

Foreign Direct Investment in the United States

New Investment in 2002

By Thomas W. Anderson

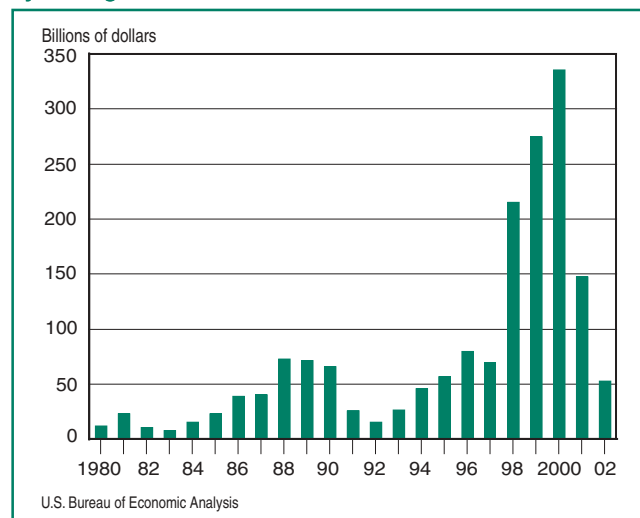
IN 2002, outlays by foreign direct investors to acquire or establish U.S. businesses fell by more than half for the second consecutive year. Total outlays were \$52.6 billion, down 64 percent from \$147.1 billion in 2001; outlays were 84 percent below the record \$335.6 billion in 2000, which was the final year of a 3-year period of exceptionally high outlays (chart 1 and table 1).¹ As a result of these declines, spending for new investments in 2002 was at the lowest level since 1994.

The decline in outlays in 2002 reflected continuing weakness in the U.S. economy and in many foreign economies and a falloff in merger and acquisition activity worldwide.² New investment may also have been dampened by uncertainty about the value of potential targets for acquisition and their future earnings prospects. Continued sharp declines and volatility in U.S.

stock market prices made it more difficult for acquiring firms and potential sellers to agree on acquisition prices, and a few highly publicized cases of questionable accounting practices may have increased uncertainty about earnings quality and company valuations. In addition, very large—\$5 billion or more—investments were less prevalent than in recent years and accounted for less than a fourth of total outlays (table 2).

In 2002, outlays fell in all major industry sectors, particularly in finance and insurance, manufacturing, and information. The decline was especially severe in finance and insurance, which had maintained high

Chart 1. Outlays for New Investment in the United States by Foreign Direct Investors, 1980–2002



1. The estimates for 2002 are preliminary. The estimate of total outlays for 2001 has been revised up 11 percent from the preliminary estimate published last year; see Thomas W. Anderson, "Foreign Direct Investment in the United States: New Investment in 2001," *SURVEY OF CURRENT BUSINESS* 82 (June 2002): 28–35. For information on the coverage of the estimates, see the "Technical Note" on page 58 of this issue.

2. According to information from Thomson Financial Securities Data, the worldwide dollar volume of announced merger and acquisition activity decreased 28 percent in 2002.

NOTE. The data presented in this article were drawn from BEA's survey of new foreign direct investment in the United States that was conducted under the supervision of Dorrett E. Williams, with contributions by Constance T. Deve, Edward J. Kozerka, Ronald L. McNeil, Erica Carson-Brown, and Joseph N. Poist. Karen E. Poffel and Neeta B. Kapoor programmed the tables.

Table 1. Investment Outlays by Type of Investment and Investor, 1992–2002

[Millions of dollars]

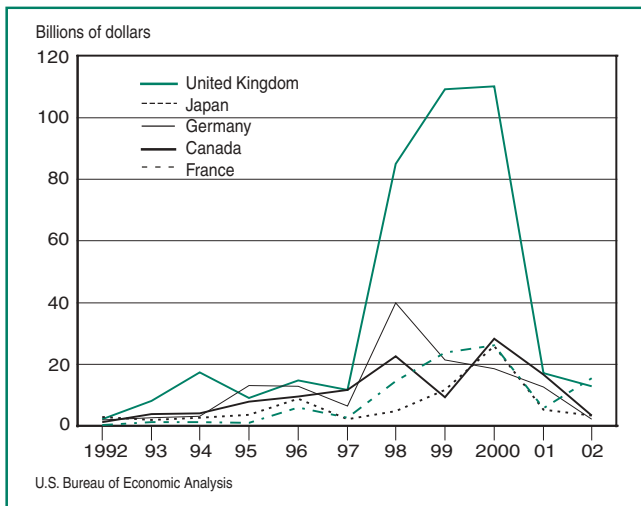
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001 ^r	2002 ^p
Total outlays	15,333	26,229	45,626	57,195	79,929	69,708	215,256	274,956	335,629	147,109	52,558
By type of investment:											
U.S. businesses acquired	10,616	21,761	38,753	47,179	68,733	60,733	182,357	265,127	322,703	138,091	42,773
U.S. businesses established	4,718	4,468	6,873	10,016	11,196	8,974	32,899	9,829	12,926	9,017	9,785
By type of investor:											
Foreign direct investors	4,058	6,720	13,628	11,927	32,230	13,899	120,828	120,878	105,151	23,134	14,512
U.S. affiliates	11,275	19,509	31,999	45,268	47,699	55,809	94,428	154,078	230,478	123,975	38,045

^p Preliminary.
^r Revised.

levels of outlays in 2001 even as spending declined in other sectors. The decline was also widespread across investing countries. In Germany, the United Kingdom, the Netherlands, and Japan, which historically have been major sources of investment outlays, weak economic conditions slowed the flow of direct investment into the United States. Among major source countries,

only France had an increase in investment outlays (chart 2).

Chart 2. Outlays for New Investment in the United States by Foreign Direct Investors, from Selected Countries, 1992–2002



Spending in 2002

In 2002, as in previous years, outlays to acquire existing U.S. businesses—at \$42.8 billion—accounted for most of the total outlays. Outlays to establish new U.S. businesses totaled \$9.8 billion. Again, as in most previous years, the majority of outlays were made by or through existing U.S. affiliates (\$38.0 billion) rather than by the foreign direct investors themselves (\$14.5 billion). Of the \$38.0 billion in outlays made by or through existing U.S. affiliates, most of the funds (\$22.8 billion) were provided by the foreign direct investors, who also funded all of their own outlays. As a result, the share of total outlays funded by foreign direct investors was 71 percent, up from 54 percent in 2001. The funds supplied by foreign direct investors are part of overall capital inflows for foreign direct investment in the United States, as recorded in the financial account of the U.S. international transactions accounts.³

3. Capital inflows, unlike the data on investment outlays reported in this article, include funding of existing as well as new U.S. affiliates. The preliminary estimates for these flows were published in Christopher L. Bach, "U.S. International Transactions, Fourth Quarter and Year 2002," SURVEY 83: (April 2003) 18–60. Revised estimates will be published in the July SURVEY.

Table 2. Distribution of Investment Outlays by Size, 1992–2002

[Percent]

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001 ^r	2002 ^p
Total outlays.....	100	100	100	100	100	100	100	100	100	100	100
\$5 billion or more.....	0	0	0	(D)	0	0	55	55	48	30	(D)
\$2 billion–\$4.999 billion.....	0	(D)	27	18	29	12	11	16	20	22	19
\$100 million–\$1.999 billion.....	42	51	51	48	55	67	27	24	27	40	45
Less than \$100 million.....	58	(D)	22	(D)	16	21	7	5	5	9	(D)

D Suppressed to avoid disclosure of data of individual companies.

^p Preliminary.

^r Revised.

Key Terms

Foreign direct investment in the United States is ownership or control, directly or indirectly, by one foreign person of 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise.

A *U.S. affiliate* is a U.S. business in which there is foreign direct investment.

A *person* is any individual, corporation, branch, partnership, associated group, association, estate, trust, or other organization, and any government (including any corporation, institution, or other entity or instrumentality of a government).

A *foreign person* is a person that resides outside the 50

States, the District of Columbia, the Commonwealth of Puerto Rico, and all U.S. territories and possessions.

The *ultimate beneficial owner* (UBO) is that person, proceeding up a U.S. affiliate's ownership chain, beginning with and including the foreign parent, that is not owned more than 50 percent by another person. The foreign parent is the first foreign person in the affiliate's ownership chain. Unlike the foreign parent, the UBO of an affiliate may be located in the United States. The UBO of each U.S. affiliate is identified to ascertain the person that ultimately owns or controls the U.S. affiliate and that therefore ultimately derives the benefits from ownership or control.

By industry, outlays were largest in manufacturing (\$17.3 billion) and information (\$14.2 billion) (table 3). Within manufacturing, outlays were largest in beverages and tobacco products (\$4.1 billion), followed by food (\$2.3 billion). Reflecting weak business conditions, outlays in computers and electronic products were only \$0.5 billion, down from \$10.1 billion in 2001 and \$42.6 billion in 2000. Within the information sector, outlays increased substantially in motion pictures and sound recording. In contrast, outlays in broadcasting and telecommunications declined sharply, from \$15.5 billion in 2001 to \$2.4 billion 2002, amid concerns over the industry's high debt and excess capacity. Outlays in the finance (except depository institutions) and insurance industry declined to only \$3.2 billion; the decline followed three consecutive years in which investments, driven by acquisitions of U.S. insurance companies, exceeded \$40 billion. Outlays in real estate and rental and leasing were \$4.6 billion, up from \$3.6 billion in 2001, reflecting the continued strength of the U.S. housing and property markets.

By country of ultimate beneficial owner, France and the United Kingdom had the largest outlays in 2002, together accounting for over half of the total (table 4). Outlays by investors from France increased to \$15.6 billion from \$5.8 billion in 2001, largely as a result of investments in information and in professional, scientific, and technical services. Outlays by investors from the United Kingdom, whose spending had been the

largest of any investing country for several years, fell to \$13.0 billion from \$17.1 billion in 2001; in 2002, outlays were largest in utilities and manufacturing. Outlays by investors from many other European countries, including the Netherlands (\$3.2 billion), Switzerland (\$2.8 billion), and Germany (\$2.2 billion), were far lower in 2002 than in 2001, partly because of weak economic conditions in those countries. Outlays by investors from Canada fell to \$3.5 billion from \$16.6 billion. In the Asia and Pacific region, Japan (\$3.4 billion) was the largest source of investment outlays, followed by Australia (\$1.7 billion).

Operating data of acquired or established U.S. businesses

The assets of U.S. businesses that were newly acquired or established by foreign investors totaled \$94.8 billion in 2002, down from \$382.3 billion in 2001 (table 5). Among industry groups, manufacturing, with assets of \$22.3 billion, accounted for the largest share of total assets.

Newly acquired or established businesses employed 182,000 people in 2002, down from 410,000 in 2001. Manufacturing, with 74,000 employees, accounted for the largest share of employment in 2002. The next largest shares of employment were in administration, support, and waste management (included in "other industries"), with 34,000 employees, and information, with 25,000.

Table 3. Investment Outlays by Industry of U.S. Business Enterprise, 1999–2002
[Millions of dollars]

	1999	2000	2001 ^a	2002 ^a
All industries	274,956	335,629	147,109	52,558
Manufacturing	73,122	143,285	37,592	17,259
Food.....	859	(D)	(D)	2,278
Beverages and tobacco products.....	1,417	3,722	582	4,050
Petroleum and coal products.....	158	(D)	(D)	2,043
Chemicals.....	5,703	15,016	4,636	1,211
Plastics and rubber products.....	3,638	3,154	622	992
Nonmetallic mineral products.....	3,175	6,324	425	1,257
Primary metals.....	2,542	379	692	564
Fabricated metal products.....	1,388	638	758	47
Machinery.....	13,941	1,213	(D)	526
Computers and electronic products.....	30,601	42,600	10,052	488
Electrical equipment, appliances, and components..	4,247	8,084	(D)	1,013
Transportation equipment.....	2,786	3,230	470	668
Other.....	2,667	6,529	5,214	2,122
Wholesale trade	(D)	8,561	3,982	381
Retail trade	3,458	1,672	1,913	433
Information	90,855	67,932	27,599	14,235
Publishing industries.....	(D)	10,135	9,545	(D)
Motion pictures and sound recording industries.....	(D)	(D)	1,179	(D)
Broadcasting and telecommunications.....	78,202	(D)	15,529	2,374
Information services and data processing services..	(D)	12,228	1,345	(D)
Depository institutions	(D)	2,636	5,709	705
Finance (except depository institutions) and insurance	46,380	44,420	40,780	3,241
Real estate and rental and leasing	5,206	4,526	3,572	4,573
Professional, scientific, and technical services	9,366	32,332	7,044	4,424
Other industries	32,680	30,264	18,917	7,306

D Suppressed to avoid disclosure of data of individual companies.

^a Preliminary.

^r Revised.

Table 4. Investment Outlays by Country of Ultimate Beneficial Owner, 1999–2002¹
[Millions of dollars]

	1999	2000	2001 ^a	2002 ^a
All countries	274,956	335,629	147,109	52,558
Canada	9,271	28,346	16,646	3,533
Europe	196,288	249,167	78,328	39,374
France.....	23,750	26,149	5,772	15,566
Germany.....	21,514	18,452	12,733	2,194
Netherlands.....	22,265	47,686	14,879	3,181
Switzerland.....	7,512	22,789	16,468	2,756
United Kingdom.....	109,226	110,208	17,095	12,956
Other Europe.....	12,021	23,883	11,381	2,721
Latin America and Other Western Hemisphere	33,046	15,400	15,274	3,021
South and Central America.....	1,622	5,334	431	407
Other Western Hemisphere.....	31,424	10,066	14,843	2,613
Africa	(D)	(D)	(D)	565
Middle East	848	947	(D)	283
Asia and Pacific	15,100	40,282	11,383	5,352
Australia.....	(D)	(D)	4,869	1,654
Japan.....	11,696	26,044	5,345	3,429
Other Asia and Pacific.....	(D)	(D)	1,169	269
United States ²	(D)	(D)	(D)	430

D Suppressed to avoid disclosure of data of individual companies.

^a Preliminary.

^r Revised.

1. For investments in which more than one investor participated, each investor and each investor's outlays are classified by country of each ultimate beneficial owner.

2. The United States is shown as the country of ultimate beneficial owner for businesses newly acquired or established by foreign investors that are, in turn, ultimately owned by persons located in the United States (see the box "Key Terms").

Net income for newly acquired or established businesses was negative \$2.5 billion in 2002, compared with positive net income of \$1.0 billion in 2001. Total sales by these businesses were \$49.1 billion, down from \$108.9 billion.

Technical Note

The estimates of new foreign direct investment, which cover U.S. business enterprises that were acquired or established by foreign direct investors during the year, are based on data from the survey reports used by the Bureau of Economic Analysis (BEA) to collect the information and—for the preliminary estimates for 2002—from BEA estimates for reports not yet received. For the survey, a U.S. business enterprise is categorized as “established” if the foreign parent or its existing U.S. affiliate creates a new legal entity that is organized and begins operating as a new U.S. business enterprise or that directly purchases U.S. real estate.⁴ A U.S. business enterprise is categorized as “acquired” if (1) a foreign parent or its U.S. affiliate obtains a voting interest of 10 percent or more in the equity of an existing U.S. business enterprise and continues to operate it as a separate legal entity; (2) a foreign parent or its affiliate purchases a business segment or an operating unit of an existing U.S. business and organizes it as a new separate legal entity; or (3) an existing U.S. affiliate purchases a U.S. business, a segment of a U.S. business, or an operating unit of a U.S. business and merges it into its own operations.

The estimates of new foreign direct investment do not cover the acquisition of additional equity in an existing U.S. affiliate, the acquisition of an existing U.S.

4. The number of new U.S. businesses established is not equivalent to the number of “greenfield” investments, which typically refers to the construction of new plants or other business facilities. First, direct purchases of U.S. real estate—which often involve purchases of existing office buildings, hotels, retail stores, shopping centers, or other property—are included in the “established” measure but are not considered “greenfield” investments. Second, new plants that are built by existing U.S. affiliates are considered “greenfield” investments, but they are included in these data—as “established” businesses—only if they are set up as separate legal entities.

affiliate by one foreign investor from another, or the expansion in the operations of an existing U.S. affiliate where no separate legal entity is created. Selloffs or other disinvestments are not netted against the new investments. (For information about related BEA data, see the box “Data on Foreign Direct Investment in the United States.”)

A U.S. business that is acquired or established by a foreign direct investor or by an existing U.S. affiliate of a foreign investor and that has total assets of more than \$3 million or owns 200 or more acres of U.S. land is required to file a full report with BEA. In addition, a U.S. business enterprise that is acquired by an existing U.S. affiliate of a foreign investor and merged into the operations of the affiliate must file a full report if the total cost of the acquisition exceeds \$3 million or if the acquired enterprise owned 200 or more acres of U.S. land. To reduce the reporting burden, smaller U.S. businesses—those having total assets of \$3 million or less and owning fewer than 200 acres of U.S. land—are permitted to file shorter, partial reports.⁵

BEA prepares estimates for the data items that are not collected on the partial reports and combines them with the data it collects on the partial reports and the

5. Survey forms for the full reports (BE-13) and the partial reports (BE-13, supplement C) are on BEA's Web site at <www.bea.gov/financial/surveys.htm>.

Availability of New Investment Data

Summary estimates of the outlays by foreign direct investors to acquire or establish businesses in the United States are presented in this article. More detailed estimates by industry and by country for 1980–2002 are available on BEA's Web site at www.bea.gov. Click on “Balance of payments and related data,” and look under “Direct Investment, Foreign Direct Investment in the United States, Financial and Operating Data” for “U.S. Business Enterprises Acquired or Established by Foreign Direct Investors.”

Table 5. Selected Operating Data of U.S. Business Enterprises Acquired or Established, by Industry of U.S. Business Enterprise, 2001–2002

	2001 ^a					2002 ^a				
	Millions of dollars			Thousands of employees	Number of hectares of land owned ¹	Millions of dollars			Thousands of employees	Number of hectares of land owned ¹
	Total assets	Sales	Net income			Total assets	Sales	Net income		
All industries	382,308	108,909	951	410.0	103,539	94,839	49,086	-2,548	182.2	105,075
Manufacturing	55,269	35,986	760	125.4	24,031	22,325	22,666	-3,655	73.6	11,149
Wholesale trade	6,507	13,129	100	31.9	243	420	1,476	23	1.4	33
Retail trade	2,407	4,491	16	31.1	507	435	657	4	9.0	32
Information	42,581	8,758	-863	44.7	142	15,687	6,677	325	25.3	(D)
Depository institutions	66,645	4,217	309	8.2	101	4,488	290	21	1.0	(D)
Finance (except depository institutions) and insurance	168,202	22,136	1,854	34.1	(D)	10,959	1,334	143	4.4	3
Real estate and rental and leasing	4,224	418	38	0.5	(D)	12,747	2,768	180	0.8	8,639
Professional, scientific, and technical services	15,678	10,485	-497	58.3	(D)	1,141	420	-54	3.0	0
Other industries	20,795	9,290	-765	75.7	33,017	26,637	12,797	464	63.7	84,071

D Suppressed to avoid disclosure of data of individual companies.

^a Preliminary.

^r Revised.

1. One hectare equals 2.471 acres. Thus, for all industries, acres of land owned in 2001 and 2002 were 255,845 and 259,640, respectively.

NOTE. For newly acquired businesses, data cover the most recently completed financial reporting year. For newly established businesses, data are projections for the first full year of operations.

full reports. Because the businesses that file partial reports are so small, their estimated and reported values generally have a negligible impact on the published aggregates. For example, in 2001, the total assets of U.S. businesses that filed partial reports were \$360 million, less than 1 percent of the total assets for all new investments.

Although the values for the partial reports are generally negligible, the number of partial reports is significant. For example, in 2001, BEA received 1,000 partial reports and 821 full reports. Furthermore, the number of businesses that are subject to partial reporting may be higher than the actual number of partial reports BEA actually receives, because not all of the smaller U.S. businesses acquired or established by foreigners file reports. BEA makes every effort to contact all U.S. businesses that may have been newly acquired or established by foreigners, but it must concentrate its limited resources on ensuring compliance with reporting requirements by larger businesses.

Of the 821 full reports filed in 2001, 571 were for investments to acquire an existing U.S. business, and 250 were for investments to establish a new U.S. business. For 2002, BEA estimates that 512 businesses will have filed full reports by the time the revised estimates are published next year.⁶

6. Each year, BEA continues to receive survey reports after the preliminary estimates are published. To make the preliminary estimates as accurate as possible, BEA augments the reported data with estimates for late reports. An estimate is made for each of the data items covered by the survey, and these estimates cover both full and partial reports. BEA also estimates the number of full reports, but it does not estimate the number of partial reports, because this number fluctuates considerably from year to year.

The number of full reports by size of outlay is shown in the table below. For 2002, among the four size classes shown, the numbers for the three largest classes represent the number of reports actually received. The number for investments of less than \$100 million includes an estimate of the number of late reports that will be received before the revised estimates are published.

	2000	2001 ^r	2002 ^p
Total	982	821	512
\$5 billion or more	12	4	1
\$2 billion–\$4.999 billion	22	10	3
\$100 million–\$1.999 billion	206	148	61
Less than \$100 million	742	659	447

^p Preliminary.
^r Revised.

The number of new investments for 1998–2002 is not comparable with the number of new investments for 1980–97, because in 1998, the dollar threshold for filing full reports was raised from \$1 million in total assets to \$3 million. The incomparability affects only the total number and the number in the smallest size class. In addition, prior to 1998, the values for new investments did not include estimated values for partial reports. Because these estimated values would have been negligible, the previously published values for 1980–97 are reasonably comparable with those for 1998 forward.

Tables 6 and 7 follow.

Data on Foreign Direct Investment in the United States

In addition to the data on new foreign direct investments presented in this article, BEA collects and publishes two other broad sets of data on foreign direct investment in the United States (FDIUS): Financial and operating data of U.S. affiliates, and balance-of-payments and direct-investment-position data.

Financial and operating data of U.S. affiliates are published at both the enterprise and establishment level. Enterprise-level financial and operating data were most recently published in “U.S. Affiliates of Foreign Companies: Operations in 2000” in the August 2002 issue of the SURVEY OF CURRENT BUSINESS; the article includes a description of the three types of FDIUS data. Financial and operating data at the establishment level are available for selected years as a result of a special project that links BEA’s enterprise data for U.S. affiliates with the establishment data for all U.S. companies from the Bureau of the

Census. The most recent data are published in *Foreign Direct Investment in the United States: Establishment Data for 1997* (Washington DC: U.S. Government Printing Office, March 2003).

The balance-of-payments and direct-investment-position data were published in “The International Investment Position of the United States at Yearend 2001” and “Direct Investment Positions for 2001: Country and Industry Detail” in the July 2002 issue of the SURVEY; “Foreign Direct Investment in the United States: Detail for Historical Cost Position and Related Capital and Income Flows, 2001” in the September 2002 issue; and “U.S. International Transactions, Fourth Quarter and Year 2002,” in the April 2003 issue. Revised and updated balance-of-payments and direct-investment-position data will be published in the July and September 2003 issues.

Table 6. Investment Outlays by Type of Investment and Investor, by Industry of U.S. Business Enterprise, 2001–2002

[Millions of dollars]

	2001 ^r					2002 ^p				
	Total	By type of investment		By type of investor		Total	By type of investment		By type of investor	
		U.S. businesses acquired	U.S. businesses established	Foreign direct investors	U.S. affiliates		U.S. businesses acquired	U.S. businesses established	Foreign direct investors	U.S. affiliates
All industries	147,109	138,091	9,017	23,134	123,975	52,558	42,773	9,785	14,512	38,045
Manufacturing	37,592	36,894	699	3,330	34,263	17,259	16,356	903	6,890	10,369
Food	(D)	(D)	(D)	69	(D)	2,278	(D)	(D)	(D)	(D)
Beverages and tobacco	582	(D)	(D)	1	581	4,050	4,050	0	3,956	94
Textiles, apparel, and leather products	(D)	(D)	0	0	(D)	0	0	0	0	0
Wood products	(D)	(D)	0	0	(D)	0	0	0	0	0
Paper	3,099	3,099	(*)	(*)	3,099	1,310	1,310	0	0	1,310
Printing and related support activities	349	349	(*)	(D)	(D)	66	66	0	0	66
Petroleum and coal products	(D)	(D)	(*)	(*)	(D)	2,043	2,043	0	0	2,043
Chemicals	4,636	(D)	(D)	163	4,474	1,211	(D)	(D)	179	1,032
Basic chemicals	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	(D)	5
Resins and synthetic rubber, fibers and filaments ..	(D)	(D)	(*)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Pharmaceuticals and medicines	2,456	2,455	1	141	2,316	571	571	0	(D)	(D)
Soap, cleaning compounds, and toilet preparations	(D)	(D)	0	0	(D)	74	74	0	0	74
Other	55	51	4	(D)	(D)	498	498	0	155	342
Plastics and rubber products	622	612	11	184	439	992	(D)	(D)	400	592
Nonmetallic mineral products	425	(D)	(D)	(D)	(D)	1,257	1,257	0	243	1,014
Primary and fabricated metals	1,450	(D)	(D)	341	1,109	611	(D)	(D)	474	137
Primary metals	692	(D)	(D)	(D)	(D)	564	(D)	(D)	(D)	(D)
Fabricated metal products	758	747	11	(D)	(D)	47	(D)	(D)	(D)	(D)
Machinery	(D)	(D)	(D)	(D)	153	526	487	40	(D)	(D)
Agriculture, construction, and mining machinery ...	(D)	(*)	(D)	2	(D)	(D)	(D)	(D)	0	(D)
Industrial machinery	(D)	(D)	(*)	(D)	(D)	(D)	(D)	0	0	(D)
Other	92	(D)	(D)	(*)	92	354	(D)	(D)	(D)	(D)
Computers and electronic products	10,052	(D)	(D)	751	9,301	488	(D)	(D)	221	267
Computer and peripheral equipment	(D)	(D)	0	(D)	(D)	0	0	0	0	0
Communications equipment	5,922	(D)	(D)	308	5,615	278	278	0	(D)	(D)
Audio and video equipment	(*)	(*)	(*)	(*)	(*)	0	0	0	0	0
Semiconductors and other electronic components	(D)	(D)	(D)	(D)	279	49	(D)	(D)	(D)	(D)
Navigational, measuring, and other instruments ...	2,663	(D)	(D)	(D)	(D)	160	160	0	0	160
Magnetic and optical media	3	3	0	0	3	0	0	0	0	0
Electrical equipment, appliances, and components ...	(D)	(D)	(*)	3	(D)	1,013	246	767	767	246
Transportation equipment	470	262	208	132	337	668	666	2	346	321
Motor vehicles, bodies and trailers, and parts	(D)	(D)	208	(D)	(D)	457	455	2	346	111
Other	(D)	(D)	0	(D)	(D)	211	211	0	0	211
Furniture and related products	15	7	8	(*)	15	0	0	0	0	0
Miscellaneous manufacturing	1,256	1,256	(*)	252	1,004	747	(D)	(D)	237	511
Wholesale trade	3,982	3,674	308	953	3,029	381	339	43	39	342
Motor vehicles and motor vehicle parts and supplies	(D)	3	(D)	1	(D)	0	0	0	0	0
Professional and commercial equipment and supplies	1,055	1,053	1	(D)	(D)	(D)	(D)	0	0	(D)
Electrical goods	116	111	5	5	111	(D)	(D)	0	0	(D)
Other durable goods	479	(D)	(D)	286	193	186	(D)	(D)	(D)	(D)
Petroleum and petroleum products	(D)	(*)	(D)	0	(D)	0	0	0	0	0
Other nondurable goods	2,306	(D)	(D)	(D)	(D)	112	(D)	(D)	(D)	(D)
Retail trade	1,913	(D)	(D)	(D)	(D)	433	433	0	0	433
Food and beverage stores	(D)	(D)	20	7	(D)	(D)	(D)	0	0	(D)
Other	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Information	27,599	26,545	1,054	11,134	16,466	14,235	14,159	76	181	14,054
Publishing industries	9,545	9,532	14	1,472	8,074	(D)	(D)	(D)	(D)	(D)
Motion pictures and sound recording industries	1,179	1,176	3	(D)	(D)	(D)	(D)	0	0	(D)
Broadcasting and telecommunications	15,529	(D)	(D)	(D)	(D)	2,374	(D)	(D)	153	2,220
Broadcasting, cable networks, and program distribution	(D)	(D)	(D)	(*)	(D)	0	0	0	0	0
Telecommunications	(D)	(D)	(D)	(D)	(D)	2,374	(D)	(D)	153	2,220
Information services and data processing services ...	1,345	(D)	(D)	257	1,089	(D)	355	(D)	(D)	(D)
Depository institutions	5,709	(D)	(D)	(D)	(D)	705	705	0	0	705
Finance, (except depository institutions) and insurance	40,780	37,572	3,208	2,029	38,751	3,241	2,544	697	675	2,566
Finance, except depository institutions	8,741	(D)	(D)	(D)	(D)	3,135	2,438	697	675	2,460
Insurance carriers and related activities	32,039	(D)	(D)	(D)	(D)	106	106	(*)	(*)	106
Real estate and rental and leasing	3,572	(D)	(D)	269	3,303	4,573	1,230	3,344	1,152	3,421
Real estate	(D)	(D)	(D)	268	(D)	(D)	(D)	(D)	1,152	(D)
Rental and leasing (except real estate)	(D)	(D)	6	1	(D)	(D)	(D)	(D)	0	(D)
Professional, scientific, and technical services	7,044	6,779	265	1,578	5,466	4,424	510	3,914	4,060	364
Architectural, engineering, and related services	68	63	4	(*)	68	135	135	0	0	135
Computer systems design and related services	2,037	1,974	63	1,051	986	191	191	0	(D)	(D)
Management, scientific, and technical consulting	884	874	10	67	817	28	28	0	(D)	(D)
Other	4,055	3,867	188	460	3,595	4,069	155	3,914	3,922	147
Other industries	18,917	18,539	378	827	18,091	7,306	6,497	809	1,515	5,791
Agriculture, forestry, fishing, and hunting	82	(D)	(D)	(D)	(D)	0	0	(D)	0	(D)
Mining	11,819	(D)	(D)	(D)	(D)	358	358	0	(*)	358
Utilities	492	(D)	(D)	(D)	(D)	4,039	4,039	0	208	3,831
Construction	469	(D)	(D)	(*)	468	9	9	0	0	9
Transportation and warehousing	2,171	2,097	74	(D)	(D)	422	417	5	192	230
Management of nonbank companies and enterprises	41	0	41	41	(*)	761	0	761	761	0
Administration, support, and waste management	1,896	1,855	41	158	1,738	1,165	1,165	0	0	1,165
Health care and social assistance	602	602	(*)	(*)	602	98	98	0	(D)	(D)
Accommodation and food services	845	787	58	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Accommodation	(D)	(D)	(D)	(D)	(D)	0	0	0	0	0
Food services and drinking places	(D)	(D)	(D)	(*)	(D)	0	0	0	0	0
Miscellaneous services	501	478	23	(D)	(D)	400	(D)	(D)	226	175

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

^p Preliminary.^r Revised.

Table 7.1. Investment Outlays, Country of Ultimate Beneficial Owner by Industry of U.S. Business Enterprise, 2001

[Millions of dollars]

	All industries	Manufacturing								Wholesale trade	Retail trade	Information	Depository institutions	Finance, (except depository institutions) and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
		Total	Of which:														
			Food	Chemicals	Primary and fabricated metals	Machinery	Computer and electronic products	Electrical equipment, appliances, and components	Transportation equipment								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
All countries	147,109	37,592	(D)	4,636	1,450	(D)	10,052	(D)	470	3,982	1,913	27,599	5,709	40,780	3,572	7,044	18,917
Canada	16,646	4,334	(D)	(D)	6	(*)	(D)	(D)	(D)	31	(D)	503	(D)	4,084	369	613	4,188
Europe	78,328	25,801	(D)	4,369	1,157	(D)	5,167	48	(D)	2,861	(D)	22,217	(D)	11,030	2,523	5,849	3,499
Austria.....	(D)	(D)	0	0	0	0	0	0	0	0	0	(*)	0	0	0	0	(D)
Belgium.....	737	725	0	(D)	(D)	0	0	0	(D)	0	0	0	0	2	10	0	0
Denmark.....	134	67	0	(D)	0	(D)	0	0	(D)	0	3	0	0	0	0	0	(D)
Finland.....	433	354	0	0	(D)	15	(D)	0	0	1	0	(D)	0	0	(D)	0	0
France.....	5,772	776	(D)	(D)	(D)	(D)	470	38	0	(D)	0	2,986	(D)	(D)	(D)	590	223
Germany.....	12,733	2,680	(D)	264	18	(D)	2,065	0	(D)	113	25	(D)	0	(D)	1,659	729	(D)
Ireland.....	1,042	397	(D)	0	(D)	0	0	0	0	0	0	(D)	0	0	0	0	(D)
Italy.....	791	160	0	0	(D)	(*)	(D)	0	0	(D)	(D)	(*)	0	0	0	0	(D)
Liechtenstein.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Luxembourg.....	(D)	(D)	(D)	0	0	0	0	0	0	0	0	(D)	0	0	(*)	0	0
Netherlands.....	14,879	3,601	(*)	(D)	(D)	(D)	(D)	3	0	2,036	(D)	(D)	(D)	2,967	159	(D)	290
Norway.....	(D)	(D)	0	0	(*)	0	0	0	0	0	0	(*)	0	0	0	0	(D)
Spain.....	(D)	0	0	0	0	0	0	0	0	0	0	(*)	0	0	1	(D)	0
Sweden.....	2,155	1,602	0	0	0	(D)	(D)	0	0	1	(*)	(D)	0	(D)	6	7	(*)
Switzerland.....	16,468	12,235	(D)	(D)	(D)	(*)	(D)	0	0	(D)	5	(*)	0	3,647	62	(D)	(D)
United Kingdom.....	17,095	2,432	(*)	(D)	381	5	202	0	(D)	355	(D)	7,053	(D)	1,339	163	1,666	1,721
Other.....	(D)	(D)	0	0	0	0	0	0	0	(*)	0	0	0	(D)	(*)	(*)	0
Latin America and Other Western Hemisphere	15,274	4,128	(D)	0	(D)	(*)	(D)	0	(D)	63	(D)	(D)	0	54	(D)	(D)	10,510
South and Central America.....	431	(D)	(*)	0	0	0	0	0	0	63	(D)	1	0	(*)	(D)	(*)	(*)
Brazil.....	(D)	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(*)
Mexico.....	347	(D)	(*)	0	(D)	0	0	0	0	(D)	0	1	0	(*)	(D)	(*)	(*)
Panama.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Venezuela.....	(D)	0	0	0	0	0	0	0	0	(D)	0	(*)	0	0	0	0	0
Other.....	(*)	0	0	0	0	0	0	0	0	(*)	0	(*)	0	(*)	0	(*)	(*)
Other Western Hemisphere.....	14,843	(D)	(D)	0	0	(*)	(D)	0	(D)	(*)	0	(D)	0	54	(D)	(D)	10,510
Bahamas.....	1	(*)	0	0	0	0	0	0	(*)	0	0	0	0	(*)	0	(*)	0
Bermuda.....	(D)	(D)	(D)	0	0	0	(D)	0	0	0	0	0	0	7	(D)	(*)	(D)
Netherlands Antilles.....	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0
United Kingdom Islands, Caribbean.....	(D)	161	0	0	0	0	4	0	(D)	(*)	0	(D)	0	46	(D)	(D)	(D)
Other.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Africa	(D)	(*)	0	0	0	0	0	0	(*)	(*)	0	5	(D)	(D)	1	(*)	(D)
South Africa.....	(D)	(*)	0	0	0	0	0	0	0	0	0	0	0	(D)	1	(*)	(D)
Other.....	(D)	0	0	0	0	0	0	0	0	(*)	0	5	(D)	(*)	(*)	0	0
Middle East	(D)	(D)	0	0	0	(D)	(D)	0	0	3	(D)	(D)	(D)	(*)	(D)	(D)	71
Israel.....	555	(D)	0	0	0	0	(D)	0	0	3	(D)	(D)	(D)	0	0	8	(D)
Kuwait.....	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lebanon.....	(D)	(D)	0	0	0	(D)	0	0	0	0	0	0	0	0	0	0	(D)
Saudi Arabia.....	86	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
United Arab Emirates.....	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(D)
Other.....	(*)	0	0	0	0	0	0	0	0	(*)	0	0	0	0	0	0	0
Asia and Pacific	11,383	(D)	(D)	(D)	(D)	(D)	(D)	(D)	57	1,025	(D)	(D)	(D)	977	220	564	561
Australia.....	4869	376	(D)	1	0	0	0	0	0	(D)	0	(D)	0	0	(D)	3	(D)
China.....	(D)	(*)	0	0	0	(*)	0	0	0	(D)	(*)	(*)	0	(*)	1	1	(D)
Hong Kong.....	361	0	0	0	0	0	0	0	0	(D)	(*)	(*)	(D)	(*)	1	(*)	(D)
Indonesia.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Japan.....	5,345	2,575	(D)	204	(D)	(D)	49	(D)	57	764	(D)	382	0	977	160	366	(D)
Korea, Republic of.....	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	(*)
Malaysia.....	3	0	0	0	0	0	0	0	0	(*)	0	0	0	0	3	0	0
New Zealand.....	(*)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(*)
Philippines.....	(*)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Singapore.....	375	(D)	0	0	0	0	(D)	0	0	0	4	(D)	0	(D)	0	2	(D)
Taiwan.....	(D)	(*)	0	0	0	0	(*)	0	0	(D)	(*)	(D)	0	0	0	0	(*)
Other.....	247	(*)	0	0	0	0	0	0	0	(D)	(*)	(D)	0	(D)	190	1	1
United States ¹	(D)	0	0	0	0	0	0	0	0	0	(D)	(*)	0	(D)	4	(*)	(D)
Addenda:																	
European Union (15) ²	60,259	12,916	382	2,550	642	(D)	5,143	48	(D)	(D)	1,338	22,217	(D)	6,501	2,460	5,838	2,943
OPEC ³	139	0	0	0	0	0	0	0	(D)	(D)	0	(*)	0	107	0	0	(D)

¹ Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. The United States is shown as the country of ultimate beneficial owner for businesses newly acquired or established by foreign investors that are, in turn, ultimately owned by persons located in the United States (see the box "Key Terms").

2. The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

3. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE: Data for 2001 are revised. For investments in which more than one investor participated, each investor and each investor's outlays are classified by the country of each individual ultimate beneficial owner.

Table 7.2. Investment Outlays, Country of Ultimate Beneficial Owner by Industry of U.S. Business Enterprise, 2002

[Millions of dollars]

	All industries	Manufacturing								Wholesale trade	Retail trade	Information	Depository institutions	Finance, (except depository institutions) and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
		Of which:															
		Total	Food	Chemicals	Primary and fabricated metals	Machinery	Computer and electronic products	Electrical equipment, appliances, and components	Transportation equipment								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
All countries	52,558	17,259	2,278	1,211	611	526	488	1,013	668	381	433	14,235	705	3,241	4,573	4,424	7,306
Canada	3,533	676	(D)	(D)	(D)	(D)	109	0	444	(D)	369	(D)	(D)	(D)	1,413	57	486
Europe	39,374	11,955	(D)	(D)	579	443	353	0	102	(D)	(D)	13,150	393	2,307	1,871	4,240	5,157
Austria	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Belgium	(D)	(D)	0	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0
Denmark	591	(D)	0	(D)	0	0	0	0	0	(D)	0	0	0	0	0	0	569
Finland	697	611	0	(D)	(D)	(D)	(D)	0	0	0	0	0	0	0	0	(D)	(D)
France	15,566	724	0	(D)	455	(D)	(D)	0	(D)	27	0	(D)	0	(D)	(D)	4,103	(D)
Germany	2,194	491	0	(D)	0	(D)	0	0	(D)	0	0	0	0	734	914	(D)	(D)
Ireland	638	209	86	0	0	0	0	0	0	0	0	0	0	(D)	0	0	(D)
Italy	(D)	(D)	0	0	4	(D)	0	0	0	0	0	0	0	0	0	0	(D)
Liechtenstein	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Luxembourg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands	3,181	2,098	0	31	0	0	0	0	0	0	0	75	0	357	536	0	116
Norway	169	(D)	0	(D)	0	(D)	0	0	0	0	0	(D)	0	0	0	0	(D)
Spain	168	(D)	0	(D)	0	0	0	0	0	0	0	0	0	0	0	0	(D)
Sweden	243	243	0	0	0	(D)	0	0	0	0	0	0	0	0	0	0	0
Switzerland	2,756	(D)	(D)	231	(D)	(D)	0	0	0	0	0	0	0	(D)	0	0	4
United Kingdom	12,956	4,697	0	(D)	(D)	(D)	0	0	(D)	210	0	2,414	(D)	788	384	(D)	4,038
Other	129	0	0	0	0	0	0	0	0	0	0	(D)	(D)	0	(D)	0	0
Latin America and Other Western Hemisphere	3,021	1,202	0	0	0	0	0	(D)	0	0	0	(D)	0	(D)	(D)	(D)	(D)
South and Central America	407	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(D)
Brazil	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mexico	(D)	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(*)
Panama	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(D)
Venezuela	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Western Hemisphere	2,613	(D)	0	0	0	0	0	(D)	0	0	0	(D)	0	(D)	(D)	(D)	(D)
Bahamas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bermuda	(D)	(D)	0	0	0	0	0	(D)	0	0	0	0	0	0	0	0	0
Netherlands Antilles	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
United Kingdom Islands, Caribbean	(D)	0	0	0	0	0	0	0	0	0	0	(D)	0	(D)	(D)	(D)	0
Other	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(D)
Africa	565	(D)	0	0	0	0	0	0	0	0	0	180	0	0	0	0	(D)
South Africa	565	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(D)
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Middle East	283	(D)	0	0	0	0	0	0	(D)	0	0	180	0	0	(D)	0	0
Israel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kuwait	(D)	(D)	0	0	0	0	0	0	(D)	0	0	0	0	0	0	0	0
Lebanon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Saudi Arabia	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
United Arab Emirates	(D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(D)
Other	180	0	0	0	0	0	0	0	0	0	0	180	0	0	0	0	0
Asia and Pacific	5,352	2,419	0	(D)	(D)	32	26	(D)	(D)	127	(D)	187	(D)	576	406	(D)	1,467
Australia	1,654	627	0	0	0	0	0	0	0	0	0	0	0	(D)	(D)	0	(D)
China	(D)	(D)	0	0	0	(D)	0	0	0	0	0	0	0	0	0	0	0
Hong Kong	(*)	0	0	0	0	0	0	0	0	0	0	(*)	0	0	0	0	0
Indonesia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Japan	3,429	1,666	0	(D)	1	(D)	(D)	(D)	(D)	47	(D)	187	(D)	(D)	(D)	(D)	(D)
Korea, Republic of	48	8	0	0	(D)	0	0	0	(D)	0	0	0	0	0	0	0	(D)
Malaysia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Zealand	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Philippines	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Singapore	131	(D)	0	0	0	0	0	0	(D)	0	0	0	0	0	0	0	(D)
Taiwan	75	(D)	0	0	(D)	3	(D)	0	0	(D)	0	0	0	0	0	0	0
Other	(D)	(D)	0	0	0	0	0	0	(D)	0	0	0	0	0	0	0	(D)
United States ¹	430	(D)	0	0	0	(D)	0	0	0	0	0	(D)	0	0	0	0	0
Addenda:																	
European Union (15) ²	36,399	9,298	86	847	522	361	(D)	0	102	(D)	(D)	13,002	393	2,197	1,854	4,200	5,152
OPEC ³	103	(D)	0	0	0	0	0	0	(D)	0	0	0	0	0	(D)	0	0

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3. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE: Data for 2002 are preliminary. For investments in which more than one investor participated, each investor and each investor's outlays are classified by the country of each individual ultimate beneficial owner.