

The following is a reprint of a set of fliers that present an overview of the principal statistics prepared by BEA's international economics program.

U.S. Department of Commerce



Bureau of Economic Analysis

BEA's International Accounts

The Bureau of Economic Analysis prepares and publishes estimates of transactions between U.S. and foreign residents and of the value of accumulated stocks of U.S.-owned assets abroad and of foreign-owned assets in the United States. These estimates are presented in the international transactions accounts and the international investment position accounts. In addition, the Bureau has work programs devoted to international services, to direct investment, and to research and analysis.

International transactions accounts

The international transactions accounts are a quarterly statistical summary of transactions between U.S. and foreign residents organized into three major categories: The current account, the capital account, and the financial account. The current account includes exports and imports of goods, services, income, and current transfers. The capital account includes capital transfers, such as debt forgiveness. The financial account includes transactions for official assets, for U.S. Government assets other than official reserve assets, for direct investment, for portfolio investment, and for other investment.

International investment position accounts

The international investment position is an annual statistical summary of the value of accumulated stocks of U.S.-owned assets abroad and of foreign-owned assets in the United States, as well as the value of the net international investment position of the United States. Two alternative official measures of the international investment position are presented, one with direct investment recorded at current cost, and the other with direct investment recorded at market value. Separate estimates are available for the value of accumulated stocks of official assets, of U.S. Government assets other than official reserve assets, of direct investment, of portfolio investment, and of other investment.

International services

The Bureau provides annual statistical detail on U.S. cross-border exports and imports of private services and on sales of services by nonbank majority-owned U.S. and foreign affiliates of multinational companies. U.S. cross-border exports and imports are transactions between U.S. and foreign residents; they represent international trade in the conventional sense and are recorded, in summary form, in the international transactions accounts. Sales of services to foreign residents by foreign affiliates of U.S. companies and purchases by U.S. residents from U.S. affiliates of foreign companies are not recorded in the U.S. international transactions accounts, because these transactions are not between U.S. and foreign residents. (However, they are reflected in an ownership-based framework of the U.S. current account, which the Bureau publishes periodically.)

Direct investment

The Bureau produces comprehensive data on U.S. direct investment abroad and foreign direct investment in the United States that are essential to the compilation of the U.S. economic accounts and for the analysis of multinational companies. For both types of investment, data are provided on transactions between parent companies and their affiliates, on direct investment positions (stocks), and on the financial and operating characteristics of the firms involved. For foreign direct investment in the United States, an additional data set relating to newly acquired or established U.S. affiliates of foreign companies also is provided. In addition, establishment-level data on foreign-owned firms are provided for selected years for which BEA links its enterprise-level (or company-level) data to the Census Bureau's establishment-level (or plant-level) data.

Research and analysis

The Bureau conducts a variety of research and

analytical activities in support of the international accounts. The topics covered include all the areas in which it produces international statistics. The results of the research may be published in the SURVEY OF CURRENT BUSINESS, presented in outside publications, or used in-house to improve the accounts. Among the topics covered by recent research projects have been the intra-firm trade of U.S. and foreign multinational companies, the structure of production and origin of content of production by foreign affiliates of U.S.

companies and U.S. affiliates of foreign companies, and the expansion strategies of U.S. multinational firms.

For more information

Call the Balance of Payments Division at 202-606-9545 or the International Investment Division at 202-606-9800, or e-mail internationalaccounts@bea.gov. For additional information about the international accounts, go to our Web site at www.bea.gov.

International Transactions Accounts

The Bureau of Economic Analysis prepares and publishes estimates of transactions between U.S. and foreign residents. These estimates are presented in the international transactions accounts (table 1).

Transactions are defined as the transfer of ownership of something that has an economic value measurable in monetary terms from residents of one country to residents of another. Transactions in goods, services, income, and current transfers constitute the current account. Capital transfers, such as debt forgiveness, largely constitute the capital account. Transactions in financial assets constitute the financial account.

Current-account transactions in goods, services, and income involve real resources, which are intrinsically capable of satisfying an economic want or need. Exports of goods and services accounted for 10 percent of the current-dollar value of U.S. gross domestic product in 2001. Imports of goods and services accounted for 13 percent of the current-dollar value of U.S. gross domestic purchases in 2001.

Exports and imports of goods are much larger than other current-account transactions, and the deficit on goods has been the largest component of the current-account balance for many years. Exports and imports of services are much smaller, and the surplus on services partly offsets the deficit on goods. Receipts and payments of income have grown fastest in recent years, mainly as a result of the rapid expansion of cross-border holdings of financial

assets.

Financial-account transactions may involve exchanges of financial assets for other financial assets or for real resources, or they may involve the gift or grant of financial assets where nothing of economic value is received in return. Financial-account transactions have grown very rapidly since the early 1990s as a result of the easing of governmental restrictions on financial institutions and markets, rapid innovation in financial techniques and instruments, and economic growth.

Financial-account transactions are organized into two major categories. The first major category is U.S.-owned assets abroad, which includes—among other transactions—U.S. purchases and sales of foreign securities, U.S. bank lending to foreigners, and U.S. direct investment abroad. The second major category is foreign-owned assets in the United States, which includes—among other transactions—foreign purchases and sales of U.S. securities, U.S. bank borrowing from foreigners, and foreign direct investment in the United States.

For more information

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Table 1. U.S. International Transactions

[Millions of dollars]

Line	(Credits +; debits -) ¹	2001	Not seasonally adjusted									Seasonally adjusted					
			2001				2002					2001				2002	
			I	II	III	IV	I	II ^r	III ^p	I	II	III	IV	I	II ^r	III ^p	
Current account																	
1	Exports of goods and services and income receipts	1,281,793	347,304	332,942	306,844	294,703	289,712	306,297	309,507	349,040	331,612	309,477	291,667	291,348	305,262	312,881	
2	Exports of goods and services	998,022	263,736	258,016	239,744	236,526	231,262	245,458	246,063	266,004	256,766	242,325	232,930	233,252	244,540	249,409	
3	Goods, balance of payments basis ²	718,762	192,909	187,647	167,292	170,914	163,810	175,254	169,268	193,284	184,846	173,274	167,358	164,649	172,426	175,727	
4	Services ³	279,260	70,827	70,369	72,452	65,612	67,452	70,204	76,795	72,720	71,920	69,051	65,572	68,603	72,114	73,682	
5	Transfers under U.S. military agency sales contracts ⁴	12,220	2,806	3,227	3,079	3,108	2,990	3,087	2,922	2,806	3,227	3,079	3,108	2,990	3,087	2,922	
6	Travel	73,119	18,299	20,276	20,628	13,916	15,056	17,622	20,221	20,735	19,803	17,845	14,736	17,038	17,200	17,586	
7	Passenger fares	18,007	4,639	4,788	5,100	3,480	3,842	4,120	5,083	5,007	4,849	4,522	3,629	4,171	4,172	4,503	
8	Other transportation	28,306	7,163	7,168	7,308	6,667	6,523	6,983	7,482	7,495	7,170	6,968	6,674	6,805	6,986	7,159	
9	Royalties and license fees ⁵	38,668	9,428	9,534	9,314	10,392	9,651	10,796	10,727	9,717	9,743	9,537	9,672	9,931	11,085	11,020	
10	Other private services ⁵	108,109	28,270	25,175	26,809	27,855	29,195	27,397	30,160	26,738	26,927	26,886	27,559	27,473	29,385	30,292	
11	U.S. Government miscellaneous services	831	222	201	214	194	195	199	200	222	201	214	194	195	199	200	
12	Income receipts	283,771	83,568	74,926	67,100	58,177	58,450	60,839	63,444	83,036	74,846	67,152	58,737	58,096	60,722	63,472	
13	Income receipts on U.S.-owned assets abroad	281,389	82,976	74,333	66,503	57,577	57,839	60,225	62,826	82,444	74,253	66,555	58,137	57,485	60,108	62,854	
14	Direct investment receipts	125,996	35,713	33,217	30,084	26,982	28,946	31,132	33,665	35,270	33,078	30,211	27,436	28,679	30,958	33,763	
15	Other private receipts	151,832	46,281	40,398	35,494	29,659	29,494	28,486	28,231	46,281	40,398	35,494	29,659	27,994	28,486	28,231	
16	U.S. Government receipts	3,561	982	718	925	936	899	607	930	893	777	850	1,042	812	664	860	
17	Compensation of employees	2,382	592	593	597	600	611	614	618	592	593	597	600	611	614	618	
18	Imports of goods and services and income payments	-1,625,701	-433,352	-419,632	-394,713	-378,004	-373,988	-420,224	-435,249	-445,154	-418,930	-388,448	-373,174	-387,786	-419,862	-426,701	
19	Imports of goods and services	-1,356,312	-351,464	-350,111	-328,351	-326,386	-315,033	-353,557	-368,828	-363,164	-350,090	-322,103	-320,958	-328,744	-353,853	-360,270	
20	Goods, balance of payments basis ²	-1,145,927	-298,773	-290,643	-281,518	-275,173	-261,179	-292,767	-303,642	-306,316	-292,565	-279,025	-268,021	-271,073	-294,893	-298,903	
21	Services ³	-210,385	-52,691	-59,648	-46,833	-51,213	-53,854	-60,790	-65,186	-58,484	-57,525	-43,078	-52,937	-57,671	-58,960	-61,367	
22	Direct defense expenditures	-15,198	-3,548	-3,512	-3,785	-4,353	-4,488	-4,766	-5,005	-3,548	-3,512	-3,785	-4,353	-4,488	-4,766	-5,005	
23	Travel	-60,117	-13,545	-18,466	-17,253	-10,853	-12,389	-16,036	-17,888	-16,003	-16,698	-14,468	-12,948	-14,587	-14,544	-14,995	
24	Passenger fares	-22,418	-5,237	-6,763	-6,571	-3,847	-4,609	-5,522	-5,978	-5,810	-5,944	-5,944	-4,451	-5,113	-5,028	-5,352	
25	Other transportation	-38,823	-10,064	-10,057	-9,608	-9,094	-8,457	-9,623	-10,141	-10,521	-10,130	-9,178	-8,997	-8,858	-9,739	-9,709	
26	Royalties and license fees ⁵	-16,359	-3,990	-3,939	-3,956	-4,474	-4,653	-4,835	-5,051	-4,097	-4,038	-4,113	-4,110	-4,764	-4,951	-5,264	
27	Other private services ⁵	-54,588	-15,584	-16,185	-14,934	-17,885	-18,517	-19,283	-20,398	-16,146	-16,208	-14,864	-17,371	-19,120	-19,297	-20,317	
28	U.S. Government miscellaneous services	-2,882	-723	-726	-726	-707	-741	-725	-725	-723	-726	-726	-707	-741	-725	-725	
29	Income payments	-269,389	-81,888	-69,521	-66,362	-51,618	-58,955	-66,667	-66,421	-81,990	-68,840	-66,345	-52,216	-59,042	-66,009	-66,431	
30	Income payments on foreign-owned assets in the United States	-260,850	-79,875	-67,503	-64,174	-49,298	-56,822	-64,504	-64,177	-79,881	-66,727	-64,210	-50,035	-56,803	-63,737	-64,229	
31	Direct investment payments	-23,401	-13,015	-6,022	-6,267	1,903	-6,629	-12,930	-14,890	-13,021	-5,246	-6,303	1,166	-6,610	-12,163	-14,942	
32	Other private payments	-156,784	-45,512	-40,886	-38,156	-32,230	-31,679	-32,943	-31,114	-45,512	-40,886	-38,156	-32,230	-31,679	-32,943	-31,114	
33	U.S. Government payments	-80,665	-21,348	-20,595	-19,751	-18,971	-18,514	-18,631	-18,173	-21,348	-20,595	-19,751	-18,971	-18,514	-18,631	-18,173	
34	Compensation of employees	-8,539	-2,013	-2,018	-2,188	-2,320	-2,133	-2,163	-2,244	-2,109	-2,113	-2,135	-2,181	-2,239	-2,272	-2,202	
35	Unilateral current transfers, net	-49,463	-11,827	-11,250	-12,157	-14,229	-16,381	-12,305	-12,854	-11,608	-11,916	-12,360	-13,579	-16,016	-13,011	-13,221	
36	U.S. Government grants ⁴	-11,628	-2,419	-2,522	-2,905	-3,782	-6,273	-3,312	-3,147	-2,419	-2,522	-2,905	-3,782	-6,273	-3,312	-3,147	
37	U.S. Government pensions and other transfers	-5,798	-1,167	-934	-1,027	-2,670	-1,330	-1,005	-932	-1,316	-1,291	-1,305	-1,886	-1,348	-1,356	-1,368	
38	Private remittances and other transfers ⁶	-32,037	-8,241	-7,794	-8,225	-7,777	-8,778	-7,988	-8,775	-7,873	-8,103	-8,150	-7,911	-8,395	-8,343	-8,706	
Capital and financial account																	
Capital account																	
39	Capital account transactions, net	826	208	207	206	205	208	200	223	208	207	206	205	208	200	223	
Financial account																	
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-370,962	-218,586	-81,594	23,140	-93,922	-28,121	-132,756	21,240	-215,815	-80,036	24,978	-100,088	-25,918	-131,079	23,920	
41	U.S. official reserve assets, net	-4,911	190	-1,343	-3,559	-199	390	-1,843	-1,416	190	-1,343	-3,559	-199	390	-1,843	-1,416	
42	Gold ⁷	-630	-189	-156	-145	-140	-109	-107	-132	-189	-156	-145	-140	-109	-107	-132	
44	Reserve position in the International Monetary Fund	-3,600	574	-1,015	-3,242	83	652	-1,607	-1,136	574	-1,015	-3,242	83	652	-1,607	-1,136	
45	Foreign currencies	-681	-195	-172	-172	-142	-153	-129	-148	-195	-172	-172	-142	-153	-129	-148	
46	U.S. Government assets, other than official reserve assets, net	-486	77	-783	77	143	133	42	172	77	-783	77	143	133	42	172	
47	U.S. credits and other long-term assets	-4,431	-1,094	-1,330	-1,011	-996	-853	-565	-897	-1,094	-1,330	-1,011	-996	-853	-565	-897	
48	Repayments on U.S. credits and other long-term assets ⁸	3,873	1,071	573	1,118	1,111	994	566	1,190	1,071	573	1,118	1,111	994	566	1,190	
49	U.S. foreign currency holdings and U.S. short-term assets, net	72	100	-26	-30	28	-8	41	-121	100	-26	-30	28	-8	41	-121	
50	U.S. private assets, net	-365,565	-218,853	-79,468	26,622	-93,866	-28,644	-130,955	22,484	-216,082	-77,910	28,460	-100,032	-26,441	-129,278	25,164	
51	Direct investment	-127,840	-26,285	-36,689	-43,562	-21,304	-31,483	-35,932	-30,143	-23,514	-35,131	-41,724	-27,470	-29,280	-34,255	-27,463	
52	Foreign securities	-94,662	-26,895	-51,764	10,087	-26,090	2,047	-9,675	18,295	-26,895	-51,764	10,087	-26,090	2,047	-9,675	18,295	
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-14,358	-51,759	9,670	-9,479	37,210	65	-16,693	-12,087	-51,759	9,670	-9,479	37,210	65	-16,693	-12,087	
54	U.S. claims reported by U.S. banks, not included elsewhere	-128,705	-113,914	-685	69,576	-83,682	727	-68,655	46,419	-113,914	-685	69,576	-83,682	727	-68,655	46,419	
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	752,806	303,125	182,749	18,136	248,796	113,921	205,861	148,682	302,510	181,610	17,889	250,797	113,496	204,307	148,510	
56	Foreign official assets in the United States, net	5,224	4,087	-20,831	16,882	5,086	7,641	47,252	9,319	4,087	-20,831	16,882	5,086	7,641	47,252	9,319	
57	U.S. Government securities	31,665	2,547	-10,866	15,594	24,390	6,714	21,741	12,309	2,547	-10,866	15,594	24,390	6,714	21,741	12,309	
58	U.S. Treasury securities ⁹	10,745	-1,027	-20,798	15,810	16,760	-582	15,193	1,424	-1,027	-20,798	15,810	16,760	-582	15,193	1,424	
59	Other ¹⁰	20,920	3,574	9,932	-216	7,630	7,296	6,5									

Table 1. U.S. International Transactions—Continued
[Millions of dollars]

Line	(Credits +; debits -) ¹	2001	Not seasonally adjusted						Seasonally adjusted							
			2001				2002		2001				2002			
			I	II	III	IV	I	II ^r	III ^p	I	II	III	IV	I	II ^r	III ^p
Memoranda:																
71	Balance on goods (lines 3 and 20)	-427,165	-105,864	-102,816	-114,226	-104,259	-97,369	-117,513	-134,374	-113,032	-107,719	-105,751	-100,663	-106,424	-122,467	-123,176
72	Balance on services (lines 4 and 21)	68,875	18,136	10,721	25,619	14,399	13,598	9,414	11,609	15,872	14,395	25,973	12,635	10,932	13,154	12,315
73	Balance on goods and services (lines 2 and 19)	-358,290	-87,728	-92,095	-88,607	-89,860	-83,771	-108,099	-122,765	-97,160	-93,324	-79,778	-88,028	-95,492	-109,313	-110,861
74	Balance on income (lines 12 and 29)	14,382	1,680	5,405	738	6,559	-505	-5,828	-2,977	1,046	6,006	807	6,521	-946	-5,287	-2,959
75	Unilateral current transfers, net (line 35)	-49,463	-11,827	-11,250	-12,157	-14,229	-16,381	-12,305	-12,854	-11,608	-11,916	-12,360	-13,579	-16,016	-13,011	-13,221
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	-393,371	-97,875	-97,940	-100,026	-97,530	-100,657	-126,232	-138,596	-107,722	-99,234	-91,331	-95,086	-112,454	-127,611	-127,041

1. Credits, +: Exports of goods and services and income receipts; unilateral current transfers to the United States; capital account transactions receipts; financial inflows—increase in foreign-owned assets (U.S. liabilities) or decrease in U.S.-owned assets (U.S. claims).

Debits, -: Imports of goods and services and income payments; unilateral current transfers to foreigners; capital account transactions payments; financial outflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).

2. Excludes exports of goods under U.S. military agency sales contracts identified in Census export documents, excludes imports of goods under direct defense expenditures identified in Census import documents, and reflects various other adjustments (for valuation, coverage, and timing) of Census statistics to balance of payments basis.

3. Includes some goods: Mainly military equipment in line 5; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 22; and fuels purchased by airline and steamship operators in lines 8 and 25.

4. Includes transfers of goods and services under U.S. military grant programs.

5. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.

6. Beginning in 1982, the "other transfers" component includes taxes paid by U.S. private residents to foreign governments and taxes paid by private nonresidents to the U.S. Government.

7. At the present time, all U.S. Treasury-owned gold is held in the United States.

8. Includes sales of foreign obligations to foreigners.

9. Consists of bills, certificates, marketable bonds and notes, and nonmarketable convertible and nonconvertible bonds and notes.

10. Consists of U.S. Treasury and Export-Import Bank obligations, not included elsewhere, and of debt securities of U.S. Government corporations and agencies.

11. Includes, primarily, U.S. Government liabilities associated with military agency sales contracts and other transactions arranged with or through foreign official agencies.

12. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and State and local governments.

13. Conceptually, line 76 is equal to "net foreign investment" in the national income and product accounts (NIPAs). However, the foreign transactions account in the NIPAs (a) includes adjustments to the international transactions accounts for the treatment of gold, (b) includes adjustments for the different geographical treatment of transactions with U.S. territories and Puerto Rico, and (c) includes services furnished without payment by financial pension plans except life insurance carriers and private noninsured pension plans. A reconciliation of the balance on goods and services from the international accounts and the NIPA net exports appears in reconciliation table 2 of appendix A in the January 2003 issue of the SURVEY OF CURRENT BUSINESS. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.5 of the full set of NIPA tables in the August 2002 issue of the SURVEY.

International Investment Position Accounts

The Bureau of Economic Analysis prepares and publishes estimates of the value of accumulated stocks of U.S.-owned assets abroad and of foreign-owned assets in the United States, as well as the value of the net international investment position of the United States (table 1). These estimates are produced annually and reflect values as of yearend. The estimates for transactions, which are presented in the international transactions accounts, and several types of valuation adjustments explain the year-to-year change in investment positions.

Assets are recorded in the international investment position accounts at current cost or at market value. Direct investment is recorded at current cost and at market value, and supplemental information is available at historical cost (or book value). Equity, long-term marketable debt securities, and gold are recorded at market value. For other types of assets, face value is generally presumed to represent market value.

Changes in the value of stocks of assets in the international investment position consist of two elements. The first is the change attributable to international financial transactions, which are recorded in the international transactions accounts. The second is the change attributable to valuation adjustments, including price changes, exchange rate changes, and other factors.

The international investment position accounts provide information on the composition of U.S.-owned assets abroad and of foreign-owned assets in the United States. This information facilitates analyses

of the economic effects of international lending and investment. For example, the economic effects of direct investment can be much different from the economic effects of portfolio investment. Within portfolio investment, the relative importance of foreign ownership of domestic stocks, bonds, bank loans, and deposits is often of interest to government policymakers, private individuals, and companies.

The value of U.S.-owned assets abroad includes the value of U.S. official reserve assets, of U.S. Government assets other than official reserve assets, and of U.S. private assets. U.S. private assets consist of the value of U.S. direct investment abroad, of U.S. holdings of foreign securities, and of U.S. claims on unaffiliated foreigners reported by U.S. banks and nonbanking concerns.

The value of foreign-owned assets in the United States includes the value of foreign official assets in the United States and of other foreign assets in the United States. Other foreign assets consist of the value of foreign direct investment in the United States, of foreign holdings of U.S. securities, of foreign holdings of U.S. currency, and of U.S. liabilities to unaffiliated foreigners reported by U.S. banks and nonbanking concerns.

For more information

Call Christopher A. Gohrband, Chief of the Private Capital Branch, at 202-606-9564, or e-mail christopher.gohrband@bea.gov. For additional information about the international accounts, go to our Web site at www.bea.gov.

Table 1. International Investment Position of the United States at Yearend, 2000 and 2001

[Millions of dollars]

Line	Type of investment	Position, 2000 ^r	Changes in position in 2001 (decrease (-))				Total (a+b+c+d)	Position, 2001 ^p
			Attributable to:					
			Financial flows	Valuation adjustments				
				Price changes	Exchange rate changes ¹	Other changes ²		
(a)	(b)	(c)	(d)	(a+b+c+d)				
Net international investment position of the United States:								
1	With direct investment positions at current cost (line 3 less line 24)	-1,350,791	-381,845	-116,510	-103,402	4,414	-597,343	-1,948,134
2	With direct investment positions at market value (line 4 less line 25)	-1,583,153	-381,845	-215,482	-145,572	16,935	-725,964	-2,309,117
U.S.-owned assets abroad:								
3	With direct investment positions at current cost (lines 5+10+15)	6,191,934	370,962	-258,272	-124,662	16,177	4,205	6,196,139
4	With direct investment positions at market value (lines 5+10+16)	7,350,862	370,962	-715,843	-163,854	20,816	-487,919	6,862,943
5	U.S. official reserve assets	128,400	4,911	536	-3,879	-7	1,561	129,961
6	Gold	71,799	.....	³ 536	.....	⁴ -7	529	72,328
7	Special drawing rights	10,539	630	.....	-386	.....	244	10,783
8	Reserve position in the International Monetary Fund	14,824	3,600	.....	-555	.....	3,045	17,869
9	Foreign currencies	31,238	681	.....	-2,938	.....	-2,257	28,981
10	U.S. Government assets, other than official reserve assets	85,164	486	.....	.....	.....	486	85,650
11	U.S. credits and other long-term assets ⁵	82,570	558	.....	.....	.....	558	83,128
12	Repayable in dollars	82,289	561	.....	.....	.....	561	82,850
13	Other ⁶	281	-3	.....	.....	.....	-3	278
14	U.S. foreign currency holdings and U.S. short-term assets	2,594	-72	.....	.....	.....	-72	2,522
U.S. private assets:								
15	With direct investment at current cost (lines 17+19+22+23)	5,978,370	365,565	-258,808	-120,783	16,184	2,158	5,980,528
16	With direct investment at market value (lines 18+19+22+23)	7,137,298	365,565	-716,379	-159,975	20,823	-489,966	6,647,332
Direct investment abroad:								
17	At current cost	1,515,279	127,840	19,533	-17,713	-21,817	107,843	1,623,122
18	At market value	2,674,207	127,840	-438,038	-56,905	-17,178	-384,281	2,289,926
19	Foreign securities	2,389,427	94,662	-278,341	-95,228	.....	-278,907	2,110,520
20	Bonds	557,019	-12,147	18,214	-17,304	.....	-11,237	545,782
21	Corporate stocks	1,832,408	106,809	-296,555	-77,924	.....	-267,670	1,564,738
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	821,564	14,358	.....	-5,811	.....	8,547	830,111
23	U.S. claims reported by U.S. banks, not included elsewhere	1,252,100	128,705	.....	-2,031	38,001	164,675	1,416,775
Foreign-owned assets in the United States:								
24	With direct investment at current cost (lines 26+33)	7,542,725	752,807	-141,762	-21,260	11,763	601,548	8,144,273
25	With direct investment at market value (lines 26+34)	8,934,015	752,807	-500,361	-18,282	3,881	238,045	9,172,060
26	Foreign official assets in the United States	1,008,890	5,225	1,623	.....	6,000	12,848	1,021,738
27	U.S. Government securities	749,904	31,666	11,274	.....	6,000	48,940	798,844
28	U.S. Treasury securities	625,161	10,745	8,796	.....	6,001	25,542	650,703
29	Other	124,743	20,921	2,478	.....	-1	23,398	148,141
30	Other U.S. Government liabilities ⁷	13,739	-1,882	.....	.....	.....	-1,882	11,857
31	U.S. liabilities reported by U.S. banks, not included elsewhere	153,403	-30,278	.....	.....	.....	-30,278	123,125
32	Other foreign official assets	91,844	5,719	-9,651	.....	.....	-3,932	87,912
Other foreign assets:								
33	With direct investment at current cost (lines 35+37+38+41+42+43)	6,533,835	747,582	-143,385	-21,260	5,763	588,700	7,122,535
34	With direct investment at market value (lines 36+37+38+41+42+43)	7,925,125	747,582	-501,984	-18,282	-2,119	225,197	8,150,322
Direct investment in the United States:								
35	At current cost	1,374,752	130,796	14,214	-2,978	-17,860	124,172	1,498,924
36	At market value	2,766,042	130,796	-344,385	.....	-25,742	-239,331	2,526,711
37	U.S. Treasury securities	400,966	-7,670	4,719	.....	-9,241	-12,192	388,774
38	U.S. securities other than U.S. Treasury securities	2,623,628	407,653	-162,318	-12,309	.....	233,026	2,856,654
39	Corporate and other bonds	1,075,988	288,200	40,741	-12,309	.....	316,632	1,392,620
40	Corporate stocks	1,547,640	119,453	-203,059	.....	.....	-83,606	1,464,034
41	U.S. currency	251,786	23,783	.....	.....	.....	23,783	275,569
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	729,340	82,353	.....	-2,140	-5,136	75,077	804,417
43	U.S. liabilities reported by U.S. banks, not included elsewhere	1,153,363	110,667	.....	-3,833	38,000	144,834	1,298,197

^p Preliminary.^r Revised.

1. Represents gains or losses on foreign-currency-denominated assets due to their revaluation at current exchange rates.

2. Includes changes in coverage, statistical discrepancies, and other adjustments to the value of assets.

3. Reflects changes in the value of the official gold stock due to fluctuations in the market price of gold.

4. Reflects changes in gold stock from U.S. Treasury sales of gold medallions and commemorative and bullion coins; also reflects replenishment through open market purchases. These demonetizations/monetizations are

not included in international transactions financial flows.

5. Also includes paid-in capital subscriptions to international financial institutions and outstanding amounts of miscellaneous claims that have been settled through international agreements to be payable to the U.S. Government over periods in excess of 1 year. Excludes World War I debts that are not being serviced.

6. Includes indebtedness that the borrower may contractually, or at its option, repay with its currency, with a third country's currency, or by delivery of materials or transfer of services.

7. Primarily U.S. Government liabilities associated with military sales contracts and other transactions arranged with or through foreign official agencies.

International Services

The Bureau of Economic Analysis prepares and publishes estimates of U.S. cross-border trade in private services and of sales of services by nonbank majority-owned U.S. and foreign affiliates of multinational companies (tables 1, 2, and 3). The two data sets correspond to the two distinct channels through which services are delivered to international markets.

U.S. cross-border trade in private services consists of transactions between U.S. and foreign residents. Cross-border exports and imports of private services represent international trade in the conventional sense and are recorded, in summary form, in the international transactions accounts. These services transactions consist of both trade within multinational companies (intrafirm trade) and trade between unaffiliated parties.

Cross-border services transactions are classified into five broad “standard components.” The components are (1) travel; (2) passenger fares; (3) other transportation, such as freight and port services; (4) royalties and license fees; and (5) other private services, such as financial services, insurance services, and business, professional, and technical services.

Sales of services by nonbank majority-owned U.S. and foreign affiliates of multinational companies are usually transactions between residents of the same country. Sales of services to foreign residents by foreign affiliates of U.S. companies are con-

sidered transactions between foreign residents. Purchases of services by U.S. residents from U.S. affiliates of foreign companies are considered transactions between U.S. residents. These sales and purchases are not recorded in the U.S. international transactions accounts, but they *are* reflected in an ownership-based framework of the U.S. current account, which the Bureau publishes periodically. The estimates are drawn from larger data sets on the operations of U.S. multinational companies and of U.S. affiliates of foreign companies.

Services delivered through nonbank majority-owned affiliates have exceeded those delivered through cross-border trade in recent years. However, for specific types of services, the relative importance of the two channels is often determined by the nature of the service being delivered.

For more information

Call Michael A. Mann, Chief of the Current Account Services Branch, at 202-606-9573, or e-mail michael.mann@bea.gov. For more information on sales of services by affiliates of multinational companies, call Maria Borga of the International Investment Division at 202-606-9853, or e-mail maria.borga@bea.gov. For additional information about the international accounts, go to our Web site at www.bea.gov.

Table 1. Private Services Trade by Type, 1996–2001

[Millions of dollars]

	Exports						Imports					
	1996	1997	1998	1999	2000	2001	1996	1997	1998	1999	2000	2001
Total private services	222,633	238,984	243,932	256,492	277,478	266,209	137,102	151,791	167,466	173,241	202,060	192,305
Travel	69,809	73,426	71,286	74,731	82,267	73,119	48,078	52,051	56,509	58,865	64,788	60,117
Overseas	59,963	63,041	61,262	63,947	70,050	61,315	37,436	40,667	44,395	46,925	51,775	46,933
Canada	6,842	6,945	6,206	6,670	7,055	6,484	4,670	4,904	5,718	6,135	6,367	6,477
Mexico	3,004	3,440	3,818	4,114	5,162	5,320	5,972	6,480	6,396	5,805	6,646	6,707
Passenger fares	20,422	20,868	20,098	19,785	20,760	18,007	15,809	18,138	19,971	21,315	24,306	22,418
Other transportation	26,074	27,006	25,604	26,916	30,137	28,306	27,403	28,959	30,363	34,139	41,598	38,823
Freight	11,146	11,789	11,048	11,560	12,994	11,930	16,539	17,654	19,412	22,218	27,388	25,667
Port services	14,929	15,217	14,557	15,356	17,143	16,376	10,864	11,305	10,950	11,925	14,210	13,156
Royalties and license fees	32,470	33,228	35,626	36,902	39,607	38,668	7,837	9,161	11,235	12,609	16,115	16,359
Affiliated	24,556	24,465	26,313	26,507	26,816	25,873	5,406	6,749	8,547	9,876	12,180	13,008
U.S. parents' transactions	22,719	23,091	24,362	24,807	24,585	23,502	761	1,379	1,782	1,812	1,946	2,026
U.S. affiliates' transactions	1,837	1,374	1,951	1,700	2,231	2,371	4,645	5,370	6,765	8,064	10,234	10,982
Unaffiliated	7,914	8,763	9,314	10,395	12,791	12,795	2,431	2,412	2,688	2,733	3,935	3,351
Industrial processes	3,566	3,544	3,499	3,900	4,705	4,852	1,319	1,417	1,319	1,568	1,695	1,815
Other	4,348	5,219	5,815	6,496	8,086	7,943	1,112	995	1,369	1,164	2,240	1,536
Other private services	73,858	84,456	91,318	98,158	104,707	108,109	37,975	43,482	49,388	46,313	55,253	54,588
Affiliated services	22,931	27,107	28,176	28,564	32,580	36,243	15,548	17,625	19,437	23,261	25,971	28,410
U.S. parents' transactions	14,118	17,288	18,135	17,977	19,846	21,237	7,084	9,012	10,415	12,951	13,433	13,467
U.S. affiliates' transactions	8,813	9,819	10,041	10,587	12,734	15,006	8,464	8,613	9,022	10,310	12,538	14,943
Unaffiliated services	50,927	57,349	63,142	69,594	72,127	71,866	22,427	25,857	29,951	23,052	29,282	26,178
Education	7,887	8,346	9,036	9,615	10,348	11,493	1,253	1,396	1,587	1,807	2,052	2,378
Financial services	8,229	10,243	11,327	13,410	16,307	15,209	2,907	3,347	3,590	3,418	4,472	4,016
Insurance, net	2,168	2,473	2,224	1,011	2,050	18	3,885	5,873	9,240	2,684	8,175	4,906
Premiums	5,929	6,118	7,278	6,760	8,458	8,658	14,522	15,211	20,398	20,857	26,930	39,895
Losses	3,761	3,645	5,054	5,749	6,408	8,640	10,637	9,338	11,158	18,173	18,755	34,989
Telecommunications	3,301	3,918	5,567	4,549	4,756	4,796	8,290	8,346	7,682	6,601	5,473	4,298
Business, professional, and technical services	19,466	21,547	22,676	27,701	24,373	25,720	5,547	6,407	7,392	8,110	8,636	10,040
Accounting, auditing, and bookkeeping services	222	316	412	294	363	403	218	279	403	592	567	928
Advertising	543	607	445	481	551	513	971	773	912	881	923	881
Computer and data processing services	1,617	2,011	1,941	3,312	3,050	2,644	276	636	917	984	922	1,016
Construction, engineering, architectural, and mining services	3,553	3,503	3,884	5,834	2,275	2,623	465	463	554	510	518	471
Construction	n.a.	n.a.	793	2,643	680	823	n.a.	n.a.	n.a.	n.a.	n.a.	264
Engineering, architectural, and other technical services	n.a.	n.a.	2,541	2,620	1,309	1,573	n.a.	n.a.	n.a.	n.a.	n.a.	156
Mining services	n.a.	n.a.	550	571	286	228	n.a.	n.a.	n.a.	n.a.	n.a.	50
Data base and other information services	1,158	1,479	1,764	2,131	2,165	2,192	146	128	152	171	178	260
Industrial engineering	870	1,186	1,271	1,865	716	780	197	211	206	262	261	260
Installation, maintenance, and repair of equipment	3,648	3,369	3,189	3,491	3,931	4,546	239	307	242	315	822	996
Legal services	1,943	2,223	2,406	2,465	3,232	3,143	615	539	655	742	874	755
Management, consulting, and public relations services	1,460	1,632	1,888	1,832	1,751	1,859	497	687	872	842	755	998
Medical services	1,005	1,113	1,204	1,353	1,501	1,676	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Miscellaneous disbursements	333	144	148	109	102	160	750	1,075	1,136	1,351	1,225	1,306
Operational leasing	1,482	2,012	2,367	2,671	2,890	2,753	325	189	175	173	187	212
Research, development, and testing services	681	893	867	994	1,046	1,317	379	564	637	749	903	1,064
Sports and performing arts	149	149	99	131	123	141	200	260	228	206	159	221
Training services	388	447	396	389	402	505	140	153	168	162	207	367
Other business, professional and technical services ¹	415	463	396	351	274	467	129	142	137	168	138	305
Other unaffiliated services ²	9,874	10,821	12,312	13,309	14,293	14,630	546	487	460	433	473	540

n.a. Not available

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. For exports, other business, professional, and technical services consists of agricultural services; language translation services; security services; collection services; salvage services; satellite photography and remote sensing/satellite imagery services; merchanting services; transcription services; waste treatment and depollution services; mailing, reproduction, and commercial art services; personnel supply services;

management of health care facilities services; auction services, and other trade-related services. For imports, other business, professional, and technical services consists of all of the components above with the exception of merchanting services.

2. Exports include mainly film and tape rentals and expenditures of foreign governments and international organizations in the United States. Imports include mainly expenditures of U.S. residents temporarily working abroad and film and tape rentals.

Table 2. Sales of Services to Foreign Persons by U.S. MNC's Through Their Nonbank MOFA's, Industry of Affiliate by Country of Affiliate, 2000

[Millions of dollars]

	All countries	Canada	Europe						Latin America and Other Western Hemisphere	Other countries		
			Total	Of which:						Total	Of which:	
				France	Germany	Netherlands	Switzerland	United Kingdom			Australia	Japan
All industries	392,784	44,317	204,815	19,291	28,981	11,935	4,413	101,413	50,277	93,375	14,903	33,277
Manufacturing	9,532	1,960	5,598	710	2,717	102	17	598	1,218	756	148	124
Of which:												
Food.....	150	41	52	0	0	45	0	2	43	13	13	0
Chemicals.....	547	25	449	150	128	(*)	0	155	20	53	35	12
Primary and fabricated metals.....	80	1	73	7	3	0	0	60	6	0	0	0
Machinery.....	1,249	73	382	19	21	22	0	176	(D)	(D)	38	0
Computers and electronic products.....	5,839	(D)	3,876	469	(D)	0	17	130	(D)	459	10	59
Electrical equipment, appliances, and components.....	79	(D)	10	4	0	0	0	1	4	(D)	0	0
Transportation equipment.....	1,068	581	(D)	3	(D)	0	0	2	(D)	(D)	50	0
Wholesale trade	18,809	(D)	8,602	1,409	516	757	741	1,579	1,098	(D)	397	970
Of which:												
Motor vehicles and motor vehicle parts and supplies.....	(D)	6	(D)	(D)	0	0	0	(D)	0	(D)	0	(D)
Professional and commercial equipment and supplies.....	12,728	674	7,969	1,379	446	678	679	1,390	1,009	3,075	340	841
Retail trade	1,104	(D)	19	4	6	0	0	(*)	28	(D)	0	0
Information	66,038	3,779	(D)	2,674	9,094	4,415	1,015	15,433	10,914	(D)	2,678	3,336
Publishing industries.....	14,432	(D)	(D)	661	1,039	1,631	206	4,285	677	(D)	569	(D)
Newspaper, periodical, book, and database publishers.....	5,778	(D)	(D)	280	466	284	42	2,658	402	(D)	253	(D)
Software publishers.....	8,655	311	5,849	381	573	1,347	164	1,607	274	2,220	315	1,133
Motion picture and sound recording industries.....	(D)	1,042	5,749	673	756	1,671	58	1,528	606	(D)	361	1,157
Motion picture and video industries.....	7,457	(D)	4,778	592	(D)	1,625	29	(D)	474	(D)	291	(D)
Sound recording industries.....	(D)	(D)	971	81	(D)	46	29	(D)	131	(D)	404	70
Broadcasting and telecommunications.....	28,036	(D)	15,207	513	6,054	569	80	5,014	8,631	(D)	973	461
Broadcasting, cable networks, and program distribution.....	2,542	0	2,026	(D)	5	(D)	0	619	231	285	239	6
Telecommunications.....	25,494	(D)	13,181	(D)	6,049	(D)	80	4,395	8,400	(D)	734	454
Information services and data processing services.....	(D)	1,628	9,791	827	1,245	543	671	4,626	1,001	(D)	775	(D)
Information services.....	4,311	(D)	2,799	116	288	265	(D)	1,472	354	(D)	(D)	(D)
Data processing services.....	(D)	(D)	6,992	711	957	279	(D)	3,154	647	1,227	(D)	175
Finance (except depository institutions) and insurance	101,843	8,105	43,284	1,443	6,846	1,114	342	28,346	15,573	34,881	2,297	17,250
Finance (except depository institutions).....	38,633	3,456	24,305	753	803	(D)	(D)	18,158	3,538	7,335	1,881	2,874
Nondepository credit intermediation and related services.....	11,847	(D)	5,929	547	(D)	(D)	(D)	3,588	1,876	(D)	875	1,191
Securities, commodity contracts, and other intermediation and related activities.....	25,565	1,645	18,195	206	420	364	164	14,556	1,502	4,222	655	1,683
Funds, trusts, and other financial vehicles.....	1,222	(D)	181	1	(D)	0	0	13	160	(D)	352	(*)
Insurance carriers and related activities.....	63,210	4,649	18,979	689	6,043	(D)	(D)	10,189	12,035	27,547	416	14,376
Insurance carriers, except life insurance carriers.....	36,025	(D)	14,608	309	5,836	18	(D)	7,325	10,432	(D)	234	(D)
Life insurance carriers.....	24,037	1,592	1,867	(D)	0	0	(D)	1,279	1,383	19,196	(D)	6,806
Agencies, brokerages, and other insurance related activities.....	3,148	(D)	2,505	(D)	207	(D)	(D)	1,585	221	(D)	(D)	(D)
Real estate and rental and leasing	11,427	1,545	7,758	1,587	5,821	834	49	2,829	996	1,127	335	482
Real estate.....	(D)	57	769	391	26	11	(*)	285	69	(D)	(D)	62
Rental and leasing (except real estate).....	(D)	1,488	6,989	1,196	555	822	49	2,544	927	(D)	(D)	420
Professional, scientific, and technical services	69,696	5,007	39,310	3,618	4,839	2,026	1,163	(D)	5,603	19,775	(D)	(D)
Architectural, engineering, and related services.....	11,268	2,094	6,749	240	97	478	27	4,560	468	1,957	455	110
Computer systems design and related services.....	(D)	1,252	16,143	1,360	2,521	950	237	(D)	2,712	(D)	(D)	7,966
Management, scientific, and technical consulting.....	(D)	639	5,705	480	974	187	519	1,896	1,272	(D)	396	(D)
Other.....	15,625	1,023	10,712	1,539	1,247	411	379	4,166	1,152	2,738	366	546
Legal services.....	865	7	637	167	62	0	1	302	2	218	13	55
Accounting, tax preparation, bookkeeping, and payroll services.....	721	317	226	72	0	0	0	(D)	20	158	(D)	(D)
Specialized design services.....	98	1	59	2	0	0	0	(D)	7	31	(D)	0
Scientific research and development services.....	2,700	151	1,735	144	220	30	96	755	118	697	83	(D)
Advertising and related services.....	8,753	466	6,485	1,030	904	301	184	2,258	764	1,038	205	264
Other professional, scientific, and technical services.....	2,487	81	1,571	125	61	80	99	697	240	596	27	107
Other industries	114,335	(D)	(D)	7,846	4,382	2,688	1,086	(D)	14,846	(D)	(D)	(D)
Agriculture, forestry, fishing, and hunting.....	91	26	22	(D)	0	4	0	6	25	18	10	0
Mining.....	10,406	2,869	2,728	61	41	365	64	1,602	3,080	1,728	114	7
Utilities.....	39,187	6,958	22,042	0	(D)	(D)	0	20,728	4,916	5,271	2,136	0
Construction ¹	(D)	0	14	0	3	0	0	6	13	(D)	(D)	0
Transportation and warehousing.....	20,348	2,243	8,236	566	1,592	725	341	3,357	2,572	7,298	425	615
Of which:												
Air transportation.....	1,648	108	771	(D)	71	52	9	411	106	663	35	(D)
Rail transportation.....	1,500	(D)	1,050	0	0	0	0	1,050	(D)	131	131	0
Water transportation.....	4,013	21	820	0	1	(D)	139	354	1,413	1,759	44	13
Truck transportation.....	1,793	688	391	0	(D)	0	0	346	(D)	(D)	0	7
Support activities for transportation.....	4,568	342	1,905	292	269	350	89	581	296	2,025	140	(D)
Management of companies and enterprises.....	(D)	43	509	9	9	9	(*)	269	604	(D)	5	12
Administration, support, and waste management.....	(D)	1,967	(D)	5,562	557	589	219	4,035	836	2,318	958	822
Administrative and support services.....	17,164	(D)	(D)	5,562	557	589	219	4,035	817	(D)	956	822
Of which:												
Employment services.....	11,060	424	9,134	(D)	(D)	383	149	2,826	221	1,281	614	(D)
Travel arrangement and reservation services.....	68	6	15	0	0	0	0	3	22	25	1	24
Waste management and remediation services.....	(D)	(D)	0	0	0	0	0	0	19	(D)	3	0
Health care and social assistance.....	614	31	349	(D)	7	2	104	119	170	64	2	0
Accommodation and food services.....	(D)	2,646	8,274	795	1,692	70	240	3,340	2,209	(D)	1,119	17
Accommodation.....	(D)	615	2,271	(D)	199	65	(D)	985	636	(D)	194	17
Food services and drinking places.....	12,940	2,031	6,003	(D)	1,493	5	(D)	2,355	1,573	3,332	925	0
Miscellaneous services.....	(D)	(D)	4,039	821	(D)	(D)	117	(D)	422	1,343	446	(D)
Educational services.....	(D)	(D)	512	24	(D)	(D)	53	(D)	64	239	36	103
Arts, entertainment, and recreation.....	1,190	139	786	23	32	7	22	524	90	174	49	78
Other services (except public administration and private households).....	4,785	845	2,741	774	359	247	42	1,071	268	930	361	(D)

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

MNC Multinational company

MOFA Majority-owned foreign affiliate

1. Because sales resulting from construction activities are recorded as sales of goods rather than as sales of services, the sales of services through MOFA's in construction represent sales in secondary, nonconstruction, industries. In 2000, sales of goods to foreign residents by MOFA's classified in construction were \$10.5 billion.

Table 3. Sales of Services to U.S. Persons by Foreign MNC's Through Their Nonbank MOUSA's, Industry of Affiliate by Country of UBO, 2000

[Millions of dollars]

	All countries	Canada	Europe						Latin America and Other Western Hemisphere	Other countries			United States
			Total	Of which:						Total	Of which:		
				France	Germany	Netherlands	Switzerland	United Kingdom			Australia	Japan	
All industries	346,669	51,328	233,282	30,098	43,767	40,160	31,152	73,093	13,971	(D)	8,731	28,531	(D)
Manufacturing	41,593	1,394	31,853	2,565	(D)	(D)	589	4,228	(D)	(D)	61	(D)	9
Of which:													
Food.....	(D)	2	(D)	0	0	0	0	(D)	2	75	0	61	0
Chemicals.....	1,276	1	(D)	(D)	26	14	276	48	0	(D)	0	18	0
Primary and fabricated metals.....	722	(D)	405	0	(D)	0	0	20	30	(D)	0	20	0
Machinery.....	3,109	13	2,937	(D)	124	37	74	1,099	0	159	0	109	0
Computers and electronic products.....	8,088	(D)	2,227	524	79	217	2	(D)	63	(D)	0	(D)	0
Electrical equipment, appliances, and components.....	(D)	0	(D)	0	(D)	0	223	11	(D)	0	0	0	0
Transportation equipment.....	(D)	76	(D)	47	(D)	0	0	135	0	47	0	47	0
Wholesale trade	10,244	139	4,348	43	762	519	224	2,120	165	5,592	26	5,379	0
Of which:													
Motor vehicles and motor vehicle parts and supplies.....	(D)	0	33	0	33	0	0	0	0	(D)	0	(D)	0
Professional and commercial equipment and supplies.....	2,960	0	1,436	0	17	(D)	0	914	0	1,524	0	1,501	0
Retail trade	409	22	203	6	0	83	0	26	(D)	(D)	0	70	0
Information	47,977	10,167	24,750	820	(D)	1,755	20	15,801	(D)	(D)	(D)	1,737	1,142
Publishing industries.....	17,542	(D)	13,155	710	(D)	353	(D)	6,078	(D)	(D)	41	180	9
Newspaper, periodical, book, and database publishers.....	15,248	(D)	11,300	(D)	(D)	(D)	(D)	5,284	(*)	(D)	(D)	46	0
Software publishers.....	2,294	171	1,854	(D)	(D)	(D)	(*)	794	19	240	(D)	133	9
Motion picture and sound recording industries.....	12,439	(D)	603	28	(D)	(D)	0	(D)	10	(D)	(D)	(D)	(*)
Motion picture and video industries.....	(D)	(D)	28	(D)	(D)	(D)	0	(D)	10	(D)	(D)	(D)	(*)
Sound recording industries.....	(D)	(D)	(D)	0	1	(D)	0	(D)	0	3	0	3	0
Broadcasting and telecommunications.....	13,009	(D)	(D)	72	(D)	69	1	(D)	(D)	312	8	117	1,133
Broadcasting, cable networks, and program distribution.....	169	117	(*)	0	0	(*)	0	0	(D)	(D)	6	(D)	0
Telecommunications.....	12,840	(D)	(D)	72	(D)	69	1	(D)	(D)	(D)	2	(D)	1,133
Information services and data processing services.....	4,987	9	(D)	10	1	(D)	(D)	2,985	1	(D)	4	(D)	0
Information services.....	4,683	(*)	3,987	0	1	(D)	(D)	(D)	1	695	4	676	0
Data processing services.....	304	9	(D)	10	0	0	0	(D)	0	(D)	0	(D)	0
Finance (except depository institutions) and insurance	107,392	16,753	85,396	8,891	14,369	19,797	21,121	19,450	2,268	(D)	483	2,146	(D)
Finance (except depository institutions).....	28,195	4,376	21,600	2,328	4,096	1,886	9,080	3,971	67	(D)	(D)	1,475	(D)
Nondepository credit intermediation and related services.....	1,076	332	360	22	(D)	82	10	144	8	375	(D)	143	0
Securities, commodity contracts, and other intermediation and related activities.....	27,072	4,044	21,228	2,306	(D)	1,796	9,070	3,825	49	(D)	16	1,306	(D)
Funds, trusts, and other financial vehicles.....	47	0	12	0	(*)	8	(*)	3	10	26	0	26	0
Insurance carriers and related activities.....	79,197	12,377	63,795	6,563	10,273	17,911	12,041	15,478	2,201	(D)	(D)	672	(D)
Insurance carriers, except life insurance carriers.....	37,498	2,919	31,897	1,475	(D)	(D)	7,403	(D)	2,199	(D)	(D)	(D)	(D)
Life insurance carriers.....	37,268	(D)	27,676	(D)	(D)	(D)	(D)	(D)	0	(D)	(*)	(D)	0
Agencies, brokerages, and other insurance related activities.....	4,431	(D)	4,222	(D)	0	0	0	(D)	3	(D)	(D)	5	0
Real estate and rental and leasing	18,150	2,887	7,616	477	2,052	1,016	198	1,939	935	6,585	964	3,426	126
Real estate.....	14,249	2,738	4,650	202	(D)	931	198	937	919	5,818	619	3,055	125
Rental and leasing (except real estate).....	3,900	149	2,966	275	(D)	84	1	1,002	16	767	346	371	2
Professional, scientific, and technical services	25,836	1,537	21,831	13,078	351	1,315	172	5,440	316	1,959	28	1,260	194
Architectural, engineering, and related services.....	4,170	276	3,535	661	216	510	0	1,023	4	356	0	74	0
Computer systems design and related services.....	4,209	594	2,288	855	24	(D)	1	498	29	(D)	28	951	(D)
Management, scientific, and technical consulting.....	3,531	6	3,256	(D)	85	(D)	14	563	254	11	0	9	3
Other.....	13,927	660	12,753	(D)	26	(D)	157	3,357	29	(D)	(*)	226	(D)
Legal services.....	23	(D)	(D)	0	0	0	0	13	0	0	0	0	0
Accounting, tax preparation, bookkeeping, and payroll services.....	39	2	37	4	0	0	27	0	0	0	0	0	0
Specialized design services.....	29	0	19	0	0	0	18	1	0	10	0	10	0
Scientific research and development services.....	701	138	377	8	26	(D)	(D)	159	12	174	(*)	155	1
Advertising and related services.....	12,068	245	11,565	(D)	0	(*)	6	2,717	0	(D)	(*)	31	(D)
Other professional, scientific, and technical services.....	1,066	(D)	(D)	(D)	(*)	0	(D)	466	17	41	(*)	30	0
Other industries	95,068	18,429	57,286	4,217	6,366	(D)	8,828	24,090	4,564	14,507	(D)	(D)	282
Agriculture, forestry, fishing, and hunting.....	74	0	48	(*)	7	29	5	6	13	12	8	(*)	0
Mining.....	3,412	175	362	65	121	4	5	24	(D)	(D)	160	(*)	0
Utilities.....	21,899	(D)	11,756	1,685	1	10	0	10,007	61	(D)	0	(D)	0
Construction ¹	2,102	(D)	1,415	2	(D)	0	0	176	42	(D)	0	(D)	0
Transportation and warehousing.....	23,933	4,759	13,159	(D)	1,799	3,081	760	5,958	522	(D)	8	2,592	(D)
Of which:													
Air transportation.....	167	13	61	15	(*)	(*)	(*)	6	2	91	0	57	0
Rail transportation.....	2,038	(D)	(D)	0	1	0	0	69	53	1	0	(*)	0
Water transportation.....	2,539	86	1,430	2	2	(*)	142	1,235	342	679	0	76	2
Truck transportation.....	985	(D)	(D)	0	0	0	0	(D)	0	0	0	0	0
Support activities for transportation.....	10,309	87	6,073	(D)	1,572	2,832	217	850	111	4,038	1	1,863	0
Management of companies and enterprises.....	154	0	154	0	0	154	0	0	0	0	0	0	0
Administration, support, and waste management.....	18,143	249	17,110	700	288	2,448	(D)	3,502	(D)	471	0	465	(D)
Administrative and support services.....	18,003	244	16,980	571	288	2,448	(D)	3,502	(D)	465	0	460	(D)
Of which:													
Employment services.....	10,658	0	10,646	4	27	1,697	(D)	1,736	0	12	0	12	0
Travel arrangement and reservation services.....	2,080	16	1,395	454	3	375	1	510	37	394	0	392	238
Waste management and remediation services.....	140	5	129	129	0	0	0	0	6	0	0	6	0
Health care and social assistance.....	5,656	1,189	(D)	3	(D)	2	0	0	(D)	(D)	(D)	(*)	0
Accommodation and food services.....	15,380	(D)	8,323	(D)	141	(D)	(D)	3,819	723	(D)	1	2,891	4
Accommodation.....	(D)	77	4,001	(D)	99	35	107	(D)	546	(D)	1	2,282	(*)
Food services and drinking places.....	(D)	(D)	4,322	28	42	(D)	(D)	(D)	176	(D)	(*)	609	4
Miscellaneous services.....	4,315	(D)	(D)	51	50	79	19	599	49	(D)	231	711	(*)
Educational services.....	299	2	87	13	20	0	0	5	12	198	0	191	0
Arts, entertainment, and recreation.....	2,588	1,315	414	20	22	79	2	230	27	833	220	475	(*)
Other services (except public administration and private households).....	1,427	(D)	(D)	19	9	0	17	363	10	(D)	11	46	0

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

MNC Multinational company

MOUSA Majority-owned U.S. affiliate

UBO Ultimate beneficial owner

1. Because sales resulting from construction activities are recorded as sales of goods rather than as sales of services, the sales of services through MOUSA's classified in construction represent sales in secondary, nonconstruction industries. In 2000, sales of goods to U.S. residents by MOUSA's in construction were estimated to be \$25.1 billion. These sales of goods were estimated by subtracting exports of goods from the total sales of goods.

U.S. Direct Investment Abroad

The Bureau of Economic Analysis produces comprehensive data on U.S. direct investment abroad that are essential to the compilation of the U.S. economic accounts and for the analysis of multinational companies. The data, which are widely recognized to be the world's most complete and accurate, are obtained from mandatory surveys.

U.S. direct investment abroad is defined as ownership by a U.S. investor of at least 10 percent of a foreign business. The direct investor is known as a U.S. parent, and the U.S.-owned foreign business is known as a foreign affiliate. The combined global operations of a U.S. parent company and its foreign affiliates constitute a U.S. multinational company.

The Bureau collects and publishes two broad sets of data on U.S. direct investment abroad: (1) International transactions and direct investment position data, and (2) financial and operating data of U.S. multinational companies. Both sets are available in considerable detail by industry and by country.

International transactions and direct investment position data

The international transactions data cover the foreign affiliates' transactions with their U.S. parent, so these data focus on the U.S. parent's share, or interest, in its affiliates rather than on the affiliates' overall size or level of operations. These data are essential to the compilation of the U.S. international transactions accounts, the international investment position, and the national income and product accounts. The major data items include capital flows, which measure the funds that U.S. parents provide to their foreign affiliates, and income, which measures the return on those funds. The data also cover royalties and license fees and other service charges that parents receive from or pay

to their affiliates. All of these items are flow data and provide measurement for a particular time frame, such as for a quarter or a year.

Direct investment position data are stock data and are cumulative; they measure the total outstanding level of U.S. direct investment abroad at yearend. Estimates are provided both at historical cost and in terms of current-period prices. Two alternative official measures of the position are presented in current-period prices—one with direct investment recorded at current cost, and the other with direct investment recorded at market value. For the historical-cost estimates, tables are published by country and by industry.

Financial and operating data

The financial and operating data provide a picture of the overall activities of foreign affiliates and U.S. parent companies using a wide variety of indicators of their financial structure and operations. The data on foreign affiliates cover the entire operations of the affiliate, irrespective of the percentage of U.S. ownership. These data cover items that are needed in analyzing the characteristics, performance, and economic impact of multinational companies, such as sales, gross product (value added), employment and compensation of employees, capital expenditures, exports and imports, and research and development expenditures. Separate tabulations are available for affiliates that are majority owned by their U.S. parent because the concept of majority control is often important in the analysis of multinational companies.

Uses of the data

The data can be used to measure the scale of the global business activity of U.S. multinational companies and its impact on the U.S. economy and on foreign-host

economies. For example, the data can be used to measure:

- The current-dollar value of, and returns on, U.S. direct investment abroad
- The shares of U.S. and foreign gross domestic product, employment, exports and imports of goods, capital stock, and research and development accounted for by U.S. multinational companies

Researchers have used the data to analyze:

- The characteristics of firms, industries, and countries that influence the decision to undertake direct investment abroad
- The impact of U.S. direct investment abroad on employment, wages, productivity, and tax revenues

Availability

For more information on these data, see the following articles that appear annually in the SURVEY OF CURRENT BUSINESS, the monthly journal of the Bureau:

- “U.S. Direct Investment Abroad: Detail for Histori-

cal-Cost Position and Related Capital and Income Flows,” usually in the September issue of the SURVEY

- “Direct Investment Positions: Country and Industry Detail,” usually in the July issue of the SURVEY
- “U.S. Multinational Companies: Operations”

The SURVEY articles referenced above are available on our Web site at <www.bea.gov>.

Detailed tables on the operations of U.S. multinational companies are available in annual data publications and in compressed files that can be downloaded free of charge from our Web site. For information on these and other data products, see the International Investment Division Product Guide under the “International” section of our Web site.

For more information

Call Patricia C. Walker, Chief of the Direct Investment Abroad Branch of the International Investment Division, at 202-606-9889 or e-mail patricia.walker@bea.gov.

Table 1. U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 1999–2001

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital outflows (inflows (-))			Income		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
All countries, all industries	1,173,122	1,293,431	1,381,674	174,576	164,969	113,977	112,359	135,109	111,089
By country									
Canada	111,747	128,814	139,031	18,122	18,950	14,440	12,103	14,688	11,773
Europe	611,958	679,457	725,793	99,224	92,427	56,133	57,704	66,523	55,667
Of which:									
France	39,960	38,752	38,457	512	2,011	655	1,386	2,404	1,920
Germany	48,445	50,963	61,437	4,268	3,099	11,360	4,621	4,588	2,690
Netherlands	110,321	117,557	131,884	8,253	2,953	16,058	12,598	11,858	13,417
Switzerland	44,499	55,854	62,897	8,407	9,959	6,629	7,098	7,025	7,576
United Kingdom	228,574	241,663	249,201	47,839	35,763	13,231	14,915	20,655	12,051
Latin America and Other Western Hemisphere	237,748	251,863	269,556	34,277	23,442	26,510	19,636	18,703	18,718
Of which:									
Bermuda	51,613	56,594	61,929	7,786	6,532	5,865	4,373	6,036	5,045
Brazil	37,383	39,033	36,317	3,484	3,091	-17	1,511	1,579	756
Mexico	32,888	37,332	52,168	5,978	5,302	15,078	4,448	4,371	4,409
Panama	33,143	29,316	25,296	2,259	1,231	753	2,365	501	452
Africa	13,621	14,417	15,872	498	1,151	798	1,876	2,675	2,063
Middle East	10,712	11,087	12,643	5	1,635	1,269	1,180	2,254	1,314
Asia and Pacific	184,313	205,317	216,501	21,890	27,333	15,012	19,927	29,983	21,153
Of which:									
Australia	34,743	35,364	34,041	3,244	2,421	-423	2,472	3,586	1,690
Japan	56,393	59,441	64,103	9,449	6,279	5,474	4,749	7,805	5,683
International	3,024	2,476	2,278	560	31	-184	-68	282	402
By industry									
Petroleum	90,493	95,834	102,074	9,481	10,594	12,668	10,174	18,667	13,866
Manufacturing	306,156	353,550	376,259	34,939	58,049	36,381	33,213	38,965	28,806
Food and kindred products	34,225	35,933	35,496	1,359	2,913	1,692	3,821	3,868	4,029
Chemicals and allied products	81,656	100,872	108,663	7,346	16,462	10,800	9,250	9,882	10,355
Primary and fabricated metals	18,328	18,773	21,488	1,088	633	2,895	1,381	1,631	1,211
Industrial machinery and equipment	35,337	41,199	52,392	6,393	7,305	12,039	4,445	6,652	4,940
Electronic and other electric equipment	36,996	49,065	48,391	3,940	16,156	905	3,679	5,683	2,768
Transportation equipment	36,045	40,052	39,142	6,687	7,159	578	4,416	3,613	612
Other manufacturing	63,569	67,656	70,687	8,126	7,420	7,473	6,220	7,637	4,890
Wholesale trade	74,215	83,724	92,836	6,413	12,434	9,289	10,837	12,524	12,093
Depository institutions	38,365	38,071	49,319	533	-2,221	9,925	856	1,826	2,520
Finance, (except depository institutions), insurance, and real estate	498,468	542,641	572,545	86,419	54,147	34,983	45,906	52,938	46,135
Services	72,054	80,144	86,491	14,473	10,785	7,513	8,050	8,912	6,817
Other industries	93,371	99,469	102,150	22,318	21,182	3,217	3,323	1,277	854

NOTE: In this table, unlike in the international transactions accounts, income and capital outflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 16 and 17 in "U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 2001" in the September 2002 issue of the SURVEY OF CURRENT BUSINESS.

Table 2. Selected Financial and Operating Data for Nonbank Foreign Affiliates of U.S. Companies by Country and by Industry of Affiliate, 2000

	All nonbank affiliates						Majority-owned nonbank foreign affiliates (MOFA's)						
	Millions of dollars					Thousands of employees	Millions of dollars						Thousands of employees
	Total assets	Sales	Net income	U.S. exports of goods shipped to affiliates	U.S. imports of goods shipped by affiliates		Total assets	Sales	Net income	Gross product	U.S. exports of goods shipped to MOFA's	U.S. imports of goods shipped by MOFA's	
All countries, all industries.....	5,260,182	2,891,497	209,605	203,007	215,300	9,606.9	4,647,439	2,486,855	191,115	605,888	195,951	201,374	8,064.7
By country													
Canada.....	428,185	366,701	18,897	61,511	82,226	1,145.4	376,574	328,026	16,712	72,398	59,508	77,827	1,038.7
Europe.....	3,046,124	1,438,611	113,288	51,783	38,244	4,095.8	2,840,082	1,302,959	105,202	333,375	50,816	36,594	3,687.9
Of which:													
France.....	186,053	137,511	3,307	(D)	3,391	586.3	163,929	124,751	3,445	35,754	5,005	3,124	544.0
Germany.....	300,512	236,095	9,806	8,590	4,488	657.8	258,561	200,192	8,347	54,819	8,535	4,467	605.2
Netherlands.....	361,574	145,337	17,345	7,611	(D)	197.0	343,897	126,261	15,735	23,371	7,572	1,770	169.0
United Kingdom.....	1,315,404	413,467	29,948	(D)	10,848	1,266.6	1,272,450	397,179	29,590	110,643	13,340	10,842	1,185.7
Latin America and Other Western Hemisphere	797,682	360,845	37,864	41,708	47,582	2,006.8	656,101	295,893	33,412	70,401	40,277	45,111	1,583.8
Of which:													
Brazil.....	137,776	80,024	3,341	3,722	(D)	403.6	100,130	61,895	2,998	19,413	3,650	2,182	343.5
Mexico.....	114,653	123,970	6,162	32,000	38,957	1,048.1	86,056	99,466	5,321	20,180	31,017	37,408	804.4
Africa.....	59,118	43,595	4,436	831	(D)	237.7	44,127	34,726	3,709	13,877	771	1,972	127.0
Middle East.....	54,491	33,111	4,185	1,068	1,831	94.1	21,578	16,131	2,166	6,910	857	1,831	64.7
Asia and Pacific.....	874,581	648,635	30,937	46,106	(D)	2,027.0	708,976	509,119	29,913	108,927	43,722	38,039	1,562.5
Of which:													
Australia.....	116,562	69,807	3,619	4,228	(D)	324.0	103,055	56,605	3,497	18,646	4,100	1,216	257.4
Japan.....	342,967	240,240	4,813	15,281	7,188	432.2	257,953	159,593	5,979	36,277	13,815	2,627	233.7
By industry													
Mining.....	226,750	103,583	21,088	1,335	8,316	157.6	198,715	92,211	18,487	60,060	1,034	7,585	136.7
Utilities.....	163,071	66,065	4,558	9	13	105.8	102,414	39,624	2,767	10,839	3	11	57.7
Manufacturing.....	1,176,742	1,380,870	65,861	143,189	186,356	5,067.4	996,919	1,197,293	61,830	317,339	137,960	173,295	4,352.5
Of which:													
Food.....	68,547	94,095	3,618	2,338	3,479	406.2	61,536	84,377	3,372	19,139	2,258	3,402	355.6
Chemicals.....	261,128	225,477	19,791	19,091	14,502	620.4	228,750	200,982	17,955	58,200	17,962	13,889	559.2
Primary and fabricated metals.....	64,704	49,753	2,321	4,110	4,857	269.4	58,134	43,213	2,155	13,249	3,907	4,660	245.9
Machinery.....	74,811	79,741	3,017	7,506	8,200	389.6	60,548	64,429	2,949	18,035	7,101	7,126	343.6
Computer and electronic products.....	175,761	227,081	12,056	35,555	46,899	816.9	168,785	222,380	12,134	41,886	35,268	46,065	777.1
Electrical equipment, appliances, and components.....	28,900	31,024	1,333	3,434	4,123	272.1	25,370	27,341	1,223	7,350	3,317	3,529	232.0
Transportation equipment.....	194,785	308,096	5,424	57,144	86,907	982.0	156,162	256,286	6,624	48,851	54,817	77,984	872.4
Wholesale trade.....	382,980	668,048	26,924	50,106	17,909	717.8	365,091	629,051	26,130	87,025	48,977	17,847	669.1
Information.....	283,101	153,265	4,445	863	220	698.8	119,966	76,042	307	22,364	846	220	333.0
Finance (except depository institutions) and insurance.....	1,841,581	207,633	24,502	4	0	343.7	1,770,932	194,933	24,007	23,307	4	0	309.8
Professional, scientific, and technical services.....	121,023	85,531	6,698	2,032	(D)	450.8	118,038	81,458	6,576	33,050	2,029	844	422.9
Other industries.....	1,064,934	226,501	55,529	5,469	(D)	2,065.1	975,364	176,243	51,012	51,904	5,097	1,572	1,782.9

D Suppressed to avoid disclosure of data of individual companies.

NOTE: The data in this table are from "U.S. Multinational Companies: Operations in 2000" in the December 2002 issue of the SURVEY OF CURRENT BUSINESS.

Foreign Direct Investment in the United States

The Bureau of Economic Analysis produces comprehensive data on foreign direct investment in the United States that are essential to the compilation of the U.S. economic accounts and for the analysis of multinational companies. The data, which are widely recognized to be the world's most comprehensive and accurate, are obtained from mandatory surveys.

Foreign direct investment in the United States is defined as the ownership by a foreign investor of 10 percent or more of a U.S. business. The direct investor is known as a foreign parent, and the foreign-owned U.S. business is known as a U.S. affiliate.

The Bureau collects and publishes three broad sets of data on foreign direct investment in the United States: (1) International transactions and direct investment position data, (2) financial and operating data of U.S. affiliates of foreign companies, and (3) new investment data.

International transactions and direct investment position data

International transactions data cover the U.S. affiliates' transactions with their foreign parents, so these data focus on the foreign parents' share, or interest, in their U.S. affiliates rather than on the affiliates' overall size or level of operations. These data are essential to the compilation of the U.S. international transactions accounts, the international investment position, and the national income and product accounts. The major data items include capital flows, which measure the funds that foreign parents provide to their U.S. affiliates, and income, which measures the return on those funds. The data also cover royalties and license fees and other service charges that affiliates pay to or receive from their parents. All of these items are flow data and provide measurement for a particular time frame, such as for a quarter or for a year.

Direct investment position data are stock data and are cumulative; they measure the total outstanding

level of foreign direct investment in the United States at yearend. Estimates are provided both at historical cost and in terms of current-period prices. Two alternative official measures of the position are presented in current-period prices—one with direct investment recorded at current cost, and the other with direct investment recorded at market value. For the historical-cost estimates, tables are published by country and by industry.

Financial and operating data of U.S. affiliates

Financial and operating data provide a picture of the overall activities of U.S. affiliates and contain a wide variety of indicators of their financial structure and operations. The data cover the entire operations of the U.S. affiliate, irrespective of the percentage of foreign ownership. These data cover items that are needed in analyzing the characteristics, performance, and economic impact of multinational companies, such as sales, gross product (value added), employment and compensation of employees, capital expenditures, exports and imports, and research and development expenditures. Tables are published by country, by industry, and (for selected items) by State. More detailed tables by industry and State on affiliate operations at the establishment level are available for selected years as a result of a special project that linked the Bureau's enterprise data for U.S. affiliates with the establishment data for all U.S. companies from the Bureau of the Census.

New investment data

These data cover the outlays by foreign direct investors to acquire or establish new U.S. affiliates. In addition, the new investment data contain selected data on the operations of the newly acquired or established affiliates, such as total assets, net income, and employment. These data cover the entire operations of the affiliate, regardless of the percentage of foreign ownership.

Uses of the data

The data on foreign direct investment in the United States and the operations of U.S. affiliates can be used to measure the scale of foreign-controlled business activity in the United States and its impact on the U.S. economy. For example, the data can be used to measure:

- The current dollar value of, and returns on, foreign direct investment in the United States
- The shares of U.S. gross domestic product, employment, exports and imports of goods, and research and development accounted for by U.S. affiliates of foreign companies

Researchers have used the data to analyze:

- The effects of tax policies on foreign direct investment in the United States
- Differences between foreign- and domestically owned firms in terms of domestic content, profitability, and productivity
- The impact of foreign direct investment on U.S. wages
- Differences between foreign- and domestically owned establishments in terms of such characteristics as wage rates, plant size, capital intensity, and productivity
- The extent of foreign direct investment by individual State and industry, expressed both in absolute terms (such as in dollars or numbers of employees) and as percentages of the values for all U.S. establishments

Availability

For more information on these data, see the following articles that were published in the SURVEY OF CURRENT BUSINESS, the monthly journal of the Bureau:

- “Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows,” usually in the September issue of the SURVEY
- “Direct Investment Positions: Country and Industry Detail,” usually in the July issue of the SURVEY
- “U.S. Affiliates of Foreign Companies: Operations,” usually in the August issue of the SURVEY
- “Foreign Direct Investment in the United States: New Investment,” usually in the June issue of the SURVEY

The SURVEY articles referenced above are available on our Web site at <www.bea.gov>.

Detailed tables on the operations of U.S. affiliates are available in annual data publications and in compressed files that can be downloaded free of charge from our Web site. For information on these and other data products, see the International Investment Division Product Guide under the “International” section of our Web site.

For more information

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Table 1. Foreign Direct Investment in the United States
Selected Items, by Country of Foreign Parent and by Industry of U.S. Affiliate, 1999–2001
 (Millions of dollars)

	Direct investment position on a historical-cost basis			Capital inflows (outflows (-))			Income		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
All countries, all industries.....	955,726	1,214,254	1,321,063	283,376	300,912	124,435	46,385	52,465	15,965
By country									
Canada.....	90,559	114,599	108,600	26,367	26,036	4,627	2,215	1,057	-7,736
Europe.....	639,923	835,137	946,758	223,406	238,740	118,059	36,753	41,511	26,043
Of which:									
France.....	89,945	131,484	147,207	29,834	49,436	14,676	2,954	3,930	7,663
Germany.....	112,126	124,839	152,760	23,478	14,290	28,015	6,123	2,390	-6,273
Luxembourg.....	35,644	53,794	40,232	6,887	25,230	-13,801	2,241	4,672	3,172
Netherlands.....	125,010	146,493	158,020	41,689	32,599	15,171	7,299	8,990	4,368
Switzerland.....	52,973	69,240	125,521	2,503	16,697	51,959	2,844	4,113	1,816
United Kingdom.....	153,797	213,820	217,746	108,566	75,654	14,226	11,899	14,046	11,823
Latin America and Other Western Hemisphere.....	40,771	54,463	58,881	16,929	12,253	954	2,397	2,407	-1,399
Of which:									
Bermuda.....	14,798	18,502	15,748	10,338	2,523	-3,223	41	-457	-1,602
Mexico.....	1,999	7,832	7,418	1,273	5,266	-84	175	-68	-1,070
Panama.....	5,275	3,726	4,199	-226	-1,477	449	752	647	480
United Kingdom Islands, Caribbean.....	11,573	15,353	18,244	4,137	3,865	3,966	1,527	1,829	118
Africa.....	1,361	2,756	3,264	423	652	407	-66	6	-193
Middle East.....	4,362	6,189	6,039	376	2,142	-159	156	259	311
Asia and Pacific.....	178,749	201,110	197,522	15,876	21,088	547	4,931	7,225	-1,060
Of which:									
Australia.....	15,616	20,701	23,488	4,193	5,963	3,649	643	1,074	-918
Japan.....	153,815	163,577	158,988	11,555	7,773	-1,550	4,006	5,825	169
By industry									
Petroleum.....	51,231	87,055	95,922	4,778	44,869	10,308	4,510	11,435	8,971
Manufacturing.....	385,253	479,851	508,535	69,851	100,693	29,246	24,674	23,860	3,177
Food and kindred products.....	18,864	23,975	23,847	-1,460	5,293	-233	1,570	1,792	1,051
Chemicals and allied products.....	97,009	122,446	127,139	7,562	26,196	3,062	6,317	5,906	4,472
Primary and fabricated metals.....	19,778	24,741	25,683	1,839	9,057	-965	1,083	1,320	802
Machinery.....	92,038	151,237	166,198	39,483	40,040	14,695	2,181	6,847	-6,444
Other manufacturing.....	157,564	157,453	165,668	22,428	20,107	12,687	13,524	7,996	3,297
Wholesale trade.....	100,251	110,286	112,997	16,195	11,320	1,855	5,813	7,016	5,549
Retail trade.....	24,199	29,666	35,811	4,156	5,243	7,245	1,641	1,677	816
Depository institutions.....	61,756	68,128	78,094	19,326	9,672	8,427	2,994	3,948	3,370
Finance, except depository institutions.....	65,453	84,383	85,990	17,964	19,957	6,414	816	399	-5,921
Insurance.....	83,760	112,482	120,400	23,026	34,562	8,496	2,963	4,767	3,183
Real estate.....	40,209	42,682	44,163	2,492	998	1,873	1,075	2,291	1,095
Services.....	64,335	109,504	125,660	21,675	60,539	14,718	1,873	-920	-1,853
Other industries.....	79,281	90,219	113,491	103,913	13,058	35,853	25	-2,008	-2,422

NOTE: In this table, unlike in the international transactions accounts, income and capital inflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 16 and 17 in "Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 2001" in the September 2002 issue of the SURVEY OF CURRENT BUSINESS.

Table 2. Selected Financial and Operating Data of Nonbank U.S. Affiliates and Majority-Owned Nonbank U.S. Affiliates of Foreign Companies by Country of Ultimate Beneficial Owner and by Industry of Affiliate, 2000

	All nonbank affiliates					Majority-owned nonbank affiliates								
	Millions of dollars				Thousands of employees	Millions of dollars		Millions of dollars				Thousands of employees	Millions of dollars	
	Total assets	Sales	Net income	Gross product		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Total assets	Sales	Net income	Gross product		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All countries, all industries	4,847,267	2,334,692	30,641	522,238	6,429.2	165,321	366,647	4,180,503	2,053,022	22,086	449,396	5,562.6	151,521	348,741
By country														
Canada	434,177	168,457	-3,670	40,514	643.0	9,019	19,509	416,420	159,257	-3,792	36,272	555.2	8,859	19,365
Europe	3,274,267	1,420,093	27,465	349,863	4,361.9	89,063	145,037	3,020,496	1,247,041	22,226	301,085	3,815.7	81,543	139,222
Of which:														
France	469,643	193,135	2,516	57,762	648.8	15,194	16,294	390,343	144,432	2,765	38,854	401.0	(D)	(D)
Germany	572,565	320,249	3,186	57,995	729.8	32,770	53,080	558,092	308,197	2,730	54,033	691.4	32,167	52,740
Netherlands	582,054	254,092	4,965	46,620	561.4	7,498	21,895	560,755	(D)	(D)	42,641	546.9	7,214	21,827
Sweden	66,738	42,435	-214	11,096	234.2	4,003	(D)	66,068	41,520	-186	10,724	225.5	3,982	4,696
Switzerland	695,092	132,392	2,513	39,924	554.0	6,004	8,540	671,046	120,011	2,154	34,015	459.0	5,917	8,373
United Kingdom	734,634	363,251	14,877	111,871	1,189.9	16,970	25,105	637,335	331,175	12,270	100,143	1,102.8	16,303	24,701
Latin America and Other Western Hemisphere	146,009	105,033	-599	26,597	275.8	9,272	20,978	136,603	95,183	-813	25,073	262.1	8,998	17,488
Of which:														
Bermuda	60,491	35,792	-762	11,872	135.7	(D)	1,597	58,264	35,179	-715	11,796	132.2	(D)	1,592
Mexico	19,507	16,278	46	2,952	57.2	(D)	3,291	18,080	14,977	110	2,759	53.8	(D)	(D)
Panama	1,679	1,238	18	524	6.8	126	109	1,563	1,170	6	498	6.7	126	109
United Kingdom Islands, Caribbean	39,199	9,576	-360	1,673	34.1	(D)	1,947	38,679	9,298	-348	1,584	32.3	(D)	1,947
Venezuela	13,297	29,800	656	6,480	8.3	403	10,590	(D)	(D)	(D)	(D)	H	(D)	(D)
Africa	11,758	6,449	181	1,322	14.2	474	269	(D)	(D)	(D)	1,283	14.0	(D)	266
Middle East	29,912	16,011	568	3,150	50.9	802	1,846	27,434	14,301	489	2,434	38.1	789	1,758
Asia and Pacific	705,084	576,943	1,072	89,282	1,019.5	54,686	177,721	557,549	513,157	3,868	77,928	848.2	48,943	169,450
Of which:														
Australia	69,095	31,948	-643	9,319	83.3	1,428	1,438	60,519	25,605	-741	7,909	69.6	(D)	(D)
Japan	558,934	477,831	4,316	72,041	826.8	44,130	151,368	445,551	429,732	5,015	62,241	699.9	40,894	147,125
United States	246,060	41,707	5,625	11,510	63.9	2,004	1,287	(D)	(D)	(D)	5,320	29.4	(D)	1,192
By industry ¹														
Manufacturing	1,108,046	979,597	11,796	237,032	2,658.3	101,248	149,875	1,000,442	852,164	10,985	217,358	2,441.9	91,048	134,932
Of which:														
Food	45,143	47,388	302	11,018	147.6	2,467	4,398	44,099	45,567	296	10,631	140.8	2,374	4,377
Chemicals	257,094	160,496	3,887	44,832	386.8	15,528	16,388	238,314	145,362	3,195	40,821	356.7	14,295	16,099
Primary and fabricated metals	65,699	66,282	1,244	17,282	219.2	4,930	7,719	57,252	57,196	669	15,069	204.9	4,125	6,830
Machinery	66,528	54,207	-885	15,506	230.6	6,735	7,849	64,744	52,612	-36	15,323	223.6	6,545	7,375
Computers and electronic products	173,303	129,225	-4,847	28,705	337.4	19,329	37,731	137,673	117,587	-3,755	27,229	305.3	14,645	30,463
Electrical equipment, appliances, and components	66,099	60,221	280	19,878	284.4	8,717	4,284	65,680	59,765	254	19,737	282.7	8,583	4,231
Transportation equipment	199,695	205,220	3,890	35,016	390.8	30,731	46,806	192,444	193,099	3,519	32,278	358.3	29,213	(D)
Wholesale trade	407,715	637,978	14,530	86,444	574.4	57,844	207,041	398,811	616,015	13,683	82,849	543.7	54,431	204,816
Retail trade	74,259	114,977	-279	24,676	674.4	1,535	(D)	60,826	102,648	163	22,346	603.5	(D)	(D)
Information	318,489	121,684	-4,387	41,878	408.9	709	240	169,464	69,125	-4,050	19,959	242.8	687	161
Of which:														
Publishing industries	71,021	35,582	98	13,764	139.2	(D)	127	(D)	30,415	-385	10,695	122.8	(D)	(D)
Broadcasting and telecommunications	165,541	59,205	-3,848	21,895	178.4	5	(D)	38,335	13,517	-3,692	2,837	35.1	(*)	1
Finance (except depository institutions) and insurance	2,472,481	243,337	10,543	41,433	291.8	(*)	5	2,162,327	211,823	3,396	33,260	252.0	(*)	5
Real estate and rental and leasing	122,797	25,691	1,331	10,936	49.5	(D)	649	110,543	22,589	1,069	9,418	38.7	(D)	649
Professional, scientific, and technical services	51,405	32,241	-1,135	9,672	148.9	366	336	46,919	29,665	-634	9,038	133.4	356	336
Other industries	292,075	179,186	-1,759	70,167	1,623.1	(D)	(D)	231,172	148,994	-2,527	55,169	1,306.7	3,242	(D)

D Suppressed to avoid disclosure of data of individual companies.

* Less than \$500,000.

1. The industry classification system used to classify the data for U.S. affiliates is based on the North American Industry Classification System. Prior to 1997, the affiliate data were classified using an industry classification system based on the Standard Industrial Classification system.

NOTES: The data in this table are from BEA's annual survey of the operations of U.S. affiliates of foreign companies; see "U.S. Affiliates of Foreign Companies: Operations in 2000," in the August 2002 issue of the SURVEY OF CURRENT BUSINESS.

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.

Research and Analysis

The Bureau of Economic Analysis conducts a variety of research and analytical activities in support of the international accounts. The topics covered include all the major areas in which the Bureau produces international statistics—the international transactions accounts, the international investment position, and the operations of U.S. parent companies, their foreign affiliates, and U.S. affiliates of foreign companies. The results of the research may be published in the SURVEY OF CURRENT BUSINESS, presented in outside publications or meetings, or used in-house to improve the accounts.

To interpret the accounts and place them in context, the Bureau's economists relate developments in the international accounts to developments in the U.S. and foreign economies, such as macroeconomic developments, changes in exchange rates, and events in markets for particular types of goods, services, and financial assets. The results of this work are included in regular and special analytical SURVEY OF CURRENT BUSINESS articles and in news releases presenting the accounts.

Some of the research conducted by the Bureau's international accounts staff has resulted in the development of new methodologies that have improved the usefulness of the accounts or expanded their scope and application. An example is the development of techniques for valuing direct investment in terms of current-period prices in the international transactions accounts and the international investment position. Valuation on this basis gives a more meaningful picture of U.S. international investment, and of the income earned on that investment, than can be obtained from statistics based on historical-cost accounting.

Another research project resulted in the construction of a breakdown of the U.S. current account along ownership lines, to supplement the conventional breakdown based primarily on the types of goods and services traded. Presentation on this basis gives a more detailed picture of the role and importance of multinational companies in U.S. international trade and

investment than is available from the conventional breakdown. It also provides an alternative measure of U.S. economic performance that reflects the net effect on the U.S. economy, not only of cross-border exports and imports but also of the participation of U.S. firms in international markets through locally established affiliates.

In the area of operations of affiliates, the Bureau's researchers have developed techniques for deriving estimates of gross product (value added) of multinational companies from accounting data reported for these companies in the Bureau's surveys. Recently, a methodology was introduced for valuing the gross product of majority-owned foreign affiliates of U.S. companies in real terms, thus isolating movements in production in real terms from movements attributable to changes in prices and exchange rates.

As the collector of primary source data on U.S. direct investment abroad and foreign direct investment in the United States, the Bureau conducts significant research to analyze and interpret these data. This work may be done at the level of statistical aggregates for countries and industries, or it may involve the analysis of microdata for individual companies. In some cases, the research has been done in collaboration with outside researchers. In all cases, the research is done under strict guidelines and procedures that protect the confidentiality of company-specific data, as required by law. Among the topics covered by recent research projects have been intrafirm trade of U.S. and foreign multinational companies, rates of return on foreign direct investment in the United States, the structure of production and origin of content of production by foreign affiliates of U.S. companies and U.S. affiliates of foreign companies, and expansion strategies of U.S. multinational firms. The results of some of these and several other projects were published in a compendium, *International Direct Investment: Studies by the Bureau of Economic Analysis* (Washington, DC: U.S. Government Printing Office, 1999).

The Bureau's international accounts staff have participated in numerous outside activities. Staff have been involved in the development of international statistical guidelines. For example, they have participated in exercises, coordinated by international organizations, to prepare international manuals for balance-of-payments compilation, for statistics on trade in services, and in an ongoing exercise to prepare a manual on indicators of globalization. Staff have also given papers and presentations at a number of outside meetings and conferences, both academic and business-related. Recently, papers have been presented on trade-in-services statistics, on intrafirm trade, and on multinational-company expansion strategies. Some of the papers have subsequently been included in outside publications.

Some research projects are undertaken with a view to improving the quality of the data. One recent project examined services related to e-commerce and the Internet, to ensure that these and other new types

of services were adequately covered and properly described in BEA's surveys of international trade in services. Another recent project compared U.S. data on trade in goods with similar data for selected partner countries to see if they suggested undercounting in the U.S. data.

The Bureau's international accounts staff also prepare methodologies and users' guides explaining the accounts, documenting their methodologies and procedures, and describing implementation strategies for new and evolving international standards. Much of this research material is available on the Bureau's Web site at <www.bea.gov>.

For more information

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