

# U.S. Affiliates of Foreign Companies

## Operations in 2005

By Thomas Anderson

ACCORDING to preliminary results from the Bureau of Economic Analysis' most recent annual survey of foreign direct investment in the United States, growth in the current-dollar value added of majority-owned nonbank U.S. affiliates of foreign companies slowed slightly in 2005. As in 2004, the growth in affiliate value added mainly reflected the expansion of existing operations. Some increases in value added stemmed from new investments, but they were largely offset by decreases due to selloffs and reorganizations of affiliates. In contrast to the growth in affiliate value added, employment by affiliates fell in 2005 for the fifth consecutive year, largely as a result of selloffs of U.S. companies by foreign investors.

In 2005, the current-dollar value added of majority-owned nonbank affiliates ("U.S. affiliates") increased 5.6 percent, to \$540 billion, following a 7.7-percent increase in 2004 and a 3.1-percent increase in 2003 (table 1).<sup>1</sup> In comparison, total U.S. current-dollar value added in nonbank private industries increased 7 percent, following increases of 7 percent in 2004 and 5 percent in 2003. As a result of the slower growth by affiliates in 2005, their share of value added in private industries declined from 5.7 percent in 2004 to 5.6 percent in 2005, falling farther from a peak share of 5.9 percent reached in 2000 (chart 1).

The growth in value added by affiliates can be attributed largely to growth in existing U.S. affiliates rather than to new foreign direct investments, which remained well below the levels reached in 1998–2000.<sup>2</sup>

1. This article focuses on the operations of nonbank U.S. affiliates that are majority-owned by foreign direct investors. The Bureau of Economic Analysis also collects annual data on the operations of nonbank U.S. affiliates that are owned 50 percent or less by foreign direct investors; however, beginning with the 2002 benchmark survey, the data for these affiliates are less extensive than those for majority-owned affiliates. (Data on the operations of bank affiliates are collected only in benchmark survey years.) Selected data on the operations of all (majority-owned and minority-owned) nonbank U.S. affiliates are presented in tables that can be accessed on BEA's Web site at <[www.bea.gov/international/di1fdiop.htm](http://www.bea.gov/international/di1fdiop.htm)>. In 2005, majority-owned nonbank U.S. affiliates accounted for 92 percent of the employment of all nonbank U.S. affiliates.

2. According to data from BEA's survey of new foreign investments, outlays by foreign direct investors to acquire or establish businesses in the United States, which exceeded \$200 billion in each of the years 1998–2000, totaled \$91 billion in 2005, up from \$86 billion in 2004. The outlays for new investment had peaked at \$336 billion in 2000 before falling to \$147 billion in 2001 and \$55 billion in 2002; see Laurence R. McNeil, "Foreign Direct Investment in the United States: New Investment in 2006", SURVEY OF CURRENT BUSINESS 86 (June 2007): 44–51.

The growth in value added at existing affiliates was particularly strong in pharmaceutical and food manufacturing and in mining, especially oil and gas extraction.

Employment by majority-owned affiliates declined slightly in 2005, falling 0.9 percent after falling each year from 2001 to 2004. Total U.S. employment in private industries rose 1.8 percent in 2005, the largest

**Table 1. Value Added and Employment of Majority-Owned Nonbank U.S. Affiliates of Foreign Companies, 1988–2005**

	Value added		Employment	
	Millions of dollars	As a percentage of U.S. private industry value added	Thousands of workers	As a percentage of U.S. private industry employment
1988 .....	146,424	3.8	3,119.0	3.5
1989 .....	168,547	4.0	3,573.4	3.9
1990 .....	190,477	4.3	3,841.7	4.2
1991 .....	207,126	4.6	3,991.3	4.4
1992 .....	214,781	4.5	3,903.9	4.3
1993 .....	223,008	4.4	3,851.7	4.1
1994 .....	244,690	4.5	3,954.0	4.1
1995 .....	254,938	4.5	4,022.6	4.0
1996 .....	283,422	4.7	4,155.6	4.1
1997 .....	313,655	4.9	4,269.1	4.1
1998 .....	353,860	5.2	4,669.5	4.3
1999 .....	397,295	5.6	5,064.3	4.6
2000 .....	447,287	5.9	5,656.5	5.0
2001 .....	417,122	5.4	5,594.3	4.9
2002 .....	460,609	5.8	5,425.4	4.9
2003 .....	475,062	5.7	5,244.4	4.7
2004 <sup>p</sup> .....	511,474	5.7	5,131.5	4.5
2005 <sup>p</sup> .....	539,869	5.6	5,085.7	4.4
Percent change from preceding year				
1989 .....	15.1	.....	14.6	.....
1990 .....	13.0	.....	7.5	.....
1991 .....	8.7	.....	3.9	.....
1992 .....	3.7	.....	-2.2	.....
1993 .....	3.8	.....	-1.3	.....
1994 .....	9.7	.....	2.7	.....
1995 .....	4.2	.....	1.7	.....
1996 .....	11.2	.....	3.3	.....
1997 .....	10.7	.....	2.7	.....
1998 .....	12.8	.....	9.4	.....
1999 .....	12.3	.....	8.5	.....
2000 .....	12.6	.....	11.7	.....
2001 .....	-6.7	.....	-1.1	.....
2002 .....	10.4	.....	-3.0	.....
2003 .....	3.1	.....	-3.3	.....
2004 <sup>r</sup> .....	7.7	.....	-2.2	.....
2005 <sup>p</sup> .....	5.6	.....	-0.9	.....

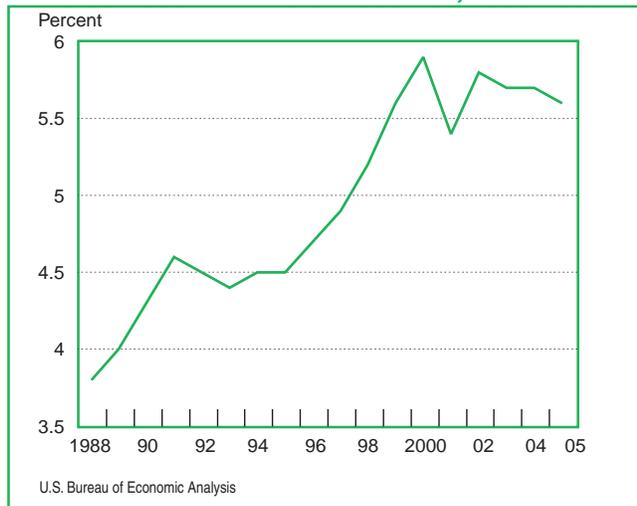
<sup>p</sup> Preliminary  
<sup>r</sup> Revised

Notes: For improved comparability with U.S.-affiliate value added, U.S. private industry value added was adjusted to exclude value added in depository institutions and private households, imputed rental income from owner-occupied housing, and business transfer payments.

For the latest estimates of U.S. private industry value added, see Thomas F. Howells III and Kevin B. Barefoot, "Annual Industry Accounts: Advanced Estimates for 2006," SURVEY OF CURRENT BUSINESS 87 (May 2007): 12–25.

For improved comparability with U.S.-affiliate employment, U.S. private industry employment was adjusted to exclude employment in depository institutions and private households. For consistency with the coverage of the data on U.S. private industry employment, U.S.-affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate total when the employment shares were computed.

**Chart 1. Majority-Owned Nonbank U.S.-Affiliate Share of Value Added in Private Industries, 1988–2005**



increase since 2000. As a result, the share of total U.S. private industry employment accounted for by affiliates of foreign companies decreased from 4.5 percent to 4.4 percent in 2005, continuing a downtrend from a

high of 5.0 percent in 2000.<sup>3</sup> The decline in U.S. affiliate employment partly reflected selloffs of U.S. companies by foreign investors, including partial selloffs of subsidiaries or operating units of U.S. affiliates. The downtrend in the share of private industry employment accounted for by affiliates is partly explained by the concentration of affiliates in industries that have not experienced domestic job growth in recent years, such as manufacturing.

The following are additional highlights of the operations of U.S. affiliates in 2005:

- By country of ownership, the United Kingdom continued to be the largest investing country in terms of value added, followed by Germany and Japan.
- By industrial sector, affiliates' shares of U.S. employment were highest in mining and manufacturing.
- By state, the affiliate share of employment was highest in Delaware, followed by South Carolina and

3. Because U.S. affiliates tend to be concentrated in industrial sectors with relatively high value added per employee (such as manufacturing, mining, and wholesale trade), their share of U.S. employment has consistently been lower than their share of U.S. value added.

### Key Terms

The following key terms are used to describe U.S. affiliates of foreign companies and their operations.

**U.S. affiliate.** A U.S. business enterprise in which there is foreign direct investment—that is, in which a single foreign person owns or controls, directly or indirectly, 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise. **Person** is broadly defined to include 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 any person that resides outside the United States—that is, outside the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and all U.S. territories and possessions.

**Majority-owned U.S. affiliate.** A U.S. affiliate that is owned more than 50 percent by foreign direct investors.

**Foreign parent.** The first person outside the United States in a U.S. affiliate's ownership chain that has a direct investment interest in the affiliate.

**Ultimate beneficial owner (UBO).** 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. 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.

**Foreign parent group.** Consists of (1) the foreign parent, (2) any foreign person, proceeding up the foreign parent's ownership chain, that owns more than 50 percent of the person below it, up to and including the UBO, 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.

**Value added.** The contribution to U.S. gross domestic product, which is the market value of the goods and services produced by labor and property located in the United States. Value added can be measured as gross output (sales or receipts and other operating income plus inventory change) minus intermediate inputs (purchased goods and services). Alternatively, it can be measured as the sum of the costs incurred (except for intermediate inputs) and the profits earned in production. The value-added estimates for U.S. affiliates were prepared by summing cost and profit data collected in the annual and benchmark surveys of foreign direct investment in the United States. The estimates are measures of gross value added rather than measures of net value added because they are calculated without the deduction for the consumption of fixed capital used in production.

The estimates of value added of U.S. affiliates are conceptually consistent with BEA's estimates of U.S. value added by industry.

Connecticut; in previous years, the share had been highest in South Carolina.

- Affiliates continued to account for a large share of both U.S. imports and U.S. exports of goods; U.S. affiliates accounted for nearly 20 percent of exports and about 25 percent of imports.
- Research and development (R&D) spending by U.S. affiliates totaled \$31.7 billion in 2005, slightly more than in 2004.

This article examines changes in value added, employment, and trade in goods of U.S. affiliates of foreign companies in 2005. In light of heightened interest in U.S. R&D activity, the article also examines the R&D activity of U.S. affiliates. For each of these measures, changes are examined both in the aggregate and for each major investing country. For value added, changes are also examined by industry of affiliate and industry of the foreign owner. For employment, changes are examined by industry and by state. Several additional measures of U.S.-affiliate operations are presented in tables at the end of this article.

### Value Added

In 2005, the current-dollar value added of majority-owned nonbank U.S. affiliates increased 6 percent, from \$511 billion to \$540 billion. In comparison, total U.S. current-dollar value added by nonbank private industries increased 7 percent. The share of value added

of private industries that was accounted for by U.S. affiliates decreased slightly, from 5.7 percent to 5.6 percent.<sup>4</sup>

### By country of ownership

In 2005, seven major investing countries—Canada, France, Germany, Japan, the Netherlands, Switzerland, and the United Kingdom—accounted for more than three-fourths of the value added of majority-owned nonbank affiliates (table 2 and chart 2). In 2005, as in every year since at least 1977 (the initial year covered by BEA's annual survey of operations of U.S. affiliates), affiliates with ultimate beneficial owners (UBOs) in the United Kingdom accounted for the largest share of affiliate value added. British-owned affiliates accounted for 20 percent of affiliate value added and for 1 percent of total U.S. value added in private industries. Japanese- and German-owned affiliates had the second and third largest shares of affiliate value added.

For each of the seven largest investing countries, value added by affiliates rose in 2005. In percentage

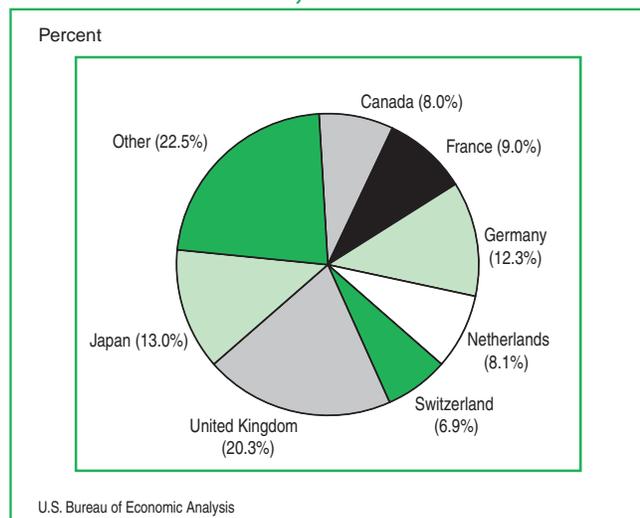
4. The rate of change in U.S. value added in private industries serves as a convenient benchmark against which the increase in U.S.-affiliate value added can be evaluated. However, the two growth rates are not strictly comparable, because the growth rate of U.S.-affiliate value added partly reflects changes in ownership that do not represent changes in production for the whole economy. Similarly, changes in U.S.-affiliate employment, exports, imports, and R&D partly reflect changes in ownership. Thus, they are not strictly comparable with the corresponding changes for the whole economy.

Table 2. Value Added of Majority-Owned Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 2000–2005

	Millions of dollars						Percentage of all-countries total						Addendum: Percent change in affiliate value added, 2005
	2000	2001	2002	2003	2004	2005	2000	2001	2002	2003	2004	2005	
<b>All countries</b> .....	<b>447,287</b>	<b>417,122</b>	<b>460,609</b>	<b>475,062</b>	<b>511,474</b>	<b>539,869</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>5.6</b>
<b>Canada</b> .....	<b>36,928</b>	<b>31,702</b>	<b>35,496</b>	<b>35,486</b>	<b>40,231</b>	<b>43,063</b>	<b>8.3</b>	<b>7.6</b>	<b>7.7</b>	<b>7.5</b>	<b>7.9</b>	<b>8.0</b>	<b>7.0</b>
<b>Europe</b> .....	<b>299,251</b>	<b>270,144</b>	<b>299,965</b>	<b>313,054</b>	<b>332,450</b>	<b>350,615</b>	<b>66.9</b>	<b>64.8</b>	<b>65.1</b>	<b>65.9</b>	<b>65.0</b>	<b>64.9</b>	<b>5.5</b>
Belgium .....	5,526	5,925	6,997	6,927	8,080	6,922	1.2	1.4	1.5	1.5	1.6	1.3	-14.3
Denmark .....	1,282	1,188	2,738	3,019	3,117	3,366	0.3	0.3	0.6	0.6	0.6	0.6	8.0
Finland .....	3,218	(D)	3,877	3,709	3,731	3,920	0.7	(D)	0.8	0.8	0.7	0.7	5.1
France .....	38,763	35,444	40,947	41,186	44,026	48,465	8.7	8.5	8.9	8.7	8.6	9.0	10.1
Germany .....	51,524	46,882	59,434	63,242	64,977	66,479	11.5	11.2	12.9	13.3	12.7	12.3	-2.3
Ireland .....	(D)	3,109	3,291	3,226	3,525	3,821	(D)	0.7	0.7	0.7	0.7	0.7	8.4
Italy .....	4,765	4,665	5,824	5,380	6,354	7,202	1.1	1.1	1.3	1.1	1.2	1.3	13.4
Netherlands .....	43,745	36,188	39,102	43,327	41,686	43,729	9.8	8.7	8.5	9.1	8.2	8.1	4.9
Sweden .....	10,678	10,803	11,972	12,088	12,086	12,670	2.4	2.6	2.6	2.5	2.4	2.3	4.8
Switzerland .....	35,225	29,097	30,809	31,217	33,646	36,732	7.9	7.0	6.7	6.6	6.6	6.8	9.2
United Kingdom .....	98,282	89,151	90,124	94,230	105,032	109,862	22.0	21.4	19.6	19.8	20.5	20.3	4.6
Other .....	(D)	(D)	4,850	5,501	6,189	7,446	(D)	(D)	1.1	1.2	1.2	1.4	20.3
<b>Latin America and Other Western Hemisphere</b> .....	<b>25,036</b>	<b>30,075</b>	<b>36,737</b>	<b>34,453</b>	<b>38,832</b>	<b>40,812</b>	<b>5.6</b>	<b>7.2</b>	<b>8.0</b>	<b>7.3</b>	<b>7.6</b>	<b>7.6</b>	<b>5.1</b>
Bermuda .....	11,697	14,949	21,745	18,541	21,449	19,683	2.6	3.6	4.7	3.9	4.2	3.6	-8.2
Mexico .....	2,746	2,660	3,299	2,964	3,195	4,532	0.6	0.6	0.7	0.6	0.6	0.8	41.8
United Kingdom Islands, Caribbean .....	1,658	2,022	1,995	2,487	2,230	3,151	0.4	0.5	0.4	0.5	0.4	0.6	41.3
Venezuela .....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	n.a.
Other .....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	n.a.
<b>Africa</b> .....	<b>1,051</b>	<b>(D)</b>	<b>981</b>	<b>916</b>	<b>1,135</b>	<b>1,048</b>	<b>0.2</b>	<b>(D)</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>-7.6</b>
<b>Middle East</b> .....	<b>2,402</b>	<b>8,308</b>	<b>7,439</b>	<b>8,391</b>	<b>9,511</b>	<b>10,414</b>	<b>0.5</b>	<b>2.0</b>	<b>1.6</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	<b>9.5</b>
Saudi Arabia .....	328	6,307	5,105	5,615	6,415	6,771	0.1	1.5	1.1	1.2	1.3	1.3	5.6
Other .....	2,074	2,000	2,334	2,776	3,096	3,642	0.5	0.5	0.5	0.6	0.6	0.7	17.6
<b>Asia and Pacific</b> .....	<b>77,594</b>	<b>69,960</b>	<b>74,947</b>	<b>77,155</b>	<b>82,082</b>	<b>85,985</b>	<b>17.3</b>	<b>16.8</b>	<b>16.3</b>	<b>16.2</b>	<b>16.0</b>	<b>15.9</b>	<b>4.8</b>
Australia .....	6,109	6,224	6,565	8,121	9,315	7,326	1.4	1.5	1.4	1.7	1.8	1.4	-21.4
Japan .....	63,622	57,735	61,099	62,168	65,032	70,337	14.2	13.8	13.3	13.1	12.7	13.0	8.2
Korea, Republic of .....	2,372	1,303	2,094	1,993	2,342	1,969	0.5	0.3	0.5	0.4	0.5	0.4	-15.9
Other .....	5,491	4,698	5,188	4,873	5,394	6,354	1.2	1.1	1.1	1.0	1.1	1.2	17.8
<b>United States</b> .....	<b>5,024</b>	<b>(D)</b>	<b>5,044</b>	<b>5,608</b>	<b>7,233</b>	<b>7,932</b>	<b>1.1</b>	<b>(D)</b>	<b>1.1</b>	<b>1.2</b>	<b>1.4</b>	<b>1.5</b>	<b>9.7</b>

D Suppressed to avoid disclosure of data of individual companies.

**Chart 2. Investing-Country Shares of Value Added of U.S. Affiliates, 2005**



terms, the increase was greatest for French-owned affiliates, followed by Swiss-, Japanese-, and Canadian-owned affiliates. The value added of French-owned affiliates rose 10 percent; much of the increase was accounted for by affiliates in finance and insurance and by affiliates in manufacturing. The value added of Swiss-owned affiliates increased 9 percent, largely as a result of expanded production by affiliates in pharmaceuticals and food manufacturing. The value added of Japanese-owned affiliates increased 8 percent, reflecting expanded operations by affiliates in manufacturing and wholesale trade, including several affiliates involved in the manufacture and sale of motor vehicles. The value added of Canadian-owned affiliates rose 7 percent, partly because of increases in output among manufacturing, information, and mining affiliates.

For Netherlands-, British-, and German-owned affiliates, the increases in value added in 2005 were relatively modest. The value added of British-owned

affiliates grew 5 percent, as growth in existing affiliates and the entry of new manufacturing affiliates were partly offset by the selloff of several affiliates and the transfer of ownership of affiliates to other countries of UBO. Among Netherlands-owned affiliates, value added rose 5 percent, reflecting selloffs of affiliates, which offset growth in existing affiliates. The value added of German-owned affiliates increased only 2 percent, as growth in manufacturing affiliates was nearly offset by a decline in value added by affiliates in finance.

Among other investing countries, the value added of Mexican-owned affiliates increased 42 percent in 2005, reflecting both acquisitions and expanded production by existing affiliates. The value added of affiliates with UBOs in the “United Kingdom Islands, Caribbean” increased 41 percent, mainly because of expanded operations by affiliates in the insurance and mining industries. In contrast, the value added of majority-owned affiliates with UBOs in Australia dropped 21 percent, as increases associated with new foreign investment and expanded affiliate production were more than offset by decreases associated with selloffs and company reorganizations that reduced foreign ownership shares to less than 50 percent.

### By industry of UBO

In 2005, affiliates of UBOs in manufacturing accounted for slightly more than half of all U.S.-affiliate value added (table 3). Affiliates of UBOs in nonmanufacturing industries accounted for a further one-third of the total affiliate value added. Affiliates of UBOs that were individuals, estates, or trusts accounted for 9 percent of affiliate value added, and affiliates of UBOs that

**Table 3. Value Added of Majority-Owned Nonbank U.S. Affiliates by Industry of Ultimate Beneficial Owner, 2002–2005**

	Millions of dollars				Percentage of all-industries total			
	2002	2003	2004	2005	2002	2003	2004	2005
<b>All industries</b> .....	<b>460,609</b>	<b>475,062</b>	<b>511,474</b>	<b>539,869</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Government and government-related entities Government and government-owned enterprises.....	13,626	15,755	17,356	17,554	3.0	3.3	3.4	3.3
Pension funds—government run .....	13,635	15,710	17,303	17,371	3.0	3.3	3.4	3.2
.....	-9	44	53	184	(*)	(*)	(*)	(*)
Individuals, estates, and trusts .....	39,619	42,400	45,173	49,423	8.6	8.9	8.8	9.2
Mining .....	16,121	19,597	22,467	23,051	3.5	4.1	4.4	4.3
Manufacturing .....	252,240	248,078	260,507	273,946	54.8	52.2	50.9	50.7
Wholesale and retail trade .....	31,483	32,433	35,418	35,903	6.8	6.8	6.9	6.7
Information.....	19,144	19,548	22,282	18,886	4.2	4.1	4.4	3.5
Depository institutions and bank holding companies .....	8,631	6,788	9,259	10,189	1.9	1.4	1.8	1.9
Finance (except depository institutions) and insurance .....	8,712	18,489	18,718	22,076	1.9	3.9	3.7	4.1
Professional, scientific, and technical services .....	13,076	13,726	16,170	18,375	2.8	2.9	3.2	3.4
Other .....	44,331	42,494	64,124	70,466	9.6	8.9	12.5	13.1

\* Non-zero values between -0.05 and 0.05.

### Data Availability

This article summarizes the preliminary estimates from the 2005 annual survey of foreign direct investment in the United States. More detailed estimates will be posted this fall in files that can be downloaded at no charge from BEA's Web site at [www.bea.gov](http://www.bea.gov). Revised estimates will be released next year.

Detailed estimates of U.S. affiliate operations for 1977–2004 are also available on BEA's Web site.

For more information on these products and how to order them, see the International Investment Division Product Guide at [www.bea.gov/scb/account\\_articles/international/iidguide.htm](http://www.bea.gov/scb/account_articles/international/iidguide.htm).

were foreign governments or government-related entities accounted for 3 percent.

### By industry of affiliate

The distribution of value added by industry of affiliate did not change substantially in 2005 (table 4). Manufacturing continued to account for the largest share, 45 percent, up slightly from the previous year, though down from the late 1990s when manufacturing accounted for more than half of affiliate value added. The wholesale trade industry, which includes several affiliates that also have substantial secondary operations in manufacturing, accounted for 18 percent of affiliate value added.<sup>5</sup>

Value added by affiliates in manufacturing grew 7 percent in 2005, slightly faster than growth in value added of all affiliates. Within manufacturing, growth in value added was substantial in several subsectors—notably primary metals (23 percent), fabricated metal products (16 percent), and food manufacturing (16 percent). In primary metals, the growth was primarily due to the entry of new affiliates. In food manufacturing, the increase was primarily due to increased output of existing affiliates, and in fabricated metals, it was due to both increased output of existing affiliates and the entry of new affiliates. In contrast, value added

by affiliates in petroleum and coal products, which had increased sharply in 2004, grew relatively slowly, at 3 percent. Value added in machinery manufacturing declined 4 percent, mainly because of the reclassification of affiliates into other industries.

Outside of manufacturing, growth in value added by affiliates in finance (except depository institutions) and insurance was substantial, 11 percent. Most of the increase was due to increases by existing affiliates in life insurance. There was also considerable growth in the residual category “other industries,” reflecting growth by affiliates in mining (especially oil and gas extraction); administration, support, and waste management; construction; and transportation and warehousing. Value added by affiliates in information fell 7 percent, mainly because of declines in sales by telecommunications affiliates and reorganizations of other information affiliates. Value added by affiliates in retail trade fell 1 percent, as increases from acquisitions and expansions in ongoing operations were more than offset by decreases from selloffs.

### Employment

In 2005, employment by majority-owned nonbank U.S. affiliates of foreign companies fell 1 percent, from 5,131,000 employees to 5,086,000 employees. The decline—the fifth in 5 years—followed a decline of 2 percent in 2004. Since peaking in 2000, employment by affiliates has fallen 10 percent. In contrast, total U.S. employment in nonbank private industries rose 2

Table 4. Value Added of Majority-Owned Nonbank U.S. Affiliates by Industry of Affiliate, 2000–2005

	Millions of dollars						Percentage of all industries total						Addendum: Percent change in affiliate value added, 2005
	2000	2001	2002	2003	2004	2005	2000	2001	2002	2003	2004	2005	
<b>All industries</b> .....	<b>447,287</b>	<b>417,122</b>	<b>460,609</b>	<b>475,062</b>	<b>511,474</b>	<b>539,869</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>5.6</b>
<b>Manufacturing</b> .....	<b>215,684</b>	<b>200,506</b>	<b>229,245</b>	<b>220,637</b>	<b>226,992</b>	<b>242,355</b>	<b>48.2</b>	<b>48.1</b>	<b>49.8</b>	<b>46.4</b>	<b>44.4</b>	<b>44.9</b>	<b>6.8</b>
Food .....	10,710	10,832	14,303	9,268	12,897	14,923	2.4	2.6	3.1	2.0	2.5	2.8	15.7
Beverages and tobacco products .....	(D)	(D)	5,678	7,142	6,287	7,061	(D)	(D)	1.2	1.5	1.2	1.3	12.3
Petroleum and coal products .....	(D)	(D)	(D)	18,373	21,397	22,005	(D)	(D)	(D)	3.9	4.2	4.1	2.8
Chemicals .....	41,016	39,512	45,034	47,307	45,290	50,237	9.2	9.5	9.8	10.0	8.9	9.3	10.9
Plastics and rubber products .....	8,727	7,636	9,460	9,553	9,596	10,649	2.0	1.8	2.1	2.0	1.9	2.0	11.0
Nonmetallic mineral products .....	14,952	14,367	15,144	14,913	16,351	17,656	3.3	3.4	3.3	3.1	3.2	3.3	8.0
Primary metals .....	8,299	8,254	5,590	4,029	9,584	11,785	1.9	2.0	1.2	0.8	1.9	2.2	23.0
Fabricated metal products .....	7,279	6,382	7,390	7,767	5,897	6,865	1.6	1.5	1.6	1.6	1.2	1.3	16.4
Machinery .....	18,382	19,077	21,055	19,712	21,744	20,788	4.1	4.6	4.6	4.1	4.3	3.9	-4.4
Computers and electronic products .....	26,936	21,004	23,082	18,782	12,938	14,234	6.0	5.0	5.0	4.0	2.5	2.6	10.0
Electrical equipment, appliances, and components .....	16,359	12,536	4,481	5,235	5,150	5,692	3.7	3.0	1.0	1.1	1.0	1.1	10.5
Transportation equipment .....	30,358	29,048	36,848	34,800	35,623	36,746	6.8	7.0	8.0	7.3	7.0	6.8	3.2
Other .....	(D)	(D)	(D)	23,755	24,237	23,715	(D)	(D)	(D)	5.0	4.7	4.4	-2.2
<b>Wholesale trade</b> .....	<b>81,413</b>	<b>81,462</b>	<b>75,657</b>	<b>86,568</b>	<b>97,947</b>	<b>98,271</b>	<b>18.2</b>	<b>19.5</b>	<b>16.4</b>	<b>18.2</b>	<b>19.2</b>	<b>18.2</b>	<b>0.3</b>
Petroleum and petroleum products .....	(D)	(D)	27,138	30,290	33,305	31,636	(D)	(D)	5.9	6.4	6.5	5.9	-5.0
Other .....	(D)	(D)	48,519	56,278	64,642	66,635	(D)	(D)	10.5	11.8	12.6	12.3	3.1
Retail trade .....	22,308	24,800	26,486	27,843	29,362	28,953	5.0	5.9	5.8	5.9	5.7	5.4	-1.4
Information .....	19,427	8,247	24,297	26,049	30,326	28,162	4.3	2.0	5.3	5.5	5.9	5.2	-7.1
Finance (except depository institutions) and insurance .....	34,730	17,305	15,216	22,961	25,280	28,137	7.8	4.1	3.3	4.8	4.9	5.2	11.3
Real estate and rental and leasing .....	9,323	9,502	9,647	9,928	12,192	12,998	2.1	2.3	2.1	2.1	2.4	2.4	6.6
Professional, scientific, and technical services .....	8,553	14,923	16,426	16,694	19,075	20,406	1.9	3.6	3.6	3.5	3.7	3.8	7.0
Other industries .....	55,848	60,377	63,634	64,383	70,298	80,586	12.5	14.5	13.8	13.6	13.7	14.9	14.6

D Suppressed to avoid disclosure of data of individual companies.

percent in 2005 and 1 percent from 2000 to 2005. As a result, the share of private industry employment accounted for by U.S. affiliates decreased from 4.5 percent in 2004 to 4.4 percent in 2005, continuing a downtrend from a peak share of 5.0 percent in 2000. As in 2000–2004, the decline in recorded employment by affiliates was due primarily to sales of U.S. companies by foreign investors to domestic firms.

## By industry

In 2005, as has been the case for many years, the U.S.-affiliate share of private industry employment at the

sector level was highest in mining, at 15.8 percent (table 5).<sup>6</sup> Other sectors where employment by U.S. affiliates accounted for substantial shares were manufacturing (11.8 percent), wholesale trade (7.4 percent),

6. The estimates of U.S.-affiliate employment shares are derived from data on affiliate employment broken down by industry of sales, a basis that approximates the establishment-based disaggregation of the corresponding data for all U.S. businesses. See the box "Using Employment Data to Estimate Affiliate Shares of the U.S. Economy by Industry." Because employment by industry of sales more precisely reflects the industrial composition of affiliate business activities than data by industry of affiliate, the industry presentation in this section is more detailed than that presented in the section on value added by industry of affiliate.

**Table 5. Employment by Majority-Owned Nonbank U.S. Affiliates by Industry of Sales, 2000–2005**

	Thousands of employees						Percentage of total U.S. employment in nonbank private industries <sup>1</sup>					
	2000	2001	2002	2003	2004	2005	2000	2001	2002	2003	2004	2005
<b>All industries<sup>2</sup></b> .....	<b>5,656.5</b>	<b>5,594.3</b>	<b>5,425.4</b>	<b>5,244.4</b>	<b>5,131.5</b>	<b>5,085.7</b>	<b>5.0</b>	<b>4.9</b>	<b>4.9</b>	<b>4.7</b>	<b>4.5</b>	<b>4.4</b>
Agriculture, forestry, fishing, and hunting .....	12.7	12.1	10.3	8.9	8.7	8.7	0.9	0.8	0.7	0.6	0.6	0.6
Mining, excluding oil and gas extraction .....	54.4	60.4	79.8	62.2	61.7	68.9	13.8	14.6	20.6	16.2	15.3	15.8
Utilities .....	24.8	19.7	31.6	33.7	32.1	34.2	4.1	3.3	5.3	5.9	5.7	6.2
Construction .....	69.6	79.8	81.5	82.2	69.5	72.4	1.0	1.1	1.2	1.2	1.0	1.0
<b>Manufacturing<sup>3</sup></b> .....	<b>2,139.1</b>	<b>1,956.7</b>	<b>1,844.1</b>	<b>1,769.4</b>	<b>1,703.0</b>	<b>1,712.9</b>	<b>12.2</b>	<b>11.7</b>	<b>11.9</b>	<b>12.0</b>	<b>11.7</b>	<b>11.8</b>
Food and beverage and tobacco products .....	M	M	135.9	156.8	140.3	130.8	(D)	(D)	7.7	9.1	8.2	7.8
Textile mills and textile product mills .....	25.2	J	18.3	15.3	15.7	15.4	4.2	(D)	3.7	3.4	3.8	4.0
Apparel and leather and allied products .....	J	J	7.0	5.5	5.4	5.7	(D)	(D)	1.7	1.5	1.6	1.8
Wood products .....	19.7	19.9	17.9	12.0	13.1	9.2	3.1	3.4	3.1	2.2	2.3	1.6
Paper .....	K	K	41.7	46.0	46.0	43.8	(D)	(D)	7.7	8.9	9.3	9.0
Printing and related support activities .....	L	53.8	50.6	54.4	45.0	42.2	(D)	6.9	7.0	7.8	6.6	6.4
Petroleum and coal products <sup>4</sup> .....	25.2	22.8	21.7	37.2	33.5	32.3	10.1	9.3	9.0	15.7	14.3	13.5
Chemicals .....	261.2	247.7	264.9	254.1	249.2	224.3	26.5	25.8	28.6	28.0	28.1	25.6
Plastics and rubber products .....	132.9	126.1	121.6	118.4	111.6	115.5	13.9	14.1	14.3	14.5	13.8	14.4
Nonmetallic mineral products .....	125.6	122.4	117.2	119.7	117.4	121.8	22.3	22.4	22.5	23.9	23.4	24.0
Primary metals .....	85.2	78.4	61.8	56.0	63.5	76.0	13.7	13.7	12.2	11.8	13.6	16.3
Fabricated metal products .....	108.7	112.5	103.4	90.0	85.3	87.5	6.1	6.7	6.7	6.1	5.7	5.7
Machinery .....	204.4	184.1	172.0	161.1	149.0	143.5	13.9	13.4	14.0	14.0	13.0	12.3
Computers and electronic products .....	286.9	240.6	198.1	154.1	148.9	162.7	15.8	13.7	13.2	11.4	11.3	12.4
Electrical equipment, appliances, and components .....	118.2	103.7	101.0	83.6	81.0	90.1	19.9	18.7	20.3	18.2	18.2	20.7
Motor vehicles, bodies and trailers, and parts .....	322.8	275.9	268.5	277.7	273.2	278.1	24.5	22.8	23.3	24.9	24.5	25.3
Other transportation equipment .....	46.1	48.1	47.2	45.0	48.2	52.9	6.2	6.7	7.0	6.9	7.4	7.9
Furniture and related products .....	15.1	15.1	11.5	11.2	11.3	13.3	2.2	2.3	1.9	1.9	2.0	2.3
Miscellaneous manufacturing .....	80.7	80.3	83.9	71.4	65.5	67.9	10.5	10.9	11.8	10.4	9.7	10.1
Wholesale trade .....	407.0	440.3	438.6	411.1	430.0	430.0	6.9	7.6	7.7	7.2	7.5	7.4
Retail trade .....	641.8	643.1	605.4	576.1	597.2	526.8	4.1	4.1	3.9	3.7	3.8	3.3
Transportation and warehousing .....	213.7	228.7	247.3	199.3	193.2	208.9	4.8	5.2	5.8	4.7	4.5	4.8
Information .....	212.6	196.1	206.4	215.0	196.3	187.4	5.8	5.4	6.1	6.7	6.3	6.1
<b>Finance (except depository institutions) and insurance</b> .....	<b>264.8</b>	<b>274.0</b>	<b>230.7</b>	<b>227.0</b>	<b>185.2</b>	<b>189.8</b>	<b>6.4</b>	<b>6.6</b>	<b>5.6</b>	<b>5.4</b>	<b>4.4</b>	<b>4.4</b>
Finance, except depository institutions .....	M	142.6	100.9	109.4	85.7	88.9	(D)	7.7	5.4	5.7	4.4	4.4
Insurance carriers and related activities .....	M	131.4	129.8	117.6	99.5	100.9	(D)	5.8	5.7	5.1	4.3	4.4
Real estate and rental and leasing .....	43.2	42.9	38.8	37.6	48.3	46.1	2.1	2.0	1.8	1.8	2.2	2.1
Professional, scientific, and technical services .....	199.0	225.4	215.7	233.7	247.9	255.5	2.6	3.1	3.0	3.3	3.4	3.4
Management of nonbank companies and enterprises .....	2.0	2.2	3.1	3.0	2.2	1.7	0.1	0.1	0.2	0.2	0.1	0.1
Administration, support, and waste management .....	590.0	546.7	547.9	508.8	474.7	486.1	7.3	7.0	7.2	6.8	6.1	6.0
Educational services .....	I	7.6	5.0	5.9	6.9	5.9	(D)	0.3	0.2	0.2	0.2	0.2
Health care and social assistance .....	L	L	103.5	77.6	79.4	72.5	(D)	(D)	0.7	0.5	0.5	0.5
Arts, entertainment, and recreation .....	36.2	36.0	33.6	33.9	33.0	22.5	2.0	1.9	1.8	1.8	1.7	1.1
Accommodation and food services .....	M	324.8	326.1	333.3	317.9	309.6	(D)	3.2	3.2	3.2	2.9	2.8
Other services, except government .....	K	K	27.8	53.9	69.3	76.4	(D)	(D)	0.4	0.8	1.0	1.1
Auxiliaries .....	289.3	326.6	313.6	331.4	328.7	342.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unspecified <sup>5</sup> .....	40.9	28.3	34.6	40.4	46.5	27.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

D Suppressed to avoid disclosure of data of individual companies.  
n.a. Not applicable

1. The data on U.S. employment in private industries that were used in calculating these percentages are classified by industry of establishment. They are from table 6.4D of the "National Income and Product Accounts (NIPA) Tables." The total for U.S. employment in nonbank private industries is equal to employment in private industries less the employment of depository institutions and private households. The U.S. private-industry employment totals used to calculate the affiliate shares in "all industries" in this table differ from the U.S. employment totals used to calculate affiliate shares in table 6; the latter are from BEA's Regional Economic Information System. The estimates in table 6, unlike those used for this table, include employment in depository institutions. In addition, the estimates for table 6, unlike those used for this table, exclude U.S. residents temporarily employed abroad by U.S. businesses. They may also differ from NIPA estimates used for "all industries" in this table because of different definitions and revision schedules.

2. For consistency with the coverage of the data on U.S. employment in private industries, U.S.-affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate employment total when the percentage shares on this line were computed. Data needed to make this adjustment are not available for individual industries.

3. Total affiliate manufacturing employment and the shares of all-U.S.-business manufacturing employment accounted for by affiliates shown in this table differ from those shown in table 7. In this table, employment is classified by industry of sales, and the total for manufacturing includes some nonmanufacturing employees (see the box "Using Employment Data to Estimate Affiliate Shares of the U.S. Economy by Industry"), whereas in

table 7, affiliate manufacturing employment consists only of employees on the payrolls of manufacturing plants. Data on the latter basis are not available for the industries within manufacturing shown in this table. In addition, the total for manufacturing in this table includes oil and gas extraction, which is excluded from the total in table 7.

4. For both U.S. affiliates and all U.S. businesses, includes oil and gas extraction. (See note below.)

5. This line includes all employment that U.S. affiliates did not specify in terms of industry of sales when they filled out their survey forms. Affiliates that filed the long form (that is, affiliates with assets, sales, or net income or loss greater than \$100 million in 1999–2001 and greater than \$125 million in 2002–2005) had to specify only their 10 largest sales categories, and affiliates that filed the short form had to specify only their 4 largest sales categories.

Notes: A significant portion of U.S.-affiliate employment in petroleum and coal products is accounted for by integrated petroleum companies that have, in addition to their manufacturing employees, substantial numbers of employees in petroleum extraction; because these employees cannot be identified separately, they are included in petroleum and coal products manufacturing. For consistency, employees of affiliates classified in the "oil and gas extraction without refining" industry and employees of all U.S. businesses in oil and gas extraction are also included in petroleum and coal products manufacturing rather than in mining.

The following ranges are given in employment cells that are suppressed: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

and information (6.1 percent). Within manufacturing, affiliates accounted for the largest shares of employment in chemicals (25.6 percent), motor vehicles, bodies and trailers, and parts (25.3 percent), and nonmetallic mineral products (24.0 percent).

The affiliate share of employment in manufacturing edged up, rising from 11.7 percent in 2004 to 11.8 percent in 2005, as affiliate employment in manufacturing increased slightly in the face of a slight decrease in total U.S. manufacturing employment. Within manufacturing, the affiliate share of employment rose in several industries, especially in primary metals, in electrical equipment, appliances, and components, and in com-

puters and electronic products. In primary metals, the affiliate share rose from 13.6 percent to 16.3 percent as a result of new acquisitions of U.S. companies by foreign direct investors. In electrical equipment, appliances, and components, the affiliate share rose from 18.2 percent to 20.7 percent, partly because of acquisitions made by existing U.S. affiliates. In computers and electronic products, the affiliate share rose from 11.3 percent to 12.4 percent, mainly because of new foreign investments.

The affiliate share of employment fell in several manufacturing industries, including chemicals and petroleum and coal products. In chemicals, the affiliate

### Data on Foreign Direct Investment in the United States

BEA collects three broad sets of data on foreign direct investment in the United States: (1) Financial and operating data of U.S. affiliates, (2) data on U.S. businesses newly acquired or established by foreign direct investors (new investment data), and (3) international transactions (balance of payments) and direct investment position data. This article presents the financial and operating data. The new investment data were published in "Foreign Direct Investment in the United States: New Investment in 2006" in the June 2007 issue of the SURVEY OF CURRENT BUSINESS. The international transactions and direct investment position data were published in the articles "The International Investment Position of the United States at Yearend 2006," "U.S. International Transactions: First Quarter of 2007," and "Direct Investment Positions for 2006: Country and Industry Detail," in the July 2007 SURVEY.

Each of the three data sets focuses on a distinct aspect of foreign direct investment. The financial and operating data provide a picture of the overall activities of the U.S. affiliates; the new investment data provide information about U.S. businesses that are newly acquired or established by foreign direct investors, regardless of whether the invested funds were raised in the United States or abroad; and the international transactions and direct investment position data cover foreign investors' transactions with, and positions in, both new and existing U.S. affiliates.<sup>1</sup>

**Financial and operating data of U.S. affiliates.** The data on the overall operations of U.S. affiliates are collected in BEA's annual and benchmark surveys of foreign direct investment. Benchmark surveys are BEA's most

comprehensive surveys of foreign direct investment in terms of both coverage of companies and subject matter and are conducted every 5 years. The data cover U.S. affiliates' balance sheets and income statements, employment and compensation of employees, trade in goods, research and development expenditures, sources of finance, and selected data by state. In addition, the value added of affiliates is estimated from data reported in these surveys.

Except in benchmark survey years, these data, unlike the new investment data, cover only nonbank affiliates. The financial and operating data for affiliates are on a fiscal year basis. The data cover the entire operations of the U.S. affiliate regardless of the percentage of foreign ownership.

**New investment data.** The data on outlays by foreign direct investors to acquire or establish affiliates in the United States are collected on a calendar year basis in BEA's annual survey of new foreign direct investment. In addition, the surveys of new investment collect selected data on the operations of the newly acquired or established affiliates. For newly acquired affiliates, these data are for (or as of the end of) the most recent fiscal year preceding the acquisition, and for newly established businesses, they are projected for (or as of the end of) the first year of operation. The data cover the entire operations of the business irrespective of the percentage of foreign ownership.

**International transactions and direct investment position data.** These data are collected in the quarterly surveys of foreign direct investment. The data cover the U.S. affiliate's transactions and positions with its foreign parent and with other members of its foreign parent group, so these data focus on the foreign parent's share, or interest, in the affiliate rather than on the affiliate's overall size or level of operations. The major items included in the U.S. international transactions (balance of payments) accounts are direct investment financial flows, direct investment income, royalties and license fees, and other services transactions with the foreign parent group.

1. For a more detailed discussion of the differences between these three sets of data, see Alicia M. Quijano, "A Guide to BEA Statistics on Foreign Direct Investment in the United States," SURVEY 70 (February 1990): 29-37; <[www.bea.gov/bea/mp\\_international.htm](http://www.bea.gov/bea/mp_international.htm)>.

For a comparison of the data on affiliate operations with the data on new investment, see the appendix "Sources of Data" in Mahnaz Fahim-Nader and William J. Zeile, "Foreign Direct Investment in the United States: New Investment in 1994 and Affiliate Operations in 1993," SURVEY 75 (May 1995): 68-70; <[www.bea.gov/scb/index.htm](http://www.bea.gov/scb/index.htm)>.

share decreased to 25.6 percent, reflecting job cuts related to cost-cutting at several existing affiliates and selloffs of affiliates. In petroleum and coal products, the affiliate share decreased to 13.5 percent because of selloffs of affiliates.

Outside manufacturing, the affiliate share of employment in mining rose from 15.3 percent to 15.8 percent, but it remained lower than the high of 20.6 percent reached in 2002. The rise in 2005 was primarily due to increases in employment in existing affiliates, especially among affiliates involved in support services for oil and gas exploration. The affiliate share of employment also rose significantly in utilities, to 6.2 percent from 5.7 percent, mainly because of expansions of existing affiliates. In retail trade, the share of employment fell to 3.3 percent from 3.8 percent, as total employment by affiliates fell 70,000, largely because of selloffs.

### By state

In 2005, Delaware had the largest share of private industry employment accounted for by majority-owned U.S. affiliates, 7.2 percent (table 6). Affiliate shares of employment were also relatively high in South Carolina (7.0 percent), Connecticut (6.9 percent), New Jersey (6.2 percent), New Hampshire (6.1 percent), and Hawaii (6.1 percent). In 2002–2004, South Carolina

had the highest share of employment accounted for by affiliates.

In Delaware, more than half of the employment by U.S. affiliates was accounted for by European-owned affiliates, most notably those owned by British investors. European-owned affiliates also accounted for the largest shares of employment in South Carolina, Connecticut, New Jersey, and New Hampshire. In Hawaii,

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### Using Employment Data to Estimate Affiliate Shares of the U.S. Economy by Industry

The data on employment are used to estimate affiliate shares of the U.S. economy by industry on the basis of the North American Industry Classification System (NAICS) because these data can be disaggregated by industry of sales, a basis that approximates the disaggregation of the data for all U.S. businesses by industry of establishment.<sup>1</sup> Thus, using the data on affiliate employment, the affiliate shares of the U.S. economy can be calculated at a greater level of industry detail than is possible using the value-added estimates or other data, which can only be disaggregated on the basis of industry of affiliate.<sup>2</sup>

1. The data for all U.S. businesses used to compute the affiliate shares of employment by NAICS industry are from the national income and product accounts (see table 5, footnote 1).

2. Establishment-level data from a joint project of BEA and the Census Bureau can be used to calculate affiliate shares at an even greater level of detail. For affiliate shares based on establishment data for six-digit manufacturing and five-digit nonmanufacturing NAICS industries for 2002, see *Foreign Direct Investment in the United States: Establishment Data for 2002* at <[www.bea.gov/scb/account\\_articles/international/iidguide.htm#page15](http://www.bea.gov/scb/account_articles/international/iidguide.htm#page15)>. Similar data on a NAICS basis are available for 1997 and data on a Standard Industrial Classification basis are available for 1987 and 1992. Data only for manufacturing industries are available for 1988–91. The data for foreign-owned establishments are analyzed in SURVEY articles at <[www.bea.gov/scb/account\\_articles/international/iidguide.htm#page15](http://www.bea.gov/scb/account_articles/international/iidguide.htm#page15)>.

In the classification by industry of sales, the data on affiliate employment and sales are distributed among all of the industries in which the affiliate reports sales. As a result, employment classified by industry of sales should approximate that classified by industry of establishment (or plant), because an affiliate that has an establishment in an industry usually also has sales in that industry.<sup>3</sup>

In contrast, in the classification by industry of affiliate, all of the operations data (including the employment data) for an affiliate are assigned to that affiliate's "primary" industry—that is, the industry in which it has the most sales.<sup>4</sup> As a result, any affiliate operations that take place in secondary industries will be classified as operations in the primary industry.

3. However, this is not the case if one establishment of an affiliate provides all of its output to another establishment of that affiliate. For example, if an affiliate operates both a metal mine and a metal-manufacturing plant and if the entire output of the mine is used by the manufacturing plant, all of the affiliate's sales would be in metal manufacturing, and none, in metal mining. Thus, when the affiliate's employment is distributed by industry of sales, all of it would be classified in manufacturing, even though some of the employees work in an establishment in mining.

4. An affiliate's primary industry is based on a breakdown of the affiliate's sales by BEA's NAICS-based International Surveys Industry classification.

Japanese-owned affiliates accounted for the largest share of employment.

In 2005, the largest decrease in affiliate employment was in Massachusetts, where employment fell 14,400, or 8 percent, largely because of selloffs of U.S. affiliates. Several southeastern states also had substantial decreases in affiliate employment, including South Caro-

lina, Alabama, Florida, and North Carolina. In each of these states, the decreases were largely due to selloffs.

Employment by affiliates increased substantially in Nevada and West Virginia. In Nevada, affiliate employment rose 3,400, or 12.9 percent, mainly because of expansion by existing affiliates in wholesale trade. In West Virginia, employment by affiliates rose 2,900, or

**Table 6. Employment by Majority-Owned Nonbank U.S. Affiliates by State, 2000–2005**

	Thousands of employees						Percentage of total private industry employment in the state or area <sup>1</sup>					
	2000	2001	2002	2003	2004	2005	2000	2001	2002	2003	2004	2005
<b>Total</b> <sup>2</sup> .....	<b>5,656.5</b>	<b>5,594.3</b>	<b>5,425.4</b>	<b>5,244.4</b>	<b>5,131.5</b>	<b>5,085.7</b>	<b>4.9</b>	<b>4.9</b>	<b>4.8</b>	<b>4.7</b>	<b>4.5</b>	<b>4.4</b>
<b>New England</b> .....	<b>420.9</b>	<b>435.3</b>	<b>419.2</b>	<b>401.4</b>	<b>390.5</b>	<b>360.5</b>	<b>6.7</b>	<b>7.0</b>	<b>6.8</b>	<b>6.6</b>	<b>6.4</b>	<b>5.9</b>
Connecticut.....	105.5	117.4	111.0	105.5	102.1	100.9	6.9	7.9	7.6	7.3	7.0	6.9
Maine.....	31.7	32.8	31.7	29.4	28.4	23.7	6.2	6.4	6.2	5.7	5.5	4.6
Massachusetts.....	207.7	209.9	196.9	188.4	182.0	167.5	6.9	7.0	6.7	6.5	6.3	5.8
New Hampshire.....	43.8	41.0	41.1	41.7	40.8	34.2	7.9	7.4	7.5	7.7	7.4	6.1
Rhode Island.....	22.2	23.5	27.5	26.1	26.3	22.9	5.2	5.6	6.5	6.1	6.1	5.3
Vermont.....	9.9	10.7	11.1	10.3	11.0	11.3	3.8	4.1	4.3	4.0	4.2	4.3
<b>Mideast</b> .....	<b>1,051.2</b>	<b>1,042.2</b>	<b>996.1</b>	<b>988.1</b>	<b>968.7</b>	<b>970.7</b>	<b>5.6</b>	<b>5.6</b>	<b>5.4</b>	<b>5.4</b>	<b>5.2</b>	<b>5.2</b>
Delaware.....	27.7	24.4	22.4	28.1	27.5	27.2	7.4	6.6	6.1	7.7	7.3	7.2
District of Columbia.....	14.7	17.7	17.4	15.8	15.1	15.6	3.2	3.9	3.8	3.5	3.3	3.3
Maryland.....	104.6	106.4	105.4	102.9	100.6	102.7	5.1	5.1	5.1	5.0	4.8	4.8
New Jersey.....	234.6	239.4	228.3	224.0	218.4	214.0	6.8	6.9	6.7	6.6	6.4	6.2
New York.....	415.8	415.5	386.8	384.2	380.5	378.0	5.6	5.7	5.4	5.4	5.3	5.2
Pennsylvania.....	253.9	238.7	235.8	233.1	226.5	233.2	5.0	4.7	4.7	4.7	4.5	4.6
<b>Great Lakes</b> .....	<b>979.0</b>	<b>941.0</b>	<b>920.3</b>	<b>895.5</b>	<b>864.2</b>	<b>867.6</b>	<b>5.0</b>	<b>4.9</b>	<b>4.9</b>	<b>4.8</b>	<b>4.6</b>	<b>4.6</b>
Illinois.....	277.2	274.2	262.9	252.5	232.4	226.4	5.2	5.2	5.1	4.9	4.5	4.4
Indiana.....	143.8	142.0	133.2	134.7	133.7	139.9	5.4	5.5	5.2	5.3	5.2	5.4
Michigan.....	228.4	204.7	202.9	204.6	202.4	202.3	5.6	5.2	5.2	5.4	5.3	5.3
Ohio.....	228.3	220.8	214.2	208.0	207.8	213.8	4.6	4.5	4.5	4.4	4.4	4.5
Wisconsin.....	101.3	99.3	107.1	95.6	87.9	85.3	4.1	4.1	4.4	4.0	3.6	3.5
<b>Plains</b> .....	<b>285.3</b>	<b>300.1</b>	<b>284.8</b>	<b>276.1</b>	<b>270.2</b>	<b>273.7</b>	<b>3.3</b>	<b>3.8</b>	<b>3.4</b>	<b>3.3</b>	<b>3.2</b>	<b>3.2</b>
Iowa.....	36.5	38.8	36.6	38.7	37.4	37.3	2.9	3.1	3.0	3.1	3.0	2.9
Kansas.....	37.8	36.0	34.9	31.4	31.9	32.9	3.3	3.2	3.1	2.9	2.9	2.9
Minnesota.....	90.7	87.8	88.1	85.5	85.2	85.6	3.8	3.7	3.8	3.7	3.6	3.6
Missouri.....	89.4	102.7	91.5	87.2	84.0	85.1	3.7	4.4	3.9	3.8	3.6	3.6
Nebraska.....	19.3	20.1	18.7	19.0	19.8	18.7	2.5	2.6	2.4	2.5	2.6	2.4
North Dakota.....	5.2	8.2	7.4	7.8	6.3	7.1	1.9	3.1	2.8	2.9	2.3	2.5
South Dakota.....	6.4	6.6	7.6	6.5	5.6	7.1	2.0	2.1	2.4	2.1	1.8	2.2
<b>Southeast</b> .....	<b>1,397.7</b>	<b>1,393.8</b>	<b>1,361.3</b>	<b>1,314.5</b>	<b>1,284.7</b>	<b>1,245.6</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>	<b>4.9</b>	<b>4.7</b>	<b>4.4</b>
Alabama.....	65.0	75.5	75.1	72.6	72.4	63.2	4.0	4.7	4.8	4.6	4.5	3.9
Arkansas.....	34.7	35.8	35.7	32.2	31.5	33.9	3.5	3.6	3.6	3.3	3.2	3.4
Florida.....	244.2	257.7	252.1	247.8	237.6	226.0	3.8	4.0	3.9	3.8	3.6	3.6
Georgia.....	199.5	195.0	191.2	183.9	177.5	170.3	5.8	5.7	5.7	5.6	5.3	4.9
Kentucky.....	94.1	90.9	88.4	87.9	86.1	86.0	6.0	6.0	5.9	5.9	5.7	5.6
Louisiana.....	51.3	51.1	50.5	49.2	50.4	52.3	3.2	3.2	3.2	3.1	3.2	3.3
Mississippi.....	20.0	21.5	25.8	21.7	25.4	25.2	2.1	2.3	2.8	2.4	2.8	2.7
North Carolina.....	239.1	223.0	214.8	203.8	199.2	192.2	7.0	6.7	6.6	6.3	6.1	5.7
South Carolina.....	129.1	129.1	133.0	126.8	121.9	110.4	8.2	8.4	8.7	8.3	7.9	7.0
Tennessee.....	137.7	134.2	130.1	128.5	129.5	125.9	5.7	5.7	5.6	5.5	5.5	5.2
Virginia.....	158.0	154.5	141.9	138.9	134.8	138.8	5.4	5.3	4.9	4.8	4.5	4.5
West Virginia.....	25.0	25.7	22.7	21.4	18.4	21.3	4.3	4.4	3.9	3.8	3.2	3.6
<b>Southwest</b> .....	<b>492.5</b>	<b>484.7</b>	<b>457.0</b>	<b>444.4</b>	<b>448.0</b>	<b>457.3</b>	<b>4.1</b>	<b>4.1</b>	<b>3.9</b>	<b>3.8</b>	<b>3.8</b>	<b>3.7</b>
Arizona.....	60.8	57.0	57.5	58.0	64.2	64.4	3.1	2.9	3.0	3.0	3.1	3.0
New Mexico.....	12.0	13.5	12.8	11.6	12.7	13.6	2.1	2.3	2.2	2.0	2.1	2.2
Oklahoma.....	34.7	40.0	33.9	34.5	32.9	34.8	2.8	3.3	2.8	2.9	2.8	2.9
Texas.....	384.9	374.2	352.8	340.3	338.2	344.6	4.7	4.6	4.4	4.3	4.2	4.2
<b>Rocky Mountain</b> .....	<b>143.4</b>	<b>136.2</b>	<b>136.8</b>	<b>131.8</b>	<b>131.1</b>	<b>131.9</b>	<b>3.7</b>	<b>3.5</b>	<b>3.6</b>	<b>3.5</b>	<b>3.4</b>	<b>3.3</b>
Colorado.....	88.2	81.3	77.7	72.3	71.7	72.2	4.5	4.2	4.1	3.9	3.8	3.7
Idaho.....	10.8	11.3	12.5	11.6	13.2	12.2	2.3	2.3	2.6	2.4	2.7	2.3
Montana.....	5.0	5.7	5.9	5.5	6.5	6.7	1.6	1.8	1.8	1.9	1.9	1.9
Utah.....	32.2	30.4	32.3	34.0	30.6	31.7	3.5	3.3	3.5	3.7	3.3	3.2
Wyoming.....	7.2	7.5	8.5	8.4	9.0	9.1	3.9	4.0	4.5	4.4	4.6	4.5
<b>Far West</b> .....	<b>862.5</b>	<b>832.4</b>	<b>823.1</b>	<b>762.7</b>	<b>744.9</b>	<b>748.5</b>	<b>4.8</b>	<b>4.6</b>	<b>4.6</b>	<b>4.3</b>	<b>4.1</b>	<b>4.0</b>
Alaska.....	10.3	10.5	12.6	11.7	12.2	12.1	4.8	4.8	5.7	5.2	5.3	5.1
California.....	638.9	615.2	612.6	558.0	541.8	542.6	5.0	4.8	4.9	4.4	4.3	4.2
Hawaii.....	40.6	38.9	36.7	35.2	31.1	30.3	8.9	8.5	8.1	7.6	6.5	6.1
Nevada.....	30.7	28.2	25.8	26.1	26.7	30.1	3.3	3.0	2.7	2.7	2.6	2.7
Oregon.....	56.0	51.5	50.9	47.9	47.1	47.4	4.0	3.8	3.8	3.5	3.4	3.3
Washington.....	86.0	88.1	84.5	83.7	85.9	85.9	3.7	3.8	3.8	3.7	3.8	3.6
Puerto Rico.....	16.0	16.4	16.6	16.6	16.6	17.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other U.S. areas <sup>3</sup> .....	7.5	11.9	9.9	12.9	10.5	10.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Foreign <sup>4</sup> .....	0.5	0.4	0.3	0.4	2.2	1.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. Not available

1. The data on employment in private industries used to calculate the shares shown in this table are from BEA's Regional Economic Information System. The totals are equal to employment in private industries less employment of private households. The U.S. employment totals used to calculate affiliate shares in this table differ from those used for tables 1 and 5, which are from tables 6.4D of the "National Income and Product Accounts (NIPA) Tables." They differ from the NIPA estimates of employment because they include depository institutions, and, by definition, they exclude U.S. residents temporarily employed abroad by U.S. businesses. They also may differ from the NIPA estimates because of different definitions and revision schedules.

2. For consistency with the coverage of the private-industry employment data, U.S.-affiliate employment in Puerto Rico, in "other U.S. areas" and in "foreign" was excluded from the U.S.-affiliate employment total when the percentage shares on this line were computed.

3. Consists of the U.S. Virgin Islands, Guam, American Samoa, and all other outlying U.S. areas.

4. Consists of employees of U.S. affiliates working abroad.

Note. The following ranges are given in employment cells that are suppressed: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

15.3 percent, mostly in manufacturing, because of the entry of new affiliates and increases in employment at existing affiliates.

In manufacturing, affiliate shares of employment were highest in the District of Columbia (23.9 percent), Delaware (21.2 percent), and South Carolina (20.9 percent) (table 7). The high affiliate share in the

District of Columbia reflects a very small amount of total manufacturing employment in the District.<sup>7</sup> In Delaware, more than half of affiliate manufacturing

7. Employment data from the BEA's Regional Economics Information System indicate that there were only 2,200 manufacturing employees in the District of Columbia in 2005; more than half of these employees were in the printing and food manufacturing industries.

**Table 7. Manufacturing Employment by Majority-Owned Nonbank U.S. Affiliates by State, 2000–2005**

	Thousands of employees						Percentage of total manufacturing employment in the state or area <sup>1</sup>					
	2000	2001	2002	2003	2004	2005	2000	2001	2002	2003	2004	2005
<b>Total</b> <sup>2</sup> .....	<b>2,118.8</b>	<b>1,934.9</b>	<b>1,811.9</b>	<b>1,667.4</b>	<b>1,552.4</b>	<b>1,537.5</b>	<b>12.2</b>	<b>11.6</b>	<b>11.8</b>	<b>11.3</b>	<b>10.7</b>	<b>10.7</b>
<b>New England</b> .....	127.7	125.6	105.7	99.8	89.2	85.9	13.6	13.8	12.8	13.0	11.9	11.6
Connecticut.....	32.2	35.7	29.4	28.8	26.4	26.8	13.7	15.7	13.8	14.3	13.3	13.7
Maine.....	11.4	11.4	9.6	7.3	7.5	6.2	14.3	15.1	13.9	11.3	11.8	10.0
Massachusetts.....	53.3	51.2	42.5	40.2	32.9	31.7	13.1	13.1	12.1	12.3	10.5	10.3
New Hampshire.....	20.8	18.2	17.6	18.2	17.0	14.8	20.4	18.6	20.6	22.5	21.1	18.4
Rhode Island.....	6.1	5.2	4.1	3.4	3.5	3.1	8.6	7.6	6.5	5.8	6.1	5.5
Vermont.....	3.9	3.9	2.5	1.9	1.9	3.4	8.4	8.5	6.2	5.0	5.0	9.0
<b>Mideast</b> .....	<b>M</b>	<b>261.3</b>	<b>248.6</b>	<b>229.8</b>	<b>204.7</b>	<b>203.2</b>	<b>(D)</b>	<b>12.1</b>	<b>(D)</b>	<b>12.3</b>	<b>11.3</b>	<b>11.4</b>
Delaware.....	1	9.4	8.1	9.9	6.8	7.1	(D)	23.7	21.9	27.8	19.6	21.2
District of Columbia.....	0.4	0.4	0.7	0.4	0.6	0.5	11.5	11.0	(D)	13.8	24.2	23.9
Maryland.....	21.8	20.1	16.2	15.5	14.1	17.9	12.6	11.8	10.2	10.5	9.8	12.6
New Jersey.....	64.0	64.9	67.2	56.5	51.5	48.4	15.2	16.1	18.2	16.1	15.1	14.6
New York.....	77.9	74.7	67.2	59.9	53.0	50.6	10.5	10.5	10.2	9.7	8.8	8.6
Pennsylvania.....	111.7	91.9	89.3	87.5	78.6	78.7	13.0	11.1	11.7	12.3	11.4	11.5
<b>Great Lakes</b> .....	<b>516.4</b>	<b>455.8</b>	<b>433.7</b>	<b>396.7</b>	<b>364.3</b>	<b>356.0</b>	<b>12.8</b>	<b>12.0</b>	<b>12.3</b>	<b>11.7</b>	<b>11.0</b>	<b>10.9</b>
Illinois.....	109.7	97.4	88.8	79.8	67.1	61.2	12.7	11.9	11.7	11.1	9.6	8.8
Indiana.....	99.9	96.0	87.1	82.2	80.8	83.9	15.1	15.5	14.7	14.3	14.1	14.6
Michigan.....	133.9	102.2	93.6	89.3	81.6	78.8	15.0	12.3	12.3	12.3	11.6	11.5
Ohio.....	118.7	111.4	109.2	99.0	95.8	95.4	11.7	11.6	12.3	11.7	11.6	11.7
Wisconsin.....	54.2	48.7	55.0	46.4	38.9	36.7	9.1	8.7	10.4	9.1	7.6	7.2
<b>Plains</b> .....	<b>132.8</b>	<b>135.8</b>	<b>120.4</b>	<b>112.9</b>	<b>108.0</b>	<b>108.2</b>	<b>9.5</b>	<b>10.1</b>	<b>9.5</b>	<b>9.2</b>	<b>8.8</b>	<b>8.7</b>
Iowa.....	22.4	22.1	20.2	21.1	18.6	17.7	8.9	9.1	8.8	9.5	8.3	7.7
Kansas.....	18.3	14.0	15.1	13.7	13.2	12.7	9.2	7.1	8.3	7.8	7.4	7.0
Minnesota.....	32.2	31.2	26.2	22.4	23.8	23.0	8.2	8.2	7.3	6.4	6.9	6.6
Missouri.....	46.2	51.8	42.4	39.8	38.7	39.5	12.7	15.1	13.0	12.7	12.3	12.7
Nebraska.....	8.2	8.2	7.8	8.9	8.0	9.1	7.2	7.4	7.3	8.7	7.8	8.9
North Dakota.....	2.0	4.5	4.0	3.7	2.5	2.7	8.2	18.4	16.5	15.7	10.1	10.3
South Dakota.....	3.5	4.0	4.7	3.2	3.3	3.6	8.0	9.6	12.1	8.5	8.4	8.9
<b>Southeast</b> .....	<b>596.8</b>	<b>543.9</b>	<b>533.7</b>	<b>490.6</b>	<b>469.0</b>	<b>470.3</b>	<b>13.9</b>	<b>13.3</b>	<b>14.0</b>	<b>13.5</b>	<b>13.1</b>	<b>13.2</b>
Alabama.....	41.1	36.7	37.0	34.4	32.6	33.9	11.8	11.1	11.9	11.6	11.1	11.3
Arkansas.....	23.7	22.8	20.3	19.1	17.7	19.0	9.9	10.0	9.4	9.2	8.6	9.4
Florida.....	49.2	46.0	41.5	35.2	36.1	34.8	10.9	10.5	10.1	8.9	9.1	8.6
Georgia.....	79.0	70.4	68.8	65.3	58.6	58.2	14.6	13.8	14.4	14.3	12.9	12.8
Kentucky.....	60.7	55.8	53.9	51.1	47.7	44.8	19.6	18.9	19.4	19.1	17.9	17.0
Louisiana.....	22.0	19.5	16.9	15.8	15.6	16.9	12.4	11.2	10.4	10.1	10.2	11.1
Mississippi.....	9.6	9.9	12.7	9.4	12.8	13.3	4.3	4.9	6.7	5.2	7.1	7.4
North Carolina.....	113.6	96.6	93.4	82.2	78.1	76.8	15.0	13.6	14.4	13.5	13.3	13.3
South Carolina.....	70.0	65.9	70.8	63.9	58.1	55.5	21.0	20.8	24.2	22.6	21.3	20.9
Tennessee.....	72.7	70.0	67.6	67.6	67.3	67.6	14.9	15.3	15.7	16.2	16.2	16.4
Virginia.....	42.4	38.2	37.9	35.8	35.8	38.0	11.8	11.0	11.7	11.6	11.9	12.7
West Virginia.....	12.9	12.1	12.9	10.7	8.5	11.5	17.1	16.6	18.6	16.4	13.4	18.3
<b>Southwest</b> .....	<b>184.7</b>	<b>160.8</b>	<b>136.9</b>	<b>125.0</b>	<b>114.8</b>	<b>112.6</b>	<b>12.4</b>	<b>11.1</b>	<b>10.3</b>	<b>9.9</b>	<b>9.2</b>	<b>8.8</b>
Arizona.....	16.2	15.1	13.0	13.7	13.8	13.1	7.8	7.5	7.0	7.7	7.7	7.1
New Mexico.....	3.8	2.7	1.8	1.3	1.7	2.0	9.2	6.6	4.7	3.6	4.9	5.6
Oklahoma.....	15.5	15.5	14.5	12.2	11.2	13.2	8.8	9.1	9.5	8.5	7.8	9.1
Texas.....	149.2	127.5	107.6	97.7	88.0	84.2	14.0	12.3	11.3	10.8	9.8	9.3
<b>Rocky Mountain</b> .....	<b>K</b>	<b>35.9</b>	<b>36.7</b>	<b>29.8</b>	<b>29.5</b>	<b>26.7</b>	<b>(D)</b>	<b>8.8</b>	<b>(D)</b>	<b>8.4</b>	<b>8.1</b>	<b>7.3</b>
Colorado.....	24.4	19.0	19.9	15.5	14.7	14.6	12.9	10.4	11.9	10.0	9.6	9.6
Idaho.....	H	3.8	3.7	3.2	4.5	3.3	(D)	5.5	5.7	5.1	7.2	5.2
Montana.....	0.9	2.1	2.0	0.6	0.6	0.8	4.1	9.9	9.7	5.5	3.0	4.0
Utah.....	10.1	10.0	9.7	9.4	7.9	6.5	8.0	8.2	8.5	8.2	6.8	5.4
Wyoming.....	1.0	0.9	1.4	1.1	1.8	1.5	9.8	9.2	(D)	11.9	18.9	14.9
<b>Far West</b> .....	<b>226.2</b>	<b>206.7</b>	<b>187.2</b>	<b>171.4</b>	<b>161.3</b>	<b>162.7</b>	<b>9.1</b>	<b>8.6</b>	<b>8.5</b>	<b>8.2</b>	<b>7.8</b>	<b>7.8</b>
Alaska.....	1.5	1.7	2.1	1.9	2.0	1.9	11.6	13.6	18.6	15.9	16.3	14.8
California.....	175.0	161.3	146.2	133.5	123.4	123.9	9.4	9.0	8.9	8.6	8.0	8.2
Hawaii.....	1.2	0.9	1.0	0.6	0.8	0.4	7.7	5.5	6.4	4.3	5.0	2.3
Nevada.....	4.7	4.8	4.7	4.0	4.3	4.5	11.2	10.9	10.9	8.9	9.2	9.4
Oregon.....	19.3	15.6	12.7	11.1	10.9	11.1	8.6	7.2	6.2	5.6	5.4	5.4
Washington.....	24.5	22.3	20.5	20.3	19.9	20.9	7.4	7.0	7.1	7.6	7.5	7.6
Puerto Rico.....	8.4	8.1	8.5	8.5	7.8	8.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other U.S. areas <sup>3</sup> .....	0.3	1.0	0.5	2.8	(D)	(D)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Foreign <sup>4</sup> .....	0.0	0.0	(*)	0.3	(D)	(D)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

D Suppressed to avoid disclosure of data of individual companies.

\* More than zero and fewer than 50 employees.

n.a. Not available

1. The data on employment in manufacturing used to calculate the shares shown in this table are from BEA's Regional Economic Information System. The U.S. manufacturing employment totals used to calculate shares in this table differ from the NIPA data for manufacturing used for table 5 (see footnote 1 to table 5).

2. Total affiliate manufacturing employment and the shares of all-U.S.-business manufacturing employment accounted for by affiliates in this table differ from those shown in table 5 (see footnote 3 to table 5). For consistency with the coverage of the employment data for all U.S. manufacturing plants, U.S. affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate total when the percentage shares on this line were computed.

3. Consists of the U.S. Virgin Islands, Guam, American Samoa, and all other outlying U.S. areas.

4. Consists of employees of U.S. affiliates working abroad.

Note: The following ranges are given in employment cells that are suppressed: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

employment was accounted for by German- and Canadian-owned affiliates; much of the remainder was accounted for by other European-owned affiliates. In South Carolina, European-owned affiliates—especially those owned by French, German, and British investors—accounted for most of the manufacturing employment. Japanese-owned affiliates also accounted for a substantial number of manufacturing employees in South Carolina.

In 2005, manufacturing employment by affiliates decreased significantly in Illinois, falling 5,900, or 8.8 percent, mainly because of reductions in employment by existing affiliates. In contrast, affiliate manufacturing employment rose 3,800 in Maryland, increasing the affiliate share from 9.8 percent to 12.6 percent. The increase was attributable to the entry of new affiliates.

### Trade in Goods

Majority-owned U.S. affiliates of foreign-owned companies continued to account for large shares of total U.S. exports and imports of goods—19 percent of exports and 27 percent of imports in 2005 (table 8). These shares are much larger than the affiliate shares of either value added or employment, reflecting both the general international orientation of foreign-owned companies and their production and distribution ties to their foreign parents. Much of the trade in goods by

affiliates—nearly 50 percent of exports and about 80 percent of imports—was accounted for by intrafirm transactions between the affiliates and their foreign parents or other member companies of their foreign parent groups (see the box “Key Terms”). The intrafirm trade of majority-owned U.S. affiliates has generally accounted for 8–10 percent of U.S. exports and for 20–25 percent of U.S. imports.<sup>8</sup>

Since the early 1990s, imports by U.S. affiliates have usually been at least twice as high as their exports, and the gap in earlier years was even larger. This trade gap for affiliates is substantially more pronounced than the gap between total U.S. imports and exports. The gap for affiliates is largely accounted for by wholesale trade affiliates, many of which were established to facilitate the import of goods manufactured abroad by their foreign parents. Since the late 1980s, the imports of wholesale trade affiliates have been two to four times as large as their exports, and these affiliates have consistently accounted for more than two-thirds of the total import-export gap for U.S. affiliates.<sup>9</sup> Most of the remaining gap has been accounted for by manufacturing affiliates, some of which have secondary activities in wholesale trade and some of which import parts and components produced by their foreign parents.

### Exports

Exports of goods by U.S. affiliates rose 9 percent in 2005, to \$169.2 billion, following a 5-percent rise in 2004 (table 9). Total U.S. exports of goods also rose more substantially in 2005, 10 percent; as a result, the affiliate share of U.S. exports of goods decreased, to 18.7 percent from 19.0 percent. The increase in affiliate exports was largely due to increases by manufacturing affiliates, especially those in transportation equipment, in computers and electronic products, and in chemicals manufacturing. Exports by mining affiliates also rose.

**Table 8. U.S. Trade in Goods by Majority-Owned Nonbank U.S. Affiliates, 1987–2005**

	Millions of dollars				U.S. exports of goods shipped by affiliates as a percentage of total U.S. exports of goods		U.S. imports of goods shipped to affiliates as a percentage of total U.S. imports of goods	
	U.S. exports of goods shipped by affiliates		U.S. imports of goods shipped to affiliates		Total	Of which: To the foreign parent group	Total	Of which: From the foreign parent group
	Total	Of which: To the foreign parent group	Total	Of which: From the foreign parent group				
1987.....	39,497	18,677	133,620	102,167	15.5	7.3	32.9	25.1
1988.....	57,209	26,001	144,896	112,012	17.7	8.1	32.9	25.4
1989.....	72,413	33,778	158,792	122,899	19.9	9.3	33.6	26.0
1990.....	79,368	37,177	170,677	131,665	20.2	9.4	34.5	26.6
1991.....	85,254	41,373	169,362	128,143	20.2	9.8	34.7	26.2
1992.....	91,686	47,567	172,260	132,217	20.5	10.6	32.3	24.8
1993.....	94,329	46,241	186,369	144,698	20.3	9.9	32.1	24.9
1994.....	107,057	49,864	214,485	166,085	20.9	9.7	32.3	25.0
1995.....	121,277	55,842	232,250	182,148	20.7	9.5	31.2	24.5
1996.....	125,897	59,544	248,562	187,889	20.1	9.5	31.3	23.6
1997.....	128,394	61,288	249,310	193,969	18.6	8.9	28.6	22.3
1998.....	136,949	56,115	277,909	199,524	20.1	8.2	30.5	21.9
1999.....	140,808	58,385	312,895	225,132	20.2	8.4	30.5	22.0
2000.....	150,911	64,785	354,613	267,187	19.3	8.3	29.1	21.9
2001.....	145,525	64,442	333,855	260,633	20.0	8.8	29.3	22.8
2002.....	140,510	64,572	335,021	267,291	20.3	9.3	28.8	23.0
2003.....	147,643	71,188	356,756	290,492	20.4	9.8	28.4	23.1
2004.....	155,507	74,784	394,463	320,268	19.0	9.1	26.8	21.8
2005 <sup>p</sup> .....	169,238	78,799	452,968	360,026	18.7	8.7	27.1	21.5

<sup>p</sup> Preliminary  
<sup>r</sup> Revised

NOTE: The data on U.S. exports and imports of goods used to compute the affiliate shares in this table are from the U.S. Census Bureau and are on a Census Bureau basis.

8. A portion of the remaining trade, trade between U.S. parent companies and their majority-owned foreign affiliates, is also intrafirm trade. Together, the intrafirm trade of foreign-owned U.S. affiliates and the intrafirm trade of U.S. multinational companies (MNCs) accounted for 28 percent of U.S. exports and for 35 percent of U.S. imports in 2004 (the latest year currently available for trade of U.S. MNCs).

For further information and analysis on intrafirm trade, see William J. Zeile, “Trade in Goods Within Multinational Companies: Survey-Based Data and Findings for the United States of America” (paper prepared for the Organisation for Economic Co-Operation and Development Committee on Industry and Business Environment Working Party on Statistics, Session on Globalisation, Paris, November 3–4, 2003); <[www.bea.gov/bea/papers.htm](http://www.bea.gov/bea/papers.htm)>.

9. Although wholesale trade affiliates have consistently accounted for a dominant share of the affiliate import-export gap, their shares of both affiliate exports and imports have declined since the late 1980s. Their share of affiliate exports declined from 66 percent in 1987 to 39 percent in 2005, and their share of affiliate imports declined from 78 percent in 1987 to 62 percent in 2005. One reason for this change is the reorientation of some wholesale trade affiliates from the import of manufactured goods for sale in the United States to the manufacture of goods at U.S. facilities.

As in previous years, Japanese-owned affiliates accounted for the largest share of affiliate exports in 2005 (25 percent); however, their share was down from 27 percent in 2004, as exports by Japanese-owned affiliates increased at a much slower pace than total affiliate exports. The slow growth in exports by these affiliates occurred as declines in exports by machinery manufacturing and wholesale trade affiliates were only slightly offset by increases exports by other manufacturing affiliates.

Over half of the overall increase in affiliate exports was accounted for by British-, French-, and German-owned affiliates. Exports by British-owned affiliates rose 20 percent, largely because of increases by manufacturers and petroleum wholesalers. The increases in exports by German- and French-owned affiliates were mainly in manufacturing.

### Imports

Imports of goods by U.S. affiliates rose 15 percent in 2005, to \$453.0 billion, following an increase of 11 percent in 2004. Total U.S. imports of goods also rose substantially in 2005, but the rate of growth—14 percent—was slightly lower than that for U.S. affiliates. As a result, the share of U.S. imports accounted for by affiliates edged up from 26.8 percent to 27.1 percent. By industry, the increase in imports was mostly accounted for by affiliates in wholesale trade, especially petroleum, electrical goods, and motor vehicles wholesalers.

Imports by Japanese-owned affiliates, which increased 9 percent in 2005, continued to account for the largest share of affiliate imports (34 percent); however the share was lower than in 2004, continuing a downward trend (table 9). The majority of imports by Japanese-owned affiliates were by wholesale trade affiliates, including affiliates that have significant secondary operations in transportation equipment manufacturing; these affiliates also accounted for much of the increase in 2005.

Imports by Netherlands-owned affiliates rose sharply in 2005, 45 percent, to \$27.1 billion, largely because of increased imports by affiliates in petroleum-related industries. Imports by French-owned affiliates also rose substantially, 29 percent, because of the entry of new majority-owned affiliates in manufacturing. Imports by Korean-owned affiliates, which have risen substantially for the past several years, rose 14 percent in 2005, continuing the upward trend. Much of the increase was accounted for by wholesale trade affiliates involved in the shipment of electronics and other manufactured goods. Imports by Canadian-owned affiliates fell 1 percent in 2005.

### Research and Development

In 2005, the cost of research and development (R&D) performed by U.S. affiliates totaled \$31.7 billion, compared with \$30.1 billion in 2004 (table 10). In 2004, the most recent year for which data for R&D spending by all U.S. businesses are available, U.S. affiliates

**Table 9. U.S. Trade in Goods by Majority-Owned Nonbank U.S. Affiliates by Selected Country of Ultimate Beneficial Owner, 2000–2005**

	Millions of dollars						Percentage of all-countries total						Addendum: Percentage change in affiliate exports or imports, 2005
	2000	2001	2002	2003	2004	2005	2000	2001	2002	2003	2004	2005	
<b>U.S. exports shipped by affiliates:</b>													
<b>All countries</b> .....	<b>150,911</b>	<b>145,525</b>	<b>140,510</b>	<b>147,643</b>	<b>155,507</b>	<b>169,238</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>8.8</b>
Canada.....	9,058	8,191	6,401	6,405	6,583	8,014	6.0	5.6	4.6	4.3	4.2	4.7	21.7
France.....	10,474	9,817	10,043	9,744	9,475	11,580	6.9	6.7	7.1	6.6	6.1	6.8	22.2
Germany.....	31,430	29,298	30,351	32,326	31,603	33,894	20.8	20.1	21.6	21.9	20.3	20.0	7.3
Netherlands.....	(D)	(D)	5,022	5,068	9,041	10,642	(D)	(D)	3.6	3.4	5.8	6.3	17.7
Switzerland.....	5,931	5,947	5,998	4,941	5,430	6,344	3.9	4.1	4.3	3.3	3.5	3.7	16.8
United Kingdom.....	16,262	15,586	14,241	13,608	14,766	17,732	10.8	10.7	10.1	9.2	9.5	10.5	20.1
Japan.....	40,667	40,766	38,531	41,010	42,506	42,653	26.9	28.0	27.4	27.8	27.3	25.2	0.3
Korea, Republic of.....	(D)	(D)	4,368	5,205	7,256	7,256	(D)	(D)	3.1	3.5	4.7	4.3	0.0
Other.....	25,013	25,111	25,556	29,336	28,848	31,122	16.6	17.3	18.2	19.9	18.6	18.4	7.9
<b>U.S. imports shipped to affiliates:</b>													
<b>All countries</b> .....	<b>354,613</b>	<b>333,855</b>	<b>335,021</b>	<b>356,756</b>	<b>394,463</b>	<b>452,968</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>14.8</b>
Canada.....	20,995	19,070	18,634	23,012	26,102	25,826	5.9	5.7	5.6	6.5	6.6	5.7	-1.1
France.....	(D)	(D)	14,608	14,489	13,953	18,058	(D)	(D)	4.4	4.1	3.5	4.0	29.4
Germany.....	57,804	56,477	57,386	62,062	61,701	65,245	16.3	16.9	17.1	17.4	15.6	14.4	5.7
Netherlands.....	(D)	16,227	14,817	14,893	18,692	27,066	(D)	4.9	4.4	4.2	4.7	6.0	44.8
Switzerland.....	8,416	8,010	8,438	9,173	10,205	13,404	2.4	2.4	2.5	2.6	2.6	3.0	31.3
United Kingdom.....	23,691	22,675	21,344	25,568	27,574	30,116	6.7	6.8	6.4	7.2	7.0	6.6	9.2
Japan.....	147,156	133,612	127,923	133,170	141,337	154,753	41.5	40.0	38.2	37.3	35.8	34.2	9.5
Korea, Republic of.....	(D)	(D)	19,966	22,081	28,968	33,054	(D)	(D)	6.0	6.2	7.3	7.3	14.1
Other.....	45,673	47,507	51,905	52,307	65,931	85,444	12.9	14.2	15.5	14.7	16.7	18.9	29.6

D Suppressed to avoid disclosure of data of individual companies.

NOTE: Affiliates of the eight countries listed in this table accounted for the largest shares of affiliate trade in each year in 2000–2005.

accounted for 14 percent of the total R&D performed by all U.S. businesses, a share notably higher than the affiliate shares of U.S. private industry value added or employment.

**Table 10. Research and Development Performed by Majority-Owned Nonbank U.S. Affiliates and by All U.S. Businesses, 1997–2005**

	R&D performed by affiliates	R&D performed by all U.S. businesses <sup>1</sup>	R&D by affiliates as a percentage of R&D by all U.S. businesses
	Millions of dollars		
1997 .....	17,216	157,739	10.9
1998 .....	22,375	169,180	13.2
1999 .....	24,027	182,711	13.2
2000 .....	26,180	199,539	13.1
2001 .....	26,463	198,505	13.3
2002 .....	27,507	193,868	14.2
2003 .....	29,803	200,724	14.8
2004 .....	30,063	208,301	14.4
2005 .....	31,694	n.a.	n.a.

n.a. Not available  
1. These estimates are computed using data obtained from the National Science Foundation Web site <[www.nsf.gov/statistics/infbrief/nsf07304/](http://www.nsf.gov/statistics/infbrief/nsf07304/)>.

Affiliates of the seven largest investing countries in terms of affiliate value added together accounted for more than 80 percent of the affiliate expenditures for R&D (table 11). German-owned affiliates accounted for the largest share of affiliate R&D expenditures (20 percent), followed closely by British-owned affiliates (19 percent). Expenditures by German-owned affi-

**Table 11. Research and Development (R&D) Performed by Majority-Owned Nonbank U.S. Affiliates, by Country of UBO, and by Industry of Affiliate, 2004 and 2005**

	R&D performed by affiliates (millions of dollars)		Share of the total		R&D intensity <sup>1</sup>	
	2004	2005	2004	2005	2004	2005
<b>All countries and industries</b> .....	<b>30,083</b>	<b>31,694</b>	<b>100.0</b>	<b>100.0</b>	<b>5.9</b>	<b>5.9</b>
<i>By country:</i>						
Canada .....	1,459	1,465	4.8	4.6	3.6	3.4
France .....	3,800	4,063	12.6	12.8	8.6	8.4
Germany .....	5,916	6,287	19.7	19.8	9.1	9.5
Netherlands .....	1,319	1,597	4.4	5.0	3.2	3.7
Switzerland .....	4,185	4,334	13.9	13.7	12.4	11.8
United Kingdom .....	5,807	5,954	19.3	18.8	5.5	5.4
Japan .....	3,414	3,447	11.3	10.9	5.2	4.9
Other .....	4,183	4,547	13.9	14.3	3.6	3.8
<i>By industry:</i>						
Manufacturing .....	20,587	21,818	68.4	68.8	9.1	9.0
Food .....	440	506	1.5	1.6	3.4	3.4
Beverages and tobacco products .....	61	44	0.2	0.1	1.0	0.6
Petroleum and coal products .....	(D)	(D)	(D)	(D)	(D)	(D)
Chemicals .....	9,922	10,398	33.0	32.8	21.9	20.7
Plastics and rubber products .....	374	366	1.2	1.2	3.9	3.4
Nonmetallic mineral products .....	207	219	0.7	0.7	1.3	1.2
Primary metals .....	80	86	0.3	0.3	0.8	0.7
Fabricated metal products .....	167	197	0.6	0.6	2.8	2.9
Machinery .....	1,638	1,547	5.4	4.9	7.5	7.4
Computers and electronic products .....	2,690	2,878	8.9	9.1	20.8	20.2
Electrical equipment, appliances, and components .....	(D)	(D)	(D)	(D)	(D)	(D)
Transportation equipment .....	3,707	4,111	12.3	13.0	10.4	11.2
Other .....	1,301	1,466	3.0	2.9	3.7	3.9
Wholesale trade .....	6,674	6,775	22.2	21.4	6.8	6.9
Information .....	986	1,135	3.3	3.6	3.3	4.0
Professional, scientific, and technical services .....	1,436	1,517	4.8	4.8	7.5	7.4
Other industries .....	399	450	1.3	1.4	0.3	0.3

D Suppressed to avoid disclosure of data of individual companies.  
1. R&D intensity is equal to R&D expenditures divided by value added.

ates were concentrated in transportation equipment, pharmaceuticals, and machinery manufacturing. Expenditures by British-owned affiliates were concentrated in pharmaceuticals and computers and electronic products manufacturing.

In 2005, as in previous years, about two-thirds of the R&D performed by affiliates was by affiliates in manufacturing. Within manufacturing, affiliates in pharmaceuticals, transportation equipment, and computers accounted for the largest shares of affiliate R&D. U.S.-affiliate R&D intensity—measured as R&D divided by value added—was highest in two manufacturing industries: Chemicals (21 percent) and computers and electronic products (20 percent). It was also relatively high in transportation equipment manufacturing (11 percent). Outside manufacturing, affiliate R&D intensity was highest in professional, scientific, and technical services (7 percent). By country, Swiss-owned affiliates had the highest R&D intensity (12 percent) due to their prominence in pharmaceuticals.

In several industries within manufacturing—such as basic chemicals, pharmaceuticals and medicines, and machinery—U.S. affiliates accounted for at least one-quarter of the R&D performed by all U.S. businesses (table 12). The high shares are due both to the strong presence of the U.S. affiliates in these industries and to the use of the United States by many foreign

**Table 12. Research and Development (R&D) Performed by Majority-Owned Nonbank U.S. Affiliates and all U.S. Businesses, in Selected Industries, 2004**

	R&D performed by affiliates (millions of dollars)	R&D performed by all U.S. businesses <sup>1</sup> (millions of dollars)	R&D by affiliates as a percentage of R&D by all U.S. businesses
<b>All industries</b> .....	<b>30,083</b>	<b>208,301</b>	<b>14.4</b>
<b>Manufacturing</b> .....	<b>20,587</b>	<b>147,288</b>	<b>14.0</b>
<i>Of which:</i>			
Petroleum and coal products .....	(D)	1,603	(D)
Chemicals .....	9,922	(D)	(D)
<i>Of which:</i>			
Basic chemicals .....	655	2,393	27.4
Resins and synthetic rubber, fibers, and filaments .....	131	2,096	6.3
Pharmaceuticals and medicines .....	8,678	31,477	27.6
Machinery .....	1,638	6,579	24.9
Computers and electronic products .....	2,690	48,296	5.6
<i>Of which:</i>			
Computers and peripheral equipment .....	159	5,734	2.8
Electrical equipment, appliances, and components .....	(D)	2,664	(D)
Transportation equipment .....	3,707	(D)	(D)
<i>Of which:</i>			
Motor vehicles, bodies and trailers, and parts .....	3,279	15,677	20.9
Miscellaneous manufacturing .....	776	4,388	17.7
<b>Information</b> .....	<b>986</b>	<b>22,593</b>	<b>4.4</b>
<b>Professional, scientific, and technical services</b> .....	<b>1,436</b>	<b>28,709</b>	<b>5.0</b>
<i>Of which:</i>			
Architectural, engineering, and related services .....	80	4,265	1.9
Computer systems design and related services .....	219	11,575	1.9
<b>Other industries</b> .....	<b>7,074</b>	<b>9,711</b>	<b>(<sup>2</sup>)</b>
<i>Of which:</i>			
Construction .....	6	1,481	0.4
Retail trade .....	(D)	1,596	(D)

D Suppressed to avoid disclosure of data of individual companies.  
1. Source: National Science Foundation.

2. Because of differences in industry classification, BEA data for U.S. affiliates and NSF data for all U.S. businesses may not always be compatible for individual industries. Because the lack of comparability may be particularly great for "other industries," the affiliate share in U.S. business R&D has not been computed for this industry category.

multinational companies as a center for conducting R&D. In contrast, in professional, technical, and scientific services, the U.S.-affiliate share of private R&D spending, 5 percent, was lower, reflecting the relative lack of foreign direct investment.

In 2005, R&D performed by affiliates rose 5 percent. Most of the increase in affiliate R&D expenditures was accounted for by the rise in manufacturing affiliate R&D. Within manufacturing, increases were substantial in chemicals and in transportation equipment. Expenditures also rose in professional, scientific, and technical services. Almost all of the increase in affiliate R&D spending was by existing affiliates.

### Revisions

The estimates of U.S. affiliate operations in 2005 presented in this article are preliminary. The estimates for employment, sales, and expenditures for property, plant, and equipment supersede the advance summary estimates for majority-owned affiliates that were released on April 19, 2007 (BEA news release 07-15). From the advance estimates to the preliminary estimates, the estimate of employment was revised down

0.3 percent, the estimate of sales was revised down 0.5 percent, and the estimate of capital expenditures was revised up 0.2 percent.

The final estimates of U.S.-affiliate operations in 2004 are also presented. The final estimates for employment, sales, and expenditures for property, plant, and equipment supersede the advance summary estimates for majority-owned affiliates from the April release and the preliminary estimates that were released in August 2006.<sup>10</sup> From the estimates released in April to these final estimates, the estimate of employment was revised down 0.2 percent, the estimate of sales was revised down 0.5 percent, and the estimate of capital expenditures was revised down 0.5 percent. From the preliminary estimates to the final estimates, the estimate of employment was revised up 0.3 percent, the estimate of sales was revised down 0.5 percent, and the estimate of capital expenditures was revised up 3.9 percent.

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10. See Thomas W. Anderson and William J. Zeile, "U.S. Affiliates of Foreign Companies: Operations in 2004," *SURVEY* 86 (August 2006): 195-211.

*Tables 13.1 to 14.2 follow.*

Table 13.1. Selected Data of Majority-Owned Nonbank U.S. Affiliates by Industry of Affiliate, 2004

	Millions of dollars							Thousands of employees	Millions of dollars		
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Value added	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Research and development performed by affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)	(9)	(10)
<b>All industries</b> .....	<b>5,540,350</b>	<b>1,057,486</b>	<b>112,369</b>	<b>2,292,931</b>	<b>71,523</b>	<b>511,474</b>	<b>323,793</b>	<b>5,131.5</b>	<b>155,507</b>	<b>394,463</b>	<b>30,083</b>
<b>Manufacturing</b> .....	<b>1,043,255</b>	<b>471,668</b>	<b>38,122</b>	<b>895,709</b>	<b>26,353</b>	<b>226,992</b>	<b>144,829</b>	<b>2,003.9</b>	<b>88,624</b>	<b>141,423</b>	<b>20,587</b>
Food.....	91,222	24,602	1,865	65,452	1,038	12,897	8,723	132.9	6,219	2,640	440
Beverages and tobacco products.....	26,425	8,145	794	20,545	3,186	6,287	2,804	38.9	808	1,686	61
Textiles, apparel, and leather products.....	(D)	2,684	247	3,833	70	1,372	940	19.4	357	393	27
Paper.....	22,610	17,724	1,003	17,481	-141	4,638	3,137	47.3	1,086	2,883	64
Printing and related support activities.....	5,709	3,764	164	6,085	82	2,718	1,925	33.8	80	205	2
Petroleum and coal products.....	(D)	(D)	2,679	(D)	(D)	21,397	4,774	32.5	(D)	14,661	(D)
Chemicals.....	218,407	94,557	5,919	166,999	7,641	45,290	28,554	281.2	16,933	22,751	9,922
Basic chemicals.....	29,642	31,176	1,660	32,088	531	7,100	4,032	44.2	3,807	3,845	655
Resins and synthetic rubber, fibers, and filaments.....	18,503	14,799	614	21,242	-27	3,455	1,992	19.3	3,352	2,030	131
Pharmaceuticals and medicines.....	126,102	34,198	2,726	85,313	3,930	27,225	17,603	151.2	6,800	13,654	8,678
Soap, cleaning compounds, and toilet preparations.....	16,112	3,493	301	10,407	745	2,947	1,541	22.3	596	691	96
Other.....	28,047	10,891	618	17,948	2,463	4,564	3,386	44.3	2,378	2,531	361
Plastics and rubber products.....	28,092	18,871	1,312	32,342	597	9,596	7,064	118.3	3,041	5,079	374
Nonmetallic mineral products.....	73,954	48,184	2,729	47,626	1,513	16,351	9,833	157.8	1,774	1,669	207
Primary and fabricated metals.....	48,296	30,181	1,515	56,673	2,412	15,481	10,227	151.1	4,116	8,256	247
Primary metals.....	31,122	20,281	948	38,116	1,921	9,584	5,913	81.7	2,784	6,247	80
Fabricated metal products.....	17,173	9,900	567	18,557	491	5,897	4,313	69.4	1,332	2,008	167
Machinery.....	99,068	23,990	2,472	70,508	-992	21,744	18,213	242.6	8,955	8,569	1,638
Agriculture, construction, and mining machinery.....	40,967	4,079	434	15,764	1,203	3,827	2,923	35.4	3,319	2,160	258
Industrial machinery.....	9,075	3,043	221	9,326	-315	2,482	2,386	30.1	1,704	1,243	322
Other.....	49,025	16,868	1,817	45,419	-1,880	15,435	12,903	177.0	3,932	5,167	1,058
Computers and electronic products.....	50,330	21,193	2,047	47,955	-773	12,938	9,443	131.6	(D)	10,299	2,690
Computers and peripheral equipment.....	3,520	1,800	(D)	5,356	-49	1,312	1,059	11.8	1,155	2,517	159
Communications equipment.....	10,035	3,847	167	6,904	-606	1,240	1,466	16.8	890	718	630
Semiconductors and other electronic components.....	16,769	9,815	680	18,719	-45	4,195	2,291	32.9	4,892	4,535	495
Navigational, measuring, and other instruments.....	15,927	3,965	(D)	11,962	-148	5,076	3,961	54.8	(D)	1,011	1,307
Other.....	4,078	1,766	189	5,014	75	1,115	666	15.3	257	1,518	99
Electrical equipment, appliances, and components.....	20,732	7,616	504	19,139	339	5,150	3,846	72.0	2,221	2,416	(D)
Transportation equipment.....	242,379	111,200	13,558	215,467	3,344	35,623	25,686	384.2	26,623	55,892	3,707
Motor vehicles, bodies and trailers, and parts.....	222,242	106,131	13,178	197,118	3,170	31,082	21,957	335.3	24,652	53,470	3,279
Other.....	20,137	5,069	379	18,350	174	4,541	3,729	48.9	1,971	2,422	428
Other.....	55,934	(D)	1,316	(D)	(D)	15,509	9,662	160.5	4,019	4,026	798
<b>Wholesale trade</b> .....	<b>477,408</b>	<b>203,306</b>	<b>27,037</b>	<b>741,845</b>	<b>22,766</b>	<b>97,947</b>	<b>44,916</b>	<b>560.7</b>	<b>61,300</b>	<b>242,121</b>	<b>6,674</b>
Motor vehicles and motor vehicle parts and supplies.....	116,922	58,681	14,409	146,434	4,680	13,481	5,983	69.6	8,676	73,434	533
Electrical goods.....	58,432	15,718	1,513	97,180	1,212	13,453	10,392	104.6	12,137	47,335	2,191
Petroleum and petroleum products.....	140,515	(D)	(D)	222,196	8,944	33,305	4,994	48.4	7,788	34,877	(D)
Other.....	161,539	(D)	(D)	276,036	7,930	37,708	23,547	338.1	32,699	86,475	(D)
<b>Retail trade</b> .....	<b>62,536</b>	<b>42,253</b>	<b>4,864</b>	<b>130,098</b>	<b>878</b>	<b>29,362</b>	<b>17,852</b>	<b>612.7</b>	<b>216</b>	<b>4,434</b>	<b>(D)</b>
Food and beverage stores.....	37,872	30,864	3,335	92,396	279	20,380	12,854	432.7	0	(D)	0
Other.....	24,664	11,389	1,529	37,702	599	8,983	4,998	180.0	216	(D)	(D)
<b>Information</b> .....	<b>243,398</b>	<b>40,534</b>	<b>5,110</b>	<b>82,615</b>	<b>2,797</b>	<b>30,326</b>	<b>18,337</b>	<b>221.7</b>	<b>1,338</b>	<b>677</b>	<b>986</b>
Publishing industries.....	58,510	6,214	624	27,004	1,080	11,647	8,531	98.5	994	(D)	692
Motion picture and sound recording industries.....	43,117	2,459	151	11,741	444	2,161	1,280	15.1	(D)	1	(*)
Telecommunications.....	62,756	23,162	3,343	18,978	-330	6,293	2,503	37.6	0	(D)	(D)
Other.....	79,015	8,699	992	24,892	1,603	10,225	6,023	70.5	(D)	(D)	(D)
<b>Finance (except depository institutions) and insurance</b> .....	<b>3,069,870</b>	<b>27,887</b>	<b>4,988</b>	<b>169,090</b>	<b>8,127</b>	<b>25,280</b>	<b>31,657</b>	<b>194.9</b>	<b>0</b>	<b>1</b>	<b>9</b>
Finance, except depository institutions.....	1,924,695	16,114	3,695	59,265	4,992	13,454	18,635	80.9	0	1	9
Insurance carriers and related activities.....	1,145,175	11,773	1,293	109,825	3,135	11,826	13,022	114.0	0	0	0
<b>Real estate and rental and leasing</b> .....	<b>93,705</b>	<b>79,277</b>	<b>12,082</b>	<b>23,400</b>	<b>2,160</b>	<b>12,192</b>	<b>2,791</b>	<b>47.7</b>	<b>(D)</b>	<b>422</b>	<b>6</b>
Real estate.....	74,758	66,551	4,545	15,086	1,817	8,211	1,355	21.7	0	2	(*)
Rental and leasing (except real estate).....	18,947	12,726	7,537	8,314	343	3,981	1,436	25.9	(D)	420	6
<b>Professional, scientific, and technical services</b> .....	<b>80,515</b>	<b>10,969</b>	<b>1,351</b>	<b>53,353</b>	<b>2,282</b>	<b>19,075</b>	<b>15,238</b>	<b>183.3</b>	<b>(D)</b>	<b>288</b>	<b>1,436</b>
Architectural, engineering, and related services.....	10,430	2,501	243	7,304	-38	3,048	2,809	40.8	304	135	80
Computer systems design and related services.....	11,273	3,079	436	13,018	-62	6,808	6,032	61.8	10	(D)	219
Management, scientific, and technical consulting.....	12,262	238	26	1,916	1,025	960	766	7.4	0	0	0
Other.....	46,550	5,151	645	31,114	1,356	8,260	5,631	73.3	(D)	(D)	1,137
<b>Other industries</b> .....	<b>469,663</b>	<b>181,592</b>	<b>18,815</b>	<b>196,820</b>	<b>6,160</b>	<b>70,298</b>	<b>48,173</b>	<b>1,306.5</b>	<b>3,378</b>	<b>5,096</b>	<b>(D)</b>
Agriculture, forestry, fishing, and hunting.....	4,023	2,717	258	2,046	26	610	343	6.4	340	128	41
Mining.....	67,557	43,605	5,325	23,590	2,160	11,536	4,340	57.8	2,783	1,550	199
Utilities.....	97,867	68,960	5,110	40,214	870	8,762	2,906	35.5	1	3,133	0
Construction.....	21,261	8,994	3,957	33,772	695	6,285	5,029	64.9	64	31	6
Transportation and warehousing.....	47,265	25,070	2,046	37,524	-196	10,657	8,906	196.2	(D)	15	(D)
Management of nonbank companies and enterprises.....	139,659	321	71	138	1,473	-621	176	1.9	0	(D)	1
Administration, support, and waste management.....	32,659	4,062	384	21,800	897	14,913	12,930	465.4	(D)	2	(*)
Health care and social assistance.....	12,541	3,574	347	9,194	334	4,194	3,280	84.9	97	(D)	33
Accommodation and food services.....	38,305	18,562	906	23,041	76	11,398	8,618	331.4	(*)	3	(*)
Miscellaneous services.....	8,526	5,728	410	5,503	-175	2,563	1,646	62.3	45	(D)	(D)

\* A non-zero value between -\$500,000 and \$500,000.  
D Suppressed to avoid disclosure of data of individual companies.  
Estimates for 2004 are revised.

Table 13.2. Selected Data of Majority-Owned Nonbank U.S. Affiliates by Industry of Affiliate, 2005

	Millions of dollars							Thousands of employees	Millions of dollars		
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Value added	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Research and development performed by affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)	(9)	(10)
<b>All industries</b> .....	<b>5,883,782</b>	<b>1,092,128</b>	<b>121,133</b>	<b>2,495,380</b>	<b>80,882</b>	<b>539,869</b>	<b>335,870</b>	<b>5,085.7</b>	<b>169,238</b>	<b>452,968</b>	<b>31,694</b>
<b>Manufacturing</b> .....	<b>1,095,936</b>	<b>483,477</b>	<b>42,481</b>	<b>1,001,845</b>	<b>30,796</b>	<b>242,355</b>	<b>146,591</b>	<b>1,986.6</b>	<b>97,333</b>	<b>160,323</b>	<b>21,818</b>
Food .....	91,523	25,899	2,139	69,213	1,526	14,923	8,690	130.8	6,920	2,876	506
Beverages and tobacco products .....	(D)	7,691	766	18,898	1,842	7,061	2,393	33.4	889	1,032	44
Textiles, apparel, and leather products .....	3,235	2,759	291	4,368	86	1,468	981	19.6	411	471	31
Paper .....	23,642	17,652	825	18,904	-314	4,721	3,239	45.1	1,309	3,257	61
Printing and related support activities .....	6,619	4,339	452	6,915	87	2,851	2,046	36.1	163	232	2
Petroleum and coal products .....	(D)	(D)	3,012	(D)	(D)	22,005	4,248	30.1	(D)	23,235	(D)
Chemicals .....	233,534	91,581	6,854	182,227	10,249	50,237	28,248	276.6	18,438	25,889	10,398
Basic chemicals .....	36,159	34,866	1,955	43,485	1,076	8,668	4,683	49.9	6,071	5,358	791
Resins and synthetic rubber, fibers, and filaments .....	9,335	5,822	393	11,606	222	1,688	885	9.9	1,015	1,108	72
Pharmaceuticals and medicines .....	132,150	34,006	3,396	89,860	7,521	30,361	16,584	139.7	7,164	14,736	8,966
Soap, cleaning compounds, and toilet preparations .....	22,192	3,333	280	10,415	737	2,933	1,491	20.2	611	703	104
Other .....	33,698	13,554	830	26,861	693	6,586	4,605	56.9	3,577	3,983	466
Plastics and rubber products .....	29,130	19,788	1,430	35,916	801	10,649	7,350	119.2	3,180	5,646	366
Nonmetallic mineral products .....	76,964	49,929	3,088	52,974	2,166	17,656	10,137	159.5	1,907	2,030	219
Primary and fabricated metals .....	58,990	35,037	3,701	68,014	1,856	18,650	11,341	173.2	5,169	8,048	283
Primary metals .....	39,617	23,788	2,988	46,566	983	11,785	6,785	95.9	3,601	5,185	86
Fabricated metal products .....	19,374	11,249	713	21,449	873	6,865	4,556	77.3	1,569	2,863	197
Machinery .....	88,808	19,872	1,827	69,722	2,821	20,788	16,818	209.6	8,320	8,461	1,547
Agriculture, construction, and mining machinery .....	(D)	3,250	336	15,263	1,566	3,951	2,592	31.4	2,890	1,475	259
Industrial machinery .....	8,319	2,631	149	9,445	-4	2,486	2,225	27.9	1,391	1,363	169
Other .....	(D)	13,990	1,342	45,014	1,259	14,351	12,001	150.2	4,038	5,623	1,119
Computers and electronic products .....	55,176	21,854	2,277	57,621	-3,157	14,234	10,514	143.2	(D)	14,405	2,878
Computers and peripheral equipment .....	4,225	2,010	819	9,452	25	1,569	1,227	14.3	1,842	3,898	160
Communications equipment .....	5,952	2,100	130	6,958	-2,919	1,078	1,280	14.2	981	754	582
Semiconductors and other electronic components .....	17,815	10,521	642	19,207	317	4,654	2,754	36.2	5,119	5,241	583
Navigational, measuring, and other instruments .....	16,138	4,233	320	12,416	-488	4,865	3,834	48.7	(D)	963	1,366
Other .....	11,045	2,989	366	9,588	-92	2,068	1,419	29.8	764	3,550	186
Electrical equipment, appliances, and components .....	21,394	7,902	471	20,566	327	5,692	3,833	70.8	2,578	2,556	(D)
Transportation equipment .....	254,736	117,499	13,944	235,015	3,147	36,746	26,981	387.9	29,022	58,815	4,111
Motor vehicles, bodies and trailers, and parts .....	233,169	112,174	13,599	215,137	2,754	31,576	22,815	334.9	26,242	55,836	3,550
Other .....	21,567	5,325	346	19,878	393	5,170	4,166	53.1	2,780	2,979	561
Other .....	56,843	(D)	1,403	(D)	(D)	14,675	9,772	151.5	4,374	3,370	830
<b>Wholesale trade</b> .....	<b>519,722</b>	<b>215,604</b>	<b>27,481</b>	<b>791,488</b>	<b>26,383</b>	<b>98,271</b>	<b>46,637</b>	<b>567.8</b>	<b>65,443</b>	<b>279,847</b>	<b>6,775</b>
Motor vehicles and motor vehicle parts and supplies .....	126,694	65,491	14,184	160,368	4,926	15,323	6,431	73.4	7,437	80,078	347
Electrical goods .....	62,538	16,703	1,660	109,027	278	12,473	10,547	102.6	13,360	58,363	2,176
Petroleum and petroleum products .....	153,266	(D)	(D)	235,278	13,233	31,636	5,469	47.7	11,253	47,242	(D)
Other .....	177,225	(D)	(D)	286,815	7,945	38,840	23,980	344.0	33,392	94,164	(D)
<b>Retail trade</b> .....	<b>64,097</b>	<b>38,625</b>	<b>4,400</b>	<b>128,959</b>	<b>1,355</b>	<b>28,953</b>	<b>16,696</b>	<b>531.1</b>	<b>177</b>	<b>4,721</b>	<b>(D)</b>
Food and beverage stores .....	37,751	26,690	2,567	85,619	604	19,083	11,368	355.4	(*)	(D)	(*)
Other .....	26,346	11,936	1,834	43,340	751	9,870	5,328	175.7	177	(D)	(D)
<b>Information</b> .....	<b>208,519</b>	<b>34,694</b>	<b>3,937</b>	<b>77,078</b>	<b>1,423</b>	<b>28,162</b>	<b>18,836</b>	<b>211.9</b>	<b>1,382</b>	<b>(D)</b>	<b>1,135</b>
Publishing industries .....	60,326	5,896	624	28,945	1,460	12,912	9,481	103.3	1,037	216	805
Motion picture and sound recording industries .....	50,924	2,779	177	15,006	970	3,095	1,842	16.3	(D)	1	(*)
Telecommunications .....	66,254	19,583	2,322	20,799	-1,033	5,106	2,635	37.4	(*)	(D)	(D)
Other .....	31,015	6,435	815	12,328	26	7,050	4,878	52.9	(D)	3	(D)
<b>Finance (except depository institutions) and insurance</b> .....	<b>3,313,319</b>	<b>30,814</b>	<b>7,502</b>	<b>191,610</b>	<b>9,367</b>	<b>28,137</b>	<b>35,117</b>	<b>200.7</b>	<b>0</b>	<b>1</b>	<b>10</b>
Finance, except depository institutions .....	2,063,360	19,058	6,244	79,163	4,548	15,216	21,582	84.4	0	1	10
Insurance carriers and related activities .....	1,249,958	11,756	1,257	112,448	4,820	12,920	13,535	116.3	0	0	0
<b>Real estate and rental and leasing</b> .....	<b>98,663</b>	<b>83,548</b>	<b>14,242</b>	<b>25,708</b>	<b>2,400</b>	<b>12,998</b>	<b>2,942</b>	<b>48.1</b>	<b>(D)</b>	<b>568</b>	<b>9</b>
Real estate .....	76,780	69,414	6,317	16,593	1,814	8,391	1,497	23.4	0	1	(*)
Rental and leasing (except real estate) .....	21,883	14,135	7,925	9,115	586	4,607	1,445	24.7	(D)	567	9
<b>Professional, scientific, and technical services</b> .....	<b>87,830</b>	<b>11,134</b>	<b>1,663</b>	<b>54,172</b>	<b>56</b>	<b>20,406</b>	<b>16,369</b>	<b>197.1</b>	<b>(D)</b>	<b>(D)</b>	<b>1,517</b>
Architectural, engineering, and related services .....	12,558	2,628	215	8,924	-168	3,667	3,326	45.1	320	133	184
Computer systems design and related services .....	9,607	2,160	383	12,446	-500	6,471	5,399	55.2	3	5	165
Management, scientific, and technical consulting .....	12,272	338	46	2,287	-501	1,101	860	8.3	0	4	0
Other .....	53,393	6,008	1,018	30,515	1,225	9,166	6,785	88.5	(D)	(D)	1,168
<b>Other industries</b> .....	<b>495,696</b>	<b>194,232</b>	<b>19,426</b>	<b>224,519</b>	<b>9,102</b>	<b>80,586</b>	<b>52,683</b>	<b>1,342.3</b>	<b>4,206</b>	<b>6,578</b>	<b>(D)</b>
Agriculture, forestry, fishing, and hunting .....	4,124	2,507	218	2,084	78	630	323	6.2	320	122	61
Mining .....	82,164	50,669	7,273	28,936	4,033	15,411	5,789	71.1	3,417	1,552	214
Utilities .....	96,657	67,905	3,260	48,687	-1,252	8,968	2,867	35.0	2	4,435	0
Construction .....	25,477	11,972	3,833	37,058	926	7,460	5,360	68.8	(D)	31	5
Transportation and warehousing .....	52,750	28,678	2,411	42,001	564	11,725	9,157	207.5	(D)	(D)	(D)
Management of nonbank companies and enterprises .....	138,371	327	72	176	2,387	206	152	1.5	0	0	1
Administration, support, and waste management .....	38,776	6,871	634	26,813	1,269	17,474	14,888	493.6	(D)	6	(*)
Health care and social assistance .....	12,767	3,488	438	9,682	1,167	4,729	3,695	78.2	(D)	(D)	32
Accommodation and food services .....	38,633	19,051	932	24,349	1	11,943	9,025	326.7	(*)	2	0
Miscellaneous services .....	5,976	2,764	355	4,733	-70	2,040	1,427	53.6	52	(D)	(D)

\* A non-zero value between -\$500,000 and \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

Estimates for 2005 are preliminary.

Table 14.1. Selected Data of Majority-Owned Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 2004

	Millions of dollars							Thousands of employees	Millions of dollars		
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Value added	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Research and development performed by affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)	(9)	(10)
<b>All countries</b> .....	<b>5,540,350</b>	<b>1,057,486</b>	<b>112,369</b>	<b>2,292,931</b>	<b>71,523</b>	<b>511,474</b>	<b>323,793</b>	<b>5,131.5</b>	<b>155,507</b>	<b>394,463</b>	<b>30,083</b>
<b>Canada</b> .....	<b>380,743</b>	<b>99,546</b>	<b>(D)</b>	<b>150,540</b>	<b>4,578</b>	<b>40,231</b>	<b>24,611</b>	<b>384.6</b>	<b>6,583</b>	<b>26,102</b>	<b>1,459</b>
<b>Europe</b> .....	<b>4,180,952</b>	<b>657,193</b>	<b>62,412</b>	<b>1,380,217</b>	<b>48,545</b>	<b>332,450</b>	<b>220,881</b>	<b>3,561.0</b>	<b>81,800</b>	<b>156,177</b>	<b>22,825</b>
Austria.....	2,266	1,252	117	2,948	49	741	518	9.9	249	665	9
Belgium.....	79,800	16,399	911	32,367	1,263	8,080	4,172	131.2	1,329	1,141	137
Denmark.....	21,020	3,274	562	10,216	111	3,117	2,579	60.4	693	2,071	160
Finland.....	13,751	8,218	445	19,139	228	3,731	2,845	35.9	2,234	6,511	(D)
France.....	589,950	66,731	6,388	170,541	5,308	44,026	30,388	448.6	9,475	13,953	3,800
Germany.....	605,967	197,369	23,835	315,447	8,519	64,977	46,771	655.1	31,603	61,701	5,916
Ireland.....	17,843	6,579	592	12,346	20	3,525	2,568	39.3	154	337	266
Italy.....	39,418	14,115	895	23,877	210	6,354	4,147	102.3	1,866	3,670	230
Luxembourg.....	8,410	4,410	(D)	4,279	17	1,427	776	34.7	218	960	12
Netherlands.....	566,971	74,145	6,060	224,686	8,623	41,686	27,470	486.9	9,041	18,692	1,319
Norway.....	6,480	1,810	161	8,502	-293	555	721	9.5	348	1,248	(D)
Spain.....	30,476	3,476	278	6,827	-167	1,280	825	19.6	514	819	(D)
Sweden.....	36,264	15,471	1,277	43,878	490	12,086	9,110	210.5	3,745	5,747	270
Switzerland.....	1,157,733	38,618	3,049	131,798	2,761	33,646	30,659	389.1	5,430	10,205	4,185
United Kingdom.....	998,096	202,103	16,665	364,387	21,149	105,032	56,478	914.8	14,766	27,574	5,807
Other.....	6,506	3,223	(D)	8,980	257	2,186	856	13.2	136	884	6
<b>Latin America and Other Western Hemisphere</b> .....	<b>267,053</b>	<b>61,683</b>	<b>5,701</b>	<b>146,306</b>	<b>4,583</b>	<b>38,832</b>	<b>22,823</b>	<b>317.7</b>	<b>10,837</b>	<b>22,484</b>	<b>(D)</b>
South and Central America.....	35,666	17,096	(D)	62,521	1,030	11,983	4,095	70.7	1,796	17,716	(D)
Brazil.....	5,072	1,905	215	8,126	133	680	408	5.7	661	4,479	0
Mexico.....	19,185	6,663	517	17,047	31	3,195	2,434	50.9	663	(D)	17
Panama.....	1,040	(D)	50	(D)	(D)	(D)	(D)	H	(D)	17	(D)
Venezuela.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	H	(D)	(D)	(*)
Other.....	(D)	763	118	3,312	36	324	239	5.2	133	1,622	3
Other Western Hemisphere.....	231,387	44,588	(D)	83,785	3,553	26,849	18,728	247.0	9,041	4,768	1,069
Bahamas.....	889	342	64	269	63	76	87	1.7	(D)	(D)	(*)
Bermuda.....	158,147	30,350	2,588	64,682	3,304	21,449	14,877	189.1	8,234	3,425	873
Netherlands Antilles.....	(D)	(D)	316	(D)	(D)	(D)	(D)	J	(D)	85	(D)
United Kingdom Islands, Caribbean.....	63,285	7,685	1,225	12,466	-272	2,230	1,798	25.1	77	(D)	(D)
Other.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	J	25	17	(D)
<b>Africa</b> .....	<b>4,784</b>	<b>3,941</b>	<b>183</b>	<b>5,849</b>	<b>37</b>	<b>1,135</b>	<b>720</b>	<b>9.0</b>	<b>464</b>	<b>327</b>	<b>36</b>
South Africa.....	3,889	3,496	157	5,434	-12	1,032	684	8.4	463	325	36
Other.....	896	445	26	415	49	103	36	0.6	(*)	2	0
<b>Middle East</b> .....	<b>31,648</b>	<b>18,441</b>	<b>1,888</b>	<b>44,190</b>	<b>892</b>	<b>9,511</b>	<b>2,260</b>	<b>44.0</b>	<b>(D)</b>	<b>(D)</b>	<b>(D)</b>
Israel.....	11,300	1,992	342	6,104	-477	1,254	758	13.0	268	1,003	123
Kuwait.....	1,912	1,169	32	720	120	(D)	(D)	G	1	(*)	0
Lebanon.....	1,384	1,329	48	824	35	269	134	2.7	6	1	(*)
Saudi Arabia.....	10,962	9,611	749	(D)	(D)	6,415	587	5.5	(D)	(D)	(D)
United Arab Emirates.....	3,810	3,310	554	1,040	107	476	114	1.9	75	81	0
Other.....	2,280	1,030	162	(D)	(D)	(D)	(D)	J	75	79	41
<b>Asia and Pacific</b> .....	<b>649,430</b>	<b>204,379</b>	<b>25,819</b>	<b>545,055</b>	<b>11,730</b>	<b>82,082</b>	<b>48,592</b>	<b>760.9</b>	<b>52,632</b>	<b>176,238</b>	<b>3,763</b>
Australia.....	112,464	25,716	2,093	33,582	1,852	9,315	4,493	63.1	588	899	42
China.....	1,181	676	52	2,058	-43	345	257	3.2	(D)	186	14
Hong Kong.....	6,677	4,940	590	5,495	102	1,350	606	13.0	333	971	(D)
India.....	1,018	206	29	2,029	52	689	572	10.3	15	17	0
Japan.....	493,515	153,700	20,934	440,128	9,295	65,032	39,677	613.6	42,506	141,337	3,414
Korea, Republic of.....	17,060	7,932	1,567	40,913	452	2,342	1,016	14.4	7,256	28,968	(D)
Malaysia.....	1,551	1,020	59	804	14	314	238	4.4	(D)	16	(D)
New Zealand.....	470	79	5	1,299	21	116	69	1.2	(D)	(D)	0
Singapore.....	7,087	3,626	126	6,766	-321	809	719	18.1	(D)	465	20
Taiwan.....	6,985	5,496	265	10,701	260	1,569	827	14.5	1,064	1,892	102
Other.....	1,422	990	100	1,278	45	201	117	5.0	33	(D)	1
<b>United States</b> .....	<b>25,741</b>	<b>12,301</b>	<b>(D)</b>	<b>20,774</b>	<b>1,157</b>	<b>7,233</b>	<b>3,907</b>	<b>54.3</b>	<b>(D)</b>	<b>(D)</b>	<b>(D)</b>
<b>Addenda:</b>											
European Union (25) <sup>1</sup> .....	3,012,840	614,993	59,029	1,233,808	45,935	296,600	188,863	3,153.4	75,902	144,030	18,570
OPEC <sup>2</sup> .....	26,226	21,178	(D)	68,440	2,064	14,510	1,282	13.4	513	(D)	(D)

\* A non-zero value between -\$500,000 and \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. The European Union (25) comprises Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

2. 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.

Notes. Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

Estimates for 2004 are revised.

Table 14.2. Selected Data of Majority-Owned Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 2005

	Millions of dollars							Thousands of employees	Millions of dollars		
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Value added	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Research and development performed by affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)	(9)	(10)
<b>All countries</b> .....	<b>5,883,782</b>	<b>1,092,128</b>	<b>121,133</b>	<b>2,495,380</b>	<b>80,882</b>	<b>539,869</b>	<b>335,870</b>	<b>5,085.7</b>	<b>169,238</b>	<b>452,968</b>	<b>31,694</b>
<b>Canada</b> .....	<b>425,138</b>	<b>103,992</b>	<b>(D)</b>	<b>164,817</b>	<b>6,210</b>	<b>43,063</b>	<b>25,848</b>	<b>376.9</b>	<b>8,014</b>	<b>25,826</b>	<b>1,465</b>
<b>Europe</b> .....	<b>4,432,035</b>	<b>676,818</b>	<b>64,529</b>	<b>1,499,619</b>	<b>54,336</b>	<b>350,615</b>	<b>227,544</b>	<b>3,517.1</b>	<b>92,658</b>	<b>182,888</b>	<b>24,228</b>
Austria .....	2,317	1,237	157	3,354	82	814	543	9.4	314	880	7
Belgium .....	85,587	12,054	910	30,071	976	6,922	4,218	127.4	1,061	1,055	136
Denmark .....	23,375	3,768	567	11,704	46	3,366	2,817	63.1	770	2,767	319
Finland .....	15,367	8,101	(D)	21,296	51	3,920	2,944	35.6	2,397	8,423	(D)
France .....	627,425	66,403	5,080	184,743	10,011	48,465	32,235	473.1	11,580	18,058	4,063
Germany .....	627,624	208,630	24,177	343,293	5,555	66,479	48,154	654.9	33,894	65,245	6,287
Ireland .....	18,257	6,948	498	13,785	176	3,821	2,769	40.3	175	440	241
Italy .....	42,685	14,334	892	26,132	1,449	7,202	4,218	100.3	2,336	3,685	270
Luxembourg .....	8,649	4,278	177	4,962	490	982	525	26.4	312	(D)	3
Netherlands .....	622,797	70,916	5,519	259,291	8,371	43,729	26,311	441.8	10,642	27,066	1,597
Norway .....	11,631	6,148	604	10,457	194	1,220	628	6.6	258	1,573	(D)
Spain .....	41,777	4,244	685	7,360	150	1,895	1,175	29.2	595	375	(D)
Sweden .....	36,918	14,546	1,344	47,818	1,785	12,670	9,048	196.6	4,043	7,208	282
Switzerland .....	1,208,918	43,688	4,403	149,589	5,721	36,732	32,275	388.9	6,344	13,404	4,334
United Kingdom .....	1,050,847	207,486	18,511	375,239	19,008	109,862	58,677	907.8	17,732	30,116	5,954
Other .....	7,861	4,036	(D)	10,523	271	2,534	1,007	15.6	205	(D)	9
<b>Latin America and Other Western Hemisphere</b> .....	<b>289,281</b>	<b>58,258</b>	<b>5,410</b>	<b>167,245</b>	<b>4,711</b>	<b>40,812</b>	<b>24,698</b>	<b>323.2</b>	<b>11,989</b>	<b>30,721</b>	<b>(D)</b>
South and Central America .....	35,671	19,198	(D)	78,485	1,409	12,949	4,641	76.4	2,309	25,806	(D)
Brazil .....	5,628	1,857	459	9,955	-24	456	339	4.8	762	6,844	0
Mexico .....	17,089	8,258	748	21,477	357	4,532	2,866	56.3	893	(D)	18
Panama .....	1,149	(D)	73	1,163	(D)	(D)	(D)	H	(D)	35	(D)
Venezuela .....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	H	(D)	(D)	(*)
Other .....	(D)	1,037	150	(D)	(D)	484	324	6.5	176	1,638	3
Other Western Hemisphere .....	253,611	39,060	(D)	88,761	3,302	27,863	20,056	246.8	9,679	4,916	1,145
Bahamas .....	984	206	23	213	127	42	93	1.7	(D)	(D)	(*)
Bermuda .....	169,241	25,537	2,081	65,428	1,493	19,683	15,017	181.8	8,751	3,434	934
Netherlands Antilles .....	(D)	(D)	441	(D)	(D)	(D)	(D)	J	(D)	104	(D)
United Kingdom Islands, Caribbean .....	72,598	6,686	534	15,341	801	3,151	2,003	27.3	103	(D)	(D)
Other .....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	J	36	34	(D)
<b>Africa</b> .....	<b>4,299</b>	<b>3,877</b>	<b>206</b>	<b>6,322</b>	<b>-25</b>	<b>1,048</b>	<b>713</b>	<b>8.7</b>	<b>501</b>	<b>311</b>	<b>32</b>
South Africa .....	3,794	3,417	176	5,945	-67	990	676	8.1	500	309	32
Other .....	505	460	30	377	42	59	38	0.6	(*)	2	0
<b>Middle East</b> .....	<b>37,477</b>	<b>20,771</b>	<b>2,516</b>	<b>57,003</b>	<b>1,906</b>	<b>10,414</b>	<b>2,590</b>	<b>50.4</b>	<b>559</b>	<b>(D)</b>	<b>(D)</b>
Israel .....	12,560	2,326	211	8,111	-425	1,435	833	14.6	269	1,052	129
Kuwait .....	1,325	847	48	930	127	(D)	(D)	G	1	(*)	0
Lebanon .....	1,387	1,305	42	912	32	270	139	2.6	6	(*)	(*)
Saudi Arabia .....	12,879	10,455	1,080	(D)	(D)	6,771	522	5.2	(D)	(D)	(D)
United Arab Emirates .....	5,763	4,637	890	1,308	100	671	134	2.5	(D)	74	0
Other .....	3,562	1,200	245	(D)	(D)	(D)	(D)	J	98	293	62
<b>Asia and Pacific</b> .....	<b>667,079</b>	<b>215,563</b>	<b>31,322</b>	<b>578,603</b>	<b>12,285</b>	<b>85,985</b>	<b>50,559</b>	<b>755.3</b>	<b>53,298</b>	<b>196,642</b>	<b>3,879</b>
Australia .....	74,894	26,551	3,264	22,775	1,358	7,326	3,414	49.5	884	1,595	97
China .....	1,132	404	42	1,683	-62	149	151	1.7	(D)	210	(D)
Hong Kong .....	7,479	5,278	644	9,800	190	1,880	962	18.2	860	1,942	(D)
India .....	1,362	383	44	2,756	12	859	739	12.3	16	27	0
Japan .....	544,356	162,182	24,849	472,361	10,956	70,337	41,929	613.6	42,653	154,753	3,447
Korea, Republic of .....	18,611	8,779	1,918	45,022	-166	1,969	1,126	15.4	7,256	33,054	(D)
Malaysia .....	1,610	1,055	79	888	37	350	249	4.5	(D)	18	(D)
New Zealand .....	672	72	9	1,638	27	127	73	1.4	(D)	1,230	0
Singapore .....	8,243	4,287	204	8,165	-301	1,166	953	20.2	(D)	763	21
Taiwan .....	7,261	5,599	220	12,222	203	1,557	837	13.9	889	2,544	107
Other .....	1,460	975	50	1,294	31	264	127	4.7	30	505	(*)
<b>United States</b> .....	<b>28,473</b>	<b>12,851</b>	<b>(D)</b>	<b>21,771</b>	<b>1,459</b>	<b>7,932</b>	<b>3,917</b>	<b>54.1</b>	<b>2,220</b>	<b>(D)</b>	<b>(D)</b>
<b>Addenda:</b>											
European Union (25) <sup>1</sup> .....	3,206,400	624,486	59,297	1,332,176	48,311	310,726	193,854	3,110.2	85,862	167,011	19,822
OPEC <sup>2</sup> .....	(D)	23,212	(D)	86,898	3,462	14,689	1,400	14.6	469	(D)	(D)

\* A non-zero value between -\$500,000 and \$500,000.

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1. The European Union (25) comprises Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

2. 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.

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