

Activities of U.S. Affiliates of Foreign Multinational Enterprises: Revised 2014 Statistics

Introduction

This publication presents revised statistics that cover the activities of U.S. affiliates of foreign multinational enterprises in 2014. A U.S. affiliate is a business enterprise in which there is foreign direct investment—that is, in which a single foreign person owns or controls, directly or indirectly, 10 percent or more of the voting securities or an equivalent interest. The data on activities of U.S. affiliates cover the entire operations of the U.S. affiliate, irrespective of the percentage of foreign ownership. Data are presented for two categories of U.S. affiliates—all affiliates and majority-owned affiliates (that is, those with a foreign ownership of more than 50 percent). Data are available in greater detail for majority-owned affiliates in order to emphasize the firms that are unambiguously under foreign control.

The data in this publication provide a comprehensive look at the activities of U.S. affiliates. Data items include balance sheet details, value added, employment and employee compensation, sales, capital expenditures, trade in goods, and expenditures for research and development (R&D). BEA's data provide comprehensive and reliable information needed to monitor, assess the impact of, and guide U.S. policy on foreign direct investment in the United States. They give a detailed picture of the levels and growth of foreign direct investment, as well as its distribution by industry, by U.S. state, and by originating country.

Data Collection and Universe Estimation

The statistics in this report cover the universe of U.S. affiliates. They were derived from data reported at the enterprise, or company, level by a sample of U.S. affiliates reporting in BEA's Annual Survey of Foreign Direct Investment in the United States.

Affiliates completed the survey by submitting a BE-15A, BE-15B, or BE-15C form. The type of form filed depended on the size of the affiliate and whether the affiliate was majority-owned. The size of an affiliate is determined by these items—total assets, sales, or net income (or loss). All majority-owned affiliates with one of these items more than \$300 million filed the most detailed BE-15A form. All majority-owned affiliates with any one of these items more than \$120 million, but with all items less than, or equal to, \$300 million filed on the less detailed BE-15B form. All minority-owned affiliates with any of these items more than \$120 million filed on the less detailed BE-15B form.

Smaller affiliates that had total assets, sales, or net income (or loss) of more than \$40 million but less than, or equal to, \$120 million filed an abbreviated form, form BE-15C. U.S. affiliates with total assets, sales, and net income (or loss) less than or equal to \$40 million were exempt from reporting.

BEA estimated the data for 1) nonsampled affiliates below the size reporting threshold, and 2) affiliates that did not file a survey report even though they met the criteria for filing. Estimates for nonsampled or nonreporting affiliates that existed before 2014 were derived by extrapolating forward their data from earlier years on the basis of year-to-year movement in the data reported by other affiliates.

The use of the less detailed forms BE-15B and BE-15C allows BEA to reduce the burden on mid-sized, small, and minority-owned entities. For affiliates filing the BE-15C form, BEA estimated items that appear on the B form. For majority-owned entities filing the BE-15B and BE-15C forms, BEA estimated the items that appear only on the A form, so that the results are presented in the same detail for all majority-owned affiliates. However, estimates of items that appear only on the A form are not prepared for minority-owned affiliates. Therefore, the results for all affiliates (majority-owned plus minority-owned affiliates) cover only the items that are on the less detailed B form.

Comparability With the 2012 Benchmark Survey Data

The concepts and definitions underlying the 2014 statistics are the same as those used for the 2012 benchmark survey. They are described in *Foreign Direct Investment in the United States: Final Results From the 2012 Benchmark Survey*, which is available on [BEA's Web site](#).

Consistent with the data from the 2012 benchmark survey, and with the statistics for 2013, the 2014 statistics by industry are based on industry classifications derived from the 2012 North American Industry Classification System (NAICS). For most industries, the classifications based on this system are identical to those in the NAICS-based industry classification system used in the 2007 benchmark survey and in the 2008–2011 annual surveys.

The 2014 estimates, together with the estimates for 2013, update the universe data for U.S. affiliates from the 2012 benchmark survey. However, the 2013–2014 estimates of a few items that are shown separately in the benchmark data are combined with other items, and the 2013–2014 estimates of some items are unavailable because data for these items were only collected in the benchmark survey, but not in the annual survey.

For similar items, the statistics for affiliates in the 2012 benchmark survey report and in the 2013–2014 annual survey reports are comparable to the statistics for affiliates in the benchmark and annual survey reports for 2007–2011 and are similar to the statistics for nonbank affiliates in the reports for earlier years. (Before the 2007 benchmark survey, bank affiliates were exempt from filing reports

in nonbenchmark survey years; therefore, the tabulated statistics on affiliate activities in nonbenchmark years only covered nonbank affiliates.) Table 1 provides cross-references between the tables in the 2012 benchmark survey report and in the 2013 and 2014 reports and the corresponding tables in the benchmark survey report for 2007 and in the annual survey reports for 2008–2011. Some of the tables in the 2007 and 2012 benchmark survey reports do not have counterparts in this report or in the annual survey reports for 2008–2011 because they cover items that are not collected in annual survey years. In addition, some of the tables in the 2007 benchmark survey report do not have counterparts in the 2012 benchmark survey report, the 2013 report, or the annual survey reports for 2008–2011 because they present state-level detail on gross property, plant, and equipment and on manufacturing employment as well as some other statistics that were discontinued as a result of budget cuts. Funding increases for foreign direct investment statistics have allowed BEA to again collect this state-level information for U.S. affiliates, which is available in this report.

Comparability With All-U.S. Data

Employment, value added, trade in goods, and R&D data on U.S. affiliates can be compared with data on all U.S. private businesses to gauge the share of U.S. economic activity accounted for by U.S. affiliates. Comparable data for aggregate U.S. private industry value added are available from BEA's gross domestic product (GDP) by industry accounts. For improved comparability, U.S. private industry value added should be adjusted to exclude value added by private households, imputed rental income from owner-occupied housing, rental income of persons, and business transfer payments.

Data on U.S. imports and exports of goods by U.S. affiliates are comparable with the data on U.S. trade in goods available from the U.S. Census Bureau at www.census.gov. Data on R&D expenditures by U.S. affiliates are comparable with the data on business R&D performed in the United States available from the National Science Foundation at www.nsf.gov.

Estimates of value added, exports and imports of goods, and R&D of U.S. affiliates are classified by industry of enterprise, which assigns a single industry to the entire business enterprise. In contrast, all-U.S. data for these items are classified by industry of establishment, which assigns each business location to a specific industry. As a result, these items can only be compared at aggregate levels and not across specific industry categories.

For aggregate employment, comparable data for all U.S. private industries are available in line 3 of table 6.4D of BEA's national income and product accounts (NIPAs). For employment by industry, data on employment for all U.S. private industries in table 6.4D of the NIPAs, which are by industry of the individual business establishment, are most comparable with BEA's data on affiliate employment by industry of sales, which approximate an establishment-based disaggregation. To improve comparability with the U.S. affiliate data, employment at central reserve banks, available from the Bureau of Labor Statistics, can be subtracted from total employment in finance and insurance from the NIPA data.

For employment by state, comparable data are available in the table “Full-Time and Part-Time Wage and Salary Employment by Industry (SA27, SA27N)” from BEA’s regional economic accounts, which can be accessed from the interactive tables for “Personal Income and Employment” under “State Annual Personal Income & Employment” and “Annual State Personal Income and Employment.” Private household employment, which is also available from this table under employment in other services, should be subtracted from these data. For all of the employment comparisons, the U.S. affiliate data on employment in Puerto Rico, in “other U.S. areas,” and in “foreign” must be excluded from the U.S. affiliate data because the all-U.S. data on private industry employment only cover employment in the 50 states and the District of Columbia.

Data Availability

Detailed statistics of U.S. affiliate operations for 1977–2015 are available on BEA’s Web site. For information on these statistics and how to access them, see www.bea.gov/international/index.htm.

Staff Contacts

Questions concerning the statistics presented in this report can be directed to Thomas Anderson (analysis) at 301–278–9117 (or Thomas.Anderson@bea.gov), or Sarah Stutzman (analysis) at 301–278–9493 (or Sarah.Stutzman@bea.gov), or Jennifer Rodriguez (data) at 301–278–9324 (or Jennifer.Rodriguez@bea.gov), or write to Direct Investment Division, BE–49, Bureau of Economic Analysis, U.S. Department of Commerce, 4600 Silver Hill Rd, Washington DC 20233.

Table 1. Comparison of Tables in the Revised 2014 Statistics With Those in the 2012 and 2007 Benchmark Survey Reports and in the Annual Survey Reports for 2008–2011, 2013—Continues

Table in 2012 benchmark survey report	Comparable table in 2014 report	Comparable table in 2013 report	Comparable table in 2007 benchmark survey report	Comparable table in 2008–2011 reports
Part I. All Affiliates				
Group A. Selected Data				
I.A 1–I.A 5 I.A 7 I.A 9	I.A 1–I.A 5 I.A 7 I.A 9			
Group B. Balance Sheet				
I.B 1–I.B 3	I.B 1–I.B 3	I.B 1–I.B 3	I.B 1–I.B 3	I.B 1–I.B 3
Group C. Property, Plant, and Equipment				
I.C 3 n.a.	I.C 3 I.C 7	I.C 3 n.a.	I.C 3 I.C 7	I.C 3 n.a.
Group D. Income Statement				
I.D 3	I.D 3	I.D 3	I.D 3	I.D 3
Group G. Employment				
I.G 3 I.G 17	I.G 3 I.G 17	I.G 3 I.G 17	I.F 3 I.F 18	I.F 3 I.F 18
Part II. Majority-Owned Affiliates				
Group A. Selected Data				
II.A 1–II.A 9	II.A 1–II.A 9	II.A 1–II.A 9	II.A 1–II.A 9	II.A 1–II.A 9
Group B. Balance Sheet				
II.B 1–II.B 4 II.B 5–II.B 7	II.B 1–II.B 4 n.a.			
Group C. Property, Plant, and Equipment				
II.C 1–II.C 3 II.C 4 n.a. n.a. II.C 16–II.C 17	II.C 1–II.C 3 II.C 4 II.C 5–II.C 15 n.a. II.C 16–II.C 17	II.C 1–II.C 3 II.C 4 n.a. n.a. II.C 16–II.C 17	II.C 1–II.C 3 n.a. II.C 5–II.C 15 II.C 16–II.C 17 II.C 18–II.C 19	II.C 1–II.C 3 II.C 4 n.a. n.a. II.C 18–II.C 19
Group D. Income Statement				
II.D 1–II.D 4 II.D 5–II.D 6 II.D 7–II.D 8 II.D 9 II.D 10–II.D 11	II.D 1–II.D 4 II.D 5–II.D 6 II.D 7–II.D 8 II.D 9 II.D 10–II.D 11	II.D 1–II.D 4 II.D 5–II.D 6 II.D 7–II.D 8 II.D 9 II.D 10–II.D 11	II.D 1–II.D 4 II.D 5–II.D 6 II.D 7–II.D 8 II.D 9 II.D 10–II.D 11	II.D 1–II.D 4 n.a. II.D 7–II.D 8 n.a. II.D 10–II.D 11
Group E. Goods and Services Supplied				
II.E 1–II.E 4	II.E 1–II.E 4	II.E 1–II.E 4	II.D 12–II.D 15	II.D 12–II.D 15

n.a. Not available.

Table 1. Comparison of Tables in the Revised 2014 Statistics With Those in the 2012 and 2007 Benchmark Survey Reports and in the Annual Survey Reports for 2008–2011, 2013—Table Ends

Table in 2012 benchmark survey report	Comparable table in 2014 report	Comparable table in 2013 report	Comparable table in 2007 benchmark survey report	Comparable table in 2008–2011 reports
Group F. Value Added				
II.F 1–II.F 3 II.F 4 II.F 5–II.F 6	II.F 1–II.F 3 II.F 4 II.F 5–II.F 6	II.F 1–II.F 3 II.F 4 II.F 5–II.F 6	II.E 1–II.E 3 II.E 4 II.E 5–II.E 6	II.E 1–II.E 3 n.a. II.E 5–II.E 6
Group G. Employment and Compensation of Employees				
II.G 1–II.G 4 II.G 5 II.G 6–II.G 8 II.G 9 II.G 10–II.G 11 II.G 12 n.a. n.a. II.G 14–II.G 16	II.G 1–II.G 4 II.G 5 II.G 6–II.G 8 II.G 9 II.G 10–II.G 11 II.G 12 II.G 13 n.a. II.G 14–II.G 16	II.G 1–II.G 4 II.G 5 II.G 6–II.G 8 II.G 9 II.G 10–II.G 11 II.G 12 n.a. n.a. II.G 14–II.G 16	II.F 1–II.F 4 II.F 5 II.F 6–II.F 8 II.F 9 II.F 10–II.F 11 II.F 12 II.F 13 II.F 14 II.F 15–II.F 17	II.F 1–II.F 4 n.a. II.F 6–II.F 8 n.a. II.F 10–II.F 11 n.a. n.a. n.a. II.F 15–II.F 17
Group H. U.S. Trade in Goods				
II.H 1–II.H 4 II.H 5 II.H 6–II.H 7 II.H 8 II.H 9–II.H 24	II.H 1–II.H 4 II.H 5 II.H 6–II.H 7 II.H 8 n.a.	II.H 1–II.H 4 II.H 5 II.H 6–II.H 7 II.H 8 n.a.	II.G 1–II.G 4 II.G 5 II.G 6–II.G 7 II.G 8 II.G 9–II.G 24	II.G 1–II.G 4 n.a. II.G 6–II.G 7 n.a. n.a.
Group I. Interest, Dividends, Taxes Other Than Income Taxes, and Research and Development Expenditures				
II.I 1–II.I 2 II.I 3 II.I 4–II.I 5 II.I 6	II.I 1–II.I 2 II.I 3 n.a. II.I 6	II.I 1–II.I 2 II.I 3 n.a. II.I 6	II.H 1–II.H 2 II.H 3 II.H 4–II.H 5 II.H 6	II.H 1–II.H 2 n.a. n.a. II.H 6

n.a. Not available.