

## Footnotes to the Tables

### All Nonbank Affiliates

**Table II.A 1**

1. The number counts shown on this line cover affiliates with total assets, sales, or net income (or loss) greater than \$10 million and are consistent with those shown in the publication that presented the results of BEA's 2002 benchmark survey of foreign direct investment in the United States. Affiliates that did not meet these criteria are excluded from the counts because they were exempt from reporting in the benchmark survey. However, in both this publication and in the benchmark survey publication, values for all items other than number counts include estimates for such small affiliates.

2. The number of companies consolidated on affiliate reports generally is substantially higher than the number of affiliates because the report for a single affiliate may represent the consolidation of many companies.

3. Consists of the gross book value of all commercial buildings and associated land that are owned by the affiliate and that are either used or operated by the affiliate or leased or rented to others. Commercial buildings include apartment buildings, office buildings, hotels, motels, and buildings used for wholesale, retail, and services trades, such as shopping centers, recreational facilities, department stores, bank buildings, restaurants, public garages, and automobile service stations.

4. Expenditures include the net book value of transfers of property, plant, and equipment to the affiliate from related companies.

5. Manufacturing employees are employees on the payroll of manufacturing plants. Manufacturing employment includes administrative office and other auxiliary employees located at a manufacturing plant that serve only that plant, but excludes all other employees on the payrolls of administrative offices or other auxiliary units.

**Tables II.A 4 and II.A 5**

1. The number counts cover affiliates with total assets, sales, or net income (or loss) greater than \$10 million and are consistent with those shown in the publication that presented the results of BEA's 2002

benchmark survey of foreign direct investment in the United States. Affiliates that did not meet these criteria are excluded from the counts because they were exempt from reporting in the benchmark survey. However, in both this publication and in the benchmark survey publication, values for all items other than number counts include estimates for such small affiliates.

2. This column shows the number of companies consolidated on affiliate reports. At the aggregate level, and for most industries and countries, this number is substantially higher than the number of affiliates because the report for a single affiliate may represent the consolidation of many companies.

**Table II.A 10**

1. This table shows the number of affiliates with total assets, sales, or net income (or loss) greater than \$10 million and that had property, plant, and equipment or employment. The counts shown are consistent with those shown in the publication that presented the results of BEA's 2002 benchmark survey of foreign direct investment in the United States. Affiliates that did not meet these criteria are excluded from the counts because they were exempt from reporting in the benchmark survey. However, in both this publication and in the benchmark survey publication, values for all items other than number counts include estimates for such small affiliates.

2. A given affiliate is counted once in the all-U.S. total. It is also counted once in each state in which it has property, plant, and equipment or employment. Because an affiliate may have property, plant, and equipment or employment in more than one state, the sum across states exceeds the all-U.S. total.

3. Includes aircraft, railroad rolling stock, satellites, undersea cable, and trucks engaged in interstate transportation.

**Table II.C 1**

1. Excludes translation adjustments. For unincorporated affiliates that could not provide detail on equity by type, includes total owners' equity. Because these affiliates' cumulative retained earnings—which are an internal, not an external, source of funds—were not

reported separately, they could not be excluded.

#### **Table II.D 11**

1. Consists of the gross book value of all commercial buildings and associated land that are owned by the affiliate and that are either used or operated by the affiliate or leased or rented to others. Commercial buildings include apartment buildings, office buildings, hotels, motels, and buildings used for wholesale, retail, and services trades, such as shopping centers, recreational facilities, department stores, bank buildings, restaurants, public garages, and automobile service stations.

2. Includes the gross book value of property, plant, and equipment used for agriculture and forestry, mining, manufacturing, or other industrial purposes. Also includes the gross book value of equipment used in commercial buildings.

3. Includes aircraft, railroad rolling stock, satellites, undersea cable, and trucks engaged in interstate transportation.

#### **Table II.G 19**

1. Manufacturing employees are employees on the payroll of manufacturing plants located in the state. Manufacturing employment includes administrative office and other auxiliary employees located at a manufacturing plant that serve only that plant, but excludes all other employees on the payrolls of administrative offices or other auxiliary units.

### **Majority-Owned Nonbank Affiliates**

#### **Table III.A 1**

1. The number count shown on this line covers affiliates with total assets, sales, or net income (or loss) greater than \$10 million and is consistent with the counts shown in the publication that presented the results of BEA's 2002 benchmark survey of foreign direct investment in the United States. Affiliates that did not meet these criteria are excluded from the counts because they were exempt from reporting in the benchmark survey. However, in both this publication and in the benchmark survey publication, values for all items other than number counts include estimates for such small affiliates.

2. The number of companies consolidated on the reports of affiliates generally is substantially higher than the number of affiliates because the report for a single affiliate may represent the consolidation of many companies.

3. Consists of the gross book value of all commercial buildings and associated land that are owned by the af-

filiate and that are either used or operated by the affiliate or leased or rented to others. Commercial buildings include apartment buildings, office buildings, hotels, motels, and buildings used for wholesale, retail, and services trades, such as shopping centers, recreational facilities, department stores, bank buildings, restaurants, public garages, and automobile service stations.

4. Expenditures include the net book value of transfers of property, plant, and equipment to the affiliate from related companies.

5. Includes a minor amount of expenditures for property other than land and mineral rights.

6. Sales of goods are generally defined as sales of outputs that are tangible.

7. Sales of services are generally defined as sales of outputs that are intangible.

8. Consists of investment income that is included in "sales or gross operating revenues" in the income statement. In finance and insurance, affiliates include investment income in sales because it is generated by a primary activity of the company. In other industries, most affiliates consider investment income to be an incidental revenue source; this income is included in the income statement in a separate "other income" category, but it is not included in the affiliates' sales or in this line.

9. Profit-type return is an economic accounting measure of profits from current production. Unlike net income, it is gross of U.S. income taxes, excludes capital gains and losses and income from equity investments, and reflects certain other adjustments needed to convert profits from a financial accounting basis to an economic accounting basis.

10. Manufacturing employees are employees on the payroll of manufacturing plants. Manufacturing employment includes administrative office and other auxiliary employees located at a manufacturing plant that serve only that plant, but excludes all other employees on the payrolls of administrative offices or other auxiliary units.

11. Consists of all employees engaged in research and development, including managers, scientists, engineers, and other professional and technical employees.

12. Interest receipts exclude, but interest payments and dividends or remitted profits include, withholding taxes.

#### **Tables III.A 4 and III.A 5**

1. The number counts cover affiliates with total assets, sales, or net income (or loss) greater than \$10 million and are consistent with those shown in the publication that presented the results of BEA's 2002

benchmark survey of foreign direct investment in the United States. Affiliates that did not meet these criteria are excluded from the counts because they were exempt from reporting in the benchmark survey. However, in both this publication and in the benchmark survey publication, values for all items other than number counts include estimates for such small affiliates.

2. This column shows the number of companies consolidated on affiliate reports. At the aggregate level, and for most industries and countries, this number is substantially higher than the number of affiliates because the report for a single affiliate may represent the consolidation of many companies.

#### **Table III.A 6**

1. The number counts shown in this column cover affiliates with total assets, sales, or net income (or loss) greater than \$10 million and are consistent with those shown in the publication that presented the results of BEA's 2002 benchmark survey of foreign direct investment in the United States. Affiliates that did not meet these criteria are excluded from the counts because they were exempt from reporting in the benchmark survey. However, in both this publication and in the benchmark survey publication, values for all items other than number counts include estimates for such small affiliates.

2. This column shows the number of companies consolidated on affiliate reports. At the aggregate level, and for most industries and countries, this number is substantially higher than the number of affiliates because the report for a single affiliate may represent the consolidation of many companies.

3. Includes rental and leasing (except real estate); administrative and support services; waste management and remediation services; health care and social assistance; accommodation and food services; and miscellaneous services.

#### **Table III.A 8**

1. For industry classification, each U.S. affiliate was required to disaggregate its sales by four-digit International Surveys Industry Classification code; the affiliate was classified in the industry within its major group in which its sales were largest.

When sales and employment are disaggregated by industry of affiliate, total sales and employment of a given affiliate are shown in the industry in which the affiliate was classified. When sales and employment are disaggregated by industry of sales, they are distributed among all the industries in which the affiliate reported sales; that is, the sales and employment associated with each industry of sales are shown in that industry re-

gardless of the affiliate's industry of classification.

2. Employees on the payrolls of administrative offices and other auxiliary units. Excludes administrative or auxiliary employees that are located at an operating unit and serve only that operating unit; these employees are classified in the industry of sales of the operating unit that they serve.

3. In the breakdown of sales and employment by industry of sales, U.S. affiliates that filed the long form had to specify their ten largest sales categories, and U.S. affiliates that filed the short form had to specify their four largest sales categories. In addition, affiliates were required to report their employment in auxiliaries. This line shows sales and employment in all unspecified industries combined.

#### **Table III.A 10**

1. This table shows the number of affiliates with total assets, sales, or net income (or loss) greater than \$10 million and that had property, plant, and equipment or employment. The counts shown are consistent with those shown in the publication that presented the results of BEA's 2002 benchmark survey of foreign direct investment in the United States. Affiliates that did not meet these criteria are excluded from the counts because they were exempt from reporting in the benchmark survey. However, in both this publication and in the benchmark survey publication, values for all items other than number counts include estimates for such small affiliates.

2. A given affiliate is counted once in the all-U.S. total. It is also counted once in each state in which it has property, plant, and equipment or employment. Because an affiliate may have property, plant, and equipment or employment in more than one state, the sum across states exceeds the all-U.S. total.

3. Includes aircraft, railroad rolling stock, satellites, undersea cable, and trucks engaged in interstate transportation.

#### **Tables III.B 2 and III.B 4**

1. Includes common and preferred stock and additional paid-in capital, less treasury stock.

2. Includes cumulative translation adjustments and all other components of accumulated comprehensive income for all affiliates and total owners' equity of those unincorporated affiliates that could not provide detail on equity by type. For all majority-owned non-bank affiliates combined, cumulative translation adjustments as of yearend 2006 were \$2,816 million.

#### **Table III.C 1**

1. Excludes translation adjustments. For unincorporated affiliates that could not provide detail on equity

by type, includes total owners' equity. Because these affiliates' cumulative retained earnings—which are an internal, not an external, source of funds—were not reported separately, they could not be excluded.

2. For all industries combined and for each of the selected industries shown, column 2 equals column 3 in table III.B 2.

#### **Tables III.D 1 and III.D 2**

1. Includes mineral rights and minor amounts of property other than land.

#### **Table III.D 6**

1. Includes the net book value of transfers of property, plant, and equipment to the affiliate from related companies. Equals column 2 in table III.D 20.

2. Includes transfers of property, plant, and equipment from the affiliate to related companies.

3. Consists of the following: (1) Restatements resulting from a change in the entity, and revaluations of property, plant, and equipment to a fair market or appraised value; and (2) the property, plant, and equipment balance on the date of acquisition of majority-owned affiliates that were acquired during the year, less the closing FY 2005 balance of affiliates that left the universe of majority-owned affiliates in 2006 because they were sold or liquidated or because the foreign parents' interest was otherwise reduced to 50 percent or less.

For a given industry, restatement may also reflect the net book value of property, plant, and equipment of affiliates whose industry classification changed in 2006. A positive value would be recorded in the industry the affiliate entered, and a negative value of the same amount would be recorded in the industry it left. Because such changes are offsetting among industries, they do not affect the all-industries total.

4. Net property, plant, and equipment in this column differs from that in column 7 of table III.B 1. Net property, plant, and equipment in this column covers all property, plant, and equipment wherever carried in the balance sheet, including that carried in the "property, plant, and equipment" account, the "other non-current assets" account, and the "inventories" account. In contrast, net property, plant, and equipment in column 7 of table III.B 1 covers only property, plant, and equipment carried in the "property, plant, and equipment" account of the balance sheet. For example, the value of commercial buildings held by insurance companies for investment purposes is included in this column but excluded from column 7 of table III.B 1 because such property is normally carried in the "other noncurrent asset" account of the balance sheet, not in the "property, plant, and equipment" account.

#### **Table III.D 7**

1. Includes the net book value of transfers of property, plant, and equipment to the affiliate from related companies. Equals column 2 in table III.D 21.

2. Includes transfers of property, plant, and equipment from the affiliate to related companies.

3. Consists of the following: (1) Restatements resulting from a change in the entity; revaluations of property, plant, and equipment to a fair market or appraised value; and (2) the property, plant, and equipment balance on the date of acquisition of majority-owned affiliates that were acquired during the year, less the closing FY 2005 balance of affiliates that left the universe of majority-owned affiliates in 2006 because they were sold or liquidated or because the foreign parents' interest was otherwise reduced to 50 percent or less.

For a given country, restatement may also reflect the net book value of property, plant, and equipment of affiliates whose country of UBO changed in 2006. A positive value would be recorded in the country of the new UBO, and a negative value of the same amount would be recorded in the country of the previous UBO. Because such changes are offsetting among countries, they do not affect the all-countries total.

4. Net property, plant, and equipment in this column differs from that in column 7 of table III.B 3. Net property, plant, and equipment in this column covers all property, plant, and equipment wherever carried in the balance sheet, including that carried in the "property, plant, and equipment" account, the "other non-current assets" account, and the "inventories" account. In contrast, net property, plant, and equipment in column 7 of table III.B 3 covers only property, plant, and equipment carried in the "property, plant, and equipment" account of the balance sheet. For example, the value of commercial buildings held by insurance companies for investment purposes is included in this column but excluded from column 7 of table III.B3 because such property is normally carried in the "other noncurrent asset" account of the balance sheet, not in the "property, plant, and equipment" account.

#### **Tables III.D 9 and III.D 10**

1. Consists of the gross book value of all commercial buildings and associated land that are owned by the affiliate and that are either used or operated by the affiliate or leased or rented to others. Commercial buildings include apartment buildings, office buildings, hotels, motels, and buildings used for wholesale, retail, and services trades, such as shopping centers, recreational facilities, department stores, bank buildings, restaurants, public garages, and automobile service stations.

2. Includes the gross book value of property, plant,

and equipment used for agriculture and forestry, mining, manufacturing, or other industrial purposes. Also includes the gross book value of equipment used in commercial buildings.

#### **Table III.D 11**

1. Consists of the gross book value of all commercial buildings and associated land that are owned by the affiliate and that are either used or operated by the affiliate or leased or rented to others. Commercial buildings include apartment buildings, office buildings, hotels, motels, and buildings used for wholesale, retail, and services trades, such as shopping centers, recreational facilities, department stores, bank buildings, restaurants, public garages, and automobile service stations.

2. Includes the gross book value of property, plant, and equipment used for agriculture and forestry, mining, manufacturing, or other industrial purposes. Also includes the gross book value of equipment used in commercial buildings.

3. Includes aircraft, railroad rolling stock, satellites, undersea cable, and trucks engaged in interstate transportation.

#### **Table III.D 12**

1. All data for a given U.S. affiliate are shown in the single industry in which the affiliate was classified on the basis of its total U.S. operations. The affiliate's activity in a particular state may differ from that of its total U.S. operations.

2. Includes aircraft, railroad rolling stock, satellites, undersea cable, and trucks engaged in interstate transportation.

#### **Table III.D 13**

1. Includes aircraft, railroad rolling stock, satellites, undersea cable, and trucks engaged in interstate transportation.

#### **Table III.D 17**

1. Consists of the gross book value of all commercial buildings and associated land that are owned by the affiliate and that are either used or operated by the affiliate or leased or rented to others. Commercial buildings include apartment buildings, office buildings, hotels, motels, and buildings used for wholesale, retail, and services trades, such as shopping centers, recreational facilities, department stores, bank buildings, restaurants, public garages, and automobile service stations.

#### **Table III.D 18**

1. This table shows the number of affiliates with total assets, sales, or net income (or loss) greater than

\$10 million and that had property, plant, and equipment. The counts shown are consistent with those shown in the publication that presented the results of BEA's 2002 benchmark survey of foreign direct investment in the United States. Affiliates that did not meet these criteria are excluded from the counts because they were exempt from reporting in the benchmark survey. However, in both this publication and in the benchmark survey publication, values for all items other than number counts include estimates for such small affiliates.

2. A given affiliate is counted once in the all-U.S. total; it is also counted once in each state in which it has property, plant, and equipment. Because an affiliate may have property, plant, and equipment in more than one state, the sum across states exceeds the all-U.S. total.

3. Includes aircraft, railroad rolling stock, satellites, undersea cable, and trucks engaged in interstate transportation.

#### **Table III.D 19**

1. This table shows the number of affiliates with total assets, sales, or net income (or loss) greater than \$10 million and that had property, plant, and equipment. The counts shown are consistent with those shown in the publication that presented the results of BEA's 2002 benchmark survey of foreign direct investment in the United States. Affiliates that did not meet these criteria are excluded from the counts because they were exempt from reporting in the benchmark survey. However, in both this publication and in the benchmark survey publication, values for all items other than number counts include estimates for such small affiliates.

2. A given affiliate is counted once in the total for both use categories combined; it is also counted once in each use category in which it has property, plant, and equipment. Because an affiliate may have property, plant, and equipment in both use categories, the sum across use categories exceeds the total for both use categories combined.

3. Consists of affiliates with commercial property. Commercial property comprises all commercial buildings and associated land owned by the affiliate that are either used or operated by the affiliate or leased or rented to others. Commercial buildings include apartment buildings, office buildings, hotels, motels, and buildings used for wholesale, retail, and services trades, such as shopping centers, recreational facilities, department stores, bank buildings, restaurants, public garages, and automobile service stations.

4. Consists of affiliates with property, plant, and



equipment used for agriculture, mining, manufacturing, or other industrial purposes.

5. A given affiliate is counted once in the all-U.S. total; it is also counted once in each state in which it has property, plant, and equipment. Because an affiliate may have property, plant, and equipment in more than one state, the sum across states exceeds the all-U.S. total.

6. Includes aircraft, railroad rolling stock, satellites, undersea cable, and trucks engaged in interstate transportation.

#### **Tables III.D 20 and III.D 21**

1. Includes the net book value of transfers of property, plant, and equipment to the affiliate from related companies.

2. Equals column 2 plus column 8.

3. In table III.D 20, equals column 5 in table III.D 6; in table III.D 21, equals column 5 in table III.D 7.

4. Includes a minor amount of expenditures for property other than land and mineral rights.

#### **Table III.D 22**

1. Includes the net book value of transfers of property, plant, and equipment to the affiliate from related companies.

#### **Table III.D 23**

1. Includes the net book value of transfers of plant and equipment to the affiliate from related companies, and a minor amount of expenditures for property other than land and mineral rights.

#### **Tables III.E 1 and III.E 2**

1. Consists of gains or losses resulting from the sale or other disposition of assets, changes in the dollar value of the affiliates' foreign-currency-denominated assets and liabilities that are caused by changes in exchange rates, and all other unusual or nonrecurring gains or losses, including those resulting from the revaluation of assets, whether realized or not.

#### **Tables III.E 7 and III.E 8**

1. For industry classification, each U.S. affiliate was required to disaggregate its sales by four-digit International Surveys Industry Classification code; the affiliate was classified in the industry within its major group in which its sales were largest.

When sales are disaggregated by industry of affiliate, total sales of a given affiliate are shown in the industry in which the affiliate was classified. When sales are disaggregated by industry of sales, they are distributed among all the industries in which the affiliate reported

sales; that is, sales associated with each industry of sales are shown in that industry regardless of the affiliate's industry of classification.

2. In the breakdown of sales by industry of sales, U.S. affiliates that filed the long form in the benchmark survey had to specify their ten largest sales categories, and U.S. affiliates that filed the short form had to specify their four largest sales categories. Sales in all unspecified industries combined are shown on this line.

#### **Tables III.E 12 and III.E 13**

1. Sales of goods are generally defined as sales of outputs that are tangible.

2. Sales of services are generally defined as sales of outputs that are intangible.

3. Consists of investment income that is included in "sales or gross operating revenues" in the income statement. In finance and insurance, affiliates include investment income in sales because it is generated by a primary activity of the company. In other industries, most affiliates consider investment income to be an incidental revenue source; this income is included in the income statement in a separate "other income" category, but it is not included in the affiliates' sales or in this column.

4. Consists of any sales to foreign business enterprises in which the U.S. affiliate has a 10-percent-or-more voting ownership interest.

#### **Table III.E 14**

1. Sales of goods are generally defined as sales of outputs that are tangible.

#### **Table III.E 15**

1. Sales of services are generally defined as sales of outputs that are intangible.

#### **Table III.F 1**

1. Profit-type return is an economic accounting measure of profits from current production. Unlike net income (column 10 in table III.E 1), it is gross of U.S. income taxes, excludes capital gains and losses and income from equity investments, and reflects certain other adjustments needed to convert profits from a financial accounting basis to an economic accounting basis.

2. Equals interest payments (column 2 in table III.I 1), plus imputed interest paid, minus interest receipts (column 1 in table III.I 1), minus imputed interest received. Imputed interest paid and received, which correspond to measures of the value of services provided by life insurance carriers and financial intermediaries without explicit charge, are estimated.

3. Equals column 4 in table III.I 1. In publications covering years before 2002, this component of value added was termed “indirect business taxes.”

#### **Table III.F 6**

1. Profit-type return is an economic accounting measure of profits from current production. Unlike net income, it is gross of U.S. income taxes, excludes capital gains and losses and income from equity investments, and reflects certain other adjustments needed to convert profits from a financial accounting basis to an economic accounting basis.

#### **Tables III.G 1 and III.G 2**

1. Consists of all employees engaged in research and development, including managers, scientists, engineers, and other professional and technical employees.

#### **Table III.G 7**

1. All data for a given U.S. affiliate are shown in the single industry in which the affiliate was classified on the basis of its total U.S. operations. The affiliate’s activity in a particular state may differ from that of its total U.S. operations. Table III.G 13 provides a better indication of affiliates’ manufacturing employment by state; in that table, manufacturing employment covers only employees on the payrolls of manufacturing plants located in the state.

#### **Tables III.G 10 and III.G 11**

1. For industry classification, each U.S. affiliate was required to disaggregate its sales by four-digit International Surveys Industry Classification code; the affiliate was classified in the industry within its major group in which its sales were largest.

When employment is disaggregated by industry of affiliate, total employment of a given affiliate is shown in the industry in which the affiliate was classified; when employment is disaggregated by industry of sales, it is distributed among all the industries in which the affiliate reported sales; that is, the number of employees associated with each industry of sales is shown in that industry regardless of the affiliate’s industry of classification.

2. Employees on the payrolls of administrative offices and other auxiliary units. Excludes administrative or auxiliary employees that are located at an operating unit and serve only that operating unit; these employees are classified in the industry of sales of the operating unit that they serve.

3. In the breakdown of sales and employment by in-

dustry of sales, U.S. affiliates that filed the long form in the benchmark survey had to specify their ten largest sales categories, and U.S. affiliates that filed the short form had to specify their four largest sales categories. In addition, affiliates were required to report their employment in administrative offices and other auxiliary units. Employment in all unspecified industries combined is shown on this line.

#### **Table III.G 13**

1. Manufacturing employees are employees on the payroll of manufacturing plants located in the state. Manufacturing employment includes administrative office and other auxiliary employees located at a manufacturing plant that serve only that plant, but excludes all other employees on the payrolls of administrative offices or other auxiliary units.

#### **Table III.G 15**

1. Consists of all employees engaged in research and development, including managers, scientists, engineers, and other professional and technical employees.

#### **Table III.G 18**

1. This table shows the number of affiliates with total assets, sales, or net income (or loss) greater than \$10 million and that had employment. The counts shown are consistent with those shown in the publication that presented the results of BEA’s 2002 benchmark survey of foreign direct investment in the United States. Affiliates that did not meet these criteria are excluded from the counts because they were exempt from reporting in the benchmark survey. However, in both this publication and in the benchmark survey publication, values for all items other than number counts include estimates for such small affiliates.

2. A given affiliate is counted once in the all-U.S. total; it is also counted once in each state in which it has employment. Because an affiliate may have employment in more than one state, the sum across states exceeds the all-U.S. total.

#### **Tables III.H 1 and III.H 2**

1. Consists of exports to, or imports from, foreign business enterprises in which the U.S. affiliate has a 10-percent-or-more voting ownership interest.

#### **Tables III.I 1 and III.I 2**

1. Interest receipts exclude, but interest payments and dividends or remitted profits include, withholding taxes.