

New Foreign Direct Investment in the United States in 2016

By Thomas Anderson

EXPENDITURES BY foreign direct investors to acquire, establish, or expand U.S. businesses totaled \$373.4 billion in 2016, down \$66.1 billion, or 15.0 percent, from \$439.6 billion in 2015 (table A and chart 1). The 2016 decrease in new foreign direct investment in the United States reflected a decrease in global mergers and acquisition activity.¹ Despite the decrease, expenditures in 2016 were large relative to expenditures in other recent years. They were above the annual average

1. According to Bureau van Dijk, the global value of mergers and acquisition deals declined 21 percent in 2016.

of \$350.0 billion for 2014–2015 and were well above the annual average of \$226.0 billion for 2006–2008.

In 2016, as in previous years, the vast majority of the expenditures were to acquire existing businesses. In 2016, expenditures for acquisitions were \$365.7 billion, expenditures to establish new U.S. businesses were \$5.6 billion, and expenditures to expand existing foreign-owned businesses were \$2.2 billion. Planned total expenditures, which include both first-year (2016) expenditures and planned future expenditures, were \$387.7 billion.

Expenditures by industry, by country, and by state

By industry, as in the previous 2 years, manufacturing, \$129.4 billion, accounted for the largest share of total expenditures (table 1). Within manufacturing, expenditures were largest in chemicals. Outside of manufacturing, expenditures were largest in professional, scientific, and technical services; and in finance and

Updates

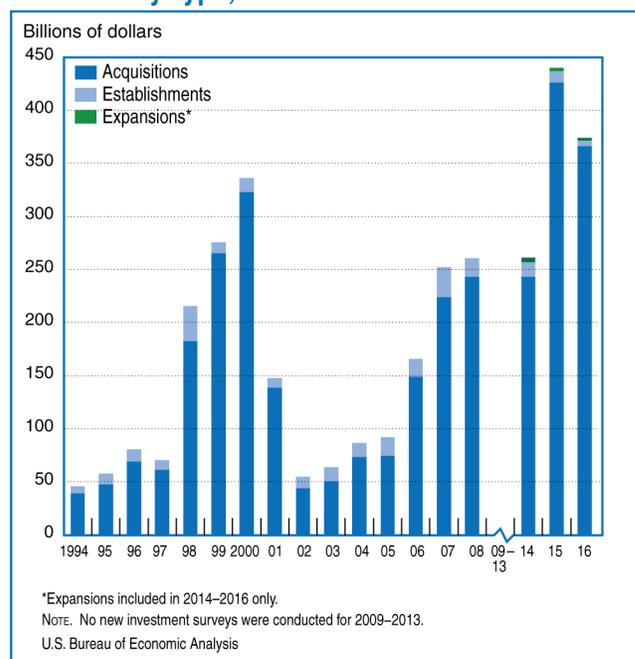
Data on expenditures for new foreign direct investment in the United States for 2014 and 2015, which were released in July 2016, have been updated. The updated statistics incorporate revised survey reports and reports that were not received or could not be processed in time for the preliminary publication.

Updates to 2014 and 2015 Expenditures for New Foreign Direct Investment in the United States

[Millions of dollars]

	Previously published estimates	Revised estimates
2014		
<i>First-year expenditures</i>	250,581	260,487
U.S. businesses acquired	235,799	242,580
U.S. businesses established	12,473	14,183
U.S. businesses expanded	2,309	3,724
<i>Planned total expenditures</i>	275,767	294,268
U.S. businesses acquired	235,799	242,580
U.S. businesses established	33,516	40,559
U.S. businesses expanded	6,453	11,129
2015		
<i>First-year expenditures</i>	420,691	439,563
U.S. businesses acquired	408,056	425,788
U.S. businesses established	11,249	10,739
U.S. businesses expanded	1,387	3,037
<i>Planned total expenditures</i>	439,209	460,569
U.S. businesses acquired	408,056	425,788
U.S. businesses established	24,509	24,731
U.S. businesses expanded	6,644	10,051

Chart 1. New Investment by Foreign Direct Investors by Type, 1994–2016



insurance, especially in insurance carriers and other activities.

By country of ultimate beneficial owner, a small number of countries accounted for most of the investment, and several of the largest source countries in 2016 were among the largest source countries in 2015. The largest source of new direct investment in the

United States in 2016 was Canada, \$58.5 billion (table 2). There were also substantial expenditures from the United Kingdom, Ireland, and Switzerland.

By region, about half of the new investment in 2016 was from Europe, of which the majority was in manufacturing. Nearly one-quarter of the new investment was from the Asia and Pacific region. New investment from China was \$27.6 billion, up \$19.8 billion, from \$7.8 billion in 2015, although it made up less than 10.0 percent of the new investment in 2016.

By state, the largest expenditures were for U.S. businesses in California, \$64.7 billion (table 3). There were also were substantial expenditures in Illinois, New York, and Texas.

Expenditures for new investment were 2.3 percent of U.S. private-industry gross domestic product (GDP) in 2016, compared with 2.8 percent in 2015.² In 2016, expenditures were greater than 4.0 percent of state GDP in several states (chart 2).

Data Availability

In July 2017, the Bureau of Economic Analysis (BEA) introduced new tables that present actual and planned expenditures for greenfield investments—investments to either establish a new U.S. business or to expand an existing foreign-owned U.S. business—both as they were reported when the investment was initiated and as they were reported a year later.

Detailed statistics on new foreign direct investment in the United States—including statistics for 1980–2007, updated 2014 and 2015 statistics, and pre-liminary 2016 statistics—are available on BEA's Web site. Statistics are not available for 2008–2013.

2. Expenditures for new foreign direct investment are not directly comparable to GDP. While some components of these expenditures, such as construction associated with greenfield investment, are included in the private fixed investment component of GDP, other components, such as acquisitions of existing U.S. businesses, are not. Private-industry GDP excludes Puerto Rico and other outlying territories.

Table A. Selected Statistics for New Investment by Foreign Direct Investors, By Type of Investment, 2014–2016

	Total number of investments	Expenditures (millions of dollars)		Employment (thousands)		Sales ⁵	Net income ⁶	Assets ⁷	Liabilities ⁷	Owner's equity ⁷
		First-year ¹	Planned ²	Current ³	Planned ⁴					
2014										
Total	3,018	260,487	294,268	778.2	812.6	208,268	4,942	292,567	181,175	111,392
U.S. businesses acquired	1,361	242,580	242,580	761.7	761.7	186,066	4,698	248,206	159,939	88,267
Greenfield investment	1,657	17,907	51,688	16.6	51.0	22,202	244	44,361	21,236	23,125
U.S. businesses established	1,389	14,183	40,559	9.4	23.9	8,034	244	44,361	21,236	23,125
U.S. businesses expanded ⁸	268	3,724	11,129	7.2	27.1	14,168	n.a.	n.a.	n.a.	n.a.
2015										
Total	2,846	439,563	460,569	483.8	504.9	140,380	8,642	380,538	234,863	145,675
U.S. businesses acquired	1,180	425,788	425,788	476.1	476.1	124,465	8,291	357,650	225,615	132,034
Greenfield investment	1,666	13,776	34,782	7.6	28.8	15,914	351	22,888	9,248	13,641
U.S. businesses established	1,356	10,739	24,731	2.4	13.5	6,845	351	22,888	9,248	13,641
U.S. businesses expanded ⁸	310	3,037	10,051	5.2	15.3	9,069	n.a.	n.a.	n.a.	n.a.
2016										
Total	2,129	373,440	387,739	480.8	499.7	181,276	8,003	383,244	245,039	138,205
U.S. businesses acquired	957	365,700	365,700	476.6	476.6	164,588	7,629	370,891	240,412	130,480
Greenfield investment	1,172	7,740	22,039	4.2	23.2	16,689	373	12,353	4,627	7,726
U.S. businesses established	936	5,565	13,569	0.5	9.1	8,394	373	12,353	4,627	7,726
U.S. businesses expanded ⁸	236	2,175	8,471	3.8	14.1	8,294	n.a.	n.a.	n.a.	n.a.

n.a. Not available

1. First-year expenditures include expenditures in the year in which the transaction occurred.

2. Planned total expenditures include first-year expenditures for all investments plus planned future expenditures (and expenditures from past years, if any) for establishments and expansions that are multiyear investments. For acquired U.S. businesses, first-year expenditures and planned total expenditures are the same.

3. Current employment includes the employment of the acquired, established, or new facilities of expanded affiliates at the time the transactions occurred or the investments were initiated.

4. Planned employment consists of the current employment of acquired enterprises, the planned employment of established business enterprises once they are fully operating, and the planned employment associated with the new facilities of expanded business enterprises once they are fully operating.

5. For a newly acquired enterprise, sales are total annual sales for the fiscal year that ended on, or before, the acquisition of the U.S. business enterprise. For a newly established enterprise, sales are total annual sales for the fiscal year that ended on, or before, the establishment of the U.S. business

enterprise. For an expanded U.S. enterprise, sales are projected annual sales of the new facility once it is fully operating.

6. For a newly acquired enterprise, net income is the annual net income (loss) after provision for U.S. federal, state, and local income taxes for the fiscal year that ended on, or before, the acquisition of the U.S. business enterprise. For a newly established enterprise, net income is the annual net income (loss) after provision for U.S. federal, state, and local income taxes for the fiscal year that ended on, or before, the establishment of the U.S. business enterprise.

7. For a newly acquired enterprise, total assets, liabilities, and owner's equity are for the fiscal year that ended on, or before, the acquisition of the U.S. business enterprise. For a newly established enterprise, total assets, liabilities, and owner's equity are for the fiscal year that ended on, or before, the establishment of the U.S. business enterprise.

8. Net income and balance sheet items of expanded U.S. business enterprises were not collected because the new facilities generally do not maintain accounting records for expansions separate from those used for the already existing facilities of the business enterprise.

Number of investments

In 2016, there were 2,129 transactions for new foreign direct investment in the United States, down from 2,846 in 2015. The number of very large investments—investments with total planned expenditures greater than \$5.0 billion—was 18 in 2016, down from 20 in 2015. In 2016, these very large investments accounted for more than half of total expenditures.

Transactions to acquire a U.S. business accounted for the largest number (957, or 45.0 percent) of all transactions in 2016. Establishments of new U.S. businesses accounted for 936 transactions, and expansions accounted for 236 transactions. The average expenditure per transaction for acquisitions was \$382.1 million; for establishments, \$5.9 million; and for expansions, \$9.2 million.

Employment

In 2016, newly acquired, established, or expanded foreign-owned businesses in the United States employed 480,800 workers, down 3,000 workers, or 0.6 percent, from 483,800 in 2015. Total planned employment—which includes the current employment of acquired enterprises, the planned employment of newly established business enterprises when fully operational, and the planned employment associated with

expansions³—was 499,700, down 5,200, or 1.0 percent, from 504,900 in 2015. Current employment of acquired enterprises (476,600) accounted for the bulk of employment in 2016.

Among major industries, manufacturing accounted for the largest number of employees at 162,900, followed by retail trade. By country of UBO, Canada accounted for the largest number of employees at 105,900, followed by the United Kingdom and China. By U.S. state, Florida accounted for the largest number of employees at 66,000, followed by California (60,000) and Texas (57,600) (chart 3).

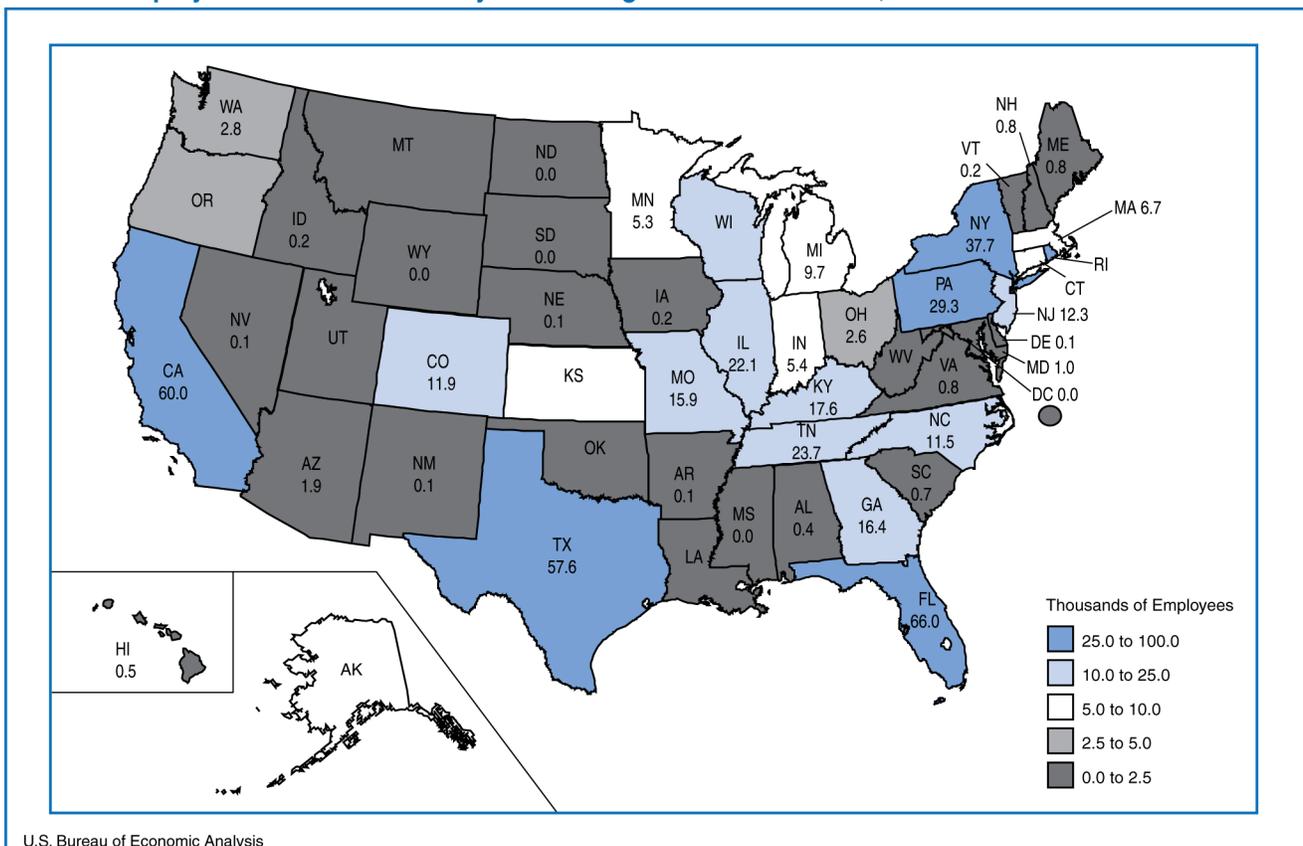
The largest number of employees associated with greenfield investment was in California, with total planned employment of 3,500. Total planned employment due to greenfield investments was also substantial in South Carolina (1,900) and Texas (1,500).

Statistics on other activities

Total sales by newly acquired, established, or expanded affiliates were \$181.3 billion in 2016, up \$40.9 billion, or 29.1 percent, from \$140.4 billion in 2015. Net income of newly acquired or established affiliates was

3. Statistics on employment at expanded businesses only include employment at the expanded portion of the business.

Chart 3. Employment Accounted for by New Foreign Direct Investment, 2016



\$8.0 billion in 2016, down \$0.6 billion, or 7.4 percent, from \$8.6 billion in 2015. In 2016, net income of newly acquired, established, or expanded affiliates was 4.4 percent of their sales; in 2015, net income was 6.2 percent of sales. The equivalent ratio for all U.S. affiliates of foreign multinational enterprises in the United States in 2015 was 2.1 percent.⁴

Assets for newly acquired and established affiliates were \$383.2 billion in 2016, up \$2.7 billion, or 0.7 percent, from \$380.5 billion in 2015; liabilities were \$245.0 billion in 2016, up \$10.2 billion, or 4.3 percent, from \$234.9 billion in 2015; and owner's equity was \$138.2 billion in 2016, down \$7.5 billion, or 5.1 percent, from \$145.7 billion in 2015. In 2016, liabilities of newly acquired or established affiliates were 63.9 percent of assets; in 2015, liabilities were 61.7 percent of assets. The equivalent ratio for all U.S. affiliates of foreign multinational enterprises in the United States in 2015 was 80.7 percent.

Technical Note

The statistics of new investment by foreign direct investors are based on data reported in the Survey of New Foreign Direct Investment in the United States (BE-13) conducted by the Bureau of Economic Analysis (BEA). The survey covers U.S. business enterprises that were acquired, established, or expanded by foreign direct investors. Information on the filing requirements for the survey may be found on [BEA's Web site](#).

A U.S. business enterprise is categorized as "acquired" if a foreign entity acquires a 10 percent or more voting interest in an incorporated U.S. business enterprise, or an equivalent interest of an unincorporated U.S. business enterprise, either directly or indi-

rectly through an existing U.S. affiliate. A U.S. affiliate is a foreign-owned U.S. business enterprise. A U.S. business enterprise is categorized as "established" if a foreign entity, or an existing U.S. affiliate of a foreign entity, establishes a new legal entity in the United States in which the foreign entity owns 10 percent or more of the new business enterprise's voting interest, or an equivalent interest if unincorporated. An existing U.S. affiliate is categorized as "expanded" if it expands its operations to include a new facility where business is conducted.

The statistics of new foreign direct investment include transactions resulting from corporate inversions. A corporate inversion occurs when a domestic corporation that is currently the ultimate owner of its worldwide operations takes steps to become a subsidiary of a foreign corporation. A U.S. corporation can initiate an inversion either by creating a foreign corporation to be its new parent or by merging with an existing foreign corporation and ceding control. BEA's direct investment surveys do not collect information on whether a U.S. corporation became foreign-owned as a result of a corporate inversion, hence these transactions cannot be separately identified in the statistics based on the survey data alone. Using publicly available information, such as commercial databases, press releases, and media reports, BEA estimates that newly inverted U.S. corporations accounted for a significant share of first-year expenditures for acquisitions in 2015 but not in 2016.

For an explanation of the relationship between the new investment statistics and other statistics on foreign direct investment in the United States, see "[New Foreign Direct Investment in the United States in 2015](#)," SURVEY OF CURRENT BUSINESS 96 (August 2016).

4. The most recent year for which data on the activities of U.S. affiliates of multinational companies is available is 2015. See "[Activities of U.S. Affiliates of Foreign Multinational Enterprises in 2015](#)" in this issue of the SURVEY.

Tables 1 through 3 follow.

Table 1. First-Year Expenditures and Current Employment Associated With Investments Initiated in 2015 and 2016, Industry of Affiliate by Type of Investment

	First year expenditures (millions of dollars) ¹				Current employment (thousands of employees) ²			
	2015		2016		2015		2016	
	Total	Of which: Greenfield	Total	Of which: Greenfield	Total	Of which: Greenfield	Total	Of which: Greenfield
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All industries	439,563	13,776	373,440	7,740	483.8	7.6	480.8	4.2
Manufacturing	290,420	2,000	129,354	1,283	151.6	3.5	162.9	2.1
Food.....	3,197	100	3,121	110	10.3	0.2	8.2	0.1
Beverages and tobacco products.....	716	18	520	(D)	1.3	0.0	G	(*)
Paper.....	438	(D)	1,094	131	2.0	(*)	1.5	A
Petroleum and coal products.....	0	0	0	0	0.0	0.0	0.0	0.0
Chemicals.....	158,168	946	64,713	119	37.2	0.4	40.9	0.3
Basic chemicals.....	(D)	(D)	517	(D)	1	0.2	0.4	0.0
Pharmaceuticals and medicines.....	128,612	40	(D)	33	23.0	0.2	J	0.2
Other.....	(D)	(D)	(D)	(D)	1	0.1	J	0.1
Plastics and rubber products.....	4,033	71	840	(D)	11.3	0.1	5.6	0.0
Nonmetallic mineral products.....	97	(D)	30	(D)	0.1	(*)	0.2	(*)
Primary and fabricated metals.....	4,590	40	2,004	47	16.9	0.5	9.2	0.2
Primary metals.....	4,350	15	256	(D)	16.1	0.1	1.3	0.2
Fabricated metal products.....	240	25	1,748	(D)	0.8	0.4	7.8	0.0
Machinery.....	(D)	46	(D)	40	1	A	38.0	0.3
Computers and electronic products.....	6,712	14	6,902	39	8.5	(*)	9.5	0.0
Semiconductors and other electronic components.....	4,697	1	6,578	(D)	3.7	0.0	8.9	0.0
Navigational, measuring, and other instruments.....	(D)	2	136	3	1.2	0.0	0.4	0.0
Other.....	(D)	11	188	(D)	3.6	(*)	0.1	0.0
Electrical equipment, appliances, and components.....	2,281	37	(D)	26	G	(*)	K	(*)
Transportation equipment.....	(D)	402	1,612	515	10.6	1.5	1	F
Motor vehicles, bodies and trailers, and parts.....	(D)	(D)	1,520	481	9.1	G	7.5	0.8
Other.....	736	25	91	34	1.5	A	A	A
Other.....	(D)	179	5,138	105	45.1	0.5	9.0	0.3
Wholesale trade	2,290	354	13,974	225	4.9	0.9	16.7	(*)
Motor vehicles and motor vehicle parts and supplies.....	(D)	18	67	(D)	1.2	A	0.1	0.0
Electrical goods.....	30	(D)	159	4	(*)	0.0	0.3	0.0
Petroleum and petroleum products.....	4	4	(D)	6	A	A	(*)	(*)
Other.....	(D)	(D)	(D)	(D)	H	F	16.2	(*)
Retail trade	10,805	172	10,332	26	72.3	0.3	110.6	0.3
Food and beverage stores.....	(D)	8	(D)	3	G	(*)	L	0.0
Other.....	(D)	164	(D)	23	L	0.3	K	0.3
Information	12,175	286	42,825	162	11.8	0.3	58.5	(*)
Publishing industries.....	6,406	59	4,828	41	3.8	0.1	3.5	(*)
Telecommunications.....	790	6	1,236	(D)	1.0	0.0	1.6	0.0
Other.....	4,979	220	36,761	(D)	7.1	0.1	53.4	(*)
Finance and insurance	44,587	1,778	47,930	1,280	13.6	0.5	33.8	0.2
Depository credit intermediation (banking).....	(D)	(D)	158	(D)	H	(*)	0.2	(*)
Finance, except depository institutions.....	23,138	(D)	2,883	(D)	G	(*)	2.0	0.2
Insurance carriers and related activities.....	(D)	(D)	44,889	14	8.9	0.5	31.6	0.0
Real estate and rental and leasing	37,175	6,272	7,678	1,602	5.0	0.2	0.7	A
Real estate.....	(D)	(D)	7,469	(D)	3.2	0.1	0.6	A
Rental and leasing (except real estate).....	(D)	(D)	210	(D)	1.9	0.1	0.1	0.0
Professional, scientific, and technical services	22,019	159	59,061	172	32.0	0.2	37.6	0.3
Architectural, engineering, and related services.....	411	12	(D)	2	2.1	(*)	15.6	0.0
Computer systems design and related services.....	11,142	48	8,000	42	17.2	(*)	5.3	(*)
Management, scientific, and technical consulting.....	1,543	8	(D)	23	4.8	(*)	8.9	(*)
Other.....	8,922	90	4,628	105	7.9	0.2	7.9	0.2
Other industries	20,092	2,755	62,284	2,989	192.5	1.7	60.1	G
Mining.....	1,730	(D)	228	(D)	H	A	0.6	0.1
Utilities.....	4,149	1,686	26,353	1,223	4.6	(*)	5.8	(*)
Construction.....	520	17	1,020	(D)	2.2	A	1	0.0
Transportation and warehousing.....	1,899	61	13,647	116	13.3	0.4	15.8	0.3
Administration, support, and waste management.....	2,893	36	11,163	26	110.9	G	16.8	(*)
Health care and social assistance.....	1,851	8	(*)	(*)	36.8	0.0	0.9	0.0
Accommodation and food services.....	1,745	62	(D)	2	11.7	(*)	5.5	0.0
Other.....	5,305	(D)	2,544	1,339	1	A	1	F

(*) Less than +/\$500,000 or fewer than 50 employees

D Suppressed to avoid disclosure of data on individual companies.

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.

1. First year expenditures include expenditures in the year in which the transaction occurred.

2. Planned total expenditures include first year expenditures for all investments plus planned future expenditures (and expenditures from past years, if any) for establishments and expansions that are multyear investments. For acquired U.S. businesses, first year expenditures and planned total expenditures are the same.

Table 2. First-Year Expenditures and Current Employment Associated With Investments Initiated in 2015 and 2016, Country of Ultimate Beneficial Owner by Type of Investment ¹

	First year expenditures (millions of dollars) ²				Current employment (thousands of employees) ³			
	2015		2016		2015		2016	
	Total	Of which: Greenfield	Total	Of which: Greenfield	Total	Of which: Greenfield	Total	Of which: Greenfield
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All countries	439,563	13,776	373,440	7,740	483.8	7.6	480.8	4.2
Canada	88,735	1,741	58,502	1,593	113.4	0.9	105.9	1.0
Europe	294,651	5,732	187,900	3,336	264.9	4.2	180.6	1.7
Belgium.....	(D)	(D)	171	(D)	I	(*)	0.3	0.0
Denmark.....	179	5	534	115	0.6	0.0	0.4	(*)
Finland.....	(D)	6	171	(D)	(*)	(*)	0.3	0.2
France.....	13,916	640	19,246	398	96.0	0.3	26.5	(*)
Germany.....	46,418	659	13,382	626	27.2	1.6	19.9	0.4
Ireland.....	175,978	92	35,397	99	47.1	(*)	30.2	0.2
Italy.....	(D)	275	1,818	936	6.6	0.2	I	(*)
Netherlands.....	13,784	(D)	23,260	18	13.8	(*)	25.4	0.2
Spain.....	1,120	27	135	116	2.0	0.1	0.1	(*)
Sweden.....	631	15	1,491	8	0.9	(*)	3.1	0.0
Switzerland.....	5,679	169	34,880	82	41.6	1.0	13.8	0.1
United Kingdom.....	20,758	403	54,496	144	21.8	0.7	51.1	0.3
Other.....	3,329	(D)	2,918	(D)	G	0.2	H	0.2
Latin America and Other Western Hemisphere	5,956	475	29,367	302	45.4	0.6	41.1	0.8
South and Central America.....	433	152	680	(D)	0.9	0.2	H	(*)
Brazil.....	124	(D)	42	(D)	0.4	0.1	0.1	(*)
Mexico.....	251	(D)	(D)	(D)	0.5	0.1	(*)	(*)
Venezuela.....	(*)	(*)	1	1	0.0	0.0	0.0	0.0
Other.....	57	55	(D)	(D)	(*)	(*)	H	0.0
Other Western Hemisphere.....	5,523	323	28,686	(D)	44.5	0.4	K	0.8
Bermuda.....	3,077	109	(D)	6	I	A	6.5	0.8
United Kingdom Islands, Caribbean ⁴	2,351	205	3,800	(D)	38.7	0.3	8.3	(*)
Other.....	95	9	(D)	2	A	A	J	0.0
Africa	494	(D)	(D)	(D)	G	0.0	0.3	0.0
South Africa.....	(D)	5	25	4	0.2	0.0	0.3	0.0
Other.....	(D)	(D)	(D)	(D)	G	0.0	0.0	0.0
Middle East	5,871	213	2,853	(D)	10.9	(*)	1.9	(*)
Israel.....	(D)	52	1,208	20	0.5	(*)	1.8	(*)
Saudi Arabia.....	57	(D)	64	0	0.2	0.0	0.1	0.0
United Arab Emirates.....	(D)	(D)	5	4	I	0.0	0.0	0.0
Other.....	(D)	(D)	1,577	(D)	H	0.0	(*)	(*)
Asia and Pacific	42,879	5,549	86,794	2,174	43.9	1.9	146.0	0.7
Australia.....	1,825	(D)	(D)	26	1.3	0.0	2.5	(*)
China.....	7,781	1,198	27,619	800	14.8	0.2	49.4	0.1
Hong Kong.....	1,329	200	(D)	(D)	F	0.1	0.2	0.2
India.....	974	43	1,233	19	2.1	0.1	3.6	0.2
Japan.....	26,855	2,675	18,206	1,083	16.9	1.4	23.5	0.2
Korea, Republic of.....	936	(D)	(D)	(D)	1.8	0.1	0.7	(*)
Singapore.....	2,806	711	(D)	7	2.9	(*)	I	0.0
Taiwan.....	63	3	(D)	(D)	0.1	(*)	0.8	0.0
Other.....	311	(D)	(D)	(D)	H	(*)	L	0.0
United States ⁵	977	(D)	(D)	229	H	(*)	5.0	0.0

(*) Less than +/- \$500,000 or fewer than 50 employees

D Suppressed to avoid disclosure of data on individual companies.

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

1. The Ultimate Beneficial Owner (UBO) is the entity, proceeding up the foreign ownership chain, which is not more than 50 percent owned by another entity. The UBO is the entity that ultimately owns or controls and thus ultimately derives the benefits and assumes the risks from owning or controlling an affiliate.

2. First year expenditures include expenditures in the year in which the transaction occurred.

3. Planned total expenditures include first year expenditures for all investments plus planned future expenditures (and expenditures from past years, if any) for establishments and expansions that are multiyear investments. For acquired U.S. businesses, first year expenditures and planned total expenditures are the same.

4. The "United Kingdom Islands, Caribbean" consists of the British Virgin Islands, the Cayman Islands, Montserrat, and the Turks and Caicos Islands.

5. The United States is the country of ultimate beneficial owner for businesses newly acquired, established, or expanded by foreign investors that are ultimately owned by persons located in the United States.

Table 3. First-Year Expenditures and Current Employment Associated With Investments Initiated in 2015 and 2016, State by Type of Investment ¹

	First year expenditures (millions of dollars) ²				Current employment (thousands of employees) ³			
	2015		2016		2015		2016	
	Total	Of which: Greenfield	Total	Of which: Greenfield	Total	Of which: Greenfield	Total	Of which: Greenfield
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	439,563	13,776	373,440	7,740	483.8	7.6	480.8	4.2
New England:								
Connecticut.....	885	6	4,380	0	0.7	(*)	1	0.0
Maine.....	115	0	(D)	0	1.4	0.0	0.8	0.0
Massachusetts.....	7,387	194	9,828	36	8.2	0.5	6.7	0.3
New Hampshire.....	(D)	0	152	0	0.1	0.0	0.8	0.0
Rhode Island.....	0	0	(D)	0	0.0	0.0	J	0.0
Vermont.....	(D)	0	(D)	0	1	0.0	0.2	0.0
Mideast:								
Delaware.....	1,148	455	777	442	0.2	0.1	0.1	(*)
District of Columbia.....	(D)	(D)	638	0	0.3	0.0	0.0	0.0
Maryland.....	1,408	(D)	841	81	3.3	A	1.0	0.0
New Jersey.....	18,822	19	(D)	5	11.2	A	12.3	0.0
New York.....	23,269	4,241	30,450	1,247	10.1	0.3	37.7	0.1
Pennsylvania.....	11,493	197	27,309	(D)	13.1	0.1	29.3	0.3
Great Lakes:								
Illinois.....	23,171	60	41,292	(D)	12.1	0.1	22.1	0.1
Indiana.....	1,283	(D)	4,436	(D)	1	0.1	5.4	A
Michigan.....	(D)	(D)	13,354	(D)	17.3	0.2	9.7	0.2
Ohio.....	7,875	81	1,335	22	7.2	0.2	2.6	0.1
Wisconsin.....	1,860	(D)	(D)	(D)	2.3	(*)	J	(*)
Plains:								
Iowa.....	145	(D)	(D)	0	0.3	(*)	0.2	0.0
Kansas.....	44	(D)	1,559	(D)	0.1	(*)	1	0.0
Minnesota.....	(D)	(D)	3,954	(D)	43.6	0.2	5.3	0.1
Missouri.....	(D)	(D)	3,434	(D)	6.8	0.6	15.9	(*)
Nebraska.....	(D)	0	(D)	0	0.1	0.0	0.1	0.0
North Dakota.....	45	13	3	0	0.2	0.1	0.0	0.0
South Dakota.....	(D)	0	0	0	(*)	0.0	0.0	0.0
Southeast:								
Alabama.....	7,690	164	(D)	(D)	9.0	0.2	0.4	0.0
Arkansas.....	209	(D)	(D)	0	1.0	(*)	0.1	0.0
Florida.....	5,410	160	10,506	(D)	37.3	G	66.0	(*)
Georgia.....	2,073	246	4,692	56	5.5	0.1	16.4	0.3
Kentucky.....	399	(D)	(D)	(D)	0.6	0.1	17.6	F
Louisiana.....	1,592	655	(D)	(D)	3.4	0.1	G	0.0
Mississippi.....	72	(D)	44	44	0.2	0.2	0.0	0.0
North Carolina.....	24,095	82	6,637	54	31.6	0.5	11.5	0.2
South Carolina.....	439	104	534	(D)	0.5	0.1	0.7	0.4
Tennessee.....	1,510	(D)	2,250	64	1.9	A	23.7	(*)
Virginia.....	1,496	(D)	704	(D)	3.6	A	0.8	(*)
West Virginia.....	(D)	(D)	(D)	(D)	(*)	(*)	G	(*)
Southwest:								
Arizona.....	(D)	(D)	1,342	112	L	0.1	1.9	(*)
New Mexico.....	(D)	0	158	(D)	(*)	0.0	0.1	A
Oklahoma.....	231	(D)	1,541	271	0.4	0.0	G	(*)
Texas.....	31,214	634	29,599	656	24.0	0.2	57.6	1.1
Rocky Mountains:								
Colorado.....	1,253	142	(D)	(D)	5.0	0.2	11.9	A
Idaho.....	(D)	0	(D)	0	0.2	0.0	0.2	0.0
Montana.....	(D)	0	(D)	0	0.1	0.0	(*)	0.0
Utah.....	166	0	1,258	0	0.6	0.0	G	(*)
Wyoming.....	(D)	(D)	0	0	1.3	0.0	0.0	0.0
Far West:								
Alaska.....	(D)	0	(D)	0	G	0.0	G	0.0
California.....	121,907	2,500	64,705	1,266	109.0	0.9	60.0	0.3
Hawaii.....	510	(D)	521	(D)	(*)	(*)	0.5	0.0
Nevada.....	(D)	(D)	308	0	H	0.2	0.1	0.0
Oregon.....	1,170	(D)	(D)	0	K	(*)	H	0.0
Washington.....	1,588	132	5,091	0	3.9	0.2	2.8	0.0
Puerto Rico.....	(D)	(D)	(D)	0	(*)	(*)	(*)	0.0
Other U.S. areas ⁴	0	0	0	0	0.0	0.0	0.0	0.0
Unspecified ⁵	1,415	1,120	1,215	906	1.4	0.0	1.6	0.0

(*) Less than +/- \$500,000 or fewer than 50 employees

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

NOTE: The following ranges are given for total employment that is suppressed: 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.

1. If the U.S. business enterprise operates in more than one state, it is the state where the largest number of employees are based; if there are no employees, it is the state of incorporation of the U.S. business enterprise.

2. First-year expenditures include expenditures in the year in which the transaction occurred.

3. Current employment includes the all full-time or part-time employees on payroll of the acquired, established, or new facilities of expanded affiliates at the time the transactions occurred or the investments were initiated. Statistics exclude contract workers and other workers not carried on payroll of the U.S. business enterprise.

4. Other U.S. areas consists of the U.S. Virgin Islands, Guam, American Samoa, and all other outlying U.S. areas.

5. For U.S. business enterprises with transaction costs below \$3 million information on the state of location is not collected.