

U.S. Direct Investment Abroad for 2014–2016

Detailed Historical-Cost Positions and Related Financial Transactions and Income Flows

This article presents detailed statistics on direct investment positions and related financial transactions and income flows for U.S. direct investment abroad, or “outward” direct investment. In this article, the statistics are presented on a directional basis by country and industry. On this basis, direct investment claims and liabilities are classified according to whether the direct investor is a U.S. resident or a foreign resident. On this basis, outward direct investment is the net claims of a U.S. parent on its foreign affiliates.¹

A set of 16 tables accompany this article:

- Table 1 presents the direct investment positions, income, and rates of return at historical cost, current cost, and market value.
- Table 2 presents the positions and related financial transactions and income flows for 2005–2016 at historical cost and with adjustments to current-period prices consistent with the valuation used in the international investment position (IIP) accounts and international transactions accounts.
- Tables 3–16 present direct investment statistics by country of foreign affiliate, by industry of affiliate, and by account. Table 16 presents statistics that are classified by industry of affiliate and by industry of U.S. parent.

Except for tables 1 and 2, positions are presented on a historical-cost basis only rather than on a market-value or current-cost basis, because detailed statistics by country and industry are only available on a historical-cost basis.

Definitions of key terms in the tables and text can be found in the glossary to *U.S. International Economic Accounts: Concepts and Methods* on the Bureau of Economic Analysis (BEA) Web site. [Detailed statistics](#) on outward direct investment positions and related financial transactions and income inflows for 1982–2016 are also available on BEA’s Web site.

The direct investment statistics presented in this article complement the statistics presented in two articles about changes in the international transactions accounts and the direct investment position in the July 2017 SURVEY by providing more detail by country, by industry, and by account.² For 2014–2016, the statistics also reflect the

incorporation of new or revised data from BEA’s quarterly, annual, and benchmark surveys of U.S. direct investment abroad.

The statistics in this article differ from some of the counterpart statistics in the IIP accounts and international transactions accounts.³ There are a few reasons for this:

- The statistics are presented at historical cost. The aggregate statistics on the direct investment position in the IIP accounts are presented at market value, at current cost, and at historical cost.
- Direct investment statistics in the tables and this article are presented on a directional basis, which differs from the presentation of direct investment position statistics in IIP tables 1.1 and 1.2 and in the international transactions accounts, which are presented on an asset/liability basis. In the IIP statistics, the adjustments to convert direct investment position statistics from the directional basis to the asset/liability basis are presented in IIP table 2.1.
- The statistics are presented without a current-cost adjustment (except for tables 1 and 2).⁴ In the international transactions accounts, the statistics on direct investment income and direct investment financial transactions are presented with a current-cost adjustment.

Updates

The revised statistics on the U.S. direct investment position at yearend, financial transactions, and income for 2014–2016 reflect the incorporation of the results from BEA’s quarterly, annual, and benchmark surveys of U.S. direct investment abroad. The statistics for 2005–2016 in tables 1 and 2 were also revised to reflect a new streamlined method for estimating current-cost adjustments to direct investment position and income.⁵

The total outward direct investment position at historical cost for all areas was revised up \$80.6 billion for 2014, revised up \$8.1 billion for 2015, and revised down \$12.1

1. For a discussion of the two bases for classifying direct investment—the directional basis and the asset/liability basis—see Derrick T. Jenniges and Sarah A. Stutzman, “Direct Investment Positions for 2016: Country and Industry Detail,” SURVEY OF CURRENT BUSINESS 97 (July 2017).

2. See Eric Bryda, C. Omar Kebbeh, and Daniel H. Meier, “Annual Update of the U.S. International Transactions Accounts,” SURVEY 97 (July 2017) and Jenniges and Stutzman.

3. See Elena L. Nguyen and Douglas B. Weinberg, “U.S. Net International Investment Position: First Quarter of 2017, Year 2016, and Annual Update,” SURVEY 97 (July 2017) and Christopher P. Steiner and Michelle Murillo, “U.S. International Transactions: First Quarter of 2017,” SURVEY 97 (July 2017).

4. The current-cost adjustment is an adjustment to earnings that converts depreciation reported for financial accounting purposes to a measure more consistent with economic accounting principles.

5. A detailed discussion of the new method is available in Bryda, Kebbeh, and Meier and Nguyen and Weinberg.

billion for 2016 (table A).⁶ The upward revision for 2014 mainly reflects revisions to changes other than financial transactions.⁷ The upward revision for 2015 mainly reflects the upward revision to the prior year position. The downward revision for 2016 mainly reflects revisions to financial transactions.

Income without current-cost adjustment was revised down \$2.6 billion for 2014, up \$4.4 billion for 2015, and

up \$14.2 billion for 2016. The revisions were mainly attributable to revisions to income on equity.

Some of these revisions reflect the ongoing processing of the results of the 2014 Benchmark Survey of U.S. Direct Investment Abroad. In June 2018, BEA will release rebenchmarking direct investment series that fully incorporate the results of the 2014 benchmark survey.

6. Revisions to positions can result from financial transactions, from other changes in position excluding financial transactions, or from revisions to positions (if any) in the previous year.

7. Other changes in position include currency-translation adjustments, capital gains and losses, and other changes in volume and valuation.

Discontinuation of Detailed Direct Investment Articles

This article will be discontinued next year as part of BEA's strategic effort to ensure that data are disseminated effectively and efficiently. These annual articles, which normally appear in September, will be replaced by a news release in July, with accompanying tables on the BEA Web site. BEA will provide the same statistics but in a more timely and convenient way.

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Table A. U.S. Direct Investment Abroad: Updates to Position, Financial Transactions, and Income by Area, 2014–2016

(Millions of dollars)

By area:	Direct investment position on a historical-cost basis			Financial transactions without current-cost adjustment (outflows (+), inflows (-))			Income without current-cost adjustment		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
2014									
All areas	4,829,425	4,910,065	80,640	292,283	294,754	2,471	448,428	445,815	-2,613
Canada	358,452	357,439	-1,013	24,361	27,134	2,773	29,964	30,682	718
Europe	2,773,447	2,796,982	23,535	158,062	148,793	-9,269	245,698	232,669	-13,029
<i>Of which:</i>									
United Kingdom	563,055	621,663	58,608	27,110	28,799	1,689	35,538	35,065	-473
Latin America and Other Western Hemisphere	834,197	875,390	41,193	51,275	56,153	4,878	75,356	84,281	8,925
Africa	67,588	66,403	-1,185	2,393	1,802	-591	5,529	5,348	-181
Middle East	49,400	49,775	375	4,768	7,108	2,340	14,712	14,380	-332
Asia and Pacific	746,341	764,077	17,736	51,425	53,764	2,339	77,170	78,456	1,286
2015									
All areas	5,040,648	5,048,773	8,125	303,177	262,569	-40,608	402,294	406,691	4,397
Canada	352,928	346,746	-6,182	13,198	9,533	-3,665	19,075	18,596	-479
Europe	2,949,235	2,919,510	-29,725	196,135	164,041	-32,094	237,399	234,623	-2,776
<i>Of which:</i>									
United Kingdom	593,028	625,124	32,096	31,474	19,768	-11,706	39,533	40,100	567
Latin America and Other Western Hemisphere	847,571	873,398	25,827	52,745	47,978	-4,767	69,157	73,398	4,241
Africa	64,040	59,266	-4,774	101	308	207	2,103	2,094	-9
Middle East	48,525	46,583	-1,942	2,942	1,927	-1,015	8,834	9,138	304
Asia and Pacific	778,349	803,269	24,920	38,056	38,783	727	65,726	68,842	3,116
2016 ¹									
All areas	5,344,305	5,332,225	-12,080	299,003	280,681	-18,322	395,731	409,966	14,235
Canada	363,914	363,914	0	17,151	18,077	926	17,450	18,399	949
Europe	3,174,885	3,174,885	0	207,868	182,637	-25,231	246,318	243,260	-3,058
<i>Of which:</i>									
United Kingdom	682,361	682,361	0	48,065	38,882	-9,183	38,153	42,983	4,830
Latin America and Other Western Hemisphere	843,357	843,357	0	24,382	32,738	8,356	61,866	72,064	10,198
Africa	57,465	57,465	0	-1,347	-547	800	-597	572	1,169
Middle East	45,925	45,925	0	2,334	-154	-2,488	5,420	5,764	344
Asia and Pacific	846,680	846,680	0	48,615	47,931	-684	65,273	69,907	4,634

1. The only accounts for which 2016 statistics were previously available by country were financial transactions without current-cost adjustment and income without current-cost adjustment. The preliminary estimates of

the direct investment position for 2016 were first published in the April 2017 SURVEY OF CURRENT BUSINESS and were revised in the July 2017 SURVEY.