

## Footnotes to the Tables

### Table I.B2

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 detailed equity by type.

### Tables I.C4 and I.C5

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

### Table I.D1

1. Consists of gains or losses resulting from the sale or other disposition of assets, changes in the dollar value of 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.

### Table I.K2

1. A U.S. parent that had affiliates in more than one country or industry is counted once in each country or industry in which it had affiliates. Thus the numbers appearing in individual country/industry cells do not add to the subtotals and totals

### Table I.M1

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

### Table I.M2

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

### Table I.N1

1. Consists of gains or losses resulting from the sale or other disposition of assets, changes in the dollar value of parents' foreign-currency-denomi-

nated 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.

### Table I.O1

1. For most industries, goods supplied are generally defined as sales of outputs that are tangible. For wholesalers and retailers, goods supplied includes only the value of goods resold; BEA estimates the value of the distributive services provided by selling, or arranging for the sale of goods and includes it in services supplied.

2. For most industries, services supplied generally are defined as sales of outputs that are intangible. For insurance, services supplied consists of BEA's estimate of the portion of premiums remaining after provision for expected or "normal" losses and a measure of premium supplements, which represent income earned on funds insurers hold on policyholders' behalf. For banks, it includes explicit fees and commissions and an estimate of the value of implicit services provided by banks. For wholesalers and retailers, services supplied includes an estimate of the distributive services provided by selling, or arranging for the sales of, goods.

3. "Other" consists largely of investment income that is included in "sales or gross operating revenues" in the income statement. In finance and insurance, investment income is included in sales because it is generated by a primary activity of the company. For insurance, "other" consists of investment income remaining after BEA's estimate of investment income earned on funds insurers hold on behalf of policyholders is removed (and included in the services supplied measure) plus the portion of premiums set aside for the settlement of expected or "normal" losses. For banks, "other" consists of the investment income remaining after BEA's estimate of the value of implicit services provided by banks is excluded (and included in services supplied). In industries other than finance and insurance, investment income is generally

considered to be an incidental revenue source; this income is included in the income statement in a separate “other income” category, but is not included in sales or in these columns.

**Table I.O2**

1. For industry classification, each U.S. parent was required to disaggregate its sales by four-digit International Surveys Industry code; the U.S. parent was then classified in the industry in which its sales were largest (for details, see “Methodology”). When sales are disaggregated by industry of U.S. parent, total sales of a given U.S. parent are shown in the industry in which the parent was classified. When sales are disaggregated by industry of sales, they are distributed among all the industries in which the U.S. parent reported sales; that is, sales associated with each industry of sales are shown in that industry regardless of the U.S. parent's industry of classification.

2. Includes sales in all unspecified industries.

**Table I.P1**

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, excluding 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 monetary interest payments plus imputed interest paid minus monetary interest receipts minus imputed interest received. Imputed interest paid and received, which are measures of the value of services provided by life insurance carriers and financial intermediaries without explicit charge, are estimated.

3. Equals taxes other than income and payroll taxes plus production royalty payments to governments.

**Table I.Q1**

1. For industry classification, each U.S. parent was required to disaggregate its sales by four-digit International Surveys Industry code; the U.S. parent was then classified in the industry in which its sales were largest (for details, see “Methodology”). When employment is disaggregated by industry of U.S. parent, total employment of a given U.S. parent is shown in the single industry in which the parent was classified. When employment is disag-

gregated by industry of sales, it is distributed among all the industries in which the U.S. parent reported sales; that is, the number of employees associated with each industry of sales are shown in that industry regardless of the U.S. parent'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. Includes employment in all unspecified industries.

**Table I.R1**

1. Covers only U.S. parents in which there is direct investment by a foreign person—that is, U.S. parents that are owned 10 percent or more by a single foreign person. The foreign parent is the foreign person that holds a direct investment interest in the U.S. parent. The foreign parent group consists of (1) the foreign parent of a U.S. parent, (2) any foreign person, proceeding up the foreign parent's ownership chain, that owns more than 50 percent of the person below it, and (3) any foreign person, proceeding down the ownership chain(s) of each of these members, that is owned more than 50 percent by the person above it.

2. Does not equal the total in column 3, which is derived from data reported on affiliates' forms, because of differences in timing and valuation and the inclusion of data for affiliates covered on U.S. parents' forms but exempt from being reported on affiliates' forms.

**Table I.R2**

1. Covers only U.S. parents in which there is direct investment by a foreign person—that is, U.S. parents that are owned 10 percent or more by a single foreign person. The foreign parent is the foreign person that holds a direct investment interest in the U.S. parent. The foreign parent group consists of (1) the foreign parent of a U.S. parent, (2) any foreign person, proceeding up the foreign parent's ownership chain, that owns more than 50 percent of the person below it, and (3) any foreign person, proceeding down the ownership chain(s) of each of these members, that is owned more than 50 percent by the person above it.

2. Does not equal the total in column 3, which is derived from data reported on affiliates' forms,

because of differences in timing and valuation and the inclusion of data for affiliates covered on U.S. parents' forms but exempt from being reported on affiliates' forms.

#### Table I.T1

1. Includes interest received from affiliates.
2. Includes interest paid to affiliates, plus withholding taxes on such interest.
3. Includes payments to Federal, state, and local governments for natural resources.
4. Includes sales, consumption, and excise taxes; property and other taxes on the value of assets and capital; and any remaining taxes (other than income and payroll taxes). Also includes all payments of nontax liabilities (other than production royalty payments), such as import and export duties, license fees, fines, penalties, and similar items.

#### Table I.U1

1. Consists of common and preferred stock of affiliates owned by U.S. parents, plus U.S. parents' equity in additional paid in capital, less U.S. parents' equity in treasury stock held by their foreign affiliates.
2. U.S. parents' equity in retained earnings.
3. Includes U.S. parents' share of total owners' equity of the unincorporated affiliates that did not provide a breakdown of equity by type and the U.S. parents' share in the cumulative amount of capital gains and losses associated with currency translation adjustments—that is, gains and losses that arise because of changes in the exchange rates that are applied in translating affiliates' assets and liabilities from their functional currencies into U.S. dollars from the end of one accounting period to the next, treasury stock and involuntarily (or legally) restricted earnings, and other comprehensive income and losses.

#### Table I.V1

1. A net increase in U.S. parents' equity in affiliates is a financial outflow; a net decrease is a financial inflow.
2. Equals earnings (that is, the U.S. parents' share in the earnings of their foreign affiliates) less distributed earnings (that is, earnings distributed to U.S. parents before deduction of foreign withholding taxes).
3. An increase in U.S. parents' payables is a decrease in net intercompany debt and a financial inflow.

4. Represents gains or losses that arise because of changes from the end of one accounting period to the next in exchange rates applied in translating affiliates' assets and liabilities from foreign currencies into dollars.

#### Table I.W1

1. Excludes capital gains and losses. As presented here, is not adjusted to reflect current period prices. Prior to being entered into the international transactions accounts, adjustments to reflect current period prices are made to direct investment income on a global basis only. These adjustments do not appear in the direct investment income tables that are disaggregated by country or by industry.
2. U.S. parents' shares in the net income of their affiliates, before deduction of foreign withholding taxes on distributed earnings.
3. Earnings distributed to U.S. parents before deduction of foreign withholding taxes.
4. Interest received by or credited to U.S. parents on debt owed to them by their affiliates, less interest paid or credited by U.S. parents on debt owed by them to their affiliates, both before deduction of (foreign or U.S.) withholding taxes.

#### Table II.B1, II.B3, and II.B11

1. Before allowance of doubtful accounts.

#### Table II.B2, II.B4, and II.B12

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 detailed equity by type.

#### Tables II.D1, II.D2, and II.D11

1. Consists of gains or losses resulting from the sale or other disposition of assets, changes in the dollar value of 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.

#### Table II.D13

1. For industry classification, each foreign affiliate was required to disaggregate its sales by four-

digit International Surveys Industry code; the foreign affiliate was then classified in the industry in which its sales were largest (for details, see “Methodology”). When sales are disaggregated by industry of affiliate, total sales of a given foreign 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 foreign affiliate reported sales; that is, sales associated with each industry of sales are shown in that industry regardless of the foreign affiliate’s industry of classification.

#### **Table II.E1**

1. Goods and services supplied to the U.S. parent and its foreign affiliates; equals the sum of columns 5 and 8.

2. Goods and services supplied by an affiliate to persons in the country where the affiliate is located.

3. Goods and services supplied by an affiliate to persons in foreign countries other than the country where the affiliate is located.

4. For most industries, goods supplied are generally defined as sales of outputs that are tangible. For wholesalers and retailers, goods supplied includes only the value of goods resold; BEA estimates the value of the distributive services provided by selling, or arranging for the sale of goods and includes it in services supplied.

5. For most industries, services supplied generally are defined as sales of outputs that are intangible. For insurance, services supplied consists of BEA’s estimate of the portion of premiums remaining after provision for expected or “normal” losses and a measure of premium supplements, which represent income earned on funds insurers hold on policyholders’ behalf. For banks, it includes explicit fees and commissions and an estimate of the value of implicit services provided by banks. For wholesalers and retailers, services supplied includes an estimate of the distributive services provided by selling, or arranging for the sales of, goods.

#### **Tables II.E2, II.E3, and II.E9**

1. Goods and services supplied to the U.S. parent and its foreign affiliates; equals the sum of columns 5 and 8.

2. Goods and services supplied by an affiliate to persons in the country where the affiliate is located.

3. Goods and services supplied by an affiliate to persons in foreign countries other than the country where the affiliate is located.

#### **Tables II.E10 and II.E11**

1. For most industries, goods supplied are generally defined as sales of outputs that are tangible. For wholesalers and retailers, goods supplied includes only the value of goods resold; BEA estimates the value of the distributive services provided by selling, or arranging for the sale of goods and includes it in services supplied.

2. Goods supplied to the U.S. parent and its foreign affiliates; equals the sum of columns 5 and 8.

3. Goods supplied by an affiliate to persons in the country where the affiliate is located.

4. Goods supplied by an affiliate to persons in foreign countries other than the country where the affiliate is located.

#### **Tables II.E12 and II.E13**

1. For most industries, services supplied generally are defined as sales of outputs that are intangible. For insurance, services supplied consists of BEA’s estimate of the portion of premiums remaining after provision for expected or “normal” losses and a measure of premium supplements, which represent income earned on funds insurers hold on policyholders’ behalf. For banks, it includes explicit fees and commissions and an estimate of the value of implicit services provided by banks. For wholesalers and retailers, services supplied includes an estimate of the distributive services provided by selling, or arranging for the sales of, goods.

2. Services supplied to the U.S. parent and its foreign affiliates; equals the sum of columns 5 and 8.

3. Services supplied by an affiliate to persons in the country where the affiliate is located.

4. Services supplied by an affiliate to persons in foreign countries other than the country where the affiliate is located.

#### **Tables II.E14, II.E15, II.E16, and II.E17**

1. For most industries, services supplied generally are defined as sales of outputs that are intangible. For insurance, services supplied consists of BEA’s estimate of the portion of premiums remaining after provision for expected or “normal” losses and a measure of premium supplements, which represent income earned on funds insurers

hold on policyholders' behalf. For banks, it includes explicit fees and commissions and an estimate of the value of implicit services provided by banks. For wholesalers and retailers, services supplied includes an estimate of the distributive services provided by selling, or arranging for the sales of, goods.

**Table II.E18**

1. For most industries, goods supplied are generally defined as sales of outputs that are tangible. For wholesalers and retailers, goods supplied includes only the value of goods resold; BEA estimates the value of the distributive services provided by selling, or arranging for the sale of goods and includes it in services supplied.

2. For most industries, services supplied generally are defined as sales of outputs that are intangible. For insurance, services supplied consists of BEA's estimate of the portion of premiums remaining after provision for expected or "normal" losses and a measure of premium supplements, which represent income earned on funds insurers hold on policyholders' behalf. For banks, it includes explicit fees and commissions and an estimate of the value of implicit services provided by banks. For wholesalers and retailers, services supplied includes an estimate of the distributive services provided by selling, or arranging for the sales of, goods.

**Tables II.F1, II.F2, and II.F5**

1. Profit-type return is an economic accounting measure of profits from current production. Unlike net income, it is gross of income taxes, excluding 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 monetary interest payments plus imputed interest paid minus monetary interest receipts minus imputed interest received. Imputed interest paid and received, which are measures of the value of services provided by life insurance carriers and financial intermediaries without explicit charge, are estimated.

3. Equals taxes other than income and payroll taxes plus production royalty payments to governments.

**Tables II.F7, II.F8, and II.F9**

1. Profit-type return is an economic accounting measure of profits from current production. Unlike net income, it is gross of 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.