In petroleum and coal products, a large increase in gross product from new foreign acquisitions was partly offset by reductions in the value added of existing affiliates that reflected the unfavorable conditions in the world petroleum markets.

Outside of manufacturing, new acquisitions

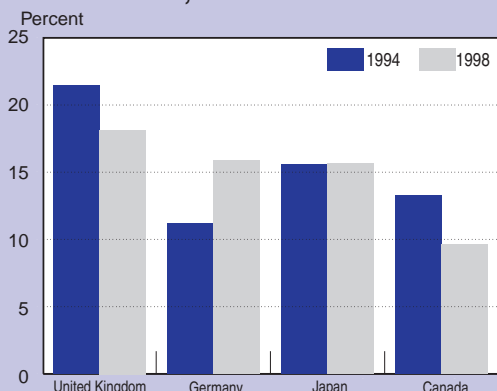
8. Each U.S. affiliate is classified in the industry that accounts for the largest portion of its sales. Many U.S. affiliates are involved in a variety of business activities; changes in the mix of these activities can cause an affiliate's industry classification to change, but an affiliate is reclassified only if the change in the primary activity from the preceding year is significant or if the change has persisted for 2 years.

Table 3.—Gross Product of Nonbank U.S. Affiliates by Industry of Affiliate, 1997 and 1998

	Millions of dollars		Percentage of all-industries total		Addendum: Percent change in affiliate gross product, 1997-98
	1997	1998	1997	1998	
All nonbank affiliates:					
All industries	389,432	418,138	100.0	100.0	7.4
Manufacturing	190,635	224,372	49.0	53.7	17.7
Food	11,092	10,796	2.8	2.6	-2.7
Petroleum and coal products	23,476	26,445	6.0	6.3	12.6
Chemicals	41,199	42,935	10.6	10.3	4.2
Plastics and rubber products	7,772	9,157	2.0	2.2	17.8
Nonmetallic mineral products	12,005	11,793	3.1	2.8	-1.8
Primary metals	8,526	9,847	2.2	2.4	15.5
Fabricated metal products	8,275	7,402	2.1	1.8	-10.5
Machinery	13,856	14,622	3.6	3.5	5.5
Computers and electronic products	18,177	19,402	4.7	4.6	6.7
Electrical equipment, appliances, and components	9,534	9,925	2.4	2.4	4.1
Transportation equipment	14,694	36,056	3.8	8.6	145.4
Other	22,029	25,991	5.7	6.2	18.0
Wholesale trade	49,375	51,292	12.7	12.3	3.9
Retail trade	24,960	26,032	6.4	6.2	4.3
Information	27,838	23,186	7.1	5.5	-16.7
Finance (except depository institutions) and insurance	27,820	23,954	7.1	5.7	-13.9
Real estate and rental and leasing	8,987	9,679	2.3	2.3	7.7
Professional, scientific, and technical services	6,347	7,961	1.6	1.9	25.4
Other industries	53,469	51,662	13.7	12.4	-3.4
Majority-owned affiliates:					
All industries	313,655	352,756	100.0	100.0	12.5
Manufacturing	169,279	201,870	54.0	57.2	19.3
Food	9,929	9,716	3.2	2.8	-2.1
Petroleum and coal products	19,764	23,252	6.3	6.6	17.6
Chemicals	38,050	39,637	12.1	11.2	4.2
Plastics and rubber products	7,136	8,357	2.3	2.4	17.1
Nonmetallic mineral products	11,472	11,242	3.7	3.2	-2.0
Primary metals	5,155	6,328	1.6	1.8	22.8
Fabricated metal products	6,506	6,776	2.1	1.9	4.2
Machinery	12,778	13,667	4.1	3.9	7.0
Computers and electronic products	17,425	17,810	5.6	5.0	2.2
Electrical equipment, appliances, and components	9,020	9,545	2.9	2.7	5.8
Transportation equipment	12,970	33,862	4.1	9.6	161.1
Other	19,074	21,678	6.1	6.1	13.7
Wholesale trade	44,489	47,122	14.2	13.4	5.9
Retail trade	15,901	17,043	5.1	4.8	7.2
Information	11,483	13,746	3.7	3.9	19.7
Finance (except depository institutions) and insurance	23,550	19,970	7.5	5.7	-15.2
Real estate and rental and leasing	7,027	7,678	2.2	2.2	9.3
Professional, scientific, and technical services	5,619	6,665	1.8	1.9	18.6
Other industries	36,307	38,663	11.6	11.0	6.5

CHART 2

Selected Investing-Country Shares in the Gross Product of All Nonbank U.S. Affiliates, 1994 and 1998



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

boosted the gross product of affiliates in professional, scientific, and technical services. Decreases in affiliate gross product in finance (except depository institutions) and insurance and in information were mainly due to selloffs. In information, the decrease was more than accounted for by selloffs of minority-owned affiliates.

Employment

In 1998, employment by affiliates increased 8 percent, the fastest rate of increase since 1989 (table 4). The increase, from 5.2 million to 5.6 million, was mainly due to foreign acquisitions of existing U.S. companies.

The affiliate share of U.S. private industry employment increased from 4.9 percent in 1997 to 5.2 percent in 1998 after remaining in the narrow range of 4.9–5.0 percent for several years.⁹ The

9. Because U.S. affiliates tend to be relatively concentrated in less labor-intensive sectors of the economy (such as manufacturing), the affiliate share of employment has consistently been lower than the affiliate share of gross product.

share of employment for majority-owned affiliates also increased, from 4.0 percent to 4.3 percent.

By industry

At the broad sectoral level, the affiliate share of U.S. employment in 1998 was highest in mining (15.5 percent), followed by manufacturing (13.4 percent), information (7.5 percent), and wholesale trade (6.6 percent) (table 5).¹⁰ For majority-owned affiliates, the shares in U.S. employment were also highest in mining (13.7 percent) and manufacturing (12.0 percent); however, the share in information (4.9 percent) was lower than that in wholesale trade (5.9 percent). Majority-owned affiliates accounted for about 90 percent of affiliate employment in the mining, manufacturing, and wholesale trade sectors, but they accounted for less than two-thirds of affiliate employment in information. Within information, majority-owned affiliates accounted for less than one-fourth of affiliate employment in broadcasting and telecommunications, a subsector that includes industries that have been subject to restrictions on foreign ownership.

Among the subsectors in manufacturing, the affiliate share of all-U.S.-business employment in 1998 was highest in chemicals (35.4 percent). Within chemicals, affiliates accounted for nearly 50 percent of employment in pharmaceuticals and medicines, a research-intensive industry that is characterized by proprietary assets that favor the internalization of production activities within large multinational firms. In contrast, the affiliate share of employment was less than 3 percent in two low-technology manufacturing subsectors—wood products and furniture and related products.

The affiliate share of employment in manufacturing increased from 12.4 percent in 1997 to 13.4 percent in 1998. Within manufacturing, the affiliate share increased the most in transportation equipment, in paper, and in beverages and tobacco. In transportation equipment, the affiliate share of employment in motor vehicles, bodies and trailers, and parts jumped from 18.5 percent to 28.2 percent, reflecting both foreign acquisitions of U.S. companies and expanded operations of existing affiliates. In paper and in beverages and tobacco, the increases in affiliate share largely reflected foreign acquisitions of minority ownership

Table 4.—Employment of Nonbank U.S. Affiliates of Foreign Companies, 1977–98

	Thousands of employees		Percentage of U.S. private-industry employment		Addendum: Gross product of majority-owned nonbank affiliates as a percentage of that of all nonbank affiliates
	All nonbank affiliates	Majority-owned nonbank affiliates	All nonbank affiliates	Majority-owned nonbank affiliates	
1977	1,218.7	n.a.	1.7	n.a.	n.a.
1978	1,429.9	n.a.	1.9	n.a.	n.a.
1979	1,753.2	n.a.	2.3	n.a.	n.a.
1980	2,033.9	n.a.	2.7	n.a.	n.a.
1981	2,416.6	n.a.	3.1	n.a.	n.a.
1982	2,448.1	n.a.	3.2	n.a.	n.a.
1983	2,546.5	n.a.	3.3	n.a.	n.a.
1984	2,714.3	n.a.	3.4	n.a.	n.a.
1985	2,862.2	n.a.	3.4	n.a.	n.a.
1986	2,937.9	n.a.	3.5	n.a.	n.a.
1987	3,224.3	2,602.7	3.7	3.0	80.7
1988	3,844.2	3,119.0	4.3	3.5	81.1
1989	4,511.5	3,573.4	4.9	3.9	79.2
1990	4,734.5	3,841.7	5.1	4.2	81.1
1991	4,871.9	3,991.3	5.3	4.4	81.9
1992	4,715.4	3,903.9	5.1	4.3	82.8
1993	4,765.6	3,851.7	5.0	4.1	80.8
1994	4,840.5	3,954.0	4.9	4.1	81.7
1995	4,941.8	4,022.6	4.9	4.0	81.4
1996	5,105.0	4,155.6	5.0	4.1	81.4
1997 ^p	5,201.9	4,269.1	4.9	4.0	82.1
1998 ^p	5,633.0	4,655.0	5.2	4.3	82.6
Percent change from preceding year:					
1988	19.2	19.8	.....	.....	.....
1989	17.4	14.6	.....	.....	.....
1990	4.9	7.5	.....	.....	.....
1991	2.9	3.9	.....	.....	.....
1992	-3.2	-2.2	.....	.....	.....
1993	1.1	-1.3	.....	.....	.....
1994	1.6	2.7	.....	.....	.....
1995	2.1	1.7	.....	.....	.....
1996	3.3	3.3	.....	.....	.....
1997 ^r	1.9	2.7	.....	.....	.....
1998 ^p	8.3	9.0	.....	.....	.....

^p Preliminary.

^r Revised.

n.a. Not available.

NOTES.—For improved comparability with U.S.-affiliate employment, U.S. private-industry employment was adjusted to exclude employment in depository institutions and private households.

For consistency with the coverage of the data on U.S. private-industry employment, U.S.-affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate total when the employment shares were computed.

10. Employment data by industry of sales are used to estimate shares; this basis approximates the establishment-based disaggregation of the corresponding data for all U.S. businesses. See the box "Using Employment Data to Estimate Affiliate Shares of the U.S. Economy by Industry" on page 148.

Table 5.—Employment by Nonbank U.S. Affiliates by Industry of Sales, 1997 and 1998

	Thousands of employees				Percentage of total U.S. employment in nonbank private industries ¹			
	All nonbank affiliates		Majority-owned nonbank affiliates		All nonbank affiliates		Majority-owned nonbank affiliates	
	1997	1998	1997	1998	1997	1998	1997	1998
All industries ²	5,201.9	5,633.0	4,269.1	4,655.0	4.9	5.2	4.0	4.3
Agriculture, forestry, fishing, and hunting	23.4	24.6	12.1	12.7	n.a.	n.a.	n.a.	n.a.
Mining, excluding oil and gas extraction	63.9	60.4	50.5	53.4	16.0	15.1	12.7	13.3
Utilities	8.9	7.8	3.9	4.6	1.3	1.1	.6	.7
Construction	69.2	79.7	58.4	65.8	1.2	1.4	1.0	1.1
Manufacturing ³	2,103.0	2,295.3	1,875.9	2,057.0	12.4	13.5	11.0	12.1
Food	141.6	143.0	123.8	126.3	9.6	9.8	8.4	8.6
Beverages and tobacco	29.7	36.2	29.0	30.5	16.8	21.0	16.5	17.6
Textile mills	28.9	26.4	24.7	22.0	7.4	6.8	6.3	5.7
Textile product mills	16.0	16.3	11.4	11.9	6.8	7.5	4.9	5.5
Apparel	34.9	28.5	20.9	17.0	4.9	4.3	2.9	2.5
Leather and allied products	2.3	2.9	1.4	2.0	2.7	3.6	1.7	2.5
Wood products	11.6	13.7	8.3	9.8	2.0	2.4	1.4	1.7
Paper	61.4	85.4	44.5	46.8	10.7	15.0	7.7	8.2
Printing and related support activities	53.4	52.6	52.3	50.2	6.4	6.2	6.3	5.9
Petroleum and coal products ⁴	39.3	37.8	31.0	33.9	18.1	18.2	14.2	16.3
Chemicals	305.6	312.8	281.2	285.0	34.8	34.7	32.1	31.6
Pharmaceuticals and medicines	97.7	101.2	92.6	97.4	49.1	46.6	46.5	44.8
Other	207.9	211.6	188.6	187.6	30.7	31.0	27.8	27.4
Plastics and rubber products	140.5	147.9	127.8	135.1	13.7	14.4	12.5	13.1
Nonmetallic mineral products	109.8	121.9	103.3	115.4	21.8	24.0	20.5	22.7
Primary metals	92.9	99.3	69.6	77.0	15.2	16.1	11.4	12.5
Fabricated metal products	119.4	127.0	106.7	121.4	6.8	7.0	6.0	6.7
Machinery	200.6	200.9	185.3	186.7	14.2	13.9	13.1	12.9
Computer and electronic products	258.4	266.7	237.2	247.1	15.3	15.9	14.0	14.7
Electrical equipment, appliances, and components	115.5	115.2	110.4	110.5	19.4	19.1	18.6	18.4
Transportation equipment	242.2	357.8	220.7	336.8	13.1	18.7	11.9	17.6
Motor vehicles, bodies and trailers, and parts	210.9	323.8	190.2	303.8	18.5	27.8	16.7	26.1
Other	31.4	34.1	30.5	33.0	4.4	4.6	4.3	4.4
Furniture and related products	16.3	15.7	15.6	15.5	2.7	2.6	2.6	2.6
Miscellaneous manufacturing	82.5	87.3	70.9	76.1	11.4	11.8	9.8	10.3
Wholesale trade	379.2	392.9	339.5	351.0	6.5	6.7	5.9	6.0
Retail trade	718.6	718.2	530.0	541.0	5.1	5.0	3.8	3.8
Transportation and warehousing	182.2	146.9	123.2	134.9	6.2	4.2	4.2	3.9
Information	266.5	238.5	140.7	154.5	8.7	7.6	4.6	4.9
Publishing industries	71.5	81.8	62.0	72.8	7.1	8.1	6.2	7.2
Motion picture and sound recording industries	35.3	30.0	33.8	29.7	12.8	10.6	12.2	10.5
Broadcasting and telecommunications	129.0	95.1	14.9	22.1	9.0	6.5	1.0	1.5
Information services and data processing services	30.6	31.6	30.1	30.0	8.8	8.2	8.6	7.8
Finance (except depository institutions) and insurance	221.3	235.2	192.8	198.1	5.8	6.1	5.1	5.2
Finance, except depository institutions	78.1	93.1	73.1	81.5	5.3	6.1	5.0	5.4
Insurance carriers and related activities	143.3	142.1	119.7	116.6	6.1	6.1	5.1	5.0
Real estate and rental and leasing	54.7	60.7	42.8	46.6	3.2	3.4	2.5	2.6
Professional, scientific, and technical services ⁵	135.4	158.7	121.3	135.0	2.6	2.7	2.3	2.3
Management of nonbank companies and enterprises	3.1	2.1	2.6	2.0	n.a.	n.a.	n.a.	n.a.
Administration, support, waste management, and remediation services	276.3	390.0	218.0	299.3	3.8	5.0	3.0	3.8
Educational services ⁵	7.1	10.0	6.0	7.6	2.8	n.a.	2.4	n.a.
Health care and social assistance ⁵	122.0	132.5	92.4	102.8	2.0	2.1	1.5	1.6
Arts, entertainment, and recreation ⁵	39.6	41.5	32.6	25.0	3.3	3.4	2.7	2.1
Accommodation and food services	293.2	355.9	218.8	212.1	3.1	3.8	2.3	2.2
Other services (except public administration and private households) ⁵	51.4	59.6	48.2	54.7	2.1	n.a.	1.9	n.a.
Auxiliaries, except management of companies and enterprises	149.2	181.1	126.6	156.8	n.a.	n.a.	n.a.	n.a.
Unspecified ⁶	33.8	41.4	32.8	40.2	.....	.....	.....	.....

n.a. Data required to compute shares are not available.

1. The data on U.S. employment in private industries that were used in calculating these percentages are classified by industry of establishment. For "all industries," they are from table 6.4C of the "National Income and Product Accounts (NIPA) Tables" in this issue of the SURVEY OF CURRENT BUSINESS. For industries at the sectoral level or below, the data for 1997 are from the Census Bureau's 1997 Economic Census, and the data for 1998 are from the Census Bureau's *County Business Patterns*.

2. For "all industries," the total for U.S. employment in nonbank private industries is equal to employment in private industries less the employment of depository institutions and private households. The U.S. private-industry employment totals used to calculate the affiliate shares in "all industries" in this table differ from the U.S. employment totals used to calculate affiliate shares in table 6; the latter are from BEA's Regional Economic Information System. The estimates in table 6, unlike those used for this table, do not exclude employment in depository institutions. In addition, the estimates used for table 6, unlike those used for this table, exclude U.S. residents temporarily employed abroad by U.S. businesses. They may also differ from NIPA estimates used for "all industries" in this table because of different definitions and revision schedules.

3. For consistency with the coverage of the data on U.S. employment in private industries, U.S.-affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate employment total when the percentage shares on this line were computed.

4. Total affiliate manufacturing employment and the shares of all-U.S.-business manufacturing employment accounted for by affiliates shown in this table differ from those shown in table 7. In this table, employment is classified by industry of sales, and the total for manufacturing includes some nonmanufacturing employees (see the box "Using Employment Data to Estimate Affiliate Shares of the Economy by Industry"), whereas in table 7, affiliate manufac-

ing employment consists only of employees on the payrolls of manufacturing plants. Data on the latter basis are not available for the subindustries within manufacturing shown in this table. In addition, the total for manufacturing in this table includes oil and gas extraction, which is excluded from the total in table 7.

5. For both U.S. affiliates and all U.S. businesses, includes oil and gas extraction. (See note below.)

6. The data on U.S. employment used to calculate the percentages shown on this line cover taxable establishments only. For this industry, a breakdown between employment in taxable and tax-exempt establishments is included in data from the 1997 Economic Census but not in the data from *County Business Patterns*. Employment in taxable establishments in 1998 was estimated by applying the ratio of employment in taxable establishments to total employment in the industry from the 1997 Economic Census data to the employment data from *County Business Patterns*.

7. This line includes all employment that U.S. affiliates did not specify in terms of industry of sales when they filled out their survey form. Affiliates that filed the long form (that is, affiliates with assets, sales, or net income or loss greater than \$100 million) had to specify only their 10 largest sales categories, and affiliates that filed the short form had to specify only their 4 largest sales categories.

NOTE.—A significant portion of U.S.-affiliate employment in petroleum and coal products is accounted for by integrated petroleum companies that have, in addition to their manufacturing employees, substantial numbers of employees in petroleum extraction; because these employees cannot be identified separately, they are included in petroleum and coal products manufacturing. For consistency, employees of affiliates classified in the "oil and gas extraction without refining" industry and employees of all U.S. businesses in oil and gas extraction are also included in petroleum and coal products manufacturing rather than in mining.

shares in U.S. companies. The shares of employment in these two subsectors that were accounted for by majority-owned affiliates increased only marginally.

Outside of manufacturing, the affiliate share of employment increased substantially in administration, support, waste management, and remediation services, largely as a result of foreign acquisitions of U.S. companies specializing in employment services.

The affiliate share of employment decreased substantially in transportation and warehousing and in information. In both sectors, the decreases were mainly due to selloffs of foreign minority-ownership shares in large U.S. companies. Within information, the effect of these selloffs was most pronounced in broadcasting and telecommunications, where the affiliate share decreased from 9.0 percent to 6.4 percent. A decrease in the affiliate share of employment in the motion picture and sound recording industries subsector mainly reflected foreign selloffs of majority-owned affiliates.

By State

In 1998, as in earlier years, the affiliate shares of private-industry employment were highest in Hawaii (10.4 percent), South Carolina (8.2 percent), and North Carolina (7.3 percent); these three States also had the highest shares for majority-owned affiliates (table 6). Employment in manufacturing accounted for more than one-half of af-

filiate employment in South Carolina and North Carolina but for only 3 percent of affiliate employment in Hawaii (table 7).

South Carolina ranked fourth among States in terms of the affiliate share of total employment in manufacturing (20.5 percent), behind the District of Columbia (23.4 percent), Kentucky (22.8 percent), and North Dakota (22.0 percent). The high affiliate shares in the District of Columbia and North Dakota partly reflect very small manufacturing employment totals relative to the totals in most other States.¹¹

In 1998, employment by affiliates increased the most in Michigan and Illinois. In Michigan, employment by affiliates increased 64,000, largely as a result of foreign acquisitions in the motor vehicles and motor vehicle parts industries. The affiliate share of private industry employment in Michigan increased from 4.4 percent to 6.0 percent, and the affiliate share of manufacturing employment increased from 10.1 percent to 15.2 percent. In Illinois, employment increased 38,000, partly as a result of acquisitions in the food service and petroleum industries; the affiliate share of employment increased from 4.4 percent to 5.0 percent. Employment by affiliates also increased substantially in the other Great Lakes States.

11. According to data from the Census Bureau's *County Business Patterns*, there were 3,000 manufacturing employees in the District of Columbia and 23,000 manufacturing employees in North Dakota in 1998. About two-thirds of the manufacturing employees in the District of Columbia were employed in printing and related support activities.

Using Employment Data to Estimate Affiliate Shares of the U.S. Economy by Industry

In this article, data on employment are used to estimate affiliate shares of the U.S. economy by industry because these data can be disaggregated by industry of sales, a basis that approximates the disaggregation of the data for all U.S. businesses by industry of establishment. Thus, the data on affiliate employment can be used to calculate the affiliate shares of the U.S. economy at a greater level of industry detail than can be calculated using the gross product estimates or other data, which can only be disaggregated on the basis of industry of affiliate.¹

In the classification by industry of sales, the data on affiliate employment (and sales) are distributed among all of the industries in which the affiliate reports sales. As a result,

1. Establishment-level data from a joint project of BEA and the Bureau of the Census can be used to calculate affiliate shares at an even greater level of detail. These data show each four-digit manufacturing industry in the Standard Industrial Classification; they are currently available for 1987–92. The data for foreign-owned manufacturing establishments are analyzed in a number of SURVEY articles that can be accessed at BEA's Web site at <www.bea.doc.gov/bea/ai1.htm>.

employment classified by industry of sales should approximate that classified by industry of establishment (or plant), because an affiliate that has an establishment in an industry usually also has sales in that industry.²

In contrast, in the classification by industry of affiliate, all of the operations data (including the employment data) for an affiliate are assigned to that affiliate's "primary" industry—that is, the industry in which it has the most sales.³ As a result, any affiliate operations that take place in secondary industries will be classified as operations in the primary industry.

2. However, this is not the case if one establishment of an affiliate provides all of its output to another establishment of that affiliate. For example, if an affiliate operates both a metal mine and a metal-manufacturing plant and if the entire output of the mine is used by the manufacturing plant, all of the affiliate's sales will be in metal manufacturing, and none in metal mining. When the mining employees are distributed by industry of sales, they are classified in manufacturing even though the industry of that establishment is mining.

3. An affiliate's primary industry is based on a breakdown of the affiliate's sales by BEA International Surveys Industry classification code.

Employment by affiliates decreased substantially in Minnesota and in Hawaii. In Minnesota, where the affiliate share of employment decreased from 4.5 percent to 3.6 percent, selloffs of minority-owned affiliates more than accounted for the

decrease; employment by majority-owned affiliates increased. In Hawaii, the decrease was also largely the result of selloffs; the affiliate share of employment decreased from 11.4 percent to 10.4 percent.

Table 6.—Employment by Nonbank U.S. Affiliates by State, 1997 and 1998

	Thousands of employees				Percentage of total private industry employment in the State ¹			
	All nonbank affiliates		Majority-owned nonbank affiliates		All nonbank affiliates		Majority-owned nonbank affiliates	
	1997	1998	1997	1998	1997	1998	1997	1998
Total ²	5,201.9	5,633.0	4,269.1	4,655.0	4.9	5.1	4.0	4.2
New England	344.8	377.1	302.0	326.2	5.9	6.3	5.1	5.4
Connecticut	89.1	98.1	81.8	89.0	6.1	6.6	5.6	6.0
Maine	32.0	32.2	22.3	22.0	6.7	6.6	4.7	4.5
Massachusetts	163.6	178.4	145.7	157.3	5.8	6.2	5.2	5.4
New Hampshire	31.6	36.0	26.9	30.2	6.2	6.9	5.3	5.8
Rhode Island	19.1	20.8	18.2	18.7	4.8	5.1	4.6	4.6
Vermont	9.4	11.6	7.1	9.0	3.9	4.7	2.9	3.6
Mideast	913.3	993.0	774.2	830.9	5.2	5.5	4.4	4.6
Delaware	19.1	24.9	14.9	17.9	5.6	7.0	4.3	5.0
District of Columbia	11.2	13.9	7.3	9.5	2.8	3.4	1.8	2.3
Maryland	91.8	94.1	62.6	66.4	4.8	4.8	3.3	3.4
New Jersey	212.5	235.5	192.3	199.3	6.6	7.1	6.0	6.0
New York	353.5	386.6	297.4	325.9	5.1	5.5	4.3	4.6
Pennsylvania	225.2	238.0	199.7	211.9	4.7	4.8	4.1	4.3
Great Lakes	839.6	1,006.7	723.1	875.6	4.5	5.3	3.9	4.6
Illinois	224.9	262.8	193.7	219.6	4.4	5.0	3.8	4.2
Indiana	128.9	160.8	113.0	140.1	5.1	6.2	4.5	5.4
Michigan	171.6	235.9	141.1	211.5	4.4	6.0	3.6	5.3
Ohio	236.3	260.9	204.5	226.0	4.9	5.4	4.3	4.6
Wisconsin	77.9	86.3	70.8	78.4	3.3	3.6	3.0	3.3
Plains	301.8	299.3	222.2	236.1	3.7	3.6	2.8	2.9
Iowa	37.9	35.9	32.1	31.6	3.1	2.9	2.7	2.5
Kansas	45.8	51.0	30.5	32.6	4.3	4.6	2.8	2.9
Minnesota	99.0	80.5	63.9	66.7	4.5	3.6	2.9	2.9
Missouri	85.0	91.6	68.5	72.7	3.7	3.9	3.0	3.1
Nebraska	20.3	21.6	14.3	15.0	2.8	2.9	2.0	2.0
North Dakota	3.7	8.6	3.3	8.1	1.4	3.3	1.3	3.1
South Dakota	10.1	10.1	9.6	9.4	3.4	3.3	3.2	3.1
Southeast	1,372.7	1,454.9	1,124.2	1,192.4	5.4	5.6	4.4	4.6
Alabama	66.0	74.8	52.5	58.6	4.2	4.7	3.3	3.7
Arkansas	34.0	37.2	29.6	30.9	3.6	3.9	3.1	3.2
Florida	242.3	264.0	174.3	185.5	4.3	4.5	3.1	3.1
Georgia	191.0	200.7	160.6	171.9	6.1	6.2	5.1	5.3
Kentucky	90.0	93.4	71.9	74.8	6.1	6.2	4.9	5.0
Louisiana	58.3	59.7	46.2	46.5	3.8	3.8	3.0	3.0
Mississippi	22.9	24.0	17.3	18.3	2.5	2.5	1.9	1.9
North Carolina	226.3	238.8	195.6	206.9	7.1	7.3	6.1	6.3
South Carolina	119.5	125.4	111.4	116.3	8.1	8.2	7.5	7.6
Tennessee	147.5	155.4	127.1	134.5	6.5	6.7	5.6	5.8
Virginia	147.3	152.2	117.5	124.2	5.4	5.5	4.3	4.5
West Virginia	27.6	29.3	20.2	24.0	4.9	5.1	3.6	4.2
Southwest	463.9	503.2	356.4	393.4	4.3	4.5	3.3	3.5
Arizona	59.7	63.4	43.0	45.5	3.4	3.5	2.5	2.5
New Mexico	18.3	18.0	11.3	11.4	3.3	3.2	2.0	2.0
Oklahoma	34.7	40.6	29.2	31.5	3.0	3.4	2.5	2.6
Texas	351.2	381.2	272.9	305.0	4.8	5.0	3.7	4.0
Rocky Mountain	140.9	143.1	95.4	99.9	4.0	4.0	2.7	2.8
Colorado	81.6	79.6	56.1	58.4	4.7	4.4	3.2	3.2
Idaho	12.4	14.2	7.1	7.7	2.9	3.2	1.7	1.7
Montana	4.5	6.9	2.8	4.6	1.5	2.2	.9	1.5
Utah	35.3	34.6	24.2	23.2	4.1	3.9	2.8	2.6
Wyoming	7.1	7.8	5.2	6.0	4.1	4.4	3.0	3.4
Far West	795.4	831.7	648.5	678.8	4.8	4.9	3.9	4.0
Alaska	9.1	10.6	8.5	9.5	4.5	5.1	4.2	4.6
California	569.6	603.2	467.7	494.4	4.9	5.0	4.0	4.1
Hawaii	50.2	45.4	43.5	40.8	11.4	10.4	9.9	9.3
Nevada	26.5	27.9	19.7	20.9	3.2	3.3	2.4	2.5
Oregon	52.4	54.9	41.8	43.1	4.0	4.1	3.2	3.2
Washington	87.6	89.7	67.3	70.1	4.1	4.0	3.1	3.2
Puerto Rico	17.4	16.8	13.8	14.4	n.a.	n.a.	n.a.	n.a.
Other U.S. areas ³	10.2	7.3	7.5	7.0	n.a.	n.a.	n.a.	n.a.
Foreign ⁴	1.9	(*)	1.9	(*)	n.a.	n.a.	n.a.	n.a.

*Less than 50 employees.

1. The data on employment in private industries used to calculate the shares shown in this table are from BEA's Regional Economic Information System. The totals are equal to employment in private industries less employment of private households. The U.S. employment totals used to calculate affiliate shares in this table differ from those used for table 4 and the all-industries line of table 5, which are from table 6.4C of the "National Income and Product Accounts (NIPA) Tables." They differ from the NIPA estimates of employment because they include depository institutions, and, by definition, they exclude U.S. residents temporarily employed abroad by U.S. businesses. They also

may differ from the NIPA estimates because of different definitions and revision schedules.

2. For consistency with the coverage of the private-industry employment data, U.S.-affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate employment total when the percentage shares on this line were computed.

3. Consists of the U.S. Virgin Islands, Guam, American Samoa, and all other outlying U.S. areas.

4. Consists of employees of U.S. affiliates working abroad.
n.a. Not available.

Table 7.—Manufacturing Employment by Nonbank U.S. Affiliates by State, 1997 and 1998

	Thousands of employees				Percentage of total employment by nonbank U.S. affiliates				Percentage of total manufacturing employment in the State ¹			
	All nonbank affiliates		Majority-owned nonbank affiliates		All nonbank affiliates		Majority-owned nonbank affiliates		All nonbank affiliates		Majority-owned nonbank affiliates	
	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998
	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998
Total ²	2,063.7	2,260.7	1,846.3	2,033.1	39.7	40.1	43.2	43.7	12.2	13.3	10.9	12.0
New England	108.7	117.1	100.1	110.3	31.5	31.1	33.1	33.8	11.2	12.2	10.3	11.5
Connecticut	26.7	32.0	24.2	29.6	30.0	32.6	29.6	33.3	10.6	13.0	9.6	12.0
Maine	12.9	12.3	11.5	11.2	40.3	38.2	51.6	50.9	15.7	15.3	14.0	13.9
Massachusetts	43.8	44.3	40.3	42.2	26.8	24.8	27.7	26.8	10.5	10.8	9.7	10.3
New Hampshire	14.6	17.5	13.9	16.9	46.2	48.6	51.7	56.0	14.8	17.2	14.0	16.6
Rhode Island	7.2	7.6	7.0	7.3	37.7	36.5	38.5	39.0	9.5	10.2	9.3	9.8
Vermont	3.5	3.4	3.2	3.1	37.2	29.3	45.1	34.4	8.2	7.6	7.5	6.9
Mideast	284.6	303.8	263.8	282.4	31.2	30.6	34.1	34.0	12.8	13.9	11.8	12.9
Delaware	7.6	8.4	6.2	7.4	39.8	33.7	41.6	41.3	18.5	19.3	15.1	17.0
District of Columbia .....	.5	.7	.5	.6	4.5	5.0	6.8	6.3	17.5	23.4	17.5	20.1
Maryland	22.2	22.1	19.9	20.4	24.2	23.5	31.8	30.7	13.5	13.5	12.1	12.5
New Jersey	76.5	76.0	72.2	71.4	36.0	32.3	37.5	35.8	18.7	18.8	17.6	17.6
New York	75.0	82.0	68.2	74.5	21.2	21.2	22.9	22.9	9.5	10.9	8.7	9.9
Pennsylvania	102.8	114.6	96.8	108.1	45.6	48.2	48.5	51.0	12.4	14.0	11.7	13.2
Great Lakes	454.6	552.7	408.7	495.8	54.1	54.9	56.5	56.6	11.7	14.1	10.5	12.7
Illinois	104.4	117.1	95.3	105.0	46.4	44.6	49.2	47.8	11.8	13.3	10.7	11.9
Indiana	85.5	115.1	79.0	104.5	66.3	71.6	69.9	74.6	13.7	18.1	12.6	16.4
Michigan	84.1	125.8	72.1	111.1	49.0	53.3	51.1	52.5	10.1	15.2	8.7	13.4
Ohio	135.9	144.1	120.8	127.4	57.5	55.2	59.1	56.4	13.8	14.5	12.3	12.8
Wisconsin	44.7	50.6	41.5	47.8	57.4	58.6	58.6	61.0	7.9	8.9	7.4	8.4
Plains	127.3	142.5	116.5	129.5	42.2	47.6	52.4	54.8	9.4	10.3	8.6	9.4
Iowa	21.4	22.1	21.1	20.8	56.5	61.6	65.7	65.8	9.1	9.0	8.9	8.5
Kansas	17.2	19.6	15.3	17.7	37.6	38.4	50.2	54.3	8.9	10.0	7.9	9.0
Minnesota	32.5	34.1	28.8	30.4	32.8	42.4	45.1	45.6	8.5	9.0	7.5	8.0
Missouri	42.1	47.7	37.9	42.6	49.5	52.1	55.3	58.6	11.3	12.5	10.2	11.2
Nebraska	9.0	9.9	8.4	9.2	44.3	45.8	58.7	61.3	8.4	9.0	7.9	8.4
North Dakota	1.5	5.1	1.5	5.0	40.5	59.3	45.5	61.7	6.8	22.0	6.8	21.5
South Dakota	3.6	4.0	3.5	3.8	35.6	39.6	36.5	40.4	7.7	8.3	7.5	7.9
Southeast	629.4	658.1	562.4	587.1	45.9	45.2	50.0	49.2	14.7	15.4	13.1	13.7
Alabama	42.7	47.2	36.2	41.3	64.7	63.1	69.0	70.5	12.1	13.4	10.3	11.7
Arkansas	24.7	26.2	21.6	22.8	72.6	70.4	73.0	73.8	10.7	11.3	9.4	9.8
Florida	46.7	53.1	41.2	46.7	19.3	20.1	23.6	25.2	10.8	12.4	9.5	10.9
Georgia	83.8	89.3	75.4	80.6	43.9	44.5	46.9	46.9	15.7	16.7	14.1	15.1
Kentucky	63.5	66.3	50.1	53.0	70.6	71.0	69.7	70.9	22.0	22.8	17.4	18.2
Louisiana	21.0	21.9	18.9	19.1	36.0	36.7	40.9	41.1	12.7	12.8	11.4	11.1
Mississippi	12.3	12.8	10.5	11.1	53.7	53.3	60.7	60.7	5.4	5.6	4.6	4.8
North Carolina	117.5	121.1	107.7	110.3	51.9	50.7	55.1	53.3	15.2	15.7	13.9	14.3
South Carolina	68.5	70.4	65.1	65.7	57.3	56.1	58.4	56.5	19.8	20.5	18.8	19.1
Tennessee	86.8	86.9	80.0	79.8	58.8	55.9	62.9	59.3	17.9	18.0	16.5	16.5
Virginia	47.8	48.9	44.3	45.5	32.5	32.1	37.7	36.6	12.9	13.3	12.0	12.4
West Virginia	14.1	14.0	11.4	11.2	51.1	47.8	56.4	46.7	19.4	18.8	15.7	15.0
Southwest	166.9	186.5	150.9	172.3	36.0	37.1	42.3	43.8	12.3	13.4	11.1	12.3
Arizona	15.5	16.6	13.4	14.2	26.0	26.2	31.2	31.2	8.0	8.3	6.9	7.1
New Mexico	3.9	3.5	3.8	3.4	21.3	19.4	33.6	29.8	9.8	8.6	9.6	8.4
Oklahoma	15.6	16.5	15.1	15.6	45.0	40.6	51.7	49.5	9.5	9.8	9.2	9.3
Texas	131.9	149.9	118.6	139.1	37.6	39.3	43.5	45.6	13.7	15.2	12.4	14.1
Rocky Mountain	34.4	37.4	30.4	31.8	24.4	26.1	31.9	31.8	8.9	9.5	7.9	8.1
Colorado	19.4	19.9	16.7	16.3	23.8	25.0	29.8	27.9	11.2	11.5	9.6	9.4
Idaho	3.6	4.4	3.5	4.3	29.0	31.0	49.3	55.8	5.4	6.6	5.3	6.4
Montana .....	.6	1.2	.6	.6	13.3	17.4	21.4	13.0	3.1	5.8	3.1	2.9
Utah	9.3	10.5	8.2	9.2	26.3	30.3	33.9	39.7	7.8	8.4	6.9	7.4
Wyoming	1.5	1.4	1.4	1.4	21.1	17.9	26.9	23.3	17.8	15.7	16.6	15.7
Far West	245.4	253.8	206.3	216.2	30.9	30.5	31.8	31.9	10.2	10.4	8.5	8.9
Alaska	1.5	1.7	1.5	1.4	16.5	16.0	17.6	14.7	13.9	14.0	13.9	11.6
California	185.3	193.3	154.4	163.3	32.5	32.0	33.0	33.0	10.2	10.6	8.5	8.9
Hawaii	1.4	1.2	1.3	1.1	2.8	2.6	3.0	2.7	9.3	8.3	8.6	7.6
Nevada	5.2	5.1	5.0	4.9	19.6	18.3	25.4	23.4	13.7	13.1	13.2	12.6
Oregon	21.7	21.2	19.0	18.5	41.4	38.6	45.5	42.9	10.2	10.0	8.9	8.7
Washington	30.3	31.3	25.1	27.0	34.6	34.9	37.3	38.5	9.2	9.3	7.6	8.0
Puerto Rico	9.7	8.6	7.5	7.4	55.7	51.2	54.3	51.4	n.a.	n.a.	n.a.	n.a.
Other U.S. areas ³	2.7	.2	.2	.2	26.5	2.7	2.7	2.9	n.a.	n.a.	n.a.	n.a.
Foreign ⁴	0	0	0	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.

1. The data on employment in manufacturing used to calculate these shares for 1997 are from the Census Bureau's 1997 Economic Census; for 1998, the data are from the Census Bureau's *County Business Patterns*.

2. Total affiliate manufacturing employment and the shares of all-U.S.-business manufacturing employment accounted for by affiliates in this table differ from those shown in table 5 (see footnote 3 to table 5). For consistency with the coverage of the employment data for all U.S. manufacturing plants, U.S. affiliate employment in Puerto

Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate total when the percentage shares on this line were computed.

3. Consists of the U.S. Virgin Islands, Guam, American Samoa, and all other outlying U.S. areas.

4. Consists of employees of U.S. affiliates working abroad.
n.a. Not available.

Trade in Goods

U.S. affiliates have a major presence in U.S. trade in goods: In most years since 1977, affiliates have accounted for 20–25 percent of U.S. exports of goods and for 30–35 percent of U.S. imports of goods; these shares are much higher than affiliates' shares of either gross product or employment (table 8). The relatively high shares in trade partly reflect the activity of wholesale trade affiliates, which have served as conduits for flows of goods between the United States and the foreign investing countries.¹² Affiliate trade in goods has been dominated by majority-owned affiliates: In the past decade, these affiliates have consistently accounted for more than 80 percent of affiliate exports and more than 90 percent of affiliate imports.

Much of the trade in goods by affiliates—about 40 percent of exports and 70 percent of imports—is intrafirm trade (that is, trade between the affil-

ates and their foreign parents or other member companies of their foreign parent groups). In most years, U.S.-affiliate intrafirm trade has accounted for 8–12 percent of U.S. exports and for 20–28 percent of U.S. imports. Almost all of the intrafirm trade of affiliates has been trade by majority-owned affiliates.

Exports

In 1998, exports of goods by U.S. affiliates increased 7 percent, to \$150.8 billion, as a result of new foreign investments. In contrast, total U.S. exports of goods decreased 1 percent, reflecting a reduction in foreign demand that was associated with troubled economic conditions overseas, particularly in Asia. Thus, the affiliate share of U.S. exports of goods increased from 20.5 percent in 1997 to 22.1 percent in 1998.

The increase in affiliate exports in 1998 was more than accounted for by foreign acquisitions of a few large U.S. manufacturing companies; exports by existing U.S. affiliates decreased, reflecting the

12. In 1998, affiliates classified in wholesale trade accounted for 37 percent of affiliate exports and for 53 percent of affiliate imports. Wholesale trade affiliates played an even larger role in U.S.-affiliate trade in earlier years.

Table 8.—U.S. Trade in Goods by Nonbank U.S. Affiliates, 1977–98

	Millions of dollars				U.S. exports of goods shipped by affiliates as a percentage of total U.S. exports of goods		U.S. imports of goods shipped to affiliates as a percentage of total U.S. imports of goods	
	U.S. exports of goods shipped by affiliates		U.S. imports of goods shipped to affiliates		Total	Of which: To the foreign parent group	Total	Of which: From the foreign parent group
	Total	Of which: To the foreign parent group	Total	Of which: From the foreign parent group				
All nonbank affiliates:								
1977	24,858	11,691	43,896	30,878	20.2	9.5	29.0	20.4
1978	32,169	16,570	56,567	39,466	22.1	11.4	32.1	22.4
1979	44,341	22,073	63,039	45,295	23.8	11.8	30.0	21.5
1980	52,199	20,983	75,803	47,010	23.1	9.3	30.9	19.2
1981	64,066	26,911	82,259	52,196	26.8	11.3	31.5	20.0
1982	60,236	25,024	84,290	51,915	27.8	11.6	34.6	21.3
1983	53,854	22,577	81,464	54,802	26.2	11.0	31.6	21.2
1984	58,186	27,072	100,489	70,451	26.0	12.1	30.4	21.3
1985	56,401	25,900	113,331	81,740	25.8	11.8	33.7	24.3
1986	49,560	21,873	125,732	93,418	21.9	9.7	34.4	25.5
1987	48,091	19,109	143,537	108,201	18.9	7.5	35.3	26.6
1988	69,541	26,425	155,533	118,362	21.5	8.2	35.2	26.8
1989	86,316	34,276	171,847	129,926	23.7	9.4	36.3	27.4
1990	92,308	37,764	182,936	137,458	23.5	9.6	36.9	27.7
1991	96,933	42,222	178,702	132,166	23.0	10.0	36.6	27.1
1992	103,925	48,767	184,464	137,799	23.2	10.9	34.6	25.9
1993	106,615	47,350	200,599	150,789	22.9	10.2	34.5	26.0
1994	120,683	51,147	232,362	174,641	23.5	10.0	35.0	26.3
1995	135,153	57,246	250,824	191,222	23.1	9.8	33.7	25.7
1996	140,886	60,831	268,673	197,656	22.5	9.7	33.8	24.9
1997 ^p	141,305	63,025	264,924	202,355	20.5	9.1	30.5	23.3
1998 ^p	150,836	57,386	289,679	203,526	22.1	8.4	31.8	22.3
Majority-owned nonbank affiliates:								
1988	57,209	26,001	144,896	112,012	17.7	8.0	32.8	25.3
1989	72,413	33,778	158,792	122,899	19.9	9.3	33.5	25.9
1990	79,368	37,177	170,677	131,665	20.2	9.5	34.4	26.5
1991	85,254	41,373	169,362	128,143	20.2	9.8	34.7	26.2
1992	91,686	47,567	172,260	132,217	20.5	10.6	32.3	24.8
1993	94,329	46,241	186,369	144,698	20.3	9.9	32.1	24.9
1994	107,057	49,864	214,485	166,085	20.9	9.7	32.3	25.0
1995	121,277	55,842	232,250	182,148	20.7	9.5	31.2	24.5
1996	125,897	59,544	248,562	187,889	20.1	9.5	31.3	23.6
1997 ^p	128,394	61,288	249,310	193,969	18.6	8.9	28.7	22.3
1998 ^p	137,912	55,874	277,599	197,924	20.2	8.2	30.4	21.7

^p Preliminary.

^r Revised.

NOTE.—The data on total U.S. exports and imports of goods that were used to calculate the shares shown in

this table are Census-basis data published in BEA's international transactions accounts (see table 2, lines A1 and A9, in Douglas B. Weinberg, "U.S. International Transactions, First Quarter 2000," SURVEY OF CURRENT BUSINESS 80 (July 2000): 98–99).

troubled conditions in Asia, which has been a major market for U.S.-affiliate exports.¹³ Because the acquired affiliates had little or no established trade with their new foreign parent companies, foreign acquisitions did not have a comparable impact on intrafirm exports by affiliates. In fact, intrafirm exports by affiliates decreased 9 percent in 1998, and the share of these exports in U.S. exports of goods decreased from 9.1 percent to 8.4 percent.

By country of UBO, exports by German-owned affiliates more than doubled, largely because of German acquisitions of U.S. companies (table 9). As a result, the share of exports by German-owned affiliates in affiliate exports of goods increased from 10.0 percent to 19.2 percent, and their share in total U.S. exports of goods increased from 2.0

percent to 4.2 percent. Intrafirm exports by German-owned affiliates, which were largely unaffected by the acquisitions, increased 13 percent, reflecting expanded activity by existing affiliates.

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13. Data on the destination of U.S.-affiliate exports, which were most recently collected in the 1997 benchmark survey of foreign direct investment in the United States, indicate that exports to Asia and Pacific accounted for 41 percent of the total exports of U.S. affiliates in 1997.

Table 9.—U.S. Trade in Goods of Nonbank U.S. Affiliates by Transactor and Selected Country of Ultimate Beneficial Owner, 1996–98

	U.S. exports of goods shipped by affiliates									Addendum: Percent change in affiliate exports, 1997–98
	Millions of dollars			Percentage of all-countries total			Percentage of total U.S. exports of goods ¹			
	1996	1997	1998	1996	1997	1998	1996	1997	1998	
Exports, total:										
All countries	140,886	141,305	150,836	100.0	100.0	100.0	22.5	20.5	22.1	6.7
Canada	5,920	8,155	8,118	4.2	5.8	5.4	.9	1.2	1.2	–5
France	17,838	14,112	15,140	12.7	10.0	10.0	2.9	2.0	2.2	7.3
Germany	12,785	14,114	28,987	9.1	10.0	19.2	2.0	2.0	4.2	105.4
Netherlands	4,719	4,713	4,124	3.3	3.3	2.7	.8	.7	.6	–12.5
Sweden	3,826	3,665	3,880	2.7	2.6	2.6	.6	.5	.6	5.9
Switzerland	6,468	5,857	5,640	4.6	4.1	3.7	1.0	.8	.8	–3.7
United Kingdom	13,137	14,461	16,700	9.3	10.2	11.1	2.1	2.1	2.4	15.5
Japan	54,490	52,524	45,989	38.7	37.2	30.5	8.7	7.6	6.7	–12.4
Korea, Republic of	3,978	5,064	3,857	2.8	3.6	2.6	.6	.7	.6	–23.8
Other	17,725	18,640	18,401	12.6	13.2	12.2	2.8	2.7	2.7	–1.3
Exports to the foreign parent group:										
All countries	60,831	63,025	57,386	100.0	100.0	100.0	9.7	9.1	8.4	–8.9
Canada	2,806	2,993	2,851	4.6	4.7	5.0	.4	.4	.4	–4.7
France	3,638	2,959	3,053	6.0	4.7	5.3	.6	.4	.4	3.2
Germany	3,714	5,263	5,941	6.1	8.4	10.4	.6	.8	.9	12.9
Netherlands	2,185	2,303	1,980	3.6	3.7	3.5	.3	.3	.3	–14.0
Sweden	1,374	1,785	1,493	2.3	2.8	2.6	.2	.3	.2	–16.4
Switzerland	2,359	2,347	2,702	3.9	3.7	4.7	.4	.3	.4	15.1
United Kingdom	2,687	3,408	3,446	4.4	5.4	6.0	.4	.5	.5	1.1
Japan	34,108	31,841	26,969	56.1	50.5	47.0	5.5	4.6	4.0	–15.3
Korea, Republic of	1,598	3,667	2,274	2.6	5.8	4.0	.3	.5	.3	–38.0
Other	6,362	6,459	6,677	10.5	10.2	11.6	1.0	.9	1.0	3.4
Exports to others:										
All countries	80,055	78,280	93,450	100.0	100.0	100.0	12.8	11.4	13.7	19.4
Canada	3,114	5,163	5,267	3.9	6.6	5.6	.5	.7	.8	2.0
France	14,201	11,153	12,086	17.7	14.2	12.9	2.3	1.6	1.8	8.4
Germany	9,071	8,852	23,046	11.3	11.3	24.7	1.5	1.3	3.4	160.3
Netherlands	2,534	2,410	2,144	3.2	3.1	2.3	.4	.3	.3	–11.0
Sweden	2,452	1,880	2,387	3.1	2.4	2.6	.4	.3	.3	27.0
Switzerland	4,108	3,510	2,938	5.1	4.5	3.1	.7	.5	.4	–16.3
United Kingdom	10,450	11,053	13,254	13.1	14.1	14.2	1.7	1.6	1.9	19.9
Japan	20,383	20,683	19,020	25.5	26.4	20.4	3.3	3.0	2.8	–8.0
Korea, Republic of	2,380	1,397	1,583	3.0	1.8	1.7	.4	.2	.2	13.3
Other	11,362	12,179	11,725	14.2	15.6	12.5	1.8	1.8	1.7	–3.7

See the footnote and note at the end of the table.

Acquisitions of U.S. companies were also the major factor behind a 15-percent increase in exports by British-owned affiliates. These acquisitions had virtually no impact on intrafirm exports by British-owned affiliates, which increased only 1 percent.

In contrast, exports by Japanese-owned affiliates decreased 12 percent, and exports by Korean-owned affiliates decreased 24 percent. These reductions, which mainly took the form of reduced intrafirm exports by wholesale trade affiliates, can be attributed to a falloff in Japanese and Korean demand for U.S. goods that resulted from the 1998 economic downturn in the two countries and the accompanying depreciation of their currencies against the U.S. dollar.¹⁴ The decrease in intrafirm

exports by Japanese-owned and Korean-owned affiliates more than accounted for the overall decrease in U.S.-affiliate intrafirm exports.

Imports

In 1998, imports of goods by U.S. affiliates increased 9 percent, to \$289.7 billion, mainly as a result of foreign acquisitions of U.S. manufacturing companies. Total U.S. imports of goods increased 5 percent. Thus, the affiliate share of U.S. imports of goods increased from 30.4 percent in 1997 to 31.8 percent in 1998.

As with exports, the imports of companies acquired in 1998 boosted the imports of U.S. affiliates from unrelated parties but had little effect on intrafirm imports: Imports by affiliates from unrelated parties increased more than a third, while intrafirm imports by affiliates increased less than 1 percent. The share of intrafirm imports by affi-

14. Data on the destination of U.S.-affiliate exports indicate that more than 70 percent of the intrafirm exports of Japanese-owned and Korean-owned affiliates were shipped to their respective home countries.

Table 9.—U.S. Trade in Goods of Nonbank U.S. Affiliates by Transactor and Selected Country of Ultimate Beneficial Owner, 1996–98—Continued

	U.S. imports of goods shipped by affiliates									Addendum: Percent change in affiliate imports, 1997–98
	Millions of dollars			Percentage of all-countries total			Percentage of total U.S. imports of goods ¹			
	1996	1997	1998	1996	1997	1998	1996	1997	1998	
Imports, total:										
All countries	268,673	264,924	289,679	100.0	100.0	100.0	33.8	30.5	31.8	9.3
Canada	16,287	15,333	15,484	6.1	5.8	5.3	2.0	1.8	1.7	1.0
France	13,123	12,847	12,649	4.9	4.8	4.4	1.7	1.5	1.4	-1.5
Germany	30,237	32,206	55,246	11.3	12.2	19.1	3.8	3.7	6.1	71.5
Netherlands	9,266	11,435	10,842	3.4	4.3	3.7	1.2	1.3	1.2	-5.2
Sweden	5,058	5,510	6,562	1.9	2.1	2.3	.6	.6	.7	19.1
Switzerland	7,960	6,633	6,815	3.0	2.5	2.4	1.0	.8	.7	2.7
United Kingdom	13,573	15,309	15,555	5.1	5.8	5.4	1.7	1.8	1.7	1.6
Japan	126,424	120,693	122,315	47.1	45.6	42.2	15.9	13.9	13.4	1.3
Korea, Republic of	10,801	9,229	11,001	4.0	3.5	3.8	1.4	1.1	1.2	19.2
Other	35,944	35,729	33,210	13.4	13.5	11.5	4.5	4.1	3.6	-7.1
Imports from the foreign parent group:										
All countries	197,656	202,355	203,526	100.0	100.0	100.0	24.9	23.3	22.3	.6
Canada	12,133	13,092	13,204	6.1	6.5	6.5	1.5	1.5	1.4	.9
France	7,314	6,987	6,162	3.7	3.5	3.0	.9	.8	.7	-11.8
Germany	23,320	25,993	29,305	11.8	12.8	14.4	2.9	3.0	3.2	12.7
Netherlands	5,034	6,512	7,391	2.5	3.2	3.6	.6	.7	.8	13.5
Sweden	4,561	5,130	5,866	2.3	2.5	2.9	.6	.6	.6	14.3
Switzerland	5,832	5,368	5,651	3.0	2.7	2.8	.7	.6	.6	5.3
United Kingdom	7,006	9,313	7,596	3.5	4.6	3.7	.9	1.1	.8	-18.4
Japan	98,721	96,214	95,393	49.9	47.5	46.9	12.4	11.1	10.5	-9
Korea, Republic of	8,297	7,759	9,664	4.2	3.8	4.7	1.0	.9	1.1	24.6
Other	25,438	25,987	23,294	12.9	12.8	11.4	3.2	3.0	2.6	-10.4
Imports from others:										
All countries	71,016	62,569	86,154	100.0	100.0	100.0	8.9	7.2	9.4	37.7
Canada	4,154	2,241	2,280	5.8	3.6	2.6	.5	.3	.3	1.7
France	5,809	5,860	6,487	8.2	9.4	7.5	.7	.7	.7	10.7
Germany	6,916	6,213	25,940	9.7	9.9	30.1	.9	.7	2.8	317.5
Netherlands	4,232	4,923	3,451	6.0	7.9	4.0	.5	.6	.4	-29.9
Sweden	497	380	697	.7	.6	.8	.1	(*)	.1	83.4
Switzerland	2,128	1,265	1,164	3.0	2.0	1.4	.3	.1	.1	-8.0
United Kingdom	6,567	5,996	7,960	9.2	9.6	9.2	.8	.7	.9	32.8
Japan	27,703	24,479	26,922	39.0	39.1	31.2	3.5	2.8	3.0	10.0
Korea, Republic of	2,504	1,470	1,337	3.5	2.3	1.6	.3	.2	.1	-9.0
Other	10,506	9,742	9,916	14.8	15.6	11.5	1.3	1.1	1.1	1.8

* Less than 0.05 percent.
1. See the note to table 8.

NOTE.—Affiliates of the nine countries listed in this table accounted for the largest shares of affiliate exports and imports in each of the years 1996–98.

ates in U.S. imports of goods decreased from 23.2 percent in 1997 to 22.3 percent in 1998.

By country of ownership, imports by German-owned affiliates increased 72 percent; the increase mainly resulted from German acquisitions of U.S. companies, which expanded imports from unrelated parties. Intrafirm imports by German-owned affiliates increased 13 percent, mainly reflecting increased imports by existing affiliates in the motor vehicle manufacturing and motor vehicle wholesale trade industries.

Among the other investing countries, imports by Korean-owned affiliates (which have predominantly been by wholesale trade affiliates) increased 19 percent in 1998, reflecting increased imports by existing wholesale trade affiliates. Imports by Swedish-owned affiliates also increased 19 percent, reflecting expanded imports by existing affiliates. In contrast, imports by Netherlands-owned affiliates decreased, partly as a result of selloffs. For British-owned affiliates, a substantial increase in imports from unrelated parties that resulted from

new acquisitions was largely offset by reduced intrafirm imports by existing affiliates.

Data Availability

This article presents a summary of the preliminary estimates from the 1998 annual survey of foreign direct investment in the United States. More detailed estimates will be published this fall; availability will be announced on the inside back cover of the SURVEY. Revised estimates will be published next year.

Estimates of U.S. affiliate operations in 1977–97 are available on diskettes and in compressed files that can be downloaded from BEA's Web site at <www.bea.doc.gov>.

The estimates for 1991–97 are also available in publications.

For more information on these products and how to get them, see the International Investment Division Product Guide on BEA's Web site at <www.bea.doc.gov/bea/di1.htm>, or write to the Research Branch (BE-50), International Investment Division, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.


Tables 10 and 11 follow. 

Table 10.1—Selected Data of Nonbank U.S. Affiliates by Industry of Affiliate, 1997

	Millions of dollars							Thousands of employees	Millions of dollars	
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Gross product	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All industries	3,071,483	877,568	113,262	1,726,344	40,924	389,432	233,482	5,201.9	141,305	264,924
Manufacturing	691,975	400,182	42,468	684,349	16,822	190,635	114,560	2,258.0	71,251	105,242
Food	44,925	20,395	1,585	48,444	129	11,092	6,680	156.3	2,846	2,712
Beverages and tobacco products	27,378	5,768	662	13,889	579	5,477	1,892	32.1	1,632	1,206
Textiles, apparel, and leather products	8,462	5,820	391	9,320	196	3,264	2,321	76.5	460	618
Wood products	1,622	1,134	91	2,061	89	582	379	10.7	244	265
Paper	19,870	16,258	967	16,857	32	5,077	3,376	63.3	1,740	1,052
Printing and related support activities	5,398	3,851	376	5,468	-94	2,057	1,699	38.7	143	235
Petroleum and coal products	65,788	81,359	6,078	64,399	3,921	23,476	4,034	51.6	2,669	10,882
Chemicals	192,552	93,870	10,244	143,138	4,150	41,199	25,557	394.6	15,443	16,257
Basic chemicals	43,959	34,426	3,972	35,110	558	9,567	5,389	80.5	4,911	3,865
Resins and synthetic rubber, fibers, and filaments	23,004	14,221	1,305	18,002	675	5,047	2,914	48.3	2,820	1,737
Pharmaceuticals and medicines	78,774	25,015	2,784	49,906	1,300	16,371	10,831	145.5	4,002	7,710
Soap, cleaning compounds, and toilet preparations	20,959	7,418	756	20,105	1,215	4,772	3,231	57.7	918	529
Other	25,856	12,790	1,428	20,016	400	5,443	3,191	62.6	2,792	2,417
Plastics and rubber products	21,105	16,722	1,531	24,037	182	7,772	5,605	125.2	2,554	3,679
Nonmetallic mineral products	34,305	26,687	2,977	28,698	2,202	12,005	6,509	134.3	902	1,550
Primary and fabricated metals	69,215	40,080	4,519	67,388	1,822	16,800	11,063	226.0	5,236	9,189
Primary metals	32,920	26,485	3,261	39,113	727	8,526	5,399	94.4	3,183	6,393
Fabricated metal products	36,295	13,595	1,258	28,275	1,095	8,275	5,663	131.6	2,053	2,795
Machinery	41,787	14,530	1,603	49,843	891	13,856	10,336	217.8	8,698	6,974
Agricultural, construction, and mining machinery	10,971	2,956	354	11,108	245	2,623	1,729	42.3	2,064	2,270
Industrial machinery	4,992	2,057	226	5,916	111	1,805	1,336	24.5	1,397	913
Other	25,825	9,517	1,023	32,820	535	9,429	7,272	151.0	5,238	3,791
Computers and electronic products	67,322	29,977	5,839	89,304	-756	18,177	14,272	266.0	14,238	27,750
Computer and peripheral equipment	8,158	2,157	(D)	14,828	-1,183	1,048	1,458	29.8	1,476	4,623
Communications equipment	16,651	6,149	967	25,912	628	6,073	4,160	79.4	4,570	6,751
Audio and video equipment	(P)	(P)	(P)	(P)	(P)	3,606	2,972	40.5	(P)	(P)
Semiconductors and other electronic components	16,866	11,435	3,172	17,471	-216	4,107	3,367	65.8	2,848	6,057
Navigational, measuring, and other instruments	6,790	2,200	215	6,227	192	2,500	1,866	34.4	(P)	500
Magnetic and optical media	(P)	(P)	411	(P)	(P)	843	450	16.1	342	(P)
Electrical equipment, appliances, and components	26,425	11,817	1,348	29,531	1,049	9,534	6,831	162.1	4,664	3,239
Transportation equipment	51,034	26,692	3,669	75,672	1,757	14,694	10,106	215.6	7,930	18,430
Motor vehicles, bodies and trailers, and parts	45,901	25,155	3,441	70,467	1,674	13,070	8,876	187.7	6,881	17,730
Other	5,133	1,537	228	5,206	82	1,624	1,229	27.9	1,049	700
Furniture and related products	1,327	537	77	2,379	81	684	494	16.1	84	56
Miscellaneous manufacturing	13,461	4,865	511	13,920	591	4,888	3,406	71.1	1,767	1,148
Wholesale trade	277,443	100,507	26,016	498,101	4,098	49,375	25,600	509.7	62,222	151,005
Motor vehicles and motor vehicle parts and supplies	92,444	50,635	17,910	117,520	1,564	11,909	4,803	88.3	4,816	49,781
Professional and commercial equipment and supplies	21,346	7,166	2,070	35,365	-614	4,499	3,584	71.3	2,053	15,324
Electrical goods	29,913	7,838	1,720	48,439	98	5,195	3,353	70.1	4,924	25,580
Other durable goods	50,364	11,836	1,463	94,230	102	9,274	5,916	117.3	14,684	28,652
Petroleum and petroleum products	24,988	7,815	739	69,762	484	5,484	903	13.6	5,902	7,196
Other nondurable goods	58,399	15,218	2,115	132,784	2,465	13,014	6,502	149.1	29,843	24,472
Retail trade	49,757	31,769	4,232	96,218	1,256	24,960	14,326	683.6	1,791	4,006
Food and beverage stores	28,992	23,052	2,890	67,607	1,171	17,685	9,823	472.6	13	363
Other	20,766	8,717	1,342	28,611	85	7,275	4,504	211.1	1,778	3,644
Information	143,603	64,587	9,747	81,011	2,158	27,838	15,242	292.1	1,035	338
Publishing industries	38,830	5,150	710	19,936	203	7,959	5,375	99.8	806	252
Motion picture and sound recording industries	24,343	5,521	459	13,974	-14	2,494	2,100	42.9	224	(P)
Broadcasting and telecommunications	77,985	52,728	8,414	44,240	1,913	16,267	7,048	137.2	1	(P)
Broadcasting, cable networks, and program distribution	(P)	3,248	606	8,956	-403	1,496	967	16.6	0	0
Telecommunications	(P)	49,480	7,807	35,284	2,317	14,770	6,081	120.7	1	(P)
Information services and data processing services	2,445	1,188	164	2,862	56	1,119	720	12.1	4	0
Finance (except depository institutions) and insurance	1,553,681	38,563	7,753	174,764	11,405	27,820	21,381	225.1	(P)	(P)
Finance, except depository institutions	849,234	8,311	2,817	73,383	2,420	10,560	10,310	59.2	(P)	(P)
Insurance carriers and related activities	704,447	30,252	4,937	101,381	8,985	17,260	11,071	165.9	0	0
Real estate and rental and leasing	116,891	94,385	7,800	20,419	967	8,987	1,654	39.8	25	(P)
Real estate	105,549	88,251	6,973	16,833	740	7,482	1,139	26.7	(P)	(P)
Rental and leasing (except real estate)	11,342	6,134	827	3,587	228	1,505	515	13.1	(P)	(P)
Professional, scientific, and technical services	18,790	4,735	611	16,515	-424	6,347	5,955	85.1	(P)	323
Architectural, engineering, and related services	3,535	1,283	143	4,719	17	1,585	1,410	26.4	136	105
Computer systems design and related services	5,805	1,689	270	4,772	-531	1,844	1,942	24.7	124	(P)
Management, scientific, and technical consulting	1,426	114	8	596	141	445	289	3.1	(P)	(*)
Other	8,024	1,649	189	6,429	-52	2,472	2,313	30.9	32	(P)
Other industries	219,334	142,841	14,635	154,966	4,641	53,469	35,304	1,108.6	4,623	3,655
Agriculture, forestry, fishing, and hunting	4,620	2,897	341	2,252	176	717	416	12.2	282	90
Mining	58,498	49,459	5,498	24,163	969	10,964	4,628	73.7	3,859	786
Utilities	16,654	10,152	730	27,256	-9	2,196	677	11.8	(P)	2,299
Construction	13,519	5,889	1,037	23,463	-235	4,190	3,837	73.8	148	(P)
Transportation and warehousing	35,737	29,496	3,031	32,904	1,624	12,654	8,076	205.3	157	370
Management of nonbank companies and enterprises	15,958	72	16	11	2,033	-322	31	.6	(*)	1
Administration, support, and waste management	13,271	5,697	1,120	15,507	42	8,975	7,758	280.8	3	3
Health care and social assistance	12,527	3,573	458	7,867	-255	3,716	2,884	104.2	(P)	(P)
Accommodation and food services	33,453	28,335	1,826	15,760	527	8,581	5,527	275.9	(*)	5
Accommodation	27,822	25,270	1,351	8,730	543	4,965	2,538	114.9	(*)	5
Food services and drinking places	5,631	3,065	475	7,031	-16	3,615	2,988	161.0	0	0
Miscellaneous services	15,096	7,272	579	5,781	-230	1,798	1,471	70.3	(P)	33

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

NOTES.—Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

Estimates for 1997 are revised.

Table 10.2—Selected Data of Nonbank U.S. Affiliates by Industry of Affiliate, 1998

	Millions of dollars							Thou- sands of employ- ees	Millions of dollars	
	Total assets	Gross property, plant, and equipment	Expend- itures for prop- erty, plant, and equip- ment	Sales	Net income	Gross product	Com- pen- sation of employees		U.S. ex- ports of goods shipped by affil- iates	U.S. im- ports of goods shipped to affil- iates
All industries	3,525,885	984,927	134,766	1,881,865	33,276	418,138	260,661	5,633.0	150,836	289,679
Manufacturing	878,864	506,085	60,197	834,396	17,025	224,372	134,886	2,539.6	87,581	126,924
Food	44,315	21,230	2,008	49,815	743	10,796	6,859	159.0	3,023	2,498
Beverages and tobacco products	27,647	6,426	543	15,176	865	4,785	2,126	38.9	1,538	1,237
Textiles, apparel, and leather products	8,087	5,562	419	8,474	205	3,063	2,188	68.0	458	567
Wood products	1,718	1,212	97	2,216	145	656	419	11.5	228	239
Paper	28,194	19,412	1,245	19,566	-30	6,330	3,543	85.4	1,813	629
Printing and related support activities	5,822	4,340	389	6,081	-216	2,362	2,151	39.8	139	295
Petroleum and coal products	108,430	123,067	10,721	95,293	261	26,445	6,301	82.8	2,909	9,109
Chemicals	199,557	95,562	10,683	141,875	3,226	42,935	25,798	380.0	14,930	14,429
Basic chemicals	45,587	36,826	4,334	33,425	862	9,444	5,251	79.7	4,409	3,568
Resins and synthetic rubber, fibers, and filaments	22,238	12,429	1,297	17,726	118	4,733	2,718	42.7	2,664	1,472
Pharmaceuticals and medicines	84,579	26,291	2,933	52,334	1,134	18,217	11,679	144.3	4,135	7,368
Soap, cleaning compounds, and toilet preparations	21,460	7,370	609	20,542	1,169	5,577	3,268	55.5	957	447
Other	25,693	12,647	1,510	17,847	-57	4,963	2,882	57.8	2,765	1,573
Plastics and rubber products	24,562	19,007	2,215	26,037	391	9,157	6,447	138.6	2,309	3,578
Nonmetallic mineral products	37,397	28,151	2,860	30,208	1,840	11,793	6,656	139.8	880	1,633
Primary and fabricated metals	66,493	42,093	4,369	66,578	1,644	17,250	11,357	224.1	5,212	8,893
Primary metals	37,041	30,510	2,973	41,636	692	9,847	6,192	101.8	3,145	6,381
Fabricated metal products	29,452	11,583	1,395	24,943	951	7,402	5,165	122.3	2,066	2,512
Machinery	42,770	15,285	1,680	49,751	855	14,622	10,398	209.7	7,936	7,438
Agricultural, construction, and mining machinery	9,271	2,597	362	10,943	236	2,666	1,622	38.0	1,538	2,372
Industrial machinery	4,920	2,242	205	5,673	-189	1,750	1,343	23.8	1,257	1,022
Other	28,580	10,446	1,113	33,135	808	10,206	7,434	147.9	5,142	4,044
Computers and electronic products	81,604	34,017	6,367	97,391	-1,922	19,402	16,091	282.9	14,306	26,771
Computer and peripheral equipment	9,869	3,118	464	17,303	-1,230	1,552	1,926	35.7	1,489	(P)
Communications equipment	23,760	6,551	1,215	26,685	-1,147	5,169	4,818	85.1	4,514	5,906
Audio and video equipment	(P)	(P)	(P)	(P)	(P)	(P)	(P)	K	(P)	(P)
Semiconductors and other electronic components	19,708	13,585	2,862	20,718	114	5,273	3,712	71.8	3,145	5,402
Navigational, measuring, and other instruments	8,767	2,405	600	(P)	(P)	2,603	1,991	36.7	(P)	576
Magnetic and optical media	(P)	(P)	(P)	2,887	-183	(P)	(P)	J	313	386
Electrical equipment, appliances, and components	30,535	13,445	2,338	32,865	1,157	9,925	7,284	167.6	4,957	2,967
Transportation equipment	143,045	67,302	13,024	169,701	6,957	36,056	21,140	368.2	24,609	45,241
Motor vehicles, bodies and trailers, and parts	137,267	65,652	12,739	163,260	6,823	34,204	19,793	337.6	23,205	44,488
Other	5,778	1,650	285	6,441	134	1,852	1,348	30.6	1,404	753
Furniture and related products	1,047	515	76	1,763	80	604	430	14.9	72	65
Miscellaneous manufacturing	27,640	9,460	1,165	21,604	823	8,192	5,698	128.6	2,262	1,336
Wholesale trade	283,125	101,759	24,447	491,520	3,884	51,292	27,760	526.9	56,127	155,164
Motor vehicles and motor vehicle parts and supplies	87,124	44,443	15,319	109,545	1,062	9,965	4,427	74.5	3,732	46,354
Professional and commercial equipment and supplies	23,747	7,761	1,915	40,201	-523	5,436	4,162	78.8	2,153	18,041
Electrical goods	29,733	7,988	1,553	52,812	610	7,006	4,090	74.3	4,607	25,993
Other durable goods	51,368	14,237	1,689	95,891	1,174	10,926	6,427	123.8	14,313	31,757
Petroleum and petroleum products	24,911	8,926	1,076	60,213	28	4,952	938	12.7	4,940	6,146
Other nondurable goods	66,242	18,403	2,895	132,859	1,534	13,007	7,714	162.9	26,381	26,873
Retail trade	51,304	32,834	4,395	97,275	1,373	26,032	14,928	679.2	1,401	4,089
Food and beverage stores	30,817	24,900	3,036	70,662	1,445	19,164	10,598	496.7	13	425
Other	20,487	7,934	1,359	26,613	-72	6,868	4,329	182.6	1,387	3,664
Information	156,163	58,106	9,175	74,060	-788	23,186	14,877	266.9	870	208
Publishing industries	51,457	6,279	998	23,676	1,034	9,595	6,016	105.1	717	(P)
Motion picture and sound recording industries	23,312	4,394	573	11,909	452	2,387	1,882	38.2	149	10
Broadcasting and telecommunications	77,942	46,053	7,420	35,036	-2,438	9,616	5,917	106.0	1	(P)
Broadcasting, cable networks, and program distribution	25,843	3,486	532	10,913	-175	2,433	1,334	19.9	0	0
Telecommunications	52,099	42,567	6,889	24,123	-2,262	7,184	4,583	86.0	1	(P)
Information services and data processing services	3,452	1,380	184	3,439	163	1,588	1,062	17.6	2	0
Finance (except depository institutions) and insurance	1,789,405	41,019	8,299	187,956	10,292	23,954	22,733	234.9	4	49
Finance, except depository institutions	1,017,707	8,933	3,107	78,184	1,372	7,130	11,391	65.9	4	49
Insurance carriers and related activities	771,697	32,086	5,191	109,772	8,920	16,824	11,341	169.0	0	0
Real estate and rental and leasing	123,474	99,825	11,483	21,121	1,411	9,679	1,772	39.1	27	224
Real estate	108,470	92,818	9,901	17,257	1,042	7,872	1,219	24.0	(P)	(P)
Rental and leasing (except real estate)	15,004	7,007	1,582	3,864	368	1,807	554	15.1	(P)	(P)
Professional, scientific, and technical services	24,332	5,556	747	20,541	-202	7,961	7,311	104.5	283	232
Architectural, engineering, and related services	3,955	1,350	179	5,348	177	1,848	1,638	28.1	149	78
Computer systems design and related services	8,815	1,764	326	7,481	-421	3,047	2,938	38.6	107	151
Management, scientific, and technical consulting	994	65	14	499	63	331	247	2.4	0	0
Other	10,568	2,377	229	7,212	-21	2,734	2,496	35.4	27	4
Other industries	219,218	139,742	16,022	154,995	281	51,662	36,394	1,241.9	4,542	2,790
Agriculture, forestry, fishing, and hunting	5,008	3,197	412	2,257	99	725	449	12.8	406	94
Mining	50,471	49,063	4,726	22,764	-1,573	9,132	4,707	67.8	3,664	548
Utilities	19,592	12,034	1,586	28,078	436	2,037	605	9.5	53	1,852
Construction	15,175	6,362	1,592	26,842	-169	5,213	4,541	83.9	196	103
Transportation and warehousing	33,275	25,197	3,233	23,612	1,151	8,921	5,608	171.2	98	39
Management of nonbank companies and enterprises	16,230	246	73	(P)	(P)	-330	37	6	(P)	3
Administration, support, and waste management	17,079	7,472	1,065	18,416	-595	10,323	9,186	370.3	(P)	4
Health care and social assistance	12,625	3,904	417	9,221	-155	4,306	3,317	112.2	(P)	(P)
Accommodation and food services	32,399	24,482	1,652	17,388	599	9,081	6,058	331.2	(*)	3
Accommodation	25,587	21,205	1,301	8,241	449	4,489	2,291	95.1	(*)	3
Food services and drinking places	6,812	3,278	351	9,147	150	4,591	3,767	236.0	0	0
Miscellaneous services	17,364	7,785	1,266	(P)	(P)	2,255	1,886	82.4	44	(P)

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

NOTES.—Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

Estimates for 1998 are preliminary.

Table 11.1—Selected Data of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1997

	Millions of dollars							Thousands of employees	Millions of dollars	
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Gross product	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All countries	3,071,483	877,568	113,262	1,726,344	40,924	389,432	233,482	5,201.9	141,305	264,924
Canada	311,915	83,410	8,450	138,974	3,381	34,732	22,026	616.4	8,155	15,333
Europe	1,836,666	476,228	56,823	943,893	31,058	248,970	150,630	3,233.8	63,043	96,483
Austria	5,461	735	89	2,331	37	400	301	6.2	447	479
Belgium	18,812	12,689	1,576	23,672	742	6,123	3,054	122.7	558	1,808
Denmark	4,488	2,091	289	4,584	85	1,203	881	18.8	652	684
Finland	7,539	2,962	241	9,592	192	1,868	1,289	25.7	(P)	(P)
France	327,615	77,003	7,629	136,134	2,852	36,182	22,006	415.4	14,112	12,847
Germany	305,672	91,512	15,303	195,726	5,020	46,330	30,677	665.2	14,114	32,206
Ireland	10,940	5,601	459	9,606	92	2,558	1,695	39.4	338	340
Italy	18,659	5,841	603	15,834	93	3,171	2,129	48.0	1,402	3,515
Liechtenstein	686	432	39	762	-1	207	164	2.8	65	204
Luxembourg	5,737	1,854	137	4,418	-46	675	529	13.4	(P)	(P)
Netherlands	271,109	80,296	8,203	129,425	6,070	34,740	17,391	393.5	4,713	11,435
Norway	8,458	3,920	579	13,780	-76	1,874	1,324	34.2	861	1,202
Spain	3,763	1,298	233	1,774	-78	315	306	7.9	82	443
Sweden	44,972	10,684	1,681	33,914	1,122	8,504	4,905	103.7	3,665	5,510
Switzerland	337,767	29,776	3,691	103,200	3,434	26,331	20,785	352.3	5,857	6,633
United Kingdom	462,654	148,864	16,015	256,693	11,536	78,289	43,024	981.0	14,461	15,309
Other	2,335	672	56	2,448	-17	199	170	3.6	52	646
Latin America and Other Western Hemisphere	60,506	28,470	2,616	54,260	2,420	13,682	6,603	168.7	5,297	9,910
South and Central America	38,159	17,496	1,347	34,439	1,775	7,903	2,921	58.4	2,504	8,412
Brazil	10,229	1,130	214	4,069	45	131	299	5.0	931	1,206
Mexico	8,745	2,622	344	8,430	1,294	1,418	1,018	27.0	721	2,596
Panama	3,895	1,319	79	2,292	-191	701	721	12.9	514	271
Venezuela	12,253	9,950	485	17,915	587	5,258	734	9.8	261	(P)
Other	3,037	2,475	225	1,732	40	395	149	3.6	77	(P)
Other Western Hemisphere	22,348	10,974	1,268	19,821	645	5,778	3,681	110.3	2,792	1,498
Bahamas	1,392	923	72	(P)	(P)	305	226	7.9	15	32
Bermuda	12,229	6,046	630	12,530	218	3,239	2,220	75.8	(P)	750
Netherlands Antilles	3,996	2,633	372	(P)	(P)	(P)	(P)	J	(P)	264
United Kingdom Islands, Caribbean	4,643	1,321	190	2,717	95	(P)	(P)	I	32	449
Other	88	51	3	80	-4	18	17	.5	2	4
Africa	11,931	9,504	(P)	11,192	348	2,870	1,342	22.6	(P)	545
South Africa	8,157	(P)	438	10,243	272	2,218	1,182	20.4	(P)	(P)
Other	3,773	(P)	(P)	949	77	652	160	2.2	(P)	(P)
Middle East	29,543	20,436	1,585	25,280	1,175	7,481	2,556	95.2	757	5,552
Israel	3,294	902	129	2,598	52	511	405	9.0	404	(P)
Kuwait	6,806	5,543	246	1,290	578	892	107	4.2	(P)	14
Lebanon	962	929	39	507	13	192	111	3.1	(P)	(*)
Saudi Arabia	11,945	8,362	514	14,733	629	4,189	856	25.4	152	(P)
United Arab Emirates	2,225	2,252	334	414	-11	194	47	1.6	63	40
Other	4,310	2,446	322	5,737	-85	1,503	1,031	51.9	20	113
Asia and Pacific	692,399	236,107	38,501	529,294	-429	74,541	47,395	1,013.9	62,201	136,151
Australia	54,923	18,289	2,004	26,932	-1,214	5,488	3,676	81.2	1,235	1,137
China	1,173	513	74	1,903	28	231	115	1.8	(P)	129
Hong Kong	7,798	5,573	567	6,132	-30	1,463	848	34.3	88	1,316
Indonesia	1,028	521	54	1,366	1	322	237	9.7	(P)	30
Japan	587,197	187,559	31,571	450,976	2,561	63,017	39,090	812.3	52,524	120,693
Korea, Republic of	15,548	5,661	1,657	21,803	-1,126	671	965	18.8	5,064	9,229
Malaysia	2,034	1,071	184	1,433	54	425	327	9.4	183	(P)
New Zealand	1,154	804	45	2,008	-85	225	256	4.8	(P)	635
Philippines	226	159	12	108	51	97	19	.7	4	(P)
Singapore	6,577	5,723	772	4,514	-329	717	588	9.8	177	349
Taiwan	13,340	9,257	1,471	11,261	-267	1,693	1,107	26.5	1,151	2,530
Other	1,402	978	91	858	-73	192	167	4.6	(P)	71
United States	128,523	23,413	(P)	23,451	2,971	7,156	2,930	51.3	(P)	950
Addenda:										
European Union (15) ¹	1,488,049	441,778	52,479	824,329	27,720	220,430	128,229	2,841.5	56,212	87,840
OPEC ²	37,641	30,902	2,098	36,402	1,896	11,475	2,113	51.9	759	8,389

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq,

Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTES.—Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

Estimates for 1997 are revised.

Table 11.2—Selected Data of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1998

	Millions of dollars							Thousands of employees	Millions of dollars	
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Gross product	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All countries	3,525,885	984,927	134,766	1,881,865	33,276	418,138	260,661	5,633.0	150,836	289,679
Canada	371,546	95,562	11,403	153,157	2,868	40,425	26,831	661.9	8,118	15,484
Europe	2,234,177	565,455	73,616	1,080,158	25,779	267,066	168,292	3,563.5	80,329	119,590
Austria	8,038	801	104	2,734	42	413	348	6.9	445	511
Belgium	16,359	12,995	1,494	22,434	867	6,035	2,978	129.0	496	1,200
Denmark	5,762	2,250	188	4,704	62	1,328	975	19.0	414	808
Finland	10,085	4,163	548	11,750	392	2,806	1,724	32.2	1,185	2,085
France	387,383	86,363	11,120	142,434	1,505	37,349	25,512	525.7	15,140	12,649
Germany	427,162	128,707	22,779	282,786	8,780	66,597	42,632	782.4	28,987	55,246
Ireland	21,658	9,039	791	13,752	-169	3,833	2,102	64.8	360	366
Italy	21,878	6,796	1,056	16,723	75	3,604	2,688	61.4	1,296	2,995
Liechtenstein	796	457	37	777	20	244	175	2.8	66	222
Luxembourg	3,238	1,884	149	3,401	109	696	339	11.3	(P)	(P)
Netherlands	320,861	90,123	11,785	145,575	1,200	29,464	16,199	406.8	4,124	10,842
Norway	10,744	4,466	939	19,492	-274	2,105	1,714	41.9	755	842
Spain	3,541	1,460	256	2,036	-98	443	401	8.8	(P)	290
Sweden	45,528	11,809	1,477	34,423	359	7,679	5,079	105.3	3,880	6,562
Switzerland	454,836	32,360	4,308	105,372	4,395	28,039	21,339	375.5	5,640	6,815
United Kingdom	493,554	171,094	16,520	269,069	8,499	76,214	43,937	986.8	16,700	15,555
Other	2,753	689	65	2,695	16	218	151	2.9	46	(P)
Latin America and Other Western Hemisphere	75,307	33,700	3,779	60,235	972	16,995	8,728	222.0	5,537	10,276
South and Central America	36,210	18,406	1,292	33,493	490	8,418	3,045	61.9	2,310	8,880
Brazil	9,620	1,271	224	3,926	20	160	299	4.7	749	1,311
Mexico	7,807	2,801	310	9,217	132	1,582	1,059	29.2	720	3,001
Panama	3,362	1,298	63	2,601	-191	943	721	13.4	599	200
Venezuela	12,175	10,302	445	15,360	554	5,301	751	9.1	115	(P)
Other	3,247	2,733	251	2,389	-26	432	215	5.5	127	(P)
Other Western Hemisphere	39,097	15,295	2,487	26,743	482	8,577	5,683	160.1	3,227	1,396
Bahamas	1,215	877	(P)	(P)	(P)	(P)	(P)	1	(P)	(P)
Bermuda	24,778	8,355	1,291	18,474	679	5,806	3,739	118.3	(P)	857
Netherlands Antilles	4,851	3,262	(P)	(P)	(P)	(P)	(P)	J	(P)	141
United Kingdom Islands, Caribbean	8,158	2,745	706	3,223	-40	1,009	593	19.1	17	350
Other	95	56	6	89	-4	19	19	.5	2	(P)
Africa	12,923	10,552	(P)	12,233	263	2,543	1,315	20.7	788	875
South Africa	8,381	(P)	402	11,399	325	2,018	1,129	18.4	(P)	747
Other	4,542	(P)	(P)	834	-61	525	187	2.3	(P)	128
Middle East	17,959	11,503	1,274	16,094	439	4,614	2,055	73.1	814	2,358
Israel	3,150	943	71	2,568	-43	526	446	9.2	396	(P)
Kuwait	2,058	2,054	144	831	146	432	76	2.7	(P)	13
Lebanon	974	920	51	487	206	197	101	2.5	(P)	(*)
Saudi Arabia	7,059	3,978	(P)	8,675	194	2,463	844	25.2	(P)	(P)
United Arab Emirates	2,497	2,514	(P)	578	42	255	72	2.3	66	74
Other	2,222	1,095	149	2,956	-106	742	515	31.2	(P)	21
Asia and Pacific	670,164	241,368	39,498	535,198	-392	78,714	50,250	1,031.0	54,303	140,248
Australia	59,088	15,630	1,628	27,764	-720	6,633	4,066	83.8	1,404	1,307
China	1,210	566	53	1,673	50	285	126	2.3	(P)	53
Hong Kong	7,967	5,502	527	6,652	195	1,771	868	31.4	90	1,591
Indonesia	782	440	39	1,016	36	256	189	6.7	42	38
Japan	560,799	195,747	33,769	453,381	2,059	65,482	41,577	835.9	45,989	122,315
Korea, Republic of	15,205	6,090	1,691	23,784	-941	1,254	1,144	20.1	3,857	11,001
Malaysia	1,852	914	111	1,292	-2	351	288	7.0	239	15
New Zealand	597	173	11	1,239	-31	103	107	3.3	60	(P)
Philippines	237	164	13	123	53	102	20	.9	4	21
Singapore	7,385	5,053	520	4,851	-313	870	573	11.0	242	395
Taiwan	13,675	10,110	1,049	12,524	-708	1,372	1,093	24.1	1,108	2,951
Other	1,367	979	87	897	-69	233	199	4.4	(P)	(P)
United States	143,808	26,785	(P)	24,791	3,346	7,780	3,191	60.7	946	849
Addenda:										
European Union (15) ¹	1,765,758	527,852	68,288	952,412	21,643	236,534	144,953	3,141.0	73,825	110,656
OPEC ²	28,873	24,314	2,192	27,199	944	9,223	2,114	47.6	440	5,159

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