U.S. Affiliates of Foreign Companies

Operations in 2009

By Thomas Anderson

THE CURRENT-DOLLAR value added of majority-owned U.S. affiliates of foreign companies declined 9.1 percent in 2009, according to preliminary statistics derived from the Bureau of Economic Analysis' most recent annual survey of foreign direct investment in the United States.[1] Value added by affiliates totaled $587.9 billion in 2009, down sharply from a revised $646.6 billion in 2008. This drop was even steeper than the sharp decline in the value added of all U.S. businesses; as a result, affiliates' value added fell to 5.3 percent of U.S. private industry value added in 2009, down from 5.7 percent in 2008 (table 1 and chart 1).

Employment by majority-owned U.S. affiliates fell 6.3 percent in 2009 to 5.3 million, after increasing slightly in 2008. The substantial decline was largely due to reductions in the employment of existing affiliates, with selloffs or liquidations of affiliates playing a secondary role. Total private employment in the United States also fell in 2009, but at a slightly slower pace. As a result, the share of U.S. private industry employment accounted for by affiliates declined to 4.7 percent from 4.8 percent. This share is lower than the 4.9 percent share of employment accounted for by affiliates in 2002, but it is still higher than the 4.1 percent share in 1997, which preceded a period of substantial acquisition of U.S. firms by foreign investors in 1998–2001.

The drops in both employment and value added in 2009 were the largest since BEA started collecting annual data on the operations of U.S. affiliates of foreign companies. For value added, the largest (and only) previous drop in value added was 6.7 percent in 2001, and for employment, the largest previous percentage drop was 3.3 percent in 2003. (Changes prior to 2008 for both measures were for nonbank affiliates.) The declines in U.S. affiliate shares of U.S. private industry value added and employment partly reflect the different industry mixes of U.S. affiliates and U.S. private industry. In particular, U.S. affiliates are heavily represented in manufacturing industries, which were hit particularly hard by the 2009 downturn. In contrast, U.S. affiliates are very lightly represented in the health care industry, which grew in the midst of

Table 1. Value Added and Employment of Majority-Owned U.S. Affiliates of Foreign Companies, 1997, 2002, 2007–2009

	Value added		Employment	
	Millions of dollars	As a percentage of U.S. private industry value added	Thousands of employees	As a percentage of U.S. private industry employment
1997	n.a.	n.a.	4,372.4	4.1
2002	n.a.	n.a.	5,570.4	4.9
2007	680,605	6.1	5,588.2	4.7
2008 r	646,648	5.7	5,636.2	4.8
2009 p	587,935	5.3	5,279.7	4.7
Addendum: Percent change at annual rates				
2007–2008	–5.0	n.a.	0.9	n.a.
2008–2009	–9.1	n.a.	–6.3	n.a.

p Preliminary
r Revised
n.a. Not available

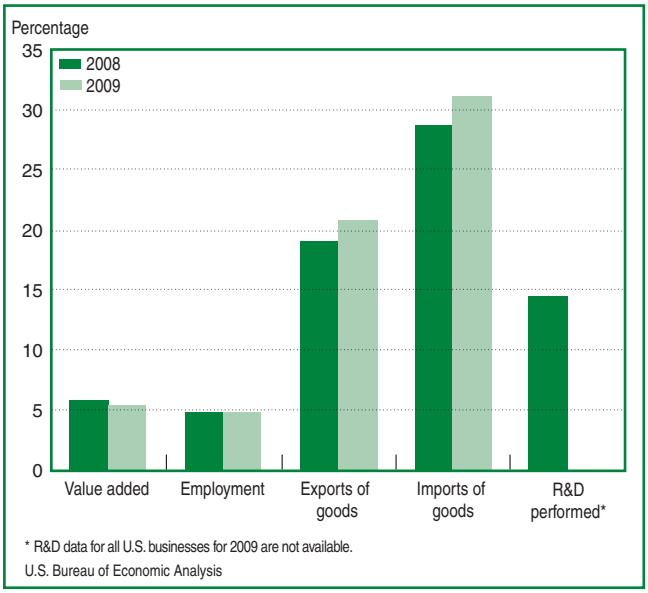
NOTES. For improved comparability with U.S.-affiliate value added, U.S. private industry value added was adjusted to exclude value added in private households, imputed rental income from owner-occupied housing, and business transfer payments.

For the latest estimates of U.S. private industry value added, see Teresa L. Gilmore, Edward T. Morgan, and Sarah B. Osborne, "Annual Industry Accounts: Advance Statistics on GDP by Industry for 2010" SURVEY OF CURRENT BUSINESS 91 (May 2011): 8–24.

For improved comparability with U.S.-affiliate employment, U.S. private industry employment was adjusted to exclude employment in 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 totals when the employment shares were computed.

Chart 1. Operations of Majority-Owned U.S. Affiliates as a Percentage of U.S. Private Industry Activity, 2008–2009



1. This article covers the operations of all majority-owned U.S. affiliates, including both bank and nonbank affiliates. Before the 2007 benchmark survey, the annual series on affiliate operations covered only nonbank affiliates. Statistics on value added by bank affiliates are not available for years before 2007.

reduced activity in most other sectors.[2]

The following are additional highlights of the operations of U.S. affiliates in 2009.

- The United Kingdom was the largest investing country in terms of value added, followed by Germany and Japan.
- The share of total U.S. employment by industry accounted for by affiliates was highest in mining and manufacturing.
- The share of U.S. employment by state accounted for by affiliates was highest in Delaware, followed by New Hampshire and Connecticut.
- Affiliates accounted for 21 percent of U.S. exports of goods and 31 percent of U.S. imports of goods, larger shares than in 2008.
- Research and development (R&D) performed by U.S. affiliates and the intensity of their R&D relative to their value added rose considerably.

This article examines changes in value added, employment, exports and imports of goods, and R&D activity of U.S. affiliates of foreign companies in 2009. For each of these measures, changes are examined both in the aggregate and for major investing countries. For value added, changes are also examined by industry of affiliate and by industry of the foreign owner. For employment, changes are examined by industry of affiliate and by state. Several additional measures of U.S.-affiliate operations are presented in tables at the end of the article.

2. However, that U.S. affiliate employment in "health care and social assistance" fell in 2009 despite the increase in U.S. private industry employment for this industry.

Value Added

In 2009, the total current-dollar value added of majority-owned U.S. affiliates fell 9.1 percent to $587.9 billion. The value added of U.S. private industries also fell in 2009, but at a significantly slower rate of 2.6 percent; as a result, the share of U.S. private industry value added that was accounted for by affiliates fell to 5.3 percent in 2009. The more rapid decline in value added by U.S. affiliates is partly due to the concentration of U.S. affiliates in industries such as manufacturing and mining that were disproportionately affected by the economic slowdown.

By country of ownership

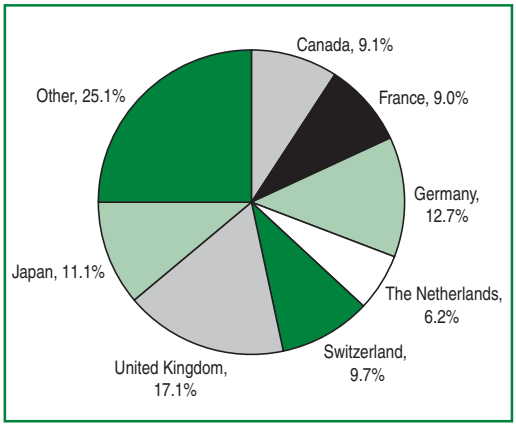
In 2009, as in previous years, affiliates of the seven largest investing countries—Canada, France, Germany, the Netherlands, Switzerland, the United Kingdom, and Japan—accounted for about three-fourths of the value added by affiliates (table 2 and chart 2). The largest share—17 percent—was accounted for by British-owned affiliates; they accounted for about 1 percent of total U.S. private industry value added. British-owned affiliates have substantial operations in a wide

Table 2. Value Added of Majority-Owned U.S. Affiliates by Country of Ultimate Beneficial Owner, 2007–2009

	Millions of dollars			Percentage of all-countries total			Addendum: Percent change in affiliate value added, 2009
	2007	2008	2009	2007	2008	2009	
All countries	**680,605**	**646,648**	**587,935**	**100.0**	**100.0**	**100.0**	**–9.1**
Canada	**64,310**	**63,806**	**53,665**	**9.4**	**9.9**	**9.1**	**–15.9**
Europe	**430,651**	**403,605**	**388,637**	**63.3**	**62.4**	**66.1**	**–3.7**
Belgium	14,671	17,612	17,270	2.2	2.7	2.9	–1.9
Denmark	3,512	4,057	2,945	0.5	0.6	0.5	–27.4
Finland	3,866	4,164	3,881	0.6	0.6	0.7	–6.8
France	63,392	53,492	52,811	9.3	8.3	9.0	–1.3
Germany	87,013	77,977	74,804	12.8	12.1	12.7	–4.1
Ireland	7,105	9,715	11,438	1.0	1.5	1.9	17.7
Italy	8,239	8,973	8,499	1.2	1.4	1.4	–5.3
Netherlands	45,200	37,878	36,575	6.6	5.9	6.2	–3.4
Spain	4,497	5,691	3,336	0.7	0.9	0.6	–41.4
Sweden	13,614	13,517	11,911	2.0	2.1	2.0	–11.9
Switzerland	50,315	55,614	57,032	7.4	8.6	9.7	2.6
United Kingdom	120,864	107,176	100,381	17.8	16.6	17.1	–6.3
Other	8,363	7,738	7,754	1.2	1.2	1.3	0.2
Latin America and Other Western Hemisphere	**50,030**	**48,702**	**33,274**	**7.4**	**7.5**	**5.7**	**–31.7**
Bermuda	22,335	23,651	13,977	3.3	3.7	2.4	–40.9
Mexico	5,310	5,597	6,291	0.8	0.9	1.1	12.4
United Kingdom Islands, Caribbean	5,039	4,866	3,473	0.7	0.8	0.6	–28.6
Venezuela	6,489	(D)	(D)	1.0	(D)	(D)	(D)
Other	10,858	(D)	(D)	1.6	(D)	(D)	(D)
Africa	**1,144**	**1,110**	**877**	**0.2**	**0.2**	**0.1**	**–21.0**
Middle East	**15,166**	**9,878**	**10,575**	**2.2**	**1.5**	**1.8**	**7.1**
Saudi Arabia	8,275	5,526	5,066	1.2	0.9	0.9	–8.3
Other	6,891	4,352	5,509	1.0	0.7	0.9	26.6
Asia and Pacific	**108,520**	**107,911**	**89,621**	**15.9**	**16.7**	**15.2**	**–16.9**
Australia	11,050	11,741	11,118	1.6	1.8	1.9	–5.3
Japan	84,535	84,542	65,051	12.4	13.1	11.1	–23.1
Korea, Republic of	3,595	1,726	3,596	0.5	0.3	0.6	108.4
Other	9,339	9,901	9,857	1.4	1.5	1.7	–0.4
United States	**10,782**	**11,636**	**11,286**	**1.6**	**1.8**	**1.9**	**–3.0**

D Suppressed to avoid disclosure of data of individual companies.

Chart 2. Value Added of U.S. Affiliates by Country of Ultimate Beneficial Owner, 2009



U.S. Bureau of Economic Analysis

variety of industries, most notably petroleum refining and chemicals manufacturing. German-owned affiliates had the second-largest share of affiliate value added and were most active in chemical and machinery manufacturing and telecommunications. Japanese-owned affiliates were most prominent in wholesale trade and motor vehicle manufacturing.

Value added by Japanese-owned affiliates fell dramatically ($19 billion), accounting for about a third of the total overall decline in affiliate value added. The decline among Japanese-owned affiliates was sharpest in motor vehicle wholesale trade as a result of declining sales. Value added by Canadian-owned affiliates also fell sharply, particularly among electrical goods wholesalers, but also among affiliates in mining, utilities, and information. Value added by British-owned affiliates and German-owned affiliates also fell. Among the seven largest investing countries, affiliate value added increased only for Switzerland.

Among other investing countries, value added by affiliates of countries in Latin America and Other Western Hemisphere decreased. Among Bermudian-owned affiliates, the decrease was sharp, but it was due mostly to the reorganization of foreign parent groups so that several U.S. affiliates that were previously owned by ultimate beneficial owners (UBOs) in Bermuda were now owned by UBOs in other countries.[3] Value added by affiliates with UBOs in the United Kingdom Islands, Caribbean also decreased. Value added by Korean-owned affiliates increased largely because of affiliates in manufacturing.

3. Many Bermudian-owned affiliates are the result of corporate inversions in which a U.S. corporation forms a corporation in a foreign country and simultaneously inverts its ownership structure so that the U.S. corporation becomes a U.S. affiliate of a foreign UBO.

By industry of UBO

In 2009, affiliates of UBOs that were individuals or private businesses accounted for 98 percent of the value added by U.S. affiliates (table 3). The remaining 2 percent of value added was accounted for by U.S. affiliates owned by governments or government-related entities, such as government pension funds. Of the affiliates owned by private entities, those owned by businesses accounted for 87 percent of total affiliate value added, and those owned by individuals accounted for 11 percent.

Table 3. Value Added of Majority-Owned U.S. Affiliates by Industry of Ultimate Beneficial Owner, 2007–2009

	Millions of dollars			Percentage of all-industries total		
	2007	2008	2009	2007	2008	2009
All industries	**680,605**	**646,648**	**587,935**	**100.0**	**100.0**	**100.0**
Government and government-related entities	18,696	16,836	12,118	2.7	2.6	2.1
Individuals, estates, and trusts	74,884	71,235	66,345	11.0	11.0	11.3
Mining	31,398	29,954	25,671	4.6	4.6	4.4
Manufacturing	303,577	300,112	260,921	44.6	46.4	44.4
Wholesale and retail trade	43,717	36,629	35,714	6.4	5.7	6.1
Information	24,806	24,570	24,349	3.6	3.8	4.1
Finance and insurance	71,251	50,265	48,332	10.5	7.8	8.2
Professional, scientific, and technical services	25,573	25,184	23,737	3.8	3.9	4.0
Other	86,703	91,863	90,747	12.7	14.2	15.4

By industry of affiliate

In 2009, affiliates in manufacturing accounted for almost half—47 percent—of value added (table 4). Among manufacturing industries, chemicals (which includes pharmaceuticals) had the largest share of value added, followed by petroleum and coal products. Wholesale trade, which includes many affiliates that have substantial secondary operations in manufacturing, accounted for the second-largest share of value added among major industries.[4]

Value added by affiliates in manufacturing fell 7.2 percent, to $278.5 billion. In dollar terms, the decline

4. Each U.S. affiliate is classified in the industry that accounts for the largest portion of its sales; however, many large affiliates are involved in a variety of business activities. Changes in the mix of these activities may result in a change in an affiliate's industry classification.

Data Availability

This article summarizes the preliminary statistics from the 2009 Annual Survey of Foreign Direct Investment in the United States. More detailed statistics will be posted in files that can be downloaded at no charge from BEA's Web site at www.bea.gov. Revised statistics will be released next year.

Detailed statistics on U.S. affiliate operations for 1977–2008 are also available on BEA's Web site.

was largest in petroleum and coal products, partly due to the decline in crude oil prices in 2009, which resulted in reduced operations and declining income among producers. The decline was also substantial in transportation equipment due to reductions in operations by affiliates in motor vehicles, bodies and trailers, and parts, reflecting weak market conditions. Value added by affiliates in primary metals also fell (and in percentage terms it fell the most among manufacturing industries) because of declines among existing affiliates.

Outside of manufacturing, value added fell by affiliates in wholesale trade and in finance and insurance fell the most. In wholesale trade, the fall was largely in motor vehicle wholesalers that were hurt by the weak market conditions in the transportation sector. In finance and insurance, value added by affiliates in "banks and other finance" fell but value added by insurance affiliates recovered; the increase among insurance affiliates was due mainly to increased profits stemming from cost cutting and improved investment performance.

Employment

In 2009, employment by U.S. affiliates fell 6.3 percent to 5,279,700 following a slight rise in 2008. Employment by affiliates was lower than in 2007 or 2002. Employment by all U.S. businesses also fell in 2009, but at a slower rate than affiliate employment; as a result, the share of U.S. private industry employment accounted for by affiliates declined to 4.7 percent. However, as previously noted, much of the decline reflects the concentration of U.S. affiliates in industries hit hard by the weakness in the U.S. economy in 2009.

By country of ownership

In 2009, as in the previous 2 years, the largest share of affiliate employment was accounted for by British-owned affiliates, followed by Japanese- and

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Table 4. Value Added of Majority-Owned U.S. Affiliates by Industry of Affiliate, 2007–2009

	Millions of dollars			Percentage of all-industries total			Addendum: Percent change in affiliate value added, 2009
	2007	2008	2009	2007	2008	2009	
All industries	**680,605**	**646,648**	**587,935**	**100.0**	**100.0**	**100.0**	**–9.1**
Manufacturing	**292,177**	**299,934**	**278,451**	**42.9**	**46.4**	**47.4**	**–7.2**
Food	18,208	17,770	18,961	2.7	2.7	3.2	6.7
Beverages and tobacco products	9,512	17,660	16,536	1.4	2.7	2.8	–6.4
Petroleum and coal products	30,746	51,030	39,053	4.5	7.9	6.6	–23.5
Chemicals	68,381	61,327	68,567	10.0	9.5	11.7	11.8
Plastics and rubber products	12,148	10,553	10,689	1.8	1.6	1.8	1.3
Nonmetallic mineral products	21,790	17,679	14,728	3.2	2.7	2.5	–16.7
Primary metals	12,749	13,797	7,194	1.9	2.1	1.2	–47.9
Fabricated metal products	8,718	8,554	8,471	1.3	1.3	1.4	–1.0
Machinery	25,527	23,894	23,668	3.8	3.7	4.0	–0.9
Computers and electronic products	13,693	13,201	14,392	2.0	2.0	2.4	9.0
Electrical equipment, appliances, and components	10,903	9,003	7,423	1.6	1.4	1.3	–17.6
Transportation equipment	44,396	40,245	33,974	6.5	6.2	5.8	–15.6
Other	15,404	15,220	14,795	2.3	2.4	2.5	–2.8
Wholesale trade	**110,338**	**81,807**	**60,662**	**16.2**	**12.7**	**10.3**	**–25.8**
Petroleum and petroleum products	24,400	4,165	6,534	3.6	0.6	1.1	56.9
Other	85,938	77,642	54,127	12.6	12.0	9.2	–30.3
Retail trade	**32,178**	**27,093**	**27,884**	**4.7**	**4.2**	**4.7**	**2.9**
Information	**34,814**	**37,307**	**36,418**	**5.1**	**5.8**	**6.2**	**–2.4**
Finance and insurance	**70,132**	**51,590**	**42,250**	**10.3**	**8.0**	**7.2**	**–18.1**
Depository credit intermediation (banking)	26,678	21,939	10,554	3.9	3.4	1.8	–51.9
Finance (except depository institutions)	22,015	13,447	4,455	3.2	2.1	0.8	–66.9
Insurance	21,439	16,204	27,241	3.2	2.5	4.6	68.1
Real estate and rental and leasing	**13,425**	**13,504**	**11,718**	**2.0**	**2.1**	**2.0**	**–13.2**
Professional, scientific, and technical services	**25,665**	**28,460**	**26,851**	**3.8**	**4.4**	**4.6**	**–5.7**
Other industries	**101,876**	**106,953**	**103,701**	**15.0**	**16.5**	**17.6**	**–3.0**

German-owned affiliates (table 5). British-owned affiliates employed just over 900,000 workers in a wide range of industries, but particularly in manufacturing, accommodation and food service, and transportation and warehousing. Employment by Japanese-owned affiliates was concentrated in manufacturing—especially transportation equipment—and wholesale trade. Employment by German-owned affiliates was high in various manufacturing industries, including machinery and chemicals, and in information.

Employment by affiliates fell particularly sharply for Bermudian-owned affiliates, mostly because of reorganizations of foreign parent groups. Employment by British-owned affiliates also fell sharply because of reductions in employment as a result of weak economic conditions and because of partial selloffs of affiliates. Employment by German- and French-owned affiliates also fell, because of reductions by existing affiliates.

By industry

In 2009, as in previous years, the shares of U.S. private industry employment accounted for by affiliates were highest in mining (16 percent) and manufacturing (14 percent) (table 6).[5]

5. The estimates of U.S employment shares are derived from data on affiliate employment broken down by industry of sales, a basis that 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." Because employment by industry of sales more precisely reflects the industry composition of affiliates' business activities than employment data by industry of affiliate, the industry presentation in this section is more detailed than that presented in the section on value added by industry of affiliate.

In manufacturing, the shares were highest in motor vehicles, bodies and trailers, and parts (32 percent) and in chemicals (32 percent). In motor vehicles, more than half of the affiliate employment was in parts manufacturing. In chemicals, slightly less than half of affiliate employment was in pharmaceuticals, and there was also substantial employment in basic chemicals.

Among other major industries, the shares of U.S. employment accounted for by affiliates were highest in utilities (9 percent), wholesale trade (7 percent), and information (7 percent). In utilities, electric power generation, transmission, and distribution accounted for over half of affiliate employment, and natural gas distribution accounted for much of the remainder. In wholesale trade, employment was largest in professional and commercial equipment, electrical goods, and motor vehicles. In information, publishing industries—particularly newspaper, periodical, book and database publishers—accounted for the largest share of affiliate employment.

Employment by affiliates in manufacturing fell 9.1 percent, by 168,000 workers, in 2009. However, total U.S. employment in manufacturing fell at an even faster rate. As a result, the share of U.S. manufacturing employment accounted for by affiliates rose to 14.0 percent from 13.6 percent. Affiliate employment levels fell in all manufacturing industries. The declines were particularly substantial in machinery, motor vehicles, and nonmetallic mineral products. In machinery, the decline was due both to reductions in employment by existing affiliates and to the liquidation of affiliates. In

Table 5. Employment of Majority-Owned U.S. Affiliates by Country of Ultimate Beneficial Owner, 2007–2009

	Thousands of employees			Percentage of all-countries total			Addendum: Percent change in affiliate employment, 2009
	2007	2008	2009	2007	2008	2009	
All countries	**5,588.2**	**5,636.2**	**5,279.7**	**100.0**	**100.0**	**100.0**	**–6.3**
Canada	**546.0**	**509.8**	**473.9**	**9.8**	**9.0**	**9.0**	**–7.0**
Europe	**3,627.3**	**3,645.3**	**3,499.3**	**64.9**	**64.7**	**66.3**	**–4.0**
Belgium	143.5	179.7	170.4	2.6	3.2	3.2	–5.2
Denmark	23.6	26.0	22.0	0.4	0.5	0.4	–15.4
Finland	27.4	31.0	26.3	0.5	0.6	0.5	–15.2
France	544.4	554.3	514.7	9.7	9.8	9.7	–7.1
Germany	653.1	616.7	567.0	11.7	10.9	10.7	–8.1
Ireland	68.4	96.5	116.4	1.2	1.7	2.2	20.6
Italy	81.4	86.7	81.4	1.5	1.5	1.5	–6.1
Netherlands	370.9	348.9	342.0	6.6	6.2	6.5	–2.0
Spain	58.6	64.7	69.5	1.0	1.1	1.3	7.4
Sweden	191.8	184.2	172.5	3.4	3.3	3.3	–6.4
Switzerland	406.8	389.3	430.6	7.3	6.9	8.2	10.6
United Kingdom	977.2	977.9	902.3	17.5	17.4	17.1	–7.7
Other	80.2	89.4	84.1	1.4	1.6	1.6	–5.9
Latin America and Other Western Hemisphere	**376.4**	**371.8**	**258.9**	**6.7**	**6.6**	**4.9**	**–30.4**
Bermuda	190.3	207.3	99.7	3.4	3.7	1.9	–51.9
Mexico	43.8	46.8	53.8	0.8	0.8	1.0	15.0
United Kingdom Islands, Caribbean	31.8	36.3	31.7	0.6	0.6	0.6	–12.7
Venezuela	6.4	6.3	5.8	0.1	0.1	0.1	–7.9
Other	104.1	75.1	67.9	1.9	1.3	1.3	–9.6
Africa	**7.4**	**6.6**	**5.8**	**0.1**	**0.1**	**0.1**	**–12.1**
Middle East	**73.7**	**62.3**	**59.8**	**1.3**	**1.1**	**1.1**	**–4.0**
Saudi Arabia	7.4	7.1	6.8	0.1	0.1	0.1	–4.2
Other	66.3	55.2	53.0	1.2	1.0	1.0	–4.0
Asia and Pacific	**888.4**	**938.5**	**896.0**	**15.9**	**16.7**	**17.0**	**–4.5**
Australia	76.5	88.8	85.7	1.4	1.6	1.6	–3.5
Japan	682.1	690.0	661.4	12.2	12.2	12.5	–4.1
Korea, Republic of	24.8	29.5	26.9	0.4	0.5	0.5	–8.8
Other	105.1	130.2	122.0	1.9	2.3	2.3	–6.3
United States	**69.0**	**101.8**	**86.0**	**1.2**	**1.8**	**1.6**	**–15.5**

motor vehicles, declines in employment by affiliates in motor vehicle parts manufacturing more than offset increases in affiliate employment by several motor vehicle manufacturers. In nonmetallic mineral products, the decline was due to reductions in employment of existing affiliates, especially in cement and concrete products.

Affiliate employment also fell substantially in transportation and warehousing, finance and insurance, and information. In transportation and warehousing, affiliate employment in many industries declined and the declines were due to reductions in employment of existing affiliates. In the finance and insurance industries, the decline was also due to reductions in employment of existing affiliates. In information, about half of the decline was in publishing industries, but employment also declined in motion pictures and sound recording.

Employment increased slightly in some industries, such as educational services and the residual industry "other services." In education services, the increase was due to established affiliates that made acquisitions in 2009. In other services, the increase was due to increases in repair and maintenance services.

By U.S. region and state

In 2009, as in the previous 2 years, the New England region had the highest share of employment accounted

Table 6. Employment by Majority-Owned U.S. Affiliates by Industry of Sales, 2007–2009

	Thousands of employees			Percentage of total U.S. employment in private industries [1]		
	2007	2008	2009	2007	2008	2009
All industries [2]	**5,588.2**	**5,636.2**	**5,279.7**	**4.7**	**4.8**	**4.7**
Agriculture, forestry, fishing, and hunting	J	8.7	8.2	(D)	0.7	0.7
Mining, excluding oil and gas extraction	77.6	90.5	76.2	15.2	16.4	15.9
Utilities	33.4	50.8	50.6	6.1	9.1	9.0
Construction	90.3	86.2	81.2	1.1	1.2	1.3
Manufacturing	**1,782.3**	**1,845.1**	**1,677.3**	**12.7**	**13.6**	**14.0**
Food and beverage and tobacco products	171.4	186.7	182.9	10.2	11.1	11.1
Textile mills and textile product mills	13.0	11.7	10.9	3.9	3.9	4.3
Apparel and leather and allied products	5.5	7.2	5.4	2.2	3.1	2.7
Wood products	14.9	12.3	7.6	2.9	2.7	2.1
Paper	29.2	28.2	25.8	6.4	6.4	6.4
Printing and related support activities	28.5	32.9	27.0	4.6	5.5	5.1
Petroleum and coal products [3]	34.1	49.6	48.9	13.1	17.9	17.8
Chemicals	252.1	262.2	252.8	29.3	30.9	31.5
Plastics and rubber products	109.1	106.0	92.4	14.4	14.6	14.7
Nonmetallic mineral products	129.5	117.4	99.7	25.8	25.2	25.5
Primary metals	84.6	95.4	81.5	18.6	21.4	22.4
Fabricated metal products	91.7	89.4	81.7	5.9	5.8	6.2
Machinery	152.0	172.1	148.5	12.8	14.5	14.5
Computers and electronic products	149.8	172.6	155.9	11.8	13.8	13.7
Electrical equipment, appliances, and components	94.3	86.8	73.3	22.0	20.6	19.7
Motor vehicles, bodies and trailers, and parts	239.0	240.7	219.2	24.0	27.3	32.5
Other transportation equipment	91.5	84.1	79.0	12.7	11.5	11.6
Furniture and related products	13.0	11.2	9.4	2.5	2.3	2.4
Miscellaneous manufacturing	79.3	78.4	75.5	12.3	12.4	12.9
Wholesale trade	434.5	410.6	390.8	7.2	6.8	7.0
Retail trade	548.8	493.6	494.7	3.5	3.2	3.3
Transportation and warehousing	250.4	286.7	253.3	5.5	6.3	5.9
Information	205.0	207.0	189.8	6.7	6.9	6.7
Finance and insurance	**365.2**	**391.6**	**364.9**	**6.0**	**6.5**	**6.3**
Depository credit intermediation (banking)	122.1	141.6	135.5	5.9	7.0	6.9
Finance, except depository institutions	138.8	132.4	119.0	7.9	8.0	7.7
Insurance carriers and related activities	104.3	117.6	110.3	4.5	5.1	4.9
Real estate and rental and leasing	32.7	30.1	28.9	1.5	1.4	1.4
Professional, scientific, and technical services	327.8	302.7	286.9	4.2	3.8	3.8
Management of nonbank companies and enterprises	1.6	2.1	2.6	0.1	0.1	0.1
Administration, support, and waste management	453.6	433.8	419.2	5.4	5.4	5.8
Educational services	8.9	11.8	14.1	0.3	0.4	0.4
Health care and social assistance	94.1	105.3	97.1	0.6	0.7	0.6
Arts, entertainment, and recreation	20.8	32.9	32.1	1.0	1.6	1.6
Accommodation and food services	339.5	332.9	330.7	2.9	2.9	2.9
Other services, except government	L	96.5	100.1	(D)	1.4	1.5
Auxiliaries	393.8	387.8	353.9	n.a.	n.a.	n.a.
Unspecified [4]	22.4	29.5	26.9	n.a.	n.a.	n.a.

D Suppressed to avoid disclosure of data of individual companies.
n.a. Not applicable

1. The data on U.S. employment in private industries that were used in calculating these percentages are classified by industry of establishment. They are from table 6.4D of the "National Income and Product Account (NIPA) Tables." The total for U.S. employment in private industries is equal to employment in private industries less the employment of 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 7; the latter are from BEA's Regional Economic Information System. The estimates for table 7, 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.

2. 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. Data needed to make this adjustment are not available for individual industries.

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

4. This line includes employment for which U.S. affiliates did not specify an industry of sales when they filled out their survey form. Affiliates with assets, sales, or net income or loss greater than $275 million ($175 million on the 2007 benchmark survey) had to specify only their 10 largest sales categories; other affiliates had to specify no more than their 4 largest sales categories.

NOTES. 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.

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.

for by affiliates (table 7). In New England, New Hampshire (7.6 percent) and Connecticut (7.1 percent) had the highest shares of employment accounted for affiliates, and most of these shares were accounted for by manufacturing affiliates. By state, Delaware had the highest share of employment accounted for by affiliates (8.5 percent).

In Delaware and Rhode Island, British-owned affiliates accounted for more than a third of affiliate employment. In Hawaii, Japanese-owned affiliates, who are active in the hospitality industry, accounted for nearly half of affiliate employment; they also accounted for about a third of affiliate employment in Kentucky and Tennessee.

Employment by affiliates fell in 46 states and rose in only 4 states and the District of Columbia. At the same time, private industry employment fell in all states and the District of Columbia. In 33 states, the shares of employment accounted for by affiliates dropped. The decreases in affiliate employment were greatest in states with the highest levels of 2008 affiliate employment. In the two states with the largest decreases, California and Texas, the fall in affiliate employment was due mostly to reductions in employment of existing affiliates. In California, the decline in employment by affiliates was particularly large in affiliates in transportation and warehousing and in wholesale trade; in Texas, the decline in employment was particularly large among affiliates in mining and transportation equipment manufacturing. Employment by affiliates in the District of Columbia increased more than in any state; the increase was due to both expansion of affiliates through acquisition and to increased employment of existing affiliates.

Trade in Goods

In 2009, U.S. affiliates accounted for 21 percent of U.S. exports of goods and 31 percent of U.S. imports of goods (table 8). These shares were higher than in 2008 despite a reduction in the dollar value of affiliates' trade, possibly indicating that affiliates' ties with their trading partners—including their parents—are more robust than those of other U.S. companies. These shares continue to be much larger than the affiliate shares of either value added or employment, reflecting both the general international orientation of foreign-owned companies and their production and distribution ties to their foreign parents.

Much of the trade in goods by affiliates—about 50 percent of exports and about 80 percent of imports—is accounted for by intrafirm transactions between the affiliates and their foreign parents or other member companies of their foreign parent groups (see the box "Key Terms"). The intrafirm trade of U.S. affiliates generally accounts for 8–10 percent of U.S. exports and for 20–25 percent of U.S. imports.

Since the early 1990s, imports by U.S. affiliates have

Table 7. Employment by Majority-Owned U.S. Affiliates by State, 2007–2009

	Thousands of employees			Percentage of total private industry employment in the state or area [1]		
	2007	2008	2009	2007	2008	2009
Total [2]	**5,588.2**	**5,636.2**	**5,279.7**	**4.7**	**4.8**	**4.7**
New England	**391.2**	**394.8**	**390.1**	**6.3**	**6.4**	**6.6**
Connecticut	103.3	106.6	100.3	7.0	7.2	7.1
Maine	29.6	30.3	30.0	5.7	5.9	6.0
Massachusetts	183.7	184.8	185.0	6.3	6.3	6.6
New Hampshire	38.9	40.4	40.6	6.9	7.2	7.6
Rhode Island	25.7	22.0	23.8	6.0	5.2	5.9
Vermont	10.1	10.6	10.4	3.9	4.1	4.2
Mideast	**1,069.8**	**1,078.2**	**1,021.5**	**5.7**	**5.7**	**5.6**
Delaware	28.7	31.6	30.4	7.6	8.4	8.5
District of Columbia	16.3	15.6	19.8	3.5	3.3	4.2
Maryland	103.6	108.6	103.8	4.8	5.1	5.1
New Jersey	227.4	239.0	226.4	6.6	7.0	6.9
New York	429.3	410.6	386.1	5.9	5.6	5.4
Pennsylvania	264.4	272.8	255.0	5.2	5.3	5.2
Great Lakes	**902.4**	**875.2**	**802.7**	**4.8**	**4.8**	**4.7**
Illinois	280.5	273.1	250.8	5.4	5.3	5.1
Indiana	149.1	140.4	131.4	5.7	5.5	5.5
Michigan	152.6	150.2	134.8	4.2	4.2	4.1
Ohio	238.2	229.4	211.2	5.1	4.9	4.9
Wisconsin	82.0	82.0	74.6	3.3	3.3	3.2
Plains	**322.8**	**340.5**	**319.0**	**3.7**	**3.9**	**3.8**
Iowa	45.5	48.8	46.0	3.5	3.8	3.7
Kansas	58.9	55.6	53.4	5.1	4.8	4.8
Minnesota	98.2	97.0	92.2	4.1	4.1	4.1
Missouri	82.4	92.7	85.5	3.5	3.9	3.8
Nebraska	23.4	26.4	23.6	2.9	3.3	3.0
North Dakota	7.5	12.0	10.9	2.6	4.0	3.7
South Dakota	6.8	8.0	7.4	2.0	2.3	2.2
Southeast	**1,355.9**	**1,354.8**	**1,263.3**	**4.7**	**4.8**	**4.8**
Alabama	81.1	80.5	77.5	4.9	4.9	5.0
Arkansas	36.6	35.5	33.5	3.6	3.5	3.5
Florida	248.2	255.6	236.7	3.5	3.8	3.8
Georgia	180.6	179.6	170.6	5.1	5.2	5.3
Kentucky	92.9	94.9	87.0	5.9	6.1	5.9
Louisiana	49.1	50.6	49.1	3.1	3.1	3.1
Mississippi	26.5	28.1	27.4	2.8	3.0	3.1
North Carolina	211.0	202.4	188.5	6.0	5.8	5.8
South Carolina	111.3	112.3	102.6	6.9	7.0	6.9
Tennessee	139.2	129.7	116.3	5.7	5.4	5.2
Virginia	158.1	163.4	151.4	5.1	5.3	5.1
West Virginia	21.1	22.2	22.7	3.6	3.8	4.0
Southwest	**548.1**	**576.6**	**532.9**	**4.2**	**4.4**	**4.3**
Arizona	73.2	76.3	73.1	3.2	3.4	3.6
New Mexico	17.0	17.6	16.0	2.6	2.7	2.6
Oklahoma	35.4	37.9	34.3	2.8	3.0	2.8
Texas	422.6	444.8	409.5	4.8	4.9	4.7
Rocky Mountain	**148.0**	**155.2**	**M**	**3.5**	**3.7**	**(D)**
Colorado	83.5	85.1	79.0	4.2	4.2	4.2
Idaho	14.4	18.0	14.4	2.6	3.3	2.9
Montana	8.1	8.0	I	2.2	2.2	(D)
Utah	33.2	33.4	28.8	3.1	3.1	2.9
Wyoming	8.9	10.8	9.1	4.0	4.7	4.2
Far West	**815.5**	**821.8**	**773.3**	**4.3**	**4.4**	**4.4**
Alaska	11.4	14.2	12.8	4.7	5.8	5.3
California	602.9	600.5	561.0	4.6	4.6	4.6
Hawaii	31.0	27.6	26.4	6.0	5.5	5.5
Nevada	33.8	38.0	36.0	2.9	3.4	3.6
Oregon	45.8	47.6	43.9	3.1	3.3	3.2
Washington	90.5	93.9	93.2	3.7	3.8	4.0
Puerto Rico	20.9	20.4	18.7	n.a.	n.a.	n.a.
Other U.S. areas [3]	12.6	17.0	14.9	n.a.	n.a.	n.a.
Foreign [4]	1.0	1.8	I	n.a.	n.a.	n.a.

D Suppressed to avoid disclosure of data of individual companies.
n.a. Not available
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 tables 1, 5 and 6, which are from tables 6.4D of the "National Income and Product Accounts (NIPA) Tables." They differ from the NIPA estimates of employment because, 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.
NOTE. 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.

usually been at least twice as high as their exports, and the relative trade gap in earlier years was even larger. This trade gap for affiliates is substantially more pronounced than the gap between total U.S. imports and U.S. exports. In 2009, affiliates accounted for $265 billion of the total 2009 U.S. trade gap in goods of $504 billion. The gap for affiliates was largely accounted for by wholesale trade affiliates, many of whom were established to facilitate the import of goods manufactured abroad by their foreign parents. Since the late 1980s, the imports of wholesale trade affiliates have been 2–4 times as large as their exports, and these affiliates have consistently accounted for more than two-thirds of the total import-export gap for U.S. affiliates. Most of the remaining gap was accounted for by manufacturing affiliates, some of whom have secondary activities in wholesale trade and some of whom import parts and components produced by their foreign parents.

Exports

Exports of goods by affiliates fell 10 percent to $219.7 billion in 2009. Total U.S. exports of goods fell 18 percent; as a result, the share of U.S. exports accounted for by affiliates rose to 20.8 percent, the largest share since 1994.

Table 8. U.S. Trade in Goods by Majority-Owned U.S. Affiliates, 1987–2009

	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
1987	39,497	18,677	133,620	102,167	15.5	7.3	32.9	25.1
1988	57,209	26,001	144,896	112,012	17.7	8.1	32.9	25.4
1989	72,413	33,778	158,792	122,899	19.9	9.3	33.6	26.0
1990	79,368	37,177	170,677	131,665	20.2	9.4	34.5	26.6
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	128,394	61,288	249,310	193,969	18.6	8.9	28.6	22.3
1998	136,949	56,115	277,909	199,524	20.1	8.2	30.5	21.9
1999	140,808	58,385	312,895	225,132	20.2	8.4	30.5	22.0
2000	150,911	64,785	354,613	267,187	19.3	8.3	29.1	21.9
2001	145,525	64,442	333,855	260,633	20.0	8.8	29.3	22.8
2002	140,510	64,572	335,021	267,291	20.3	9.3	28.8	23.0
2003	147,643	71,188	356,756	290,492	20.4	9.8	28.4	23.1
2004	155,507	74,784	394,463	320,268	19.0	9.1	26.8	21.8
2005	174,318	80,815	448,911	359,059	19.2	8.9	26.8	21.5
2006	198,003	89,232	502,589	399,954	19.1	8.6	27.1	21.6
2007	217,560	107,845	550,917	427,160	18.9	9.4	28.2	21.8
2008 r	244,106	113,262	602,805	454,466	19.0	8.8	28.7	21.6
2009 p	219,749	105,760	484,422	382,821	20.8	10.0	31.1	24.5

p Preliminary
r Revised
NOTES. The data on U.S. exports and imports of goods used to compute the affiliate shares in this table are from the U.S. Census Bureau, and are on a Census basis. For the years 1987–2007, data on U.S. affiliate trade in goods were collected for nonbank affiliates only. Because it is likely that goods trade by bank affiliates was insignificant, the data on affiliate trade in goods for 1987–2007 are broadly comparable with the data for 2008 and 2009.

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

The data on employment are used to estimate affiliate shares of the U.S. economy by industry on the basis of the North American Industry Classification System (NAICS) 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.[1] Thus, using the data on affiliate employment, the affiliate shares of the U.S. economy can be calculated at a greater level of industry detail than is possible using the value-added estimates or other data, which can only be disaggregated on the basis of industry of affiliate.[2]

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, 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. 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 would be in metal manufacturing, and none, in metal mining. Thus, when the affiliate's employment is distributed by industry of sales, all of it would be classified in manufacturing, even though some of the employees work in an establishment in mining.

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. The primary industry is determined using a breakdown of the affiliate's sales by BEA's NAICS-based International Survey Industry classification to identify the industry in which the affiliate has the most sales. As a result, any affiliate operations that take place in secondary industries will be classified as operations in the primary industry.

1. The data for all U.S. businesses used to compute the affiliate shares of employment by NAICS industry are from the national income and product accounts. See table 6, footnote 1.

2. Establishment-level data from a joint project of BEA and the Census Bureau can be used to calculate affiliate shares at an even greater level of detail. For affiliate shares based on establishment data for six-digit manufacturing and five-digit nonmanufacturing NAICS industries for 2002, see *Foreign Direct Investment in the United States: Establishment Data for 2002.* Similar data on a NAICS basis are available for 1997, and data on a Standard Industrial Classification basis are available for 1987 and 1992. Data only for manufacturing industries are available for 1988–91. These data publications and SURVEY articles analyzing the data are available from www.bea.gov. Click on "Direct Investment and Multinational Companies" and then "BEA-Census Bureau Data Link Project."

More than half of the decline in exports was among affiliates in manufacturing, and affiliates in wholesale trade accounted for the remainder of the decline. In manufacturing, the decline was particularly large in petroleum and coal products and transportation equipment.

In 2009, Japanese-owned affiliates accounted for the largest share of affiliate exports, followed by German- and British-owned affiliates (table 9). About two-thirds of Japanese-owned affiliate exports was

Table 9. U.S. Trade in Goods by Majority-Owned U.S. Affiliates by Selected Country of Ultimate Beneficial Owner, 2007–2009

	Millions of dollars			Percentage of all-countries total			Addendum: Percent change in affiliate exports or imports, 2009
	2007	2008	2009	2007	2008	2009	
U.S. exports shipped by affiliates:							
All countries	**217,560**	**244,106**	**219,749**	**100.0**	**100.0**	**100.0**	**–10.0**
Canada	11,492	9,664	9,455	5.3	4.0	4.3	–2.2
France	11,020	17,994	14,758	5.1	7.4	6.7	–18.0
Germany	42,253	35,824	33,438	19.4	14.7	15.2	–6.7
Netherlands	13,549	19,811	17,260	6.2	8.1	7.9	–12.9
Switzerland	8,233	9,808	10,784	3.8	4.0	4.9	10.0
United Kingdom	22,663	28,656	25,521	10.4	11.7	11.6	–10.9
Japan	52,196	58,205	52,937	24.0	23.8	24.1	–9.1
Korea, Republic of	10,248	10,550	10,661	4.7	4.3	4.9	1.0
Other	45,906	53,592	44,935	21.1	22.0	20.4	–16.2
U.S. imports shipped to affiliates:							
All countries	**550,917**	**602,805**	**484,422**	**100.0**	**100.0**	**100.0**	**–19.6**
Canada	35,057	40,686	29,661	6.4	6.7	6.1	–27.1
France	17,841	21,152	18,918	3.2	3.5	3.9	–10.6
Germany	71,322	63,449	53,067	12.9	10.5	11.0	–16.4
Netherlands	33,336	37,546	30,156	6.1	6.2	6.2	–19.7
Switzerland	15,464	16,461	16,566	2.8	2.7	3.4	0.6
United Kingdom	34,746	60,197	47,255	6.3	10.0	9.8	–21.5
Japan	182,407	186,229	157,160	33.1	30.9	32.4	–15.6
Korea, Republic of	38,060	39,413	39,203	6.9	6.5	8.1	–0.5
Other	122,685	137,671	92,437	22.3	22.8	19.1	–32.9

NOTE. The eight countries of UBO presented in this table are the eight largest countries ranked by size of total trade in goods (imports plus exports).

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 that resides 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 parents.

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 parent, 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.

Value added. The contribution to U.S. gross domestic product, which is the market value of the goods and services produced by labor and property in the United States. 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 value-added estimates for U.S. affiliates were prepared by summing cost and profit data collected in the annual and benchmark surveys of foreign direct investment in the United States. The estimates are measures of gross value added rather than measures of net value added because they are calculated without the deduction for the consumption of fixed capital used in production.

The estimates of value added of U.S. affiliates are conceptually consistent with BEA's estimates of U.S. value added by industry.

accounted for by affiliates in wholesale trade, particularly affiliates in metals and minerals, and by affiliates in motor vehicle trade. Among German- and British-owned affiliates, those in manufacturing accounted for the majority of the exports.

The largest decline in exports was by Japanese-owned affiliates, largely due to declines among affiliates in transportation equipment manufacturing and farm products wholesalers. Exports of goods by French- and British-owned affiliates also fell in 2009. Among French-owned affiliates, the decline was mostly accounted for by declines among computer and electronics manufacturers and petroleum wholesalers. Among British-owned affiliates, petroleum manufacturers accounted for much of the decline.

Exports by Swiss-owned affiliates increased because of increases by computer manufacturers. Exports by Korean-owned affiliates increased slightly, particularly among electrical goods and motor vehicle wholesalers.

Imports

Imports of goods by affiliates fell 20 percent to $484.4 billion in 2009. Total U.S. imports of goods fell 26 percent; as a result, the share of U.S. goods imports accounted for by affiliates rose to 31.1 percent, the largest share since 1996.

Affiliates in manufacturing and affiliates in wholesale trade each accounted for about half of the decline in imports by affiliates. In manufacturing, much of the decline was accounted for by affiliates in petroleum and coal products, partly reflecting the impact of lower petroleum prices. In wholesale trade, affiliates in motor vehicles accounted for the largest share of the decline.

Japanese-owned affiliates accounted for, by far, the largest share of imports by U.S. affiliates (table 9). The majority of imports by Japanese-owned affiliates were by affiliates in wholesale trade, especially in motor vehicles and commercial equipment. The second-largest

Data on Foreign Direct Investment in the United States

BEA collects two broad sets of data on foreign direct investment in the United States: (1) financial and operating data of U.S. affiliates, and (2) international transactions (balance of payments) and direct investment position data. This article presents the financial and operating data. The international transactions and direct investment position data were published in the articles "The International Investment Position of the United States at Yearend 2010" "Direct Investment Positions for 2010: Country and Industry Detail", and "U.S. International Transactions: First Quarter of 2011" in the July 2011 SURVEY.

Each of these data sets focuses on a distinct aspect of foreign direct investment. The financial and operating data provide a picture of the overall activities of the U.S. affiliates, 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 foreign direct investment. Benchmark surveys are BEA's most comprehensive surveys of foreign direct investment in terms of both coverage of companies and subject matter and are conducted 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, and employment data by state. In addition, the value added of affiliates is estimated from data reported in these surveys. The financial and operating data for affiliates are on a fiscal year basis. The data cover the entire operations of the U.S. affiliate regardless of the percentage of foreign ownership. Separate data are available for all affiliates and for affiliates that are majority owned by their foreign parent(s).

International transactions and direct investment position data. These data are collected in the quarterly surveys of foreign direct investment. The data cover a U.S. affiliate's transactions and positions with its foreign parent and with other members of its foreign parent group. As a result, 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, and direct investment income.

1. For a more detailed discussion of the differences between these 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.

share of affiliate imports was by German-owned affiliates.

In dollar terms, the largest declines in imports were by Japanese-owned affiliates, due largely to declines in imports by motor vehicle wholesalers. Imports of goods by affiliates also declined substantially among British-, Canadian-, and German-owned affiliates. Among both British- and Canadian-owned affiliates, the decline was concentrated in petroleum wholesalers and refiners; among German-owned affiliates, the decline was concentrated in affiliates in motor vehicle manufacturing and wholesaling.

Research and Development

In 2009, research and development (R&D) performed by majority-owned U.S. affiliates totaled $43.4 billion (table 10). In contrast to the sharp declines in value added, employment, and trade in goods by affiliates, affiliate R&D rose substantially (6.6 percent). Much of the rise was due to acquisitions of U.S. businesses by affiliates in pharmaceutical wholesaling or manufacturing; affiliate R&D also increased among affiliates in professional, scientific, and technical services. R&D by affiliates accounted for 14 percent of the R&D performed by all U.S. businesses in 2008, a share substantially higher than the affiliate shares of all U.S. business value added or employment.[6]

6. Data on R&D performed by all U.S. businesses are not available for 2009, so the affiliate share cannot be computed.

Affiliates of the seven largest investing countries accounted for more than 80 percent of the R&D performed by affiliates, and the distribution of affiliate R&D by country was almost unchanged from that in 2008 (table 11). Switzerland accounted for the largest share of affiliate R&D, followed by Japan and the United Kingdom. The R&D by Swiss-owned affiliates was largely in pharmaceuticals manufacturers. The

Table 10. Research and Development Performed by Majority-Owned U.S. Affiliates and by All U.S. Businesses, 1997–2009

	Millions of dollars		R&D by affiliates as a percentage of R&D by all U.S. businesses	R&D intensity [3]		
	R&D performed by affiliates [1]	R&D performed by all U.S. businesses [2]		Affiliates	Non–bank affiliates	All U.S. businesses
1997	17,216	157,739	10.9	n.a.	5.5	4.6
1998	22,375	169,180	13.2	n.a.	6.3	4.5
1999	24,027	182,711	13.2	n.a.	6.0	4.5
2000	26,180	199,539	13.1	n.a.	5.9	4.4
2001	26,463	198,505	13.3	n.a.	6.3	4.5
2002	27,507	193,868	14.2	n.a.	6.0	4.9
2003	29,803	200,724	14.8	n.a.	6.3	4.8
2004	30,083	208,301	14.4	n.a.	5.9	5.0
2005	31,099	226,159	13.8	n.a.	5.7	4.9
2006	34,625	247,669	14.0	n.a.	5.6	4.7
2007	40,967	269,267	15.2	6.0	n.a.	4.6
2008 r	40,727	283,238	14.4	6.3	n.a.	4.4
2009 p	43,419	n.a.	n.a.	7.4	n.a.	n.a.

p Preliminary
r Revised
n.a. Not available
1. For the years 1997–2007, data on U.S. affiliate R&D were collected for nonbank affiliates only. Because it is unlikely that bank affiliates perform significant R&D, the data on R&D performed by affiliates in 1997–2007 are comparable with the data on R&D performed by affiliates in 2008–2009.
2. Data are from the National Science Foundation.
3. R&D intensity is equal to R&D expenditures divided by value added and is expressed as a percentage.

Table 11. Research and Development Performed by Majority-Owned U.S. Affiliates, by Country of UBO and by Industry of Affiliate, 2007–2009

	R&D performed by affiliates (millions of dollars)			Share of the total			R&D intensity [1]		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
All countries, all industries	**40,967**	**40,727**	**43,419**	**100.0**	**100.0**	**100.0**	**6.0**	**6.3**	**7.4**
By country:									
Canada	1,574	1,294	1,057	3.8	3.2	2.4	2.4	2.0	2.0
France	5,589	5,802	4,988	13.6	14.2	11.5	8.8	10.8	9.4
Germany	5,893	5,696	5,485	14.4	14.0	12.6	6.8	7.3	7.3
Netherlands	1,729	1,821	1,837	4.2	4.5	4.2	3.8	4.8	5.0
Switzerland	6,395	6,940	9,126	15.6	17.0	21.0	12.7	12.5	16.0
United Kingdom	9,470	7,247	6,560	23.1	17.8	15.1	7.8	6.8	6.5
Japan	4,416	4,781	7,143	10.8	11.7	16.5	5.2	5.7	11.0
Other	5,901	7,147	7,223	14.4	17.5	16.6	3.6	4.3	4.9
By industry:									
Manufacturing	30,615	28,617	29,634	74.7	70.3	68.3	10.5	9.5	10.6
Food	(D)	538	524	(D)	1.3	1.2	(D)	3.0	2.8
Beverages and tobacco products	54	47	41	0.1	0.1	0.1	0.6	0.3	0.2
Petroleum and coal products	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Chemicals	15,908	14,271	16,113	38.8	35.0	37.1	23.3	23.3	23.5
Plastics and rubber products	421	417	397	1.0	1.0	0.9	3.5	4.0	3.7
Nonmetallic mineral products	277	244	230	0.7	0.6	0.5	1.3	1.4	1.6
Primary metals	67	114	81	0.2	0.3	0.2	0.5	0.8	1.1
Fabricated metal products	225	259	292	0.5	0.6	0.7	2.6	3.0	3.4
Machinery	1,939	2,568	2,408	4.7	6.3	5.5	7.6	10.7	10.2
Computers and electronic products	3,838	4,240	4,093	9.4	10.4	9.4	28.0	32.1	28.4
Electrical equipment, appliances, and components	446	487	475	1.1	1.2	1.1	4.1	5.4	6.4
Transportation equipment	5,778	4,109	3,671	14.1	10.1	8.5	13.0	10.2	10.8
Other	703	(D)	(D)	1.7	(D)	(D)	4.6	(D)	(D)
Wholesale trade	6,635	7,165	8,531	16.2	17.6	19.6	6.0	8.8	14.1
Information	1,252	1,586	1,610	3.1	3.9	3.7	3.6	4.3	4.4
Professional, scientific, and technical services	2,021	2,872	3,112	4.9	7.1	7.2	7.9	10.1	11.6
Other industries	444	487	532	1.1	1.2	1.2	0.2	0.2	0.3

D Suppressed to avoid disclosure of data of individual companies.
1. R&D intensity is equal to R&D expenditures divided by value added and is expressed as a percentage.

R&D by Japanese-owned affiliates, which rose substantially because of acquisitions, was concentrated in pharmaceutical wholesale trade. The R&D by British-owned affiliates was concentrated in transportation equipment manufacturing and pharmaceutical manufacturing. R&D intensity, a measure of the propensity of affiliates to conduct R&D and defined as the R&D expenditures divided by value added, was highest among Japanese- and Swiss-owned affiliates.

In 2009, as in previous years, a majority of the R&D by affiliates was in manufacturing; affiliates in chemicals manufacturing accounted for the largest share of affiliate R&D and had the second-highest R&D intensity (23 percent). Much of the R&D in chemicals manufacturing was in pharmaceuticals and medicine. R&D by affiliates in computers and electronic products was also substantial; this industry had the highest R&D intensity (28 percent).

Revisions

This article presents preliminary statistics for U.S. affiliate operations in 2009. The statistics for employment, sales, and expenditures for property, plant, and equipment (capital expenditures) supersede the advance summary statistics for majority-owned affiliates that were released on April 18, 2011 (BEA news release 11–16). From the advance to the preliminary statistics, employment was revised up 1.5 percent, sales was revised down 1.5 percent, and capital expenditures was revised down 2.8 percent.

The final statistics for U.S. affiliate operations in 2008 are also presented. The final statistics for employment, sales, and expenditures for property, plant, and equipment for 2008 supersede the statistics for majority-owned affiliates from the April 2011 release and the preliminary statistics that were released in November 2010.[7] From the April 2011 statistics to the final statistics, employment was revised down 1.1 percent, sales was revised up 0.1 percent, and capital expenditures was revised up 0.5 percent. From the preliminary statistics to the final statistics, employment was revised up 0.8 percent, sales was revised up 2.0 percent, and capital expenditures was revised up 0.8 percent.

7. See Thomas Anderson, "U.S. Affiliates of Foreign Companies: Operations in 2008," Survey of Current Business 90 (November 2010): 45–58.

Tables 12.1 through 13.2 follow.

Table 12.1. Selected Financial and Operating Data of Majority-Owned U.S. Affiliates by Industry of Affiliate, 2008

	Millions of dollars								Millions of dollars		
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Value added	Compensation of employees	Thousands of employees	U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Research and development performed by affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
All industries	**11,941,162**	**1,451,037**	**188,961**	**3,516,484**	**–23,788**	**646,648**	**413,491**	**5,636.2**	**244,106**	**602,805**	**40,727**
Manufacturing	**1,612,319**	**662,607**	**74,769**	**1,412,459**	**22,383**	**299,934**	**172,942**	**2,151.5**	**139,831**	**261,266**	**28,617**
Food	76,045	29,103	3,050	81,273	2,752	17,770	10,332	169.1	5,115	4,121	538
Beverages and tobacco products	98,266	20,437	1,444	38,732	3,370	17,660	5,681	68.2	1,057	2,652	47
Paper	11,005	11,052	517	13,468	128	3,025	2,150	29.5	1,685	1,052	43
Petroleum and coal products	243,115	172,491	27,444	340,909	18,383	51,030	9,763	58.4	16,880	95,793	(D)
Chemicals	367,466	129,683	10,293	278,769	2,487	61,327	36,170	322.1	34,593	48,493	14,271
Basic chemicals	66,987	52,691	2,882	81,948	–6,684	8,735	5,948	61.8	13,138	16,555	705
Pharmaceuticals and medicines	225,257	45,828	4,735	128,529	8,696	41,077	22,414	172.5	12,458	23,063	12,650
Other	75,222	31,164	2,676	68,292	475	11,514	7,809	87.8	8,997	8,876	916
Plastics and rubber products	37,666	23,160	1,655	44,098	–482	10,553	8,229	130.3	4,287	7,557	417
Nonmetallic mineral products	103,395	65,164	4,861	54,865	–1,139	17,679	11,596	155.5	1,667	1,321	244
Primary and fabricated metals	101,948	46,823	5,129	107,249	1,127	22,351	14,354	186.3	8,948	8,929	372
Primary metals	72,298	33,504	4,008	76,156	75	13,797	8,267	95.2	5,848	5,322	114
Fabricated metal products	29,650	13,319	1,121	31,093	1,052	8,554	6,087	91.1	3,100	3,607	259
Machinery	128,693	24,938	3,436	97,826	2,089	23,894	18,809	241.5	15,328	12,459	2,568
Computers and electronic products	97,662	20,611	1,506	60,737	–6,379	13,201	11,515	162.1	13,326	13,107	4,240
Semiconductors and other electronic components	27,628	10,972	690	21,671	534	4,420	3,279	46.5	6,423	4,908	802
Navigational, measuring, and other instruments	13,626	2,543	256	9,477	621	3,511	1,856	27.8	2,318	1,331	410
Other	56,407	7,096	559	29,588	–7,534	5,269	6,381	87.9	4,586	6,868	3,028
Electrical equipment, appliances, and components	40,328	9,338	889	32,944	1,933	9,003	6,204	75.2	3,710	5,253	487
Transportation equipment	248,620	89,167	12,610	222,179	–1,326	40,245	29,431	419.7	26,568	55,616	4,109
Motor vehicles, bodies and trailers, and parts	191,568	76,679	11,149	168,910	–2,411	24,408	16,487	248.4	19,627	48,880	1,509
Other	57,052	12,489	1,461	53,269	1,086	15,836	12,944	171.2	6,941	6,736	2,600
Other	58,111	20,638	1,935	39,412	–560	12,195	8,708	133.5	6,667	4,913	(D)
Wholesale trade	**556,560**	**179,236**	**30,575**	**923,586**	**7,624**	**81,807**	**50,727**	**607.5**	**90,432**	**312,086**	**7,165**
Motor vehicles and motor vehicle parts and supplies	172,871	92,858	19,073	189,500	3,224	16,815	8,247	83.4	11,743	95,963	359
Electrical goods	71,407	17,685	2,125	110,768	–3,728	12,881	10,061	113.5	13,439	55,349	2,293
Petroleum and petroleum products	60,115	20,164	3,450	269,548	–270	4,165	1,687	16.6	14,938	41,949	124
Other	252,167	48,529	5,927	353,769	8,399	47,946	30,731	394.0	50,313	118,825	4,388
Retail trade	**69,139**	**42,711**	**4,827**	**125,774**	**1,293**	**27,093**	**14,678**	**472.0**	**670**	**7,370**	**8**
Food and beverage stores	31,953	27,262	2,834	67,662	1,162	16,425	8,397	275.2	4	(D)	0
Other	37,186	15,449	1,993	58,112	131	10,669	6,281	196.7	665	(D)	8
Information	**275,882**	**57,956**	**7,262**	**120,775**	**–2,440**	**37,307**	**24,329**	**261.1**	**2,760**	**(D)**	**1,586**
Publishing industries	94,886	6,672	741	38,134	–3,393	13,297	11,068	118.8	(D)	612	1,332
Telecommunications	80,701	38,458	5,212	35,065	450	10,976	3,904	57.6	(D)	51	38
Other	100,294	12,827	1,309	47,576	504	13,035	9,357	84.7	(D)	(D)	216
Finance and insurance	**8,346,710**	**77,049**	**15,147**	**495,299**	**–71,080**	**51,590**	**58,957**	**412.8**	**0**	**(*)**	**7**
Depository credit intermediation (banking)	3,401,090	20,842	1,842	159,836	–16,305	21,939	12,250	129.3	0	0	(*)
Finance, except depository institutions	3,386,281	41,220	11,999	183,249	–37,952	13,447	30,124	148.7	0	0	6
Insurance carriers and related activities	1,559,339	14,987	1,307	152,214	–16,822	16,204	16,583	134.8	0	(*)	1
Real estate and rental and leasing	**141,537**	**113,266**	**11,984**	**24,277**	**–3,077**	**13,504**	**2,750**	**38.7**	**(D)**	**(D)**	**44**
Real estate	116,577	100,064	10,300	17,462	–2,701	10,054	1,396	22.8	0	2	(D)
Rental and leasing (except real estate)	24,960	13,202	1,683	6,815	–376	3,450	1,355	15.9	(D)	(D)	(D)
Professional, scientific, and technical services	**113,563**	**14,685**	**1,477**	**79,275**	**2,518**	**28,460**	**23,335**	**252.3**	**957**	**352**	**2,872**
Architectural, engineering, and related services	19,594	3,308	318	14,875	607	5,966	4,681	56.5	811	152	261
Computer systems design and related services	30,228	4,498	536	23,772	548	9,836	8,547	87.0	(D)	3	346
Management, scientific, and technical consulting	13,512	748	112	4,838	218	2,486	2,113	18.8	(D)	(D)	34
Other	50,229	6,131	511	35,789	1,145	10,172	7,994	90.0	(D)	(D)	2,231
Other industries	**825,452**	**303,527**	**42,921**	**335,041**	**18,991**	**106,953**	**65,774**	**1,440.2**	**(D)**	**(D)**	**427**
Mining	148,365	97,679	17,861	51,360	7,740	26,738	7,543	77.1	6,476	5,615	174
Utilities	156,866	100,544	12,265	77,187	–1,413	12,422	4,173	50.3	(D)	5,699	8
Construction	35,163	10,275	2,261	51,484	–843	6,964	6,553	72.9	378	238	18
Transportation and warehousing	92,410	50,377	5,813	66,799	–1,385	18,863	14,868	282.5	(D)	(D)	(D)
Administration, support, and waste management	57,065	13,794	1,447	40,479	1,735	20,465	15,549	460.8	(D)	(D)	(D)
Health care and social assistance	13,701	3,764	493	10,237	435	5,359	3,813	69.7	(D)	2	(D)
Accommodation and food services	34,255	18,394	1,566	26,790	436	13,797	10,411	352.4	(*)	(*)	(*)
Other	287,626	8,699	1,216	10,705	12,285	2,345	2,864	74.6	600	156	90

(*) Less than $500,000.
D Suppressed to avoid disclosure of data of individual companies.

Table 12.2. Selected Financial and Operating Data of Majority-Owned U.S. Affiliates by Industry of Affiliate, 2009

	Millions of dollars								Millions of dollars		
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Value added	Compensation of employees	Thousands of employees	U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Research and development performed by affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
All industries	**11,371,253**	**1,490,440**	**154,184**	**2,917,316**	**–6,241**	**587,935**	**409,690**	**5,279.7**	**219,749**	**484,422**	**43,419**
Manufacturing	**1,592,658**	**673,388**	**57,769**	**1,142,149**	**10,482**	**278,451**	**170,592**	**1,963.8**	**126,177**	**203,576**	**29,634**
Food	77,739	29,205	2,423	79,280	3,862	18,961	10,301	162.9	5,195	3,898	524
Beverages and tobacco products	97,087	18,630	1,008	37,549	2,872	16,536	4,531	64.3	1,496	2,279	41
Paper	11,080	10,776	424	12,331	163	3,232	2,078	27.6	1,306	665	42
Petroleum and coal products	233,445	188,618	19,217	211,649	4,718	39,053	10,615	57.1	12,785	56,679	(D)
Chemicals	372,020	131,976	9,209	250,120	12,805	68,567	36,846	305.0	32,473	43,411	16,113
Basic chemicals	67,910	53,158	2,351	59,477	–1,178	10,701	5,227	58.7	12,766	10,164	655
Pharmaceuticals and medicines	227,571	48,211	4,389	133,636	13,131	45,613	24,012	163.8	11,873	26,041	14,535
Other	76,539	30,606	2,469	57,008	852	12,253	7,606	82.5	7,835	7,206	923
Plastics and rubber products	34,965	21,489	1,155	37,669	162	10,689	7,692	117.5	3,999	7,006	397
Nonmetallic mineral products	101,196	65,707	3,822	43,679	–3,262	14,728	10,477	133.7	1,750	1,122	230
Primary and fabricated metals	97,267	47,207	3,276	73,174	–3,779	15,665	13,257	163.9	7,335	5,514	372
Primary metals	68,166	34,158	2,246	45,818	–4,217	7,194	7,234	81.0	4,417	2,686	81
Fabricated metal products	29,101	13,049	1,029	27,356	438	8,471	6,022	83.0	2,918	2,828	292
Machinery	123,152	23,991	2,878	81,834	865	23,668	19,211	212.0	13,427	11,232	2,408
Computers and electronic products	110,602	21,963	1,371	64,485	–1,263	14,392	13,668	164.9	13,872	15,050	4,093
Semiconductors and other electronic components	24,813	10,247	564	17,345	251	3,039	2,883	40.9	5,885	3,983	824
Navigational, measuring, and other instruments	30,658	4,609	375	19,035	–662	5,930	4,581	48.9	4,397	5,198	1,003
Other	55,131	7,106	432	28,105	–852	5,423	6,203	75.1	3,589	5,868	2,266
Electrical equipment, appliances, and components	39,312	9,788	758	27,489	967	7,423	5,695	66.3	3,533	4,719	475
Transportation equipment	240,060	85,442	10,563	187,335	–7,539	33,974	28,123	367.6	22,766	47,549	3,671
Motor vehicles, bodies and trailers, and parts	182,444	72,298	9,336	137,848	–7,110	17,530	14,870	217.4	16,238	42,158	1,659
Other	57,616	13,144	1,227	49,487	–429	16,444	13,253	150.2	6,527	5,391	2,013
Other	54,732	18,597	1,666	35,555	–88	11,562	8,099	121.0	6,238	4,454	(D)
Wholesale trade	**541,548**	**183,785**	**28,199**	**758,424**	**–5,093**	**60,662**	**48,111**	**560.1**	**80,642**	**255,729**	**8,531**
Motor vehicles and motor vehicle parts and supplies	157,268	92,485	13,617	149,762	–2,978	5,745	7,033	80.6	9,827	69,161	364
Electrical goods	52,740	13,825	840	94,884	–3,557	5,185	6,742	73.2	10,539	50,782	1,389
Petroleum and petroleum products	68,456	25,623	7,510	189,431	158	6,534	1,670	15.3	12,954	28,965	(D)
Other	263,084	51,852	6,231	324,347	1,283	43,197	32,666	391.0	47,322	106,821	(D)
Retail trade	**71,439**	**45,389**	**4,348**	**122,912**	**1,189**	**27,884**	**15,307**	**469.4**	**688**	**7,234**	**9**
Food and beverage stores	35,018	29,450	2,586	69,221	1,305	17,028	8,793	277.1	8	(D)	0
Other	36,421	15,938	1,762	53,691	–116	10,856	6,514	192.3	680	(D)	9
Information	**264,263**	**59,853**	**7,208**	**119,776**	**–4,223**	**36,418**	**24,240**	**251.5**	**2,859**	**(D)**	**1,610**
Publishing industries	74,870	5,613	483	32,088	–2,444	11,600	9,261	89.0	(D)	(D)	1,376
Telecommunications	77,628	40,252	5,181	35,552	759	11,536	4,171	60.6	(D)	49	42
Other	111,765	13,988	1,545	52,136	–2,537	13,283	10,807	101.9	(D)	(D)	192
Finance and insurance	**7,853,328**	**78,172**	**14,200**	**388,429**	**–8,366**	**42,250**	**61,433**	**383.9**	**0**	**(*)**	**26**
Depository credit intermediation (banking)	3,184,009	21,325	2,680	103,017	–5,676	10,554	13,016	130.3	0	0	(*)
Finance, except depository institutions	3,023,286	41,299	10,254	140,703	–3,054	4,455	32,168	127.5	0	0	(D)
Insurance carriers and related activities	1,646,032	15,548	1,266	144,709	363	27,241	16,249	126.1	0	(*)	(D)
Real estate and rental and leasing	**135,096**	**110,131**	**5,548**	**23,958**	**–2,744**	**11,718**	**2,535**	**38.3**	**(D)**	**(D)**	**(D)**
Real estate	113,808	97,483	4,352	17,814	–2,379	8,582	1,269	23.5	0	0	3
Rental and leasing (except real estate)	21,288	12,647	1,197	6,144	–366	3,136	1,266	14.8	(D)	(D)	(D)
Professional, scientific, and technical services	**130,936**	**14,109**	**1,333**	**76,061**	**–2,196**	**26,851**	**23,008**	**245.4**	**858**	**308**	**3,112**
Architectural, engineering, and related services	20,768	3,273	247	14,222	292	5,727	4,838	55.6	715	(D)	258
Computer systems design and related services	32,233	4,222	424	22,998	649	9,904	8,493	84.2	(D)	3	546
Management, scientific, and technical consulting	13,488	727	76	4,721	207	2,401	2,055	18.8	0	0	26
Other	64,448	5,887	586	34,121	–3,343	8,819	7,622	86.9	(D)	(D)	2,283
Other industries	**781,985**	**325,613**	**35,578**	**285,607**	**4,710**	**103,701**	**64,465**	**1,367.2**	**(D)**	**(D)**	**(D)**
Mining	146,175	105,881	15,300	39,295	4,603	21,747	7,449	65.9	5,766	3,449	158
Utilities	157,182	106,393	9,554	53,527	1,398	14,558	4,524	47.5	462	3,381	10
Construction	34,778	9,732	1,964	44,985	–1,182	7,957	6,661	66.7	697	188	13
Transportation and warehousing	100,472	59,640	5,006	58,994	1,092	16,849	12,176	250.3	154	(D)	(D)
Administration, support, and waste management	61,385	14,904	1,310	41,442	1,842	21,302	16,367	447.8	(D)	(D)	(D)
Health care and social assistance	(D)	3,950	370	10,799	394	5,526	4,000	69.9	(D)	1	(D)
Accommodation and food services	32,941	16,812	995	26,446	–232	13,229	10,529	347.1	(*)	(*)	(*)
Other	(D)	8,303	1,080	10,119	–3,205	2,533	2,759	72.0	597	120	89

(*) Less than $500,000.
D Suppressed to avoid disclosure of data of individual companies.

Table 13.1. Selected Data of Majority-Owned U.S. Affiliates by Country of Ultimate Beneficial Owner, 2008

	Millions of dollars								Millions of dollars		
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Value added	Compensation of employees	Thousands of employees	U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Research and development performed by affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
All countries	**11,941,162**	**1,451,037**	**188,961**	**3,516,484**	**–23,788**	**646,648**	**413,491**	**5,636.2**	**244,106**	**602,805**	**40,727**
Canada	**1,159,303**	**149,720**	**18,060**	**254,774**	**–1,243**	**63,806**	**36,012**	**509.8**	**9,664**	**40,686**	**1,294**
Europe	**8,705,331**	**841,149**	**107,990**	**2,106,537**	**–19,717**	**403,605**	**268,172**	**3,645.3**	**130,096**	**238,109**	**30,273**
Belgium	241,500	25,558	2,393	74,185	–6,543	17,612	8,659	179.7	1,916	4,102	506
Denmark	41,309	6,008	546	16,543	105	4,057	2,954	26.0	1,342	5,146	377
Finland	55,864	4,821	321	20,204	529	4,164	2,946	31.0	1,815	7,750	588
France	1,388,627	82,373	7,588	284,086	393	53,492	39,497	554.3	17,994	21,152	5,802
Germany	1,568,044	220,268	32,369	396,700	–10,932	77,977	52,762	616.7	35,824	63,449	5,696
Ireland	128,374	14,021	1,199	33,954	–875	9,715	7,376	96.5	439	1,156	324
Italy	162,040	26,815	3,600	40,210	1,572	8,973	4,888	86.7	3,700	6,682	370
Netherlands	883,214	79,549	10,051	332,195	–2,239	37,878	25,136	348.9	19,811	37,546	1,821
Spain	263,781	25,202	4,415	30,620	–1,031	5,691	4,041	64.7	1,129	1,299	67
Sweden	61,803	15,122	1,366	54,978	1,186	13,517	9,251	184.2	5,967	7,270	345
Switzerland	1,631,451	59,816	6,533	232,085	–13,601	55,614	37,304	389.3	9,808	16,461	6,940
United Kingdom	2,185,383	245,692	31,373	541,953	15,038	107,176	68,337	977.9	28,656	60,197	7,247
Other	93,939	35,906	6,236	48,825	–3,318	7,737	5,022	89.4	1,694	5,898	191
Latin America and Other Western Hemisphere	**408,398**	**80,981**	**9,992**	**195,380**	**925**	**48,702**	**30,008**	**371.8**	**11,696**	**38,349**	**1,773**
South and Central America	110,011	31,064	3,343	100,153	–463	14,880	6,441	103.6	5,081	32,579	23
Brazil	39,202	7,249	1,136	29,404	–1,153	3,681	2,171	42.3	2,546	4,170	(*)
Mexico	36,301	13,001	828	21,836	35	5,597	2,976	46.8	1,011	(D)	(D)
Venezuela	20,736	(D)	(D)	(D)	(D)	(D)	764	6.3	(D)	(D)	0
Other	13,772	(D)	(D)	(D)	(D)	(D)	529	8.2	(D)	2,208	(D)
Other Western Hemisphere	298,387	49,917	6,650	95,227	1,388	33,822	23,568	268.2	6,615	5,770	1,750
Bermuda	239,965	36,630	3,876	70,609	40	23,651	17,852	207.3	6,023	3,957	1,224
United Kingdom Islands, Caribbean	44,093	8,242	1,948	12,750	484	4,866	(D)	36.3	(D)	(D)	(D)
Other	14,330	5,044	826	11,868	864	5,305	(D)	24.6	(D)	(D)	(D)
Africa	**5,114**	**3,793**	**187**	**7,443**	**203**	**1,110**	**638**	**6.6**	**798**	**177**	**9**
South Africa	3,730	3,708	177	7,267	154	1,103	619	6.5	798	176	9
Other	1,383	85	11	176	50	7	20	0.2	(*)	(*)	1
Middle East	**133,897**	**42,234**	**6,549**	**95,313**	**–7,919**	**9,878**	**4,192**	**62.3**	**2,339**	**(D)**	**358**
Israel	63,495	6,218	771	17,688	–2,975	1,481	1,486	23.4	286	2,426	204
Saudi Arabia	26,347	18,093	(D)	65,678	–882	5,526	887	7.1	1,637	(D)	104
United Arab Emirates	24,549	9,046	853	(D)	–3,860	853	674	9.9	(D)	103	0
Other	19,506	8,878	(D)	(D)	–202	2,018	1,145	21.8	(D)	699	50
Asia and Pacific	**1,432,426**	**305,010**	**44,174**	**767,945**	**8,148**	**107,911**	**65,530**	**938.5**	**75,506**	**238,405**	**5,689**
Australia	198,482	53,281	5,716	43,263	1,635	11,741	5,974	88.8	3,073	2,179	155
China	(D)	770	55	2,938	(D)	339	227	3.7	49	216	17
Hong Kong	23,908	9,948	707	24,117	–507	2,436	1,576	25.8	698	3,417	147
India	14,714	2,453	437	9,695	(D)	2,523	1,902	31.1	574	502	23
Japan	1,027,714	212,381	33,634	592,655	8,559	84,542	49,532	690.0	58,205	186,229	4,781
Korea, Republic of	42,580	15,044	2,996	61,216	–1,568	1,726	2,090	29.5	10,550	39,413	259
Singapore	35,702	2,741	176	12,959	174	1,933	1,983	32.5	704	469	139
Taiwan	34,284	4,809	176	11,158	–244	1,060	(D)	15.1	954	4,023	118
Other	(D)	3,583	277	9,945	(D)	1,611	(D)	22.0	699	1,957	50
United States	**96,695**	**28,151**	**2,008**	**89,093**	**–4,185**	**11,636**	**8,938**	**101.8**	**14,006**	**(D)**	**1,330**
Addenda:											
European Union (27) [1]	7,022,889	761,023	(D)	1,841,293	–4,660	343,655	228,248	3,220.5	119,327	218,098	23,210
OPEC [2]	82,143	42,292	6,101	115,312	–4,041	11,952	2,546	26.3	2,959	(D)	105

(*) Less than $500,000.
D Suppressed to avoid disclosure of data of individual companies.
1. The European Union (27) comprises Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.
2. OPEC is the Organization of Petroleum Exporting Countries. In 2008, its members were Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

Table 13.2. Selected Data of Majority-Owned U.S. Affiliates by Country of Ultimate Beneficial Owner, 2009

	Millions of dollars								Millions of dollars		
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Value added	Compensation of employees	Thousands of employees	U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Research and development performed by affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
All countries	**11,371,253**	**1,490,440**	**154,184**	**2,917,316**	**–6,241**	**587,935**	**409,690**	**5,279.7**	**219,749**	**484,422**	**43,419**
Canada	**1,204,107**	**153,005**	**14,324**	**223,106**	**–1,172**	**53,665**	**34,733**	**473.9**	**9,455**	**29,661**	**1,057**
Europe	**8,140,537**	**894,709**	**92,355**	**1,739,977**	**6,930**	**388,637**	**272,986**	**3,499.3**	**117,897**	**197,031**	**31,318**
Belgium	176,066	23,163	1,443	53,817	5,858	17,270	7,037	170.4	1,529	3,438	515
Denmark	33,287	4,912	599	14,920	–210	2,945	2,315	22.0	1,200	3,985	367
Finland	47,240	4,386	315	15,730	802	3,881	2,716	26.3	1,222	5,633	515
France	1,325,428	101,719	10,289	231,829	1,839	52,811	38,598	514.7	14,758	18,918	4,988
Germany	1,403,040	210,960	24,418	332,665	4,894	74,804	50,961	567.0	33,438	53,067	5,485
Ireland	153,341	19,010	1,174	37,754	–6,321	11,438	8,927	116.4	1,898	1,999	725
Italy	159,822	29,215	2,718	35,612	1,662	8,499	5,587	81.4	3,047	5,416	401
Netherlands	911,571	83,438	8,152	248,504	–144	36,575	25,414	342.0	17,260	30,156	1,837
Spain	330,354	27,979	2,781	28,618	–1,866	3,336	4,706	69.5	1,085	1,188	77
Sweden	57,318	16,129	1,252	43,915	593	11,911	8,701	172.5	4,147	5,544	508
Switzerland	1,314,055	70,106	6,734	217,006	8,731	57,032	40,976	430.6	10,784	16,566	9,126
United Kingdom	2,122,071	257,558	26,310	439,468	–4,493	100,381	72,135	902.3	25,521	47,255	6,560
Other	106,944	46,134	6,169	40,140	–4,414	7,755	4,912	84.1	2,008	3,866	213
Latin America and Other Western Hemisphere	**339,706**	**61,697**	**5,133**	**129,398**	**242**	**33,274**	**23,499**	**258.9**	**7,227**	**25,810**	**1,193**
South and Central America	121,108	32,390	2,265	73,089	–1,212	12,121	6,721	106.1	4,480	22,892	27
Brazil	44,930	8,127	858	21,201	–442	2,375	2,002	39.0	2,634	4,247	(*)
Mexico	40,944	13,520	599	20,781	–134	6,291	3,551	53.8	583	2,539	(D)
Venezuela	19,109	(D)	(D)	(D)	–419	(D)	712	5.8	(D)	(D)	0
Other	16,125	(D)	(D)	(D)	–216	(D)	457	7.5	(D)	(D)	(D)
Other Western Hemisphere	218,598	29,306	2,868	56,309	1,453	21,153	16,778	152.8	2,747	2,918	1,166
Bermuda	175,503	18,274	1,824	37,085	628	13,977	11,571	99.7	2,269	1,213	666
United Kingdom Islands, Caribbean	29,774	6,132	699	10,151	685	3,473	2,365	31.7	(D)	(D)	(D)
Other	13,320	4,901	345	9,074	140	3,704	2,842	21.4	(D)	(D)	(D)
Africa	**4,929**	**3,762**	**102**	**5,374**	**62**	**877**	**536**	**5.8**	**648**	**167**	**7**
South Africa	3,179	3,684	93	5,231	47	874	515	5.7	648	167	7
Other	1,750	79	10	143	15	3	20	0.2	(*)	(*)	0
Middle East	**134,465**	**46,169**	**5,588**	**70,768**	**–5,846**	**10,575**	**4,478**	**59.8**	**2,327**	**10,868**	**475**
Israel	62,370	6,561	737	16,734	–66	2,412	1,785	22.1	255	(D)	307
Saudi Arabia	28,808	20,481	(D)	40,779	–756	5,066	895	6.8	1,470	(D)	110
United Arab Emirates	24,271	9,502	379	(D)	–4,611	1,170	727	10.2	(D)	387	9
Other	19,016	9,625	(D)	(D)	–413	1,927	1,071	20.8	(D)	(D)	50
Asia and Pacific	**1,446,467**	**303,489**	**35,384**	**681,630**	**–5,496**	**89,621**	**65,443**	**896.0**	**69,920**	**208,732**	**8,096**
Australia	206,754	58,933	3,645	43,570	–894	11,118	6,288	85.7	2,999	2,067	160
China	18,708	690	28	2,626	21	363	278	4.3	121	638	21
Hong Kong	23,900	10,246	771	19,349	375	2,668	1,534	22.4	567	3,317	155
India	18,074	2,275	250	10,786	202	2,715	2,099	32.0	697	484	30
Japan	1,057,470	206,567	28,448	511,661	–4,834	65,051	49,372	661.4	52,937	157,160	7,143
Korea, Republic of	40,935	14,032	1,668	64,508	45	3,596	1,921	26.9	10,661	39,203	278
Singapore	34,767	2,738	157	11,135	147	1,739	1,875	29.9	524	349	127
Taiwan	34,062	4,573	176	9,278	–552	582	875	13.0	791	3,638	122
Other	11,796	3,435	241	8,716	–8	1,789	1,200	20.4	622	1,876	60
United States	**101,041**	**27,608**	**1,298**	**67,063**	**–960**	**11,286**	**8,015**	**86.0**	**12,275**	**12,154**	**1,273**
Addenda:											
European Union (27) [1]	6,772,602	801,708	82,207	1,498,419	633	327,804	229,563	3,036.2	105,810	178,574	22,055
OPEC [2]	83,235	45,542	5,080	74,431	–6,154	9,663	2,497	25.0	2,777	(D)	119

(*) Less than $500,000.
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1. The European Union (27) comprises Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.
2. OPEC is the Organization of Petroleum Exporting Countries. In 2009, its members were Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.