

# Footnotes to the Tables

## Part I. All Affiliates

### Table I.A 1

1. The affiliate number counts presented in this publication exclude very small affiliates—those with total assets, sales, and net income (or loss) all less than \$20 million—that, in the 2012 benchmark survey, were only required to report basic identification information and a few measures of affiliate size. Values for all items other than number counts include estimates for such small affiliates.

2. The number of companies consolidated on the reports of affiliates generally is substantially higher than the number of affiliates because the report for a single affiliate may represent the consolidation of many companies.

3. Expenditures include the net book value of transfers of property, plant, and equipment to the affiliate from related companies.

### Tables I.A 4 and I.A 5

1. The affiliate number counts presented in this publication exclude very small affiliates—those with total assets, sales, and net income (or loss) all less than \$20 million—that, in the 2012 benchmark survey, were only required to report basic identification information and a few measures of affiliate size. Values for data items other than number counts include estimates for such small affiliates. Thus, in industries or countries for which only a few affiliates are shown in the counts presented in this table, the corresponding totals for other data items include estimates for an additional number of such very small affiliates.

2. The number of companies consolidated on the reports of affiliates generally is substantially higher than the number of affiliates because the report for a single affiliate may represent the consolidation of many companies.

### Table I.A 9

1. This table shows the number of affiliates with total assets, sales, or net income (or loss) greater than \$20 million that had employment. Statistics on employment shown in other tables in this report include estimates for smaller affiliates. Thus, in states for which only a few affiliates are shown in the counts in this table, the corresponding totals for employment shown in other tables include estimates for an additional number of such very small affiliates.

2. A given affiliate is counted once in the all-U.S. total. It is also counted once in each state in which it has employment. Because an affiliate may have employment in more than one state, the sum across states exceeds the all-U.S. total.

## Part II. Majority-Owned Affiliates

**Table II.A 1**

1. The affiliate number counts presented in this publication exclude very small affiliates—those with total assets, sales, and net income (or loss) all less than \$20 million—that, in the 2012 benchmark survey, were only required to report basic identification information and a few measures of affiliate size. Values for all items other than number counts include estimates for such small affiliates.

2. The number of companies consolidated on the reports of affiliates generally is substantially higher than the number of affiliates because the report for a single affiliate may represent the consolidation of many companies.

3. Expenditures include the net book value of transfers of property, plant, and equipment to the affiliate from related companies.

4. For most industries, goods supplied generally are defined as sales of outputs that are tangible. For wholesalers and retailers, goods supplied includes only the value of goods resold; BEA estimates the value of the distributive services affiliates provide by selling, or arranging for the sale of, goods and includes it in services supplied.

5. For most industries, services supplied generally are defined as sales of outputs that are intangible. For insurance, services supplied consists of BEA's estimate of the portion of premiums remaining after provision for expected or "normal" losses and a measure of premium supplements, which represent income earned on funds insurers hold on policyholders' behalf. For banks, it includes explicit fees and commissions and an estimate of the value of implicit services provided by banks. For wholesalers and retailers, services supplied includes an estimate of the distributive services affiliates provide by selling, or arranging for the sales of, goods.

6. "Other" consists largely of investment income that is included in "sales or gross operating revenues" in the income statement. In finance and insurance, affiliates include investment income in sales because it is generated by a primary activity of the company. For insurance, "other" consists of investment income remaining after BEA's estimate of investment income earned on funds insurers hold on behalf of policyholders is removed (and included in the services supplied measure) plus the portion of premiums set aside for the settlement of expected or "normal" losses. For banks, "other" consists of the investment income remaining after BEA's estimate of the value of implicit services provided by banks is excluded (and included in services supplied). In industries other than finance and insurance, most affiliates consider investment income to be an incidental revenue source; this income is included in the income statement in a separate "other income" category, but is not included in the affiliates' sales or on this line.

7. Profit-type return is an economic accounting measure of profits from current production. Unlike net income, it is gross of U.S. income taxes, excludes capital gains and losses and income from equity investments, and reflects certain other adjustments needed to convert profits from a financial accounting basis to an economic accounting basis.

8. Consists of all employees engaged in research and development, including managers, scientists, engineers, and other professional and technical employees.

9. Interest receipts exclude, but interest payments and dividends or remitted profits include, withholding taxes.

#### **Tables II.A 4 and II.A 5**

1. The affiliate number counts presented in this publication exclude very small affiliates—those with total assets, sales, and net income (or loss) all less than \$20 million—that, in the 2012 benchmark survey, were only required to report basic identification information and a few measures of affiliate size. Values for all items other than number counts include estimates for such small affiliates. Thus, in industries or countries for which only a few affiliates are shown in the counts presented in this table, the corresponding totals for other data items include estimates for an additional number of such very small affiliates.

2. The number of companies consolidated on the reports of affiliates generally is substantially higher than the number of affiliates because the report for a single affiliate may represent the consolidation of many companies.

#### **Table II.A 6**

1. The affiliate number counts presented in this publication exclude very small affiliates—those with total assets, sales, and net income (or loss) all less than \$20 million—that, in the 2012 benchmark survey, were only required to report basic identification information and a few measures of affiliate size. Values for all items other than number counts include estimates for such small affiliates. Thus, in industries for which only a few affiliates are shown in the counts presented in this table, the corresponding totals for other data items include estimates for an additional number of such very small affiliates.

2. The number of companies consolidated on the reports of affiliates generally is substantially higher than the number of affiliates because the report for a single affiliate may represent the consolidation of many companies.

3. Includes rental and leasing (except real estate); administrative and support services; waste management and remediation services; health care and social assistance; accommodation and food services; and miscellaneous services.

#### **Table II.A 8**

1. For industry classification, each U.S. affiliate was required to disaggregate its sales by four digit International Surveys Industry Classification code; the affiliate was classified in the industry within its major group in which its sales were largest.

When sales and employment are disaggregated by industry of affiliate, total sales and employment of a given affiliate are shown in the industry in which the affiliate was classified. When sales and employment are disaggregated by industry of sales, they are distributed among all the industries in which the affiliate reported sales; that is, the sales and employment associated with each industry of sales are shown in that industry regardless of the affiliate's industry of classification.

2. Employees on the payrolls of administrative offices and other auxiliary units. Excludes administrative or auxiliary employees that are located at an operating unit and serve only that operating unit; these employees are classified in the industry of sales of the operating unit that they serve.

3. In the breakdown of sales and employment by industry of sales, U.S. affiliates that filed Form BE-15A had to specify their ten largest sales categories, and U.S. affiliates that filed Form BE-15B had to specify their four largest sales categories. In addition, affiliates were required to report their employment in auxiliaries. This line shows sales and employment in all unspecified industries combined.

#### **Table II.A 9**

1. This table shows the number of affiliates with total assets, sales, or net income (or loss) greater than \$20 million that had employment. Statistics on employment shown in other tables in this report include estimates for smaller affiliates. Thus, in states for which only a few affiliates are shown in the counts in this table, the corresponding totals for employment shown in other tables include estimates for an additional number of such very small affiliates.

2. A given affiliate is counted once in the all-U.S. total. It is also counted once in each state in which it has employment. Because an affiliate may have employment in more than one state, the sum across states exceeds the all-U.S. total.

#### **Tables II.B 1 and II.B 2**

1. Includes common and preferred stock and additional paid-in capital, less treasury stock.

2. Includes cumulative translation adjustments and all other components of accumulated comprehensive income for all affiliates and total owners' equity of those unincorporated affiliates that could not provide detail on equity by type. For all affiliates combined, cumulative translation adjustments as of yearend 2013 were \$3.7 billion.

#### **Table II.C 4**

1. Includes the net book value of transfers of property, plant, and equipment to the affiliate from related companies.

2. Includes transfers of property, plant, and equipment from the affiliate to related companies.

3. Consists of the following: (1) Restatements resulting from a change in the entity, and revaluations of property, plant, and equipment to a fair market or appraised value; and (2) the property, plant, and equipment balance on the date of acquisition of majority-owned affiliates that were acquired during the year, less the closing FY 2012 balance of affiliates that left the universe of majority-owned affiliates in 2013 because they were sold or liquidated or because the foreign parents' interest was otherwise reduced to 50 percent or less.

4. "Net property, plant, and equipment" on this line differs from that in column 4 of tables II.B 1 and II.B 2. Net property, plant, and equipment on this line covers all property, plant, and equipment wherever carried in the balance sheet, including that carried in the "property, plant, and equipment" account, the "other assets" account, and the "inventories" account. In contrast, net property, plant, and equipment in column 4 of tables II.B 1 and II.B 2 covers only property, plant, and equipment carried in the "property, plant, and equipment" account of the balance sheet. For example, the value of commercial buildings held by insurance companies for investment purposes is included on this line but excluded from column 4 of tables II.B 1 and II.B 2 because such property is normally carried in the "other assets" account of the balance sheet, not in the "property, plant, and equipment" account.

**Table II.C 16**

1. Includes the net book value of transfers of property, plant, and equipment to the affiliate from related companies.

**Table II.C 17**

1. Includes the net book value of transfers of plant and equipment to the affiliate from related companies.

**Tables II.D 1 and II.D 2**

1. Consists of gains or losses resulting from the sale or other disposition of assets, changes in the dollar value of the affiliates' foreign currency denominated assets and liabilities that are caused by changes in exchange rates, and all other unusual or nonrecurring gains or losses, including those resulting from the revaluation of assets, whether realized or not.

**Tables II.D 7 and II.D 8**

1. For industry classification, each U.S. affiliate was required to disaggregate its sales by four digit International Surveys Industry Classification code; the affiliate was classified in the industry in which its sales were largest.

When sales are disaggregated by industry of affiliate, total sales of a given affiliate are shown in the industry in which the affiliate was classified. When sales are disaggregated by industry of sales, they are distributed among all the industries in which the affiliate reported sales; that is, sales associated with each industry of sales are shown in that industry regardless of the affiliate's industry of classification.

2. In the breakdown of sales by industry of sales, U.S. affiliates that filed Form BE-15A had to specify their ten largest sales categories, and U.S. affiliates that filed Form BE-15B had to specify their four largest sales categories. Sales in all unspecified industries combined are shown on this line.

**Table II.D 9**

1. For industry classification, each U.S. affiliate was required to disaggregate its sales by four digit International Surveys Industry Classification code; the affiliate was classified in the industry in which its sales were largest.

When sales are disaggregated by industry of affiliate, total sales of a given affiliate are shown in the industry in which the affiliate was classified. When sales are disaggregated by industry of sales, they are distributed among all the industries in which the affiliate reported sales; that is, sales associated with each industry of sales are shown in that industry regardless of the affiliate's industry of classification.

2. Includes sales in all unspecified industries, which are not shown in a separate column in this table. The all-industries total in this column thus exceeds the sum across the industries shown in this table by the amount of sales in all unspecified industries.

### **Tables II.E 1 and II.E 2**

1. For most industries, goods supplied generally are defined as sales of outputs that are tangible. For wholesalers and retailers, goods supplied includes only the value of goods resold; BEA estimates the value of the distributive services affiliates provide by selling, or arranging for the sale of, goods and includes it in services supplied.

2. For most industries, services supplied generally are defined as sales of outputs that are intangible. For insurance, services supplied consists of BEA's estimate of the portion of premiums remaining after provision for expected or "normal" losses and a measure of premium supplements, which represent income earned on funds insurers hold on policyholders' behalf. For banks, it includes explicit fees and commissions and an estimate of the value of implicit services provided by banks. For wholesalers and retailers, services supplied includes an estimate of the distributive services affiliates provide by selling, or arranging for the sales of, goods.

3. "Other" consists largely of investment income that is included in "sales or gross operating revenues" in the income statement. In finance and insurance, affiliates include investment income in sales because it is generated by a primary activity of the company. For insurance, "other" consists of investment income remaining after BEA's estimate of investment income earned on funds insurers hold on behalf of policyholders is removed (and included in the services supplied measure) plus the portion of premiums set aside for the settlement of expected or "normal" losses. For banks, "other" consists of the investment income remaining after BEA's estimate of the value of implicit services provided by banks is excluded (and included in services supplied). In industries other than finance and insurance, most affiliates consider investment income to be an incidental revenue source; this income is included in the income statement in a separate "other income" category, but is not included in the affiliates' sales or in this column. Amounts reported for industries other than finance and insurance relate to secondary activities in finance and insurance by some U.S. affiliates whose primary activity is in another industry.

### **Table II.E 3**

1. For most industries, goods supplied generally are defined as sales of outputs that are tangible. For wholesalers and retailers, goods supplied includes only the value of goods resold; BEA estimates the value of the distributive services affiliates provide by selling, or arranging for the sale of, goods and includes it in services supplied.

**Table II.E 4**

1. For most industries, services supplied generally are defined as sales of outputs that are intangible. For insurance, services supplied consists of BEA's estimate of the portion of premiums remaining after provision for expected or "normal" losses and a measure of premium supplements, which represent income earned on funds insurers hold on policyholders' behalf. For banks, it includes explicit fees and commissions and an estimate of the value of implicit services provided by banks. For wholesalers and retailers, services supplied includes an estimate of the distributive services affiliates provide by selling, or arranging for the sales of, goods.

**Table II.F 1**

1. Profit-type return is an economic accounting measure of profits from current production. Unlike net income, it is gross of U.S. income taxes, excludes capital gains and losses and income from equity investments, and reflects certain other adjustments needed to convert profits from a financial accounting basis to an economic accounting basis.

2. Equals interest payments (column 2 in table II.I 1), plus imputed interest paid, minus interest receipts (column 1 in table II.I 1), minus imputed interest received. Imputed interest paid and received, which correspond to measures of the value of services provided by life insurance carriers and financial intermediaries without explicit charge, are estimated.

3. Equals column 4 in table II.I 1.

**Table II.F 6**

1. Profit-type return is an economic accounting measure of profits from current production. Unlike net income, it is gross of U.S. income taxes, excludes capital gains and losses and income from equity investments, and reflects certain other adjustments needed to convert profits from a financial accounting basis to an economic accounting basis.

**Tables II.G 1 and II.G 2**

1. Consists of all employees engaged in research and development, including managers, scientists, engineers, and other professional and technical employees.

**Table II.G 7**

1. All data for a given U.S. affiliate are shown in the single industry in which the affiliate was classified on the basis of its total U.S. operations. The affiliate's activity in a particular state may differ from that of its total U.S. operations.

**Tables II.G 10 and II.G 11**

1. For industry classification, each U.S. affiliate was required to disaggregate its sales by four digit International Surveys Industry Classification code; the affiliate was classified in the industry in which its sales were largest.

When employment is disaggregated by industry of affiliate, total employment of a given affiliate is shown in the industry in which the affiliate was classified; when employment is disaggregated by industry of sales, it is distributed among all the industries in which the affiliate reported sales; that is, the number of employees associated with each industry of sales is shown in that industry regardless of the affiliate's industry of classification.

2. Employees on the payrolls of administrative offices and other auxiliary units. Excludes administrative or auxiliary employees that are located at an operating unit and serve only that operating unit; these employees are classified in the industry of sales of the operating unit that they serve.

3. In the breakdown of sales and employment by industry of sales, U.S. affiliates that filed Form BE-15A had to specify their ten largest sales categories, and U.S. affiliates that filed Form BE-15B had to specify their four largest sales categories. In addition, affiliates were required to report their employment in administrative offices and other auxiliary units. Employment in all unspecified industries combined is shown on this line.

#### **Table II.G 12**

1. For industry classification, each U.S. affiliate was required to disaggregate its sales by four digit International Surveys Industry Classification code; the affiliate was classified in the industry within its major group in which its sales were largest.

When employment is disaggregated by industry of affiliate, total employment of a given affiliate is shown in the industry in which the affiliate was classified; when employment is disaggregated by industry of sales, it is distributed among all the industries in which the affiliate reported sales; that is, the number of employees associated with each industry of sales is shown in that industry regardless of the affiliate's industry of classification.

2. Includes employment in auxiliaries and in all unspecified industries, which are not shown in separate columns in this table. The all-industries total in this column thus exceeds the sum across the industries shown in this table by the amount of employment in auxiliaries and in all unspecified industries.

#### **Table II.G 14**

1. Consists of all employees engaged in research and development, including managers, scientists, engineers, and other professional and technical employees.

#### **Table II.G 16**

1. This table shows the number of affiliates with total assets, sales, or net income (or loss) greater than \$20 million that had employment. Statistics on employment shown in other tables in this report include estimates for smaller affiliates. Thus, in states for which only a few affiliates are shown in the counts in this table, the corresponding totals for employment shown in other tables include estimates for an additional number of such very small affiliates.

2. A given affiliate is counted once in the all-U.S. total; it is also counted once in each state in which it has employment. Because an affiliate may have employment in more than one state, the sum across states exceeds the all-U.S. total.

**Tables II.H 1 and II.H 2**

1. Consists of exports to, or imports from, foreign business enterprises in which the U.S. affiliate has a 10 percent or more voting ownership interest.

**Tables II.I 1 and II.I 2**

1. Interest receipts exclude, but interest payments and dividends or remitted profits include, withholding taxes.