Direct Investment Positions for 2012

Country and Industry Detail

By Kevin B. Barefoot and Marilyn Ibarra-Caton

BOTH OUTBOUND and inbound U.S. foreign direct investment continued to grow in 2012. The U.S. direct investment position abroad valued at historical cost grew 9 percent to $4,453.3 billion after average annual growth of 11 percent in 2001–2011 (table A and chart 1). The foreign direct investment position in the United States valued at historical cost grew 6 percent, to $2,650.8 billion, the same as its average annual rate of growth in 2001–2011.

This article presents details on the U.S. direct investment positions valued at historical cost by country and industry. These statistics measure U.S. direct investors' equity in, and net outstanding loans to, their foreign affiliates—the U.S. direct investment position abroad—and foreign direct investors' equity in, and net outstanding loans to, their U.S. affiliates—the foreign direct investment position in the United States. The positions are presented on a historical-cost basis because that is the only basis for which detailed statistics by country and industry are available, unlike the international investment position accounts that are presented on a current-cost and market-value bases. (See the box "Alternative Measures of the Direct Investment Positions.") On a historical-cost basis, positions generally reflect prices at the time of the investment rather than the prices of the current period. This valuation is derived principally from the accounting records of affiliates, which are maintained according to U.S. Generally Accepted Accounting Principles (U.S. GAAP).[1]

The year-to-year changes in the positions are composed of the financial flows—equity and debt investment—and valuation adjustments. The measure of

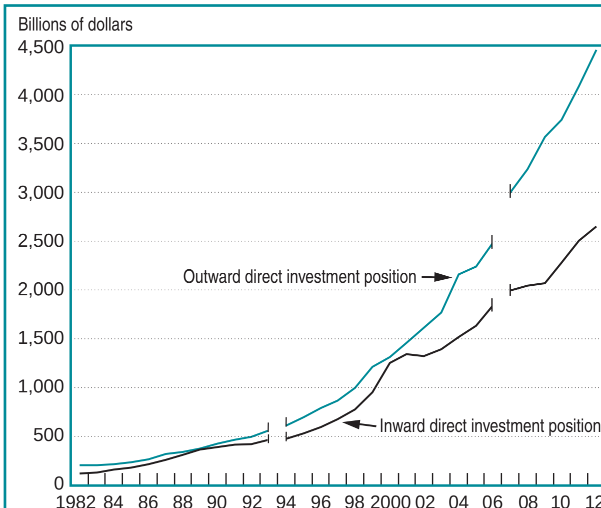
Table A. Direct Investment Positions on a Historical-Cost Basis, 1982–2012

Yearend	Billions of dollars		Percent change from preceding year	
	Outward position [1]	Inward position [2]	Outward position [1]	Inward position [2]
1982	207.8	124.7	....	....
1983	212.2	137.1	2.1	9.9
1984	218.1	164.6	2.8	20.1
1985	238.4	184.6	9.3	12.2
1986	270.5	220.4	13.5	19.4
1987	326.3	263.4	20.6	19.5
1988	347.2	314.8	6.4	19.5
1989	381.8	368.9	10.0	17.2
1990	430.5	394.9	12.8	7.0
1991	467.8	419.1	8.7	6.1
1992	502.1	423.1	7.3	1.0
1993	564.3	467.4	12.4	10.5
1994	612.9	480.7	(3)	(3)
1995	699.0	535.6	14.1	11.4
1996	795.2	598.0	13.8	11.7
1997	871.3	681.8	9.6	14.0
1998	1,000.7	778.4	14.8	14.2
1999	1,216.0	955.7	21.5	22.8
2000	1,316.2	1,256.9	8.2	31.5
2001	1,460.4	1,344.0	10.9	6.9
2002	1,616.5	1,327.2	10.7	–1.3
2003	1,769.6	1,395.2	9.5	5.1
2004	2,160.8	1,520.3	22.1	9.0
2005	2,241.7	1,634.1	3.7	7.5
2006	2,477.3	1,840.5	10.5	12.6
2007	2,994.0	1,993.2	(4)	(4)
2008	3,232.5	2,046.7	8.0	2.7
2009	3,565.0 [r]	2,069.4	10.3	1.1
2010	3,741.9 [r]	2,280.0 [r]	5.0	10.2
2011	4,084.7 [r]	2,502.6 [r]	9.2	9.8
2012	4,453.3 [p]	2,650.8 [p]	9.0	5.9

p Preliminary. The historical-cost positions by country and industry that are presented in this article are preliminary; however, earlier estimates of the aggregate positions for 2012 were published in the April SURVEY OF CURRENT BUSINESS.
r Revised
1. U.S. direct investment position abroad.
2. Foreign direct investment position in the United States.
3. The direct investment positions reflect a discontinuity between 1993 and 1994 because of the reclassification of intercompany debt between parent companies and affiliates that are nondepository financial intermediaries from direct investment to other investment accounts.
4. The direct investment positions reflect a discontinuity between 2006 and 2007 because of the reclassification of permanent debt between affiliated depository institutions from direct investment to other investment accounts.

1. For a discussion of the U.S. GAAP, see the box "Accounting Standards and the Direct Investment Positions" in Kevin B. Barefoot and Marilyn Ibarra-Caton, "Direct Investment Positions for 2010: Country and Industry Detail," SURVEY OF CURRENT BUSINESS 91 (July 2011): 127.

Chart 1. Direct Investment Positions at Historical Cost, 1982–2012



NOTE. There are discontinuities between 1993 and 1994 and between 2006 and 2007. See footnotes 3 and 4 in table A.

U.S. Bureau of Economic Analysis

direct investment financial flows presented in this article differs from the measure of direct investment financial flows used in the international transactions accounts because the reinvested earnings component of financial flows included here excludes a current-cost adjustment. “Financial flows” is used throughout the article for “financial flows without current-cost adjustment” and “reinvested earnings” for “reinvested earnings without current-cost adjustment.” In addition, “outward direct investment” and “outward” are shorthand for “U.S. direct investment abroad,” and “inward direct investment” and “inward” are shorthand for “foreign direct investment in the United States.”

This article presents the details on the direct investment positions by type of financial flow. It also presents details for outward investment cross-classified by country of the foreign affiliate and by primary industry of the affiliate and for inward investment cross-classified by country of foreign parent and by primary industry of the U.S. affiliate. The outward direct investment position and related financial flow statistics are classified by country of the foreign affiliate with which the U.S. parent has direct transactions and positions, and the inward direct investment position and related financial flow statistics are classified by country of the foreign parent or of other members of the foreign parent group that have direct transactions and positions with the U.S. affiliate. Revisions to previously released statistics are also discussed.

U.S. Direct Investment Abroad

The U.S. direct investment position abroad valued at historical cost—the book value of U.S. direct investors’ equity in, and net outstanding loans to, their foreign affiliates—was $4,453.3 billion at the end of 2012. It grew 9 percent, or $368.6 billion. The steady pace of growth—the position also grew 9 percent in 2011—reflected higher intercompany debt investment, increased reinvested earnings, and a shift in valuation adjustments from negative to positive. These changes were partly offset by a drop in equity investment.

Five host countries—the Netherlands, the United Kingdom, Luxembourg, Canada, and Bermuda—accounted for more than half of the total position at the end of 2012 (table 1.2 and charts 2 and 3). For the fourth consecutive year, the position in the Netherlands was the largest—at $645.1 billion, or 14 percent of the total. More than three-fourths of the position in the Netherlands was accounted for by holding companies that likely invested the funds in other countries. (See the section “Indirect Ownership” on page 31.) The position in the United Kingdom was $597.8 billion, or 13 percent of the total. In Luxembourg, the position was $383.6 billion, or 9 percent of the total, in Canada, it was $351.5 billion, or 8 percent of the total, and in Bermuda, it was $304.5 billion, or 7 percent of the total. Holding companies account for most of the positions in Luxembourg and Bermuda, where increases were largest for holding companies owned by

Alternative Measures of the Direct Investment Positions

Detailed statistics on the positions of U.S. direct investment abroad and foreign direct investment in the United States by country and industry are reported only on a historical-cost basis, so they largely reflect the price levels of earlier periods. Statistics are also reported on current-cost and market-value bases, but only at a global level, not by country or industry (see table I). The current-cost statistics value the U.S. and foreign parents’ shares of their affiliates’ investment (1) in plant and equipment using the current cost of capital equipment, (2) in land using general price indexes, and (3) in inventories using estimates of their replacement cost. The market-value statistics value the equity portion of direct investment using indexes of stock market prices.

The historical-cost statistics are not usually adjusted to reflect changes in the current costs or the replacement costs of tangible assets or in the stock market valuations of firms. Over time, the current costs of tangible assets and the stock market valuations of firms tend to increase. As a result, the historical-cost statistics tend to be less than the current-cost and market-value statistics for the same positions. The current-cost statistics are discussed in “The International Investment Position of the United States at Yearend 2012” in this issue.

Table I. Alternative Direct Investment Positions, 2011 and 2012

[Millions of dollars]

Valuation method	Position at yearend 2011 r	Changes in 2012			Position at yearend 2012 p
		Total	Financial flows	Valuation adjustments	
Outward:					
Historical cost	4,084,659	368,648	366,940	1,708	4,453,307
Current cost	4,663,142	414,608	388,293	26,315	5,077,750
Market value	4,513,863	735,676	388,293	347,383	5,249,539
Inward:					
Historical cost	2,502,628	148,204	160,569	–12,364	2,650,832
Current cost	2,879,531	177,795	166,411	11,384	3,057,326
Market value	3,510,395	413,574	166,411	247,163	3,923,969

p Preliminary. The historical-cost positions by country and industry that are presented in this article are preliminary; however, earlier estimates of the aggregate positions for 2012 were published in the April SURVEY OF CURRENT BUSINESS.

r Revised

U.S. parents in manufacturing, especially petroleum-related, machinery, and communications equipment manufacturing.

Changes by component

The $368.6 billion increase in the outward direct investment position resulted from financial outflows of $366.9 billion and valuation adjustments of $1.7 billion (table B and chart 4).

Financial flows

Financial outflows for U.S. direct investment abroad were $366.9 billion in 2012, down from $386.7 billion in 2011. Financial flows in 2012 consisted of reinvested earnings of $311.3 billion, net equity investment of $34.6 billion, and net intercompany debt investment outflows of $21.0 billion.

Equity investment. U.S. parent net equity investment in their foreign affiliates was $34.6 billion in 2012, down from $64.7 billion in 2011. Positive net equity investment in 2012 resulted from equity increases of $94.3 billion, which were partly offset by equity decreases of $59.7 billion. Equity increases, which increase the outward position, were down 18 percent from those in 2011. The decrease in 2012 coincided with a 16 percent decrease in global merger and acquisition activity.[2] Equity investments were the lowest since 2009 when the global financial crisis curtailed the level of worldwide merger and acquisition activity. The decline in 2012 reflected a slowdown in the acquisition or establishment of new foreign affiliates as well as in capital contributions to existing foreign affiliates. In 2012, equity decreases, which reduce the outward position, were up 19 percent from those in 2011, reflecting an increase in liquidations or sales of affiliates as well as in repatriations of capital from foreign affiliates to their U.S. parents.

By industry, equity increases for the acquisition or establishment of affiliates were largest in holding companies and in "other industries," which together accounted for 62 percent of these increases. In holding companies, equity increases were largest in Europe, particularly the United Kingdom and Luxembourg,

2. See the Thompson Reuters report "Mergers and Acquisitions Review: Financial Advisor Full Year 2012" at www.osler.com/uploadedFiles/4Q2012_MA_Legal_Advisory_Review.pdf

Chart 2. Outward Direct Investment Position by Country of Foreign Affiliate at Yearend 2012

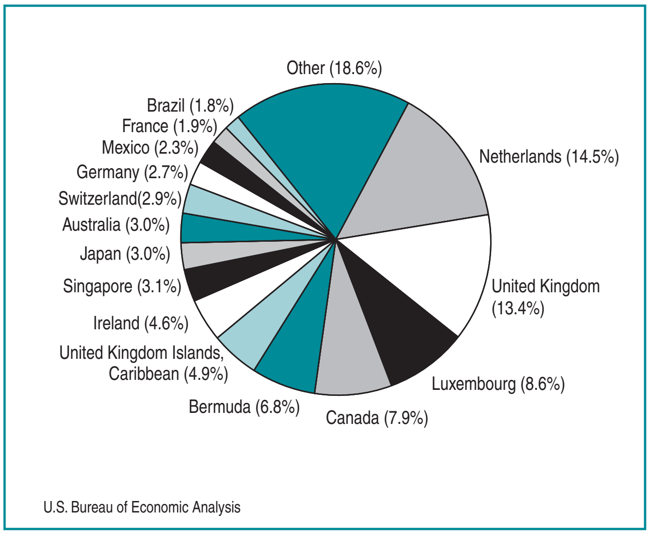
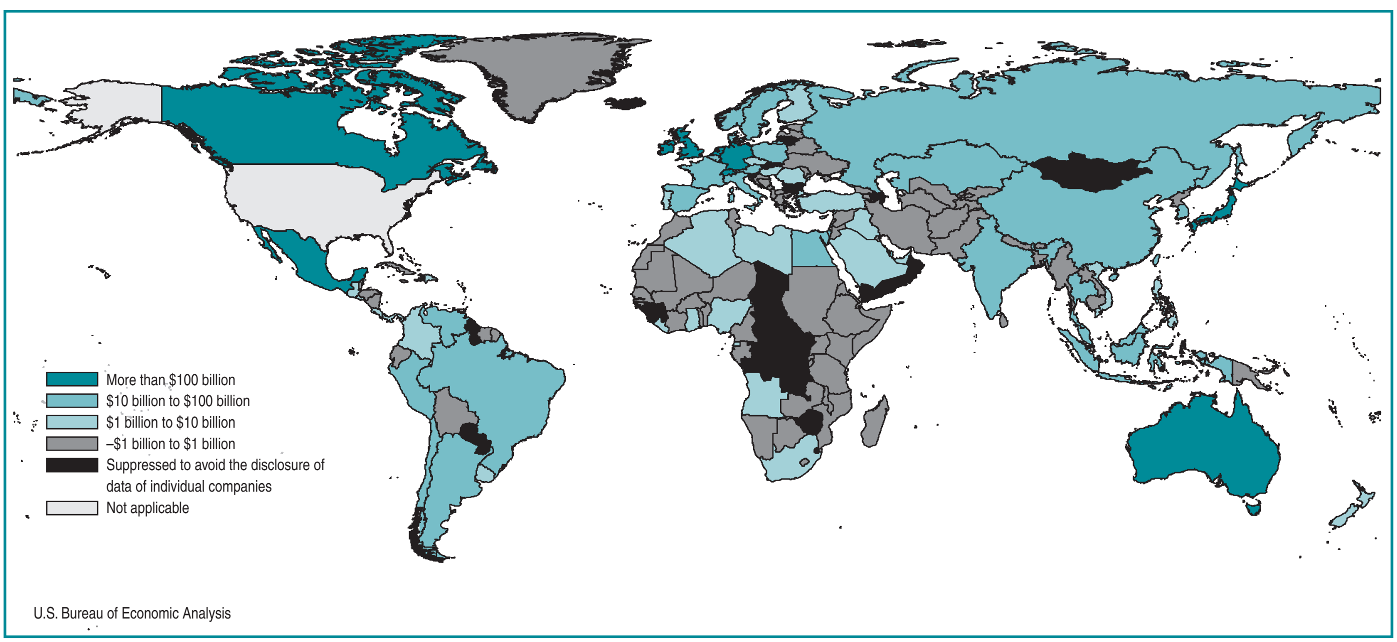


Chart 3. U.S. Direct Investment Position Abroad at Historical Cost at Yearend 2012



and in Other Western Hemisphere, primarily the United Kingdom Islands in the Caribbean and Bermuda. These investments reflected acquisitions by holding companies owned by U.S. parents in manufacturing, especially beverages and machinery manufacturing. Within "other industries," the equity increases were concentrated in retail trade in the United Kingdom.

Equity decreases were largest in Asia and Pacific, particularly Hong Kong and China, and in Europe, particularly the United Kingdom, the Netherlands, and Luxembourg. By industry, equity decreases were largest in holding companies, finance (except banks) and insurance, and information.[3] These divestments reflected liquidations or sales of affiliates by holding companies owned by U.S. parents in finance (except banks) and insurance and in petroleum-related manufacturing.

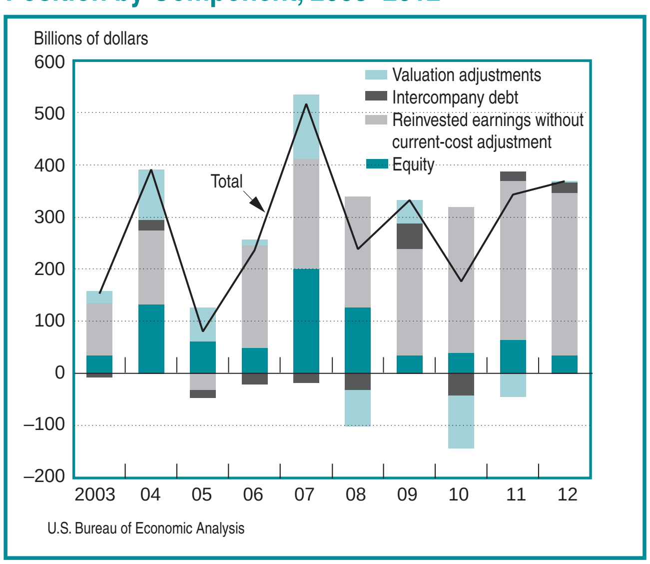
3. In this article, "banks" refers to "depository institutions," which is the industry title used in the table.

Table B. Change in the Outward Direct Investment Position on a Historical-Cost Basis by Component

[Billions of dollars]

	2011	2012
Total	342.7	368.6
Financial flows without current-cost adjustment	386.7	366.9
Equity	64.7	34.6
Increases	115.0	94.3
Decreases	50.3	59.7
Intercompany debt	17.8	21.0
Reinvested earnings without current-cost adjustment	304.2	311.3
Valuation adjustments	–44.0	1.7
Capital gains and losses	8.2	14.6
Currency translation	–17.3	10.9
Other	–34.8	–23.7

Chart 4. Change in the Outward Direct Investment Position by Component, 2003–2012



Reinvested earnings. Reinvested earnings—the difference between the U.S. parent share in foreign affiliate current-period earnings and the affiliate distributions to the parent—increased 2 percent in 2012. Reinvested earnings added $311.3 billion to the outward position, accounting for over four-fifths of the financial flows and of the increase in the outward position.

Reinvested earnings were positive in all major industries. Holding company affiliates accounted for nearly half of the total reinvested earnings in 2012. By region, reinvested earnings were largest in Europe, accounting for 50 percent of the worldwide total. Reinvested earnings were particularly large in the Netherlands, Ireland, and Luxembourg.

Reinvested earnings grew despite a decline in foreign affiliate earnings as U.S. parents reinvested a larger share of earnings in their affiliates. Foreign affiliate earnings decreased 2 percent to $441.0 billion in 2012 from $449.4 billion after increasing 9 percent in 2011. The decrease marked the first decrease in earnings since 2009, when earnings fell 13 percent. The decrease in 2012 reflected both the 3.8 percent average appreciation of the U.S. dollar against the currencies of major host countries and the deteriorating economic conditions in some major host countries, including Canada, the euro area countries, Brazil, and the United Kingdom.[4] The reinvestment ratio—the share of current-year earnings that were reinvested—rose to 71 percent in 2012 from 68 percent in 2011.

By industry, foreign affiliate earnings were down in mining, manufacturing, holding companies, and wholesale trade. By area, the decrease was largest in four countries: Brazil, particularly transportation equipment manufacturing; Canada, particularly mining and holding companies; China, particularly banks; and Spain, particularly holding companies whose U.S. parents were mainly in petroleum-related manufacturing.

Intercompany debt investment. In 2012, U.S. parent borrowing and lending transactions with their foreign affiliates increased their net intercompany debt position in these affiliates by $21.0 billion, compared with $17.8 billion in 2011. Net debt investment in 2012 resulted from an $18.4 billion increase in foreign affiliate intercompany debt obligations to their U.S. parents combined with a shift to a $2.7 billion outflow of U.S. parent intercompany debt obligations to their foreign affiliates. By region, transactions with affiliates in Asia and Pacific, mainly Australia and

4. See Principal Global Indicators on the Web site of the International Monetary Fund at www.principalglobalindicators.org.

Hong Kong, accounted for more than three-fourths of the total outflows in 2012. By industry, the increase in the debt position was widespread and the largest increases were in holding companies and in professional, scientific and technical services.

Valuation adjustments

Valuation adjustments totaled $1.7 billion in 2012, compared with –$44.0 billion in 2011. Valuation adjustments in 2012 consisted of capital gains and losses of $14.6 billion, currency-translation adjustments of $10.9 billion, and "other" valuation adjustments of –$23.7 billion. The positive capital gains and losses largely reflected unrealized gains related to the revaluation of financial assets held by Japanese insurance affiliates and British banks. The small positive currency-translation adjustments were the net result of the dollar's weakening against currencies such as the euro while strengthening against the Japanese yen and the Brazilian real. "Other" valuation adjustments arose from a variety of sources, including differences between the current sale or purchase price of affiliates and their book values.

Changes by area and by country

In 2012, the outward direct investment position increased in each of the major geographic areas (table C). U.S. parent investment in their European affiliates had the largest dollar increase, accounting for 62 percent of the increase in the total outward direct investment position. The next largest increase was in Latin America and Other Western Hemisphere, which accounted for 17 percent of the total increase.

Europe. The outward direct investment position increased $229.7 billion in 2012. The largest component of the increase was reinvested earnings, which accounted for 68 percent of the increase. By industry, the largest dollar increase in the position was in holding companies, including those of U.S. computers and electronic products manufacturers.

By country, the largest dollar increases were attributable to the United Kingdom, the Netherlands, and Luxembourg, which together accounted for over four-fifths of the increase in the area. In the United Kingdom, holding companies and finance (except banks) and insurance together accounted for nearly three-fourths of the increase. In holding companies, the increase reflected reinvested earnings and valuation adjustments, and the increase was largest for holding companies owned by U.S. petroleum-related manufacturers. In finance (except banks) and insurance, the increase was mainly due to valuation adjustments. In the Netherlands and in Luxembourg, the increases were concentrated in holding companies and partly reflected companies' reorganizations of their foreign affiliates. The transfer of ownership of some foreign affiliates to the Netherlands and to Luxembourg resulted in decreases in the positions for Curacao and Spain.[5] Although the transfer of ownership of affiliates increases the position for the countries to which ownership was transferred, the overall outward position is

5. Since 2011, Curacao has been included in "other" under Other Western Hemisphere in table 1.1 and 1.2. Prior to 2011, it was included in the Netherlands Antilles.

Data Availability

Detailed statistics on the outward direct investment position and related financial and income flows for 1982–2012 and statistics on the inward direct investment position and related financial and income flows for 1980–2012 are available on BEA's Web site at www.bea.gov.

For 2009–2012, the statistics published in this article are currently available on BEA's Web site. More detailed statistics on positions, financial transactions, and related income flows for both outward and inward investment will be available by the end of July on BEA's Web site and will be published in the September 2013 Survey of Current Business.

Table C. Change in the Outward Direct Investment Position on a Historical-Cost Basis by Country of Foreign Affiliate, 2012

	Change	
	Billions of dollars	Percent
All countries	368.6	9
Canada	19.8	6
Europe	229.7	10
Of which:		
United Kingdom	81.8	16
Netherlands	71.4	12
Luxembourg	33.0	9
Switzerland	16.6	15
Ireland	14.3	8
Germany	10.1	9
Norway	5.5	17
Spain	–17.2	–35
Latin America and Other Western Hemisphere	61.9	8
Of which:		
Bermuda	24.1	9
United Kingdom Islands, Caribbean	19.6	10
Mexico	10.2	11
Brazil	5.6	8
Chile	4.9	14
Africa	4.2	7
Of which:		
Nigeria	2.8	54
Egypt	2.2	15
Middle East	8.0	23
Asia and Pacific	45.1	7
Of which:		
Singapore	20.0	17
Japan	7.9	6
Hong Kong	7.8	19
Korea, Republic of	5.0	16
India	3.8	15
Australia	–4.4	–3
China	–3.9	–7

unaffected because these increase are offset by decreases in the position of the countries from which ownership was transferred.

Latin America and Other Western Hemisphere. The U.S. investment position rose $61.9 billion, with Bermuda and the United Kingdom Islands in the Caribbean together accounting for nearly three-fourths of the increase. The position in Bermuda increased $24.1 billion, and the increase was concentrated in holding companies and was mainly due to reinvested earnings. The position in the United Kingdom Islands in the Caribbean increased $19.6 billion, and the increase was largely attributable to an increase in the position of holding companies and to a lesser extent, to an increase in wholesale trade and finance (except banks) and insurance. The increase in all three industries reflected reinvested earnings.

The next largest dollar increases were in Mexico, Brazil, and Chile. In Mexico, the increase was widespread across industries. The largest increases were in manufacturing, particularly transportation equipment, and in finance (except banks) and insurance. In Brazil, the increase was concentrated in finance (except banks) and insurance and in holding companies. Nearly half of the increase in Chile was attributable to mining, which reflected reinvested earnings.

Asia and Pacific. The U.S. investment position increased $45.1 billion in 2012. The largest increases were in Singapore and to a lesser extent, in Japan and Hong Kong. In Singapore, over half of the increase was in holding companies, reflecting capital gains and losses and reinvested earnings. In Japan, the increase was concentrated in finance (except banks) and insurance, where much of the increase was attributable to valuation adjustments, particularly capital gains and losses. In Hong Kong, the increases in wholesale trade and in finance (except banks) and insurance were most significant. In both industries, the increases were attributable to intercompany debt investment.

In contrast, the U.S. investment positions in Australia and China decreased. In Australia, the decrease was attributable to finance (except banks) and insurance, and "other industries." In China, the decrease was concentrated in the information industry, reflecting equity decreases due to divestments.

Canada. In 2012, the U.S. investment position increased $19.8 billion, mainly in holding companies. An increase in manufacturing, mainly in transportation equipment manufacturing, also contributed.

Middle East. The U.S. investment position increased $8.0 billion. The increase, though relatively small in dollar terms, represented the largest percentage increase (23 percent) of the major regions. Qatar, the United Arab Emirates, and Saudi Arabia had the largest dollar increases. By industry, the increase was concentrated in mining and manufacturing, particularly petroleum-related manufacturing.

Africa. The U.S. investment position increased $4.2 billion. Nigeria and Egypt had the largest increases. In Nigeria, the increase was mainly in holding companies. In Egypt, the increase was mainly in mining.

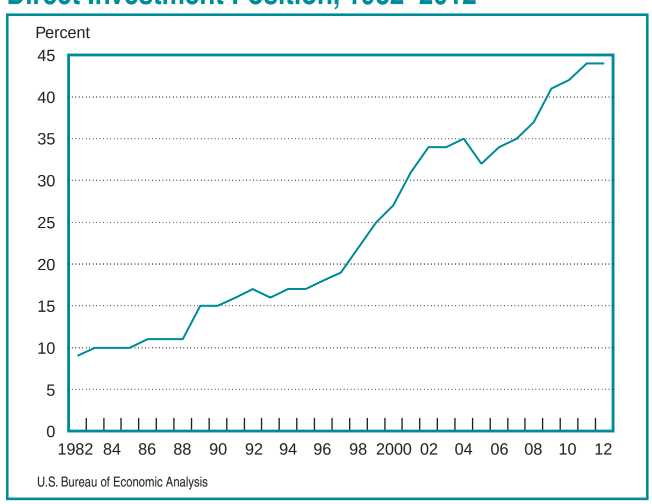
Indirect ownership

For the past three decades, the share of direct investment abroad owned indirectly—that is, by U.S. parent companies that own foreign affiliates that in turn own other foreign affiliates—has increased. Affiliates in any industry can own other foreign affiliates, but much of this investment is funneled through holding company affiliates. A holding company's primary activity is holding the securities or financial assets of other companies. In 2012, foreign affiliates classified as holding companies accounted for 44 percent of the outward direct investment position, while in 1982, holding company affiliates accounted for 9 percent of the outward position (chart 5).

One result of the rising use of holding companies is that outward investment statistics on positions and related flows show industry and country patterns that imperfectly reflect where the goods and services by foreign affiliates are actually produced and sold.[6] Statistics on the outward position and related flows are allocated to the industries and countries of the affiliates with which the U.S. parent companies have direct transactions and positions, but these industries and countries

6. For more information about the effects of holding companies on the outward investment series, see the "Technical Note" in Maria Borga and Raymond J. Mataloni Jr., "Direct Investment Positions for 2000: Country and Industry Detail," SURVEY 81 (July 2001): 23–25.

Chart 5. Holding Companies' Share of the Outward Direct Investment Position, 1982–2012



may differ from the industries and countries of the affiliates whose operations the parents ultimately own or control.[7]

Data from BEA's surveys of the operations of U.S. parent companies and their foreign affiliates suggest the degree to which indirect ownership structures may affect the country and industry distributions of the outward position data. The statistics on the operations of these affiliates are classified in the country where the affiliate's physical assets are located or where the primary activity is carried out, and they are classified in the industry that reflects the affiliate's primary activity. Thus, these statistics more closely reflect the countries and industries in which the goods and services are produced by the foreign affiliates than the statistics classified by the country and industry of the affiliate with which the parent company has a direct position or transaction.

Indirect ownership of affiliates, especially through holding companies, appears to be the most important factor for the differences in the patterns of investment by country or by industry between the position statistics and the operations statistics. According to the operations statistics, in 2010, three-fourths of foreign affiliate equity investment in other foreign affiliates was by holding companies, but holdings by affiliates in finance (except banks) and insurance and in manufacturing were also sizable. In addition, the operations statistics, unlike the position statistics, are not adjusted for percentage of U.S. ownership or for duplication in some measures of affiliate operations—such as assets and earnings—when affiliates hold equity or debt positions in one another. A comparison of the statistics on the outward investment position with the statistics on the assets and the net property, plant, and equipment (PP&E) of foreign affiliates for 2010 (the latest year for which detailed operations statistics are available) illustrates the differences in distribution between the position statistics and the operations statistics. For example, in 2010, manufacturing's share of the outward position, 14 percent, was similar to its share of the assets, 11 percent, but these shares were much less than its 35 percent share of the PP&E of foreign affiliates. Examining the statistics by country, the Netherlands' share of the outward position was 14 percent, compared with its 9 percent share of assets and its 2 percent share of PP&E, based on data from majority-owned foreign affiliates.

7. This convention follows international statistical guidelines in the *Balance of Payments and International Investment Position Manual*, 6th ed. (Washington, DC: International Monetary Fund, 2009).

Foreign Direct Investment in the United States

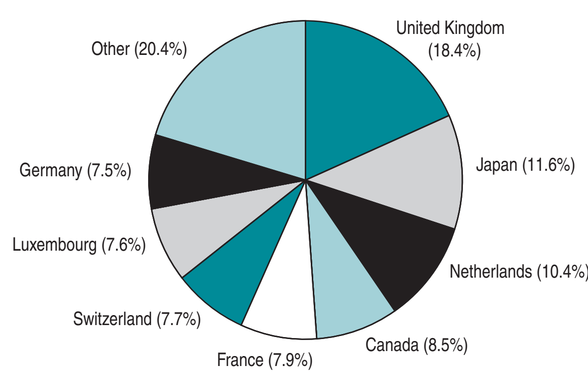
The foreign direct investment position in the United States valued at historical cost was $2,650.8 billion at the end of 2012. It grew 6 percent, or $148.2 billion, decelerating from a growth of 10 percent in 2011 but in line with the average annual growth of 6 percent between 2001 and 2011. The slower growth in 2012 reflected smaller increases in net intercompany debt and net equity investment. In contrast, reinvested earnings continued to grow at a record pace and contributed the most to the change in the inward position.

The United Kingdom remained the largest investing country with a position of $486.8 billion, or 18 percent of the total (table 2.2 and chart 6). Japan was the second largest with a position of $308.3 billion, or 12 percent of the total. The Netherlands was the third largest with a position of $274.9 billion, or 10 percent, and Canada was the fourth largest with a position of $225.3 billion, or 9 percent. The next largest investing countries were France with a position of $209.1 billion, Switzerland with a position of $204.0 billion, Luxembourg with a position of $202.3 billion, and Germany with a position of $199.0 billion, and each accounted for 8 percent of the total. For an alternative classification of the inward position by country, see the section "Indirect Ownership" on page 36.

Changes by component

The $148.2 billion increase in the inward direct investment position resulted primarily from financial

Chart 6. Inward Direct Investment Position by Country of Each Member of the Foreign Parent Group at Yearend 2012



U.S. Bureau of Economic Analysis

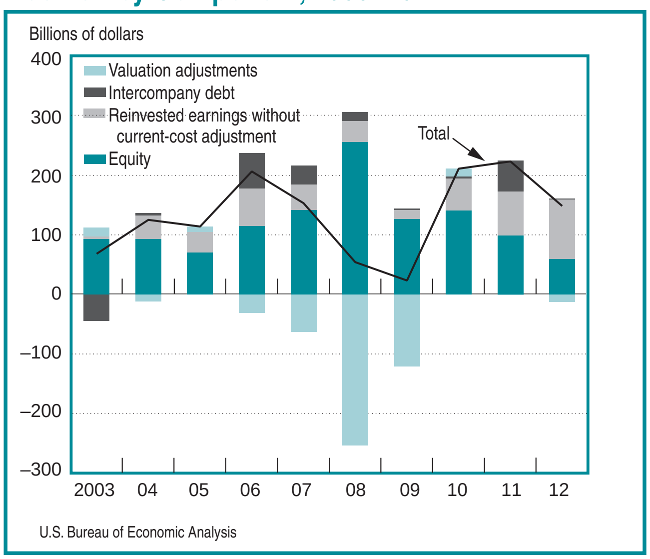
inflows of $160.6 billion. Valuation adjustments were –$12.4 billion (table D and chart 7).

Table D. Change in the Inward Direct Investment Position on a Historical-Cost Basis by Component

[Billions of dollars]

	2011	2012
Total	222.6	148.2
Financial flows without current-cost adjustment	223.8	160.6
Equity	98.5	59.6
Increases	147.5	87.3
Decreases	–49.0	–27.6
Intercompany debt	50.9	1.0
Reinvested earnings without current-cost adjustment	74.4	99.9
Valuation adjustments	–1.2	–12.4
Capital gains and losses	11.8	–5.5
Currency translation	0.6	0.6
Other	–13.6	–7.5

Chart 7. Change in the Inward Direct Investment Position by Component, 2003–2012



Financial flows

Direct investment financial inflows were $160.6 billion in 2012, down from $223.8 billion in 2011. Financial flows in 2012 consisted of $99.9 billion in reinvested earnings, $59.6 billion in net equity investment, and $1.0 billion in net intercompany debt investment inflows.

Equity investment. In 2012, net equity investment of foreign parents in their U.S. affiliates was $59.6 billion, its lowest level since 1997, when it was $59.5 billion. In 2011, net equity investment was $98.5 billion. Historically, net equity investment has been the largest component of the position increase. However, due to the 2012 slowdown in net equity investment and the strong growth in reinvested earnings, net equity investment was the second-largest component of the position increase. The increase in net equity investment in 2012 resulted from equity increases of $87.3 billion that were partly offset by equity decreases of $27.6 billion.

By region, Europe accounted for $37.8 billion or 63 percent of net equity investment in 2012. Within Europe, net equity investment was concentrated in a few countries, including the Netherlands, Germany, the United Kingdom, France, Belgium, and Switzerland. These six countries accounted for 92 percent of the total increase from Europe. Asia and Pacific accounted for $17.4 billion or 29 percent of net equity investment. Within Asia and Pacific, Japan, Korea, and China accounted for more than 90 percent of the region's 2012 net equity investment.

By industry, net equity investments were largest in manufacturing and "other industries," which together accounted for 81 percent of the total. Within manufacturing, the largest increase was in electrical equipment, appliances, and components manufacturing, which accounted for 60 percent of the increase in

Acknowledgments

Overall supervision of the direct investment statistics was provided by Barbara K. Hubbard, Chief of the Direct Transactions and Positions Branch.

The statistics on the U.S. direct investment position abroad are based largely on data from BEA's quarterly survey of transactions between U.S. parent companies and their foreign affiliates. The survey was conducted under the supervision of Jessica M. Hanson, who was assisted by Iris Branscome, Marie K. Laddomada, Sherry Lee, Louis C. Luu, Leila C. Morrison, Elizabeth A. Ocalan, James Y. Shin, and Dwayne Torney. Computer programming for data estimation and tabulation was provided by Marie Colosimo and Kevin R. Smith.

The statistics on the foreign direct investment position in the United States are based largely on data from BEA's quarterly survey of transactions between U.S. affiliates of foreign companies and their foreign parents. The survey was conducted under the supervision of Peter J. Fox, who was assisted by Susan M. LaPorte, Robert L. Rosholt, and Helen P. Yiu. Computer programming for data estimation and tabulation was provided by Karen E. Poffel and Paula D. Brown.

manufacturing and primarily reflected acquisitions. The increase in “other industries,” notably holding companies and mining, reflected a combination of capital contributions and acquisitions.

The slowdown in net equity investment in 2012 continued the 2011 slowdown in net equity investment, and it primarily reflected a decline in equity increases, which decreased 41 percent after decreasing 27 percent in 2011. The 2012 slowdown was spread across all major regions and was led by Europe, with a decline of $20.1 billion in equity increases. By country, the decline in equity increases for European parents was led by Luxembourg and the United Kingdom and partly reflected a decline in capital contributions. In contrast, equity increases for the Netherlands grew in 2012, primarily reflecting an increase in acquisitions. By industry, the largest declines in equity increases were in “other industries,” mainly mining and holding companies, followed by banks and manufacturing.

Equity decreases, which reduce the inward position, declined 44 percent from those in 2011. Equity decreases reflected a combination of liquidations of U.S. affiliates by European parents and returns of capital to European parents. By country, the Netherlands accounted for almost half of total equity decreases.

Reinvested earnings. Reinvested earnings—the difference between the foreign parent’s share in their U.S. affiliates’ current-period earnings and the affiliates’ distributions to their parent—added $99.9 billion to the inward direct investment position in 2012. Reinvested earnings continued to exhibit strong growth, and for the first time since the series began in 1950, they were the leading contributor to the change in the inward position. Reinvested earnings were largest for affiliates with European parents, accounting for $68.0 billion or about 68 percent of total reinvested earnings in 2012. Affiliates with parents in Asia and Pacific accounted for $19.5 billion, or 19 percent of the total. By country, reinvested earnings were largest for affiliates with parents in the United Kingdom, Japan, the Netherlands, France, and Germany.

By industry, reinvested earnings were largest for affiliates in manufacturing, accounting for 41 percent of the total. Within manufacturing, reinvested earnings were largest in chemicals manufacturing and petroleum-related manufacturing. The next largest earnings were for affiliates in “other industries,” primarily holding companies, accounting for 22 percent of the total.

Reinvested earnings increased $25.5 billion, or 34 percent, in 2012. The increase reflected both increased earnings and a higher reinvestment ratio—the ratio of reinvested earnings to total earnings; the ratio increased to 69 percent in 2012 from 55 percent in 2011. While earnings increased, distributions to foreign parents decreased almost 30 percent in 2012. In 2012, U.S. affiliate earnings rose 6 percent, to $144.2 billion, after rising 12 percent in 2011. The 2012 rise coincided with a 10 percent increase in U.S. corporate profits for domestic industries.[8]

By industry, the largest increase in reinvested earnings was in finance (except banks) and insurance, followed by wholesale trade; “other industries,” especially holding companies and mining; and manufacturing, mostly in chemicals manufacturing. By region, two-thirds of the increase was by parents in Europe.

Intercompany debt investment. Foreign parent groups’ borrowing and lending transactions with their U.S. affiliates increased the direct investment position by $1.0 billion in 2012 after increasing it $50.9 billion in 2011. Net debt investment in 2012 resulted from a $41.1 billion increase in intercompany debt obligations of U.S. affiliates to their foreign parent groups combined with a shift to $40.0 billion in outflows of intercompany debt claims of U.S. affiliates on members of their foreign parent group.

By industry, net intercompany debt inflows for 2012 were the largest in manufacturing, primarily chemicals manufacturing, and in professional, scientific, and technical services. These increases were offset by outflows in finance (except banks) and insurance and in petroleum-related manufacturing. By major region, most of the net intercompany debt inflows originated from Canada, which accounted for $4.6 billion in inflows in 2012. In contrast, Asia and Pacific accounted for the most net intercompany debt outflows with outflows of $5.1 billion, led by Australia with outflows of $5.2 billion.

Valuation adjustments

Valuation adjustments decreased the inward position $12.4 billion in 2012 after decreasing it $1.2 billion in 2011. Valuation adjustments consist of “other” valuation adjustments, capital gains and losses, and currency-translation adjustments. “Other” valuation adjustments decreased the position $7.5 billion in 2012 after decreasing the 2011 position $13.6 billion. “Other” valuation adjustments are due to a variety of sources, including differences between the current sale or purchase price of U.S. affiliates and their book values. Capital gains and losses decreased the position $5.5 billion in 2012 after increasing the 2011 position $11.8 billion. Currency-translation adjustments were $0.6 billion in 2012, almost unchanged from the amount in 2011. Currency-translation adjustments are

8. The measure of U.S. corporate profits is before tax and includes inventory valuation and capital consumption adjustments, unlike the measure of affiliate earnings (see line 2 of table 6.16D of the national income and product accounts).

smaller for inward investment than for outward investment because many U.S. affiliates maintain their accounting records in U.S. dollars.

Changes by area and by country

Foreign direct investors from Europe accounted for 73 percent of the total increase in the inward direct investment position (table E). The next largest increase in the position was from Asia and Pacific, accounting for 12 percent of the total increase.

Table E. Change in the Inward Direct Investment Position on a Historical-Cost Basis by Country of Each Member of the Foreign Parent Group, 2012

	Change	
	Billions of dollars	Percent
All countries	148.2	6
Canada	14.5	7
Europe	108.1	6
Of which:		
Netherlands	49.2	22
United Kingdom	25.1	5
France	19.5	10
Luxembourg	9.5	5
Belgium	8.4	10
Sweden	3.0	8
Italy	2.0	9
Switzerland	1.7	1
Ireland	1.5	6
Spain	1.2	3
Germany	–16.2	–8
Latin America and Other Western Hemisphere	6.5	7
Of which:		
United Kingdom Islands, Caribbean	7.6	15
Brazil	–1.5	–30
Africa	1.1	25
Middle East	–0.2	–1
Asia and Pacific	18.2	4
Of which:		
Japan	17.2	6
Korea	5.2	27
Singapore	2.0	8
China	1.4	38
Hong Kong	1.4	28
Australia	–9.8	–19

Europe. The inward direct investment position increased $108.1 billion in 2012. The largest component of the 2012 increase was reinvested earnings, followed by net equity investment. By country, the Netherlands, the United Kingdom, and France accounted for the largest dollar increases and for almost 90 percent of the overall increase in the European position. By industry, the largest increases in the European position were in manufacturing, primarily chemicals manufacturing, followed by electrical equipment, appliances, and components manufacturing; "other industries," especially holding companies and mining; and professional, scientific, and technical services.

By country, the Netherlands had the largest increase in the inward direct investment position, $49.2 billion, primarily reflecting reinvested earnings and net equity investment due to acquisitions of U.S. affiliates. By industry, 54 percent of the increase from the Netherlands was in manufacturing and was split among chemicals manufacturing; electrical equipment, appliances, and components manufacturing; and "other" manufacturing. Finance (except banks) and insurance accounted for 41 percent of the increase. The inward position for the United Kingdom increased $25.1 billion and was primarily accounted for by reinvested earnings. By industry, the increase was led by "other industries," particularly holding companies and mining. The inward position for France increased $19.5 billion, primarily reflecting increases in chemicals manufacturing.

In contrast, the inward position for Germany decreased $16.2 billion and was primarily accounted for by net intercompany debt outflows. By industry, the decrease was primarily in finance (except banks) and insurance.

Asia and Pacific. The inward direct investment position increased $18.2 billion in 2012 and was largely attributable to parents in Japan and Korea. The position for Japan increased $17.2 billion, reflecting increases in reinvested earnings and net equity investment primarily due to acquisitions. By industry, the position increase was largest in manufacturing and wholesale trade. The position for Korea increased $5.2 billion, mainly reflecting increases in wholesale trade and in "other industries," particularly mining. In contrast, the position for Australia decreased $9.8 billion and was concentrated in "other industries," particularly holding companies.

Latin America and Other Western Hemisphere. The inward direct investment position increased $6.5 billion, primarily reflecting an increase in reinvested earnings. The position of parents in the United Kingdom Islands in the Caribbean increased $7.6 billion and was concentrated in computer and electronic products manufacturing and wholesale trade.

Canada. The inward direct investment position increased $14.5 billion, reflecting an increase in reinvested earnings. The majority of the increase was in "other industries," particularly mining and holding companies; manufacturing, primarily chemicals manufacturing and petroleum-related manufacturing; and finance (except banks) and insurance.

The Middle East and Africa. The inward direct investment position for the Middle East decreased $0.2 billion, mainly reflecting a decrease in reinvested earnings. The inward direct investment position for Africa increased $1.1 billion, primarily reflecting an increase in net intercompany debt.

Indirect ownership

Foreign multinational companies (MNCs) may own their U.S. affiliates indirectly through ownership chains that extend across multiple foreign countries. The inward direct investment position statistics that are presented in this article are classified by the country of the foreign parent (or of the member of the foreign parent group with a positive or negative net debt investment in the U.S. affiliate).[9] The position is classified by the first country outside the United States with a direct claim on the U.S. affiliate. In addition to the data collected by country of foreign parent, BEA collects data on the country of the ultimate beneficial owner (UBO) of the U.S. affiliate. The UBO ultimately owns or controls the U.S. affiliate (see the box "Key Terms"). BEA also presents the inward position classified by country of UBO for major regions and selected countries.[10]

For most affiliates, the country of the UBO is also the country of the foreign parent. Of the U.S. affiliates required to report in the 2007 Benchmark Survey of Foreign Direct Investment in the United States, the country of the UBO and that of its foreign parent were the same for 81 percent of the affiliates. Together, these affiliates accounted for more than four-fifths of the total assets, sales, and employment of all affiliates. However, for some countries, especially financial centers through which MNCs may channel their investments, the position classified by country of UBO can differ significantly from those classified by country of foreign parent (see table F).

For some foreign parent countries—most notably, Luxembourg, Switzerland, and the Netherlands—the positions classified by country of foreign parent were much higher than those classified by country of UBO. For other UBO countries—most notably, Ireland, Bermuda, and several countries in the Middle East—positions classified by country of UBO were much higher than those classified by country of foreign parent.

Ireland and Bermuda are examples of countries that use tax and regulatory policies to attract the corporate headquarters of multinational firms.[11] For these countries, the higher position by country of UBO represents investments by MNCs that are organized with entities in Ireland and Bermuda at the top tier of the corporate group, including U.S. corporations that reorganize their ownership structure. In such reorganizations, sometimes referred to as "corporate inversions," the U.S. corporation forms a new corporation in a foreign country and simultaneously inverts its ownership structure so that the U.S. corporation is now a U.S. affiliate of the foreign corporation.

For countries in the Middle East, positions by country of UBO are higher than those classified by country of foreign parent because investments from the Middle East are often routed through affiliates in other countries. Possible reasons for Middle Eastern UBOs to hold their U.S. investments indirectly through intermediate subsidiaries in other countries include tax and regulatory policies and privacy protection.[12]

Table F. Historical-Cost Foreign Direct Investment Position, by Country of Foreign-Parent-Group-Member and the UBO, 2012 [1]

[Billions of dollars]

	By country of each member of the foreign parent group	By country of UBO
All countries	2,650.8	2,650.8
Canada	225.3	261.1
Europe	1,876.2	1,706.7
Of which:		
France	209.1	221.7
Germany	199.0	272.3
Ireland	24.9	127.7
Luxembourg	202.3	21.0
Netherlands	274.9	130.1
Switzerland	204.0	126.0
United Kingdom	486.8	564.7
Latin America and Other Western Hemisphere	95.6	85.9
Of which:		
Bermuda	2.3	14.2
Mexico	14.9	29.2
United Kingdom Islands, Caribbean [2]	58.6	–0.3
Africa	5.3	4.8
Middle East	20.6	64.0
Asia and Pacific	427.7	448.4
Of which:		
Japan	308.3	309.4
China	5.2	10.5
Hong Kong	6.3	9.0

1 The ultimate beneficial owner (UBO) is that person, proceeding up a U.S. affiliate's ownership chain, beginning with and including the foreign parent, that is not owned more than 50 percent by another person. The country of UBO is often the same as that of the foreign parent, but it may be a different foreign country or the United States.

2. A negative direct investment position may result when affiliates' financial claims on direct investors exceed direct investors' claims on their affiliates. Typically, a negative position will result from debt transactions in which affiliates act as net lenders to their foreign parents.

Revisions

The statistics on direct investment positions by country and by industry for 2012 presented in this article are preliminary. Revised statistics on the outward position and related financial flows for 2009–2011 and on the inward positions and related financial flows for 2010–2011 incorporate new survey data collected

9. This convention follows guidelines in the *Balance of Payments and International Investment Position Manual*, 6th ed. (Washington, DC: International Monetary Fund, 2009).

10. BEA regularly publishes detailed tabulations that compare statistics classified by country of foreign parent and country of UBO for both the direct investment position and direct investment income in table 16 in the September SURVEY; for example, see table 16 on page 102 in the September 2012 SURVEY. This September, preliminary statistics for 2012 and revised statistics for 2010 and 2011 will be published. Table 16 will also be available in late July on BEA's Web site.

11. For a summary of research on the effects of taxation on multinational firms, see Mihir A. Desai, Fritz C. Foley, and James R. Hines, "Taxation and Multinational Activity: New Evidence, New Interpretations," SURVEY 86 (February 2006): 16–22.

12. For more information, see Robert Lipsey, "Foreign Direct Investment in the United States: Changes Over Three Decades," in *Foreign Direct Investment*, ed. Kenneth A. Froot (Chicago: University of Chicago Press, 1993): 113–172.

Key Terms

For a more detailed discussion of the terms in this box, see the methodologies presented in *Foreign Direct Investment in the United States: Final Results From the 2007 Benchmark Survey* and *U.S. Direct Investment Abroad: Final Results From the 2009 Benchmark Survey.* The presentation of these methodologies is available on BEA's Web site at www.bea.gov.

Direct investment is investment in which a resident (in the broad legal sense, including a person or company) of one country obtains a lasting interest in, and a degree of influence over, the management of a business enterprise in another country. In the United States and in the international statistical guidelines, the criterion used to define direct investment is ownership of at least 10 percent of the voting securities of an incorporated business enterprise or the equivalent interest in an unincorporated business enterprise.

U.S. direct investment abroad (outward direct investment) represents the ownership or control, directly or indirectly, by one U.S. resident, the **U.S. parent,** of at least 10 percent of a foreign business enterprise, which is called a **foreign affiliate.**

Foreign direct investment in the United States (inward direct investment) represents the ownership or control, directly or indirectly, by one foreign resident, the **foreign parent,** of at least 10 percent of a U.S. business enterprise, which is called a **U.S. affiliate.** Foreign direct investment includes equity and net debt investments by the foreign parent, and net debt investment by any other members of the **foreign parent group.** The foreign parent group consists of (1) the foreign parent, (2) any foreign person (including a company), proceeding up the foreign parent's ownership chain, that owns more than 50 percent of the person below it, up to and including the **ultimate beneficial owner (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.

The UBO of a U.S. affiliate is the first person, proceeding up the affiliate's ownership chain, that is not more than 50 percent owned by another person. The UBO ultimately owns or controls the affiliate and derives the benefits and assumes the risks associated with ownership or control. Unlike the foreign parent, the UBO of a U.S. affiliate may be located in the United States.

Direct investment position is the value of direct investors' equity in, and net outstanding loans to, their affiliates. The direct investment position may be viewed as the direct investors' net financial claims on their affiliates. BEA reports statistics on the positions for outward direct investment and for inward direct investment at historical cost, current cost, and market value. This article features the **historical-cost** measure, which is principally derived from the financial accounting records of affiliates and generally reflects the acquisition cost of the investments, cumulative reinvested earnings, and cumulative depreciation of fixed assets.

Direct investment financial flows result from transactions that change financial claims (assets) and liabilities between U.S. parents and their foreign affiliates or between U.S. affiliates and their foreign parents. Financial **outflows** result from transactions that increase U.S. assets or decrease U.S. liabilities. Financial **inflows** result from transactions that decrease U.S. assets or increase U.S. liabilities. Direct investment financial flows consist of equity investment, intercompany debt investment, and reinvested earnings.

Equity investment is the difference between equity increases and decreases. Equity increases result from (1) parents' establishments of new affiliates, (2) payments by parents to unaffiliated parties for the purchase of capital stock or other equity interests when they acquire an existing business, (3) payments to acquire additional ownership interests in their affiliates, and (4) capital contributions to their affiliates. Equity decreases are the funds parents receive when they reduce their equity interests in their affiliates.

Intercompany debt investment results from changes in net outstanding loans between parents (or for inward investment, other foreign parent group members) and their affiliates, including loans by parents to affiliates and loans by affiliates to parents.

Reinvested earnings (without current-cost adjustment) are the parent share of the current-period operating earnings of affiliates less distributions of earnings that affiliates make to parents. In the international transactions accounts, reinvested earnings include a **current-cost adjustment** that reflects current-period prices. The current-cost adjustment 1) converts depreciation charges to a current-cost, or replacement-cost, basis, 2) it adds charges for depletion of natural resources back to income and reinvested earnings because these charges are not treated as production costs in the national income and product accounts, and 3) reallocates expenses for mineral exploration and development across periods so that they are written off over their economic lives rather than all at once.

Valuation adjustments are made to account for differences between changes in historical-cost positions, which are measured at book value, and direct investment financial flows, which are measured at transaction value. Unlike the positions on current-cost and market-value bases, the historical-cost position is not usually adjusted to account for changes in the replacement cost of the tangible assets of affiliates or in the market value of parent companies' equity in affiliates. Valuation adjustments to historical-cost positions consist of translation adjustments, capital gains and losses, and "other" valuation adjustments.

Translation adjustments result from changes in exchange rates used to translate the foreign-currency-denominated assets and liabilities of affiliates into U.S. dollars.

Capital gains and losses include gains and losses resulting from: the sale or disposition of assets, excluding inventories; certain holding gains and losses on financial assets; goodwill impairment; writedowns and writeoffs of assets and liabilities associated with restructuring; disposals of discontinued operations; extraordinary, unusual, and infrequently occurring items that are material, including losses from accidental damages or natural disasters after insurance reimbursement; and changes in accounting principles.

"Other" valuation adjustments include (1) differences between the transaction values given or received for equity interests in affiliates and their book values and (2) the reclassification of investment positions between direct investment and other investment. In addition, if an affiliate's industry classification changes, offsetting "other" valuation adjustments are made to move the position from the former to the current industry. Offsetting adjustments are also made when the political boundaries of a country changes and results in a change in the country of the affiliate, and, for inward direct investment, when transactions between foreign residents result in a change in the country of the foreign parent.

(1) on BEA's quarterly surveys of transactions between parents and their affiliates and (2) on BEA's annual and benchmark surveys of the financial and operating data of multinational companies.

The historical-cost outward direct investment position for 2009 was revised up $46.4 billion to $3,565.0 billion. The upward revision was attributable to a $20.9 billion upward revision to financial outflows and a $25.4 billion upward revision to valuation adjustments. The outward position for 2010 was revised down $49.0 billion to $3,741.9 billion. The downward revision was the result of a $46.4 billion upward revision to the 2009 position, a $26.6 billion downward revision to 2010 financial outflows, and a $68.8 billion downward revision to the 2010 valuation adjustments. The outward position for 2011 was revised down $70.9 billion to $4,084.7 billion. The downward revision was the result of a $49.0 billion downward revision to the 2010 position, a $9.9 billion downward revision to the 2011 financial outflows, and a $12.0 billion downward revision to the 2011 valuation adjustments.

The historical-cost inward direct investment position for 2010 was revised up $15.7 billion to $2,280.0 billion. The upward revision resulted from an upward revision of $0.1 billion to financial inflows and an upward revision of $15.5 billion in valuation adjustments from negative to positive. The inward position for 2011 was revised down $45.2 billion to $2,502.6 billion. The downward revision was the result of a $15.7 billion upward revision to the 2010 position, a $3.2 billion downward revision to financial inflows, and a $57.7 billion downward revision in valuation adjustments from positive to negative.

Tables 1.1 through 2.2 follow.

Table 1.1. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 2011

[Millions of dollars]

	All industries	Mining	Manufacturing									Wholesale trade	Information	Depository institutions	Finance (except depository institutions) and insurance	Professional, scientific, and technical services	Holding companies (nonbank)	Other industries
			Total	Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment	Other manufacturing							
All countries	**4,084,659**	**200,883**	**569,763**	**53,986**	**124,615**	**21,282**	**45,329**	**84,980**	**19,234**	**58,133**	**162,205**	**184,547**	**136,136**	**113,716**	**737,576**	**83,769**	**1,777,198**	**281,071**
Canada	**331,666**	**31,322**	**70,989**	**7,427**	**12,533**	**4,954**	**5,291**	**6,380**	**2,001**	**6,834**	**25,568**	**19,276**	**6,175**	**5,726**	**54,755**	**7,620**	**97,204**	**38,600**
Europe[1]	**2,247,345**	**33,793**	**268,425**	**25,749**	**72,108**	**9,518**	**23,709**	**28,590**	**12,681**	**23,602**	**72,468**	**80,292**	**84,322**	**71,295**	**336,607**	**47,653**	**1,168,216**	**156,741**
Austria	13,763	8	3,551	13	351	(D)	207	1,479	368	662	(D)	781	–9	1,320	310	83	7,090	629
Belgium	50,941	75	26,472	2,626	13,467	133	711	1,371	1	16	8,146	6,012	706	783	11,574	877	1,434	3,009
Czech Republic	5,804	0	2,879	(D)	199	173	282	84	5	768	(D)	227	106	(D)	(D)	117	–1	146
Denmark	15,019	165	3,637	(D)	71	(D)	490	(D)	18	3	1,174	1,354	(D)	(D)	516	6	5,733	(D)
Finland	2,184	0	962	(D)	48	3	425	142	5	78	(D)	408	87	0	4	477	56	190
France	79,621	132	20,907	1,115	2,277	2,467	2,134	1,478	29	1,128	10,279	6,063	2,036	5,084	6,940	3,582	15,345	19,532
Germany	111,088	317	27,593	1,144	4,423	2,300	4,531	3,843	398	4,428	6,525	8,396	7,001	1,363	18,825	4,361	34,471	8,760
Greece	1,189	0	1,083	52	(D)	0	10	2	0	0	(D)	48	–30	–2	(D)	15	(D)	–3
Hungary	5,651	(D)	803	(D)	92	–1	–54	113	–11	490	(D)	580	361	(D)	73	43	(D)	565
Ireland	189,449	(D)	24,974	378	17,347	130	192	2,305	–35	110	4,549	–1,537	20,194	(D)	4,324	9,006	96,016	(D)
Italy	25,981	168	7,747	666	1,144	357	1,292	1,406	8	651	2,225	2,311	3,050	2,350	3,026	429	691	6,209
Luxembourg	350,619	(D)	9,289	0	(D)	(D)	1,608	(D)	–9	174	(D)	–305	5,781	(D)	46,804	291	274,112	5,379
Netherlands	573,721	2,140	44,586	2,103	9,940	969	2,451	4,113	9,816	125	15,069	16,694	7,398	(D)	39,911	6,810	436,231	(D)
Norway	33,283	5,751	4,154	(D)	(D)	(D)	(D)	152	(D)	(D)	21	497	(D)	(D)	507	217	(D)	1,663
Poland	13,446	(D)	4,222	1,628	653	375	98	191	–3	813	467	2,123	226	(D)	1,546	278	127	(D)
Portugal	2,477	(*)	576	1	165	(*)	35	106	(*)	131	137	450	42	0	341	75	331	662
Russia	11,658	1,388	5,694	4,386	159	43	250	81	20	76	680	901	193	2,124	241	292	–3	828
Spain	48,581	63	14,521	1,870	6,402	54	136	2,088	243	2,647	1,081	2,576	862	1,581	5,088	389	20,205	3,297
Sweden	24,827	0	4,250	1,227	215	73	237	859	216	229	1,194	1,648	1,164	(D)	12,202	721	1,720	(D)
Switzerland	113,715	(D)	17,838	191	7,762	68	(D)	1,543	361	(D)	(D)	14,561	6,267	(D)	13,635	1,445	39,587	(D)
Turkey	4,851	4	1,565	(D)	449	1	134	19	(D)	(D)	379	1,322	81	(D)	396	25	(D)	120
United Kingdom	515,991	9,428	39,298	6,195	5,691	2,239	3,625	5,638	1,019	9,579	5,312	13,547	25,439	19,944	167,073	17,849	180,930	42,482
Other	53,488	9,553	1,826	466	(D)	–30	47	(D)	68	442	340	1,635	(D)	1,331	(D)	265	33,904	1,988
Latin America and Other Western Hemisphere	**807,362**	**56,740**	**85,444**	**7,212**	**17,228**	**2,271**	**4,946**	**3,687**	**1,769**	**16,822**	**31,511**	**34,910**	**12,842**	**5,442**	**206,401**	**3,525**	**365,083**	**36,974**
South America	152,671	39,085	46,673	3,299	11,887	(D)	3,214	1,688	(D)	9,583	16,268	7,576	8,279	6,969	21,501	2,583	15,237	4,769
Argentina	13,498	1,839	3,371	191	1,465	19	146	–24	1	606	967	951	1,203	(D)	1,785	53	(D)	528
Brazil	73,836	(D)	29,666	1,795	6,058	547	2,844	1,233	89	6,886	10,214	3,504	5,408	(D)	12,541	1,172	9,253	(D)
Chile	34,966	(D)	3,638	60	(D)	1	30	127	0	(D)	(D)	824	556	(D)	4,788	497	(D)	(D)
Colombia	6,475	2,265	1,780	241	(D)	(D)	15	26	(D)	(D)	(D)	486	–75	611	777	228	189	214
Ecuador	793	226	239	36	53	(*)	(*)	2	0	(D)	(D)	158	4	(D)	56	3	6	(D)
Peru	8,993	5,452	933	(D)	466	(*)	16	31	1	0	(D)	495	438	(D)	154	(D)	1,059	126
Venezuela	11,871	414	6,464	922	2,209	15	130	276	(*)	1,622	1,288	844	(D)	(D)	1,338	(D)	1,081	(D)
Other	2,239	561	583	(D)	(D)	(D)	33	15	2	9	(D)	314	(D)	182	60	(D)	17	(D)
Central America	102,991	6,434	34,226	3,786	5,289	919	1,705	212	1,446	7,237	13,632	2,609	2,037	1,854	16,083	58	29,252	10,437
Costa Rica	1,857	0	1,066	22	190	8	0	296	173	0	376	–140	43	(D)	398	115	768	(D)
Honduras	821	0	438	27	8	0	0	(*)	0	(*)	402	62	3	(D)	(D)	(*)	10	38
Mexico	90,795	6,369	31,355	3,577	4,825	911	1,702	–261	1,265	7,237	12,099	2,418	1,970	1,080	13,033	–109	25,742	8,937
Panama	5,362	48	291	79	171	0	1	4	2	0	34	131	2	(D)	(D)	37	2,700	(D)
Other	4,155	18	1,076	81	94	0	2	173	5	0	721	138	18	532	(D)	16	32	(D)
Other Western Hemisphere	551,700	11,221	4,545	127	52	(D)	27	1,787	(D)	2	1,611	24,725	2,526	–3,381	168,818	884	320,594	21,768
Barbados	11,874	27	41	41	(*)	0	0	0	0	0	0	4,990	24	0	2,194	5	2,014	2,579
Bermuda	280,461	224	1,800	0	–5	0	7	(D)	(D)	2	0	1,622	1,207	190	62,325	193	197,417	15,484
Dominican Republic	1,467	0	886	39	19	51	(*)	–40	0	0	815	39	94	(D)	(*)	11	0	(D)
United Kingdom Islands, Caribbean	200,219	5,295	296	(D)	0	0	0	(D)	0	0	(D)	(D)	770	–2,134	88,888	517	87,392	(D)
Other	57,679	5,675	1,522	(D)	38	(D)	19	0	0	0	(D)	(D)	431	(D)	15,410	159	33,772	(D)
Africa	**57,230**	**32,907**	**3,864**	**426**	**809**	**180**	**599**	**96**	**20**	**639**	**1,095**	**1,288**	**197**	**2,483**	**7,982**	**831**	**6,168**	**1,511**
Egypt	14,950	(D)	(D)	(D)	67	0	112	–78	15	17	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Nigeria	5,307	3,880	136	19	17	0	97	12	(*)	0	–8	(D)	(D)	(D)	(D)	1	672	42
South Africa	5,830	271	2,280	(D)	618	120	347	110	2	528	(D)	874	148	(D)	169	671	(D)	(D)
Other	31,143	(D)	(D)	(D)	108	60	43	52	3	94	(D)	(D)	45	1,062	7,571	(D)	5,132	(D)
Middle East	**34,881**	**8,441**	**12,125**	**202**	**1,346**	**144**	**288**	**4,855**	**5**	**112**	**5,174**	**2,302**	**694**	**441**	**645**	**1,312**	**7,920**	**1,002**
Israel	9,271	–2	6,942	191	965	0	(D)	4,901	1	(D)	867	376	(D)	(D)	154	648	(D)	349
Saudi Arabia	8,250	613	275	2	117	(D)	(D)	14	(*)	(D)	(D)	(D)	4	7	–7	52	6,798	(D)
United Arab Emirates	5,864	1,586	(D)	0	253	(D)	(D)	–61	4	0	(D)	(D)	(D)	(D)	191	266	2	494
Other	11,496	6,244	(D)	9	11	(D)	10	1	0	0	(D)	2	3	(D)	306	347	(D)	(D)
Asia and Pacific	**606,174**	**37,681**	**128,917**	**12,969**	**20,590**	**4,216**	**10,496**	**41,372**	**2,758**	**10,125**	**26,389**	**46,479**	**31,906**	**28,328**	**131,187**	**22,828**	**132,606**	**46,243**
Australia	137,261	22,102	15,468	3,902	3,375	458	1,577	1,086	232	890	3,949	6,549	13,967	–249	32,224	6,289	28,513	12,398
China	55,304	2,587	28,543	4,768	6,210	2,004	2,458	5,060	183	3,796	4,064	4,630	3,259	2,605	2,988	1,399	4,231	5,062
Hong Kong	39,998	1	4,414	264	495	168	45	2,903	80	–52	511	9,665	1,419	1,569	1,259	1,901	16,695	3,075
India	24,622	(D)	3,903	102	584	98	1,037	602	387	555	539	1,144	3,513	(D)	3,842	7,124	(D)	191
Indonesia	11,972	7,323	834	177	531	2	39	2	(D)	–115	(D)	285	38	(D)	594	–31	1,917	(D)
Japan	126,030	4	19,604	677	1,942	365	1,831	4,365	(D)	1,562	(D)	8,524	5,318	(D)	68,897	2,620	6,514	(D)
Korea, Republic of	30,160	(D)	11,187	(D)	1,037	304	408	2,492	(D)	1,099	(D)	1,820	476	(D)	5,986	777	645	(D)
Malaysia	12,386	3,256	6,104	(D)	596	46	784	3,352	7	211	(D)	553	92	420	512	653	(D)	(D)
New Zealand	7,930	(D)	1,686	(D)	121	7	82	80	53	49	(D)	451	263	(D)	1,830	347	1,377	(D)
Philippines	4,766	34	1,966	(D)	787	(*)	23	845	–8	16	(D)	344	80	(D)	106	400	697	(D)
Singapore	118,571	907	21,721	347	1,407	421	1,564	15,166	186	1,402	1,228	8,736	3,229	319	10,629	650	68,239	4,141
Taiwan	15,720	1	6,222	(D)	1,656	85	129	3,589	(D)	(D)	453	2,847	168	(D)	1,803	235	23	(D)
Thailand	14,537	161	6,926	511	1,779	(D)	512	1,837	(D)	525	(D)	765	45	2,012	402	452	(D)	(D)
Other	6,917	(D)	339	(D)	71	(D)	9	–7	1	(D)	45	167	38	467	116	12	–10	(D)
Addenda:																		
European Union (27)[2]	2,036,631	17,453	239,074	20,769	63,551	9,552	18,447	26,792	12,137	22,457	65,369	62,595	75,751	63,759	319,881	45,472	1,077,078	135,569
OPEC[3]	53,114	17,801	12,002	979	2,651	160	559	244	4	1,762	5,643	3,176	729	(D)	2,828	1,094	12,462	(D)

* A nonzero value between –$500,000 and $500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. In 2011, the euro area includes Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain. For 2011, the U.S. direct investment position in the euro area was $1,453,832 million.

2. The European Union (27) comprises Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

3. OPEC is the Organization of Petroleum Exporting Countries. In 2011, its members were Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE. Estimates for 2011 are revised.

Table 1.2. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 2012

[Millions of dollars]

	All industries	Mining	Manufacturing: Total	Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment	Other manufacturing	Wholesale trade	Information	Depository institutions	Finance (except depository institutions) and insurance	Professional, scientific, and technical services	Holding companies (nonbank)	Other industries
All countries	**4,453,307**	**222,401**	**637,059**	**58,140**	**132,576**	**23,154**	**51,688**	**102,084**	**21,591**	**65,900**	**181,925**	**205,054**	**146,618**	**119,688**	**775,551**	**94,139**	**1,948,959**	**303,838**
Canada	**351,460**	**29,060**	**75,387**	**8,118**	**12,564**	**5,751**	**5,931**	**6,617**	**2,217**	**9,412**	**24,777**	**21,471**	**8,042**	**6,411**	**54,965**	**8,397**	**108,968**	**38,761**
Europe [1]	**2,477,040**	**33,870**	**311,425**	**26,897**	**77,015**	**10,078**	**28,089**	**41,958**	**15,083**	**25,921**	**86,384**	**83,712**	**98,139**	**73,290**	**360,316**	**53,505**	**1,288,755**	**174,028**
Austria	15,591	8	3,670	16	371	(D)	186	1,445	375	708	(D)	623	42	1,316	(D)	118	(D)	(D)
Belgium	53,769	99	27,541	2,776	14,236	151	795	1,453	3	221	7,906	6,011	983	779	12,675	1,118	1,492	3,072
Czech Republic	6,389	0	3,159	(D)	215	196	(D)	69	5	996	305	175	143	(D)	(D)	132	–1	146
Denmark	15,092	281	3,701	(D)	89	(D)	489	1,484	20	3	1,439	1,433	1,310	(D)	229	–208	5,883	(D)
Finland	2,013	0	1,017	(D)	77	3	463	122	6	(D)	220	282	78	0	4	419	40	173
France	82,596	135	25,210	965	2,557	2,764	2,301	2,251	52	1,585	12,735	6,261	2,297	1,483	7,546	3,687	15,328	20,650
Germany	121,184	388	35,105	1,578	4,861	2,354	5,005	8,375	1,141	4,623	7,168	11,970	6,961	1,340	19,474	5,087	30,479	10,381
Greece	969	0	1,020	14	(D)	0	10	4	0	0	(D)	68	–75	(D)	–37	14	–1	(D)
Hungary	6,014	(D)	918	62	94	–1	–84	136	–8	578	141	627	478	(D)	98	22	(D)	610
Ireland	203,779	38	27,430	396	17,446	141	300	4,031	27	137	4,952	–909	24,815	(D)	–3,029	9,212	102,452	(D)
Italy	26,754	202	8,044	(D)	1,270	353	1,469	1,472	–32	770	(D)	2,361	3,377	2,463	3,048	430	697	6,132
Luxembourg	383,603	3,917	10,207	0	(D)	–4	1,869	–51	–84	(D)	(D)	(D)	6,650	(D)	47,084	398	302,147	(D)
Netherlands	645,098	2,394	50,372	2,215	11,006	881	2,466	6,630	10,375	217	16,583	16,957	7,959	(D)	38,384	7,448	499,186	(D)
Norway	38,803	7,890	5,254	(D)	(D)	(D)	(D)	35	(D)	(D)	(D)	526	(D)	(D)	555	90	(D)	1,700
Poland	14,178	6	4,305	1,611	711	85	105	224	–44	1,183	429	2,138	214	(D)	1,777	321	–15	(D)
Portugal	2,383	(*)	530	1	100	–3	(D)	109	–1	156	(D)	445	82	0	382	78	337	529
Russia	14,066	1,752	5,794	4,345	214	37	402	99	20	–219	896	786	528	2,618	327	301	(D)	(D)
Spain	31,377	116	13,473	1,643	5,133	–14	150	2,254	352	2,525	1,430	2,644	1,027	1,434	5,319	298	4,485	2,581
Sweden	24,532	0	3,706	1,274	–79	37	305	892	211	233	833	1,692	1,256	(D)	12,810	721	1,079	(D)
Switzerland	130,315	203	23,020	(D)	9,510	54	1,695	2,454	1,327	(D)	(D)	14,258	7,494	2,939	14,019	2,258	46,390	19,734
Turkey	6,028	(D)	1,733	(D)	593	1	177	59	124	283	(D)	1,697	125	(D)	429	75	914	(D)
United Kingdom	597,813	6,870	54,018	7,157	7,151	2,622	4,721	8,186	1,061	10,545	12,574	14,929	30,052	21,747	194,871	21,198	209,308	44,820
Other	54,695	(D)	2,199	492	(D)	190	200	223	(D)	470	285	(D)	(D)	1,377	(D)	289	37,541	2,107
Latin America and Other Western Hemisphere	**869,268**	**65,899**	**93,564**	**8,483**	**18,836**	**2,406**	**4,810**	**3,718**	**1,840**	**19,494**	**33,977**	**43,046**	**13,340**	**5,884**	**215,000**	**4,253**	**386,031**	**42,251**
South America	171,268	43,544	50,374	4,054	13,021	631	2,893	1,677	47	10,334	17,717	9,095	8,660	7,341	25,442	3,080	18,600	5,132
Argentina	14,396	1,011	3,968	350	1,661	23	214	–100	2	634	1,185	1,050	1,339	(D)	1,879	3	(D)	490
Brazil	79,394	6,477	29,586	2,019	6,235	550	2,460	1,213	26	6,754	10,328	4,158	5,595	(D)	14,658	1,271	11,316	(D)
Chile	39,870	(D)	4,582	59	(D)	1	30	190	0	(D)	(D)	1,584	271	(D)	5,680	526	(D)	(D)
Colombia	8,434	(D)	2,060	322	623	35	16	28	16	(D)	(D)	504	–69	(D)	1,116	241	490	(D)
Ecuador	851	280	241	44	62	(*)	(*)	2	0	(D)	(D)	131	5	(D)	58	4	6	(D)
Peru	10,918	7,136	1,072	81	(D)	–1	16	31	1	0	(D)	319	480	(D)	(D)	(D)	1,173	188
Venezuela	15,034	478	8,234	1,159	2,651	29	123	298	(*)	2,347	1,627	927	(D)	(D)	1,775	882	(D)	594
Other	2,369	499	630	18	(D)	–6	34	15	2	2	(D)	423	(D)	196	(D)	(D)	17	(D)
Central America	112,729	8,264	38,402	4,265	5,764	(D)	1,840	–26	(D)	9,156	14,873	3,166	1,914	2,072	18,800	231	28,269	11,610
Costa Rica	1,681	0	1,089	22	(D)	8	0	(D)	203	0	(D)	–156	47	(D)	(D)	128	601	–472
Honduras	881	0	509	(D)	(D)	0	0	(D)	0	(*)	(D)	26	3	(D)	(D)	(*)	10	50
Mexico	101,030	8,191	35,630	4,041	5,370	(D)	1,836	–403	(D)	9,156	13,318	3,287	1,843	1,204	15,637	46	25,006	10,187
Panama	5,113	56	249	(D)	(D)	0	1	(D)	(D)	0	34	–45	3	(D)	(D)	42	2,619	(D)
Other	4,024	18	925	87	91	0	3	(D)	(D)	0	(D)	55	18	609	(D)	16	33	(D)
Other Western Hemisphere	585,271	14,091	4,788	164	52	(D)	77	2,067	(D)	4	1,386	30,784	2,767	–3,530	170,759	942	339,162	25,509
Barbados	13,082	29	44	44	(*)	0	0	0	0	0	0	5,446	22	0	3,182	5	1,415	2,940
Bermuda	304,524	237	2,158	0	–2	0	(D)	(D)	(D)	4	0	3,310	1,316	194	61,001	248	217,659	18,402
Dominican Republic	1,655	0	1,059	63	24	(D)	(*)	(D)	0	0	(D)	54	76	(D)	(*)	1	0	(D)
United Kingdom Islands, Caribbean	219,851	6,034	241	(D)	0	0	0	(D)	0	(*)	(D)	20,816	873	–2,253	92,403	563	98,470	2,704
Other	46,159	7,792	1,286	(D)	30	(D)	(D)	0	0	0	(D)	1,158	481	(D)	14,172	125	21,618	(D)
Africa	**61,381**	**35,035**	**3,963**	**406**	**903**	**189**	**732**	**4**	**18**	**587**	**1,124**	**1,434**	**195**	**2,479**	**6,695**	**777**	**9,047**	**1,756**
Egypt	17,134	16,286	249	(D)	77	0	(D)	–178	14	33	(D)	–38	2	(D)	104	(D)	136	79
Nigeria	8,152	3,702	173	19	22	0	130	12	(*)	0	–9	(D)	2	(D)	138	1	(D)	–26
South Africa	5,502	79	2,305	126	698	124	(D)	114	2	451	(D)	926	146	(D)	179	562	265	(D)
Other	30,593	14,968	1,236	(D)	107	65	52	56	3	102	(D)	(D)	45	1,128	6,274	(D)	(D)	(D)
Middle East	**42,853**	**13,203**	**15,217**	**225**	**1,908**	**166**	**766**	**4,876**	**5**	**122**	**7,150**	**2,111**	**1,171**	**295**	**720**	**1,209**	**7,521**	**1,404**
Israel	10,208	–1	7,918	213	1,178	0	(D)	4,906	1	(D)	1,171	293	(D)	(D)	140	450	33	(D)
Saudi Arabia	9,692	810	934	3	(D)	(D)	(D)	–1	(*)	(D)	(D)	(D)	4	2	–3	41	7,355	(D)
United Arab Emirates	7,826	(D)	(D)	0	381	(D)	301	–30	4	0	(D)	(D)	(D)	(D)	280	369	13	(D)
Other	15,127	(D)	(D)	9	(D)	(D)	5	1	0	0	(D)	–1	4	(D)	303	350	121	4
Asia and Pacific	**651,305**	**45,334**	**137,503**	**14,011**	**21,349**	**4,565**	**11,360**	**44,911**	**2,429**	**10,364**	**28,514**	**53,281**	**25,732**	**31,329**	**137,855**	**25,997**	**148,636**	**45,639**
Australia	132,825	26,615	15,740	4,242	3,599	478	1,373	1,303	278	843	3,625	6,252	13,682	–101	17,681	7,348	39,161	6,446
China	51,363	2,682	31,536	5,220	6,492	2,134	3,328	5,487	176	3,551	5,148	4,889	–4,279	3,329	3,229	1,386	2,360	6,232
Hong Kong	47,767	1	4,504	(D)	583	192	136	2,912	85	–65	(D)	13,927	1,221	1,918	5,292	2,314	15,706	2,884
India	28,385	552	4,361	108	1,118	101	991	495	461	494	593	1,150	4,016	(D)	4,169	8,323	687	(D)
Indonesia	13,480	8,562	843	183	562	2	13	2	(D)	(D)	174	409	61	(D)	741	–63	1,959	(D)
Japan	133,967	4	18,776	684	2,348	360	1,657	4,165	923	1,580	7,058	9,688	5,947	4,234	78,663	2,978	3,647	10,028
Korea, Republic of	35,125	12	13,146	(D)	1,237	(D)	295	2,706	(D)	1,398	(D)	1,975	199	(D)	8,053	660	672	(D)
Malaysia	15,001	4,412	7,042	(D)	703	53	813	4,268	7	245	(D)	461	126	452	827	677	(D)	(D)
New Zealand	9,466	93	1,762	(D)	137	7	75	92	57	53	(D)	485	281	(D)	2,894	348	(D)	(D)
Philippines	4,591	33	1,347	(D)	324	(*)	29	727	13	17	(D)	348	144	(D)	122	423	900	(D)
Singapore	138,603	1,189	23,216	357	408	495	2,025	16,540	220	1,602	1,569	9,617	4,082	316	13,667	838	79,179	6,498
Taiwan	16,482	1	6,137	(D)	1,860	98	136	3,297	96	(D)	455	3,097	169	(D)	1,977	244	–95	(D)
Thailand	16,882	140	8,915	626	1,889	209	482	3,047	32	628	2,002	777	40	2,294	385	493	(D)	(D)
Other	7,367	1,039	178	(D)	90	(D)	9	–130	1	(D)	–27	206	40	475	157	27	–10	5,255
Addenda:																		
European Union (27) [2]	2,239,580	15,948	275,154	21,893	66,507	9,951	20,934	39,308	13,561	25,210	77,791	68,725	87,966	64,803	342,752	50,552	1,184,160	149,518
OPEC [3]	63,369	20,963	15,930	1,225	3,459	189	637	281	4	2,474	7,659	3,137	1,153	(D)	2,337	1,604	14,675	(D)

* A nonzero value between –$500,000 and $500,000.
D Suppressed to avoid disclosure of data of individual companies.
1. In 2012, the euro area includes Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain. For 2012, the U.S. direct investment position in the euro area was $1,573,352 million.
2. The European Union (27) comprises Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.
3. OPEC is the Organization of Petroleum Exporting Countries. In 2012, its members were Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.
NOTE. Estimates by country and industry for 2012 are preliminary.

Table 2.1. Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 2011

[Millions of dollars]

	All industries	Manufacturing									Whole-sale trade	Retail trade	Infor-mation	Depository institutions	Finance (except depository institutions) and insurance	Real estate and rental and leasing	Pro-fessional, scientific, and technical services	Other industries
		Total	Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Trans-portation equip-ment	Other manu-facturing								
All countries	**2,502,628**	**831,149**	**32,229**	**193,243**	**47,402**	**81,373**	**60,623**	**23,752**	**102,198**	**290,329**	**274,402**	**46,712**	**123,540**	**193,668**	**354,673**	**47,797**	**90,325**	**540,361**
Canada	**210,792**	**35,471**	**1,540**	**7,137**	**684**	**395**	**1,459**	**–378**	**11,548**	**13,087**	**5,647**	**(D)**	**1,147**	**35,496**	**60,938**	**2,289**	**(D)**	**62,696**
Europe [1]	**1,768,150**	**668,323**	**24,625**	**165,588**	**39,222**	**71,699**	**38,817**	**22,459**	**51,249**	**254,664**	**132,654**	**34,576**	**110,695**	**109,759**	**270,997**	**23,411**	**60,962**	**356,772**
Austria	4,753	2,228	(D)	108	474	336	–2	(D)	(D)	1,128	387	(D)	–1	(D)	1	47	(D)	58
Belgium	80,299	48,641	(D)	10,225	4,349	(D)	86	64	(D)	(D)	14,439	7,248	(D)	(D)	(D)	–3	–24	7,123
Denmark	8,826	1,839	175	1,343	90	1,471	(D)	(*)	(*)	(D)	4,753	1	8	0	1	17	57	2,150
Finland	5,908	2,161	(D)	(D)	(D)	1,292	(D)	(D)	(D)	(D)	2,032	(*)	1	(D)	0	(*)	(D)	(D)
France	189,629	63,355	1,737	22,317	(D)	2,130	5,034	(D)	5,767	15,131	20,275	(D)	13,339	12,907	(D)	481	6,443	42,433
Germany	215,250	72,781	201	18,639	8,868	16,104	1,155	1,067	18,816	7,930	16,874	3,842	41,050	14,315	42,897	8,205	2,581	12,705
Ireland	23,410	10,238	(D)	2,976	(D)	–57	(D)	(*)	1	(D)	879	–15	(D)	158	4,224	31	(D)	2,257
Italy	21,272	5,571	347	605	277	(D)	(D)	219	–413	1,335	1,352	3,172	(D)	(D)	(D)	168	(D)	(D)
Luxembourg	192,860	69,458	1,588	6,397	1,563	24,645	901	(D)	(D)	34,132	5,045	(D)	16,649	0	45,652	1,826	(D)	51,352
Netherlands	225,703	91,485	–2,860	18,516	434	14,418	10,518	(D)	(D)	47,798	19,187	2,383	4,508	(D)	37,747	3,096	31,353	(D)
Norway	16,088	1,670	0	(D)	(D)	(D)	(D)	(D)	(D)	(D)	5,663	0	(D)	(D)	(D)	119	(D)	(D)
Spain	46,177	6,481	(D)	2,504	(D)	602	12	4	269	709	64	(D)	52	27,824	2,937	283	(D)	8,378
Sweden	39,388	28,556	(D)	(D)	613	3,990	14	(D)	2,855	698	4,645	(D)	492	(D)	138	907	(D)	1,391
Switzerland	202,220	100,654	16,139	16,813	1,652	2,142	(D)	(D)	(D)	46,234	9,564	6,508	(D)	(D)	42,867	870	250	41,879
United Kingdom	461,701	141,398	2,109	44,015	7,837	2,854	4,109	834	19,576	60,064	26,361	3,357	20,440	(D)	63,571	4,765	(D)	(D)
Other	34,664	21,808	2,620	(D)	8,290	(D)	51	(D)	(D)	4,359	1,136	(D)	(D)	413	27	2,599	(D)	4,556
Latin America and Other Western Hemisphere	**89,135**	**(D)**	**2,882**	**(D)**	**1,077**	**(D)**	**(D)**	**(D)**	**–686**	**6,332**	**6,248**	**(D)**	**1,015**	**4,425**	**–14,166**	**11,824**	**(D)**	**52,680**
South and Central America	25,494	(D)	(D)	(D)	711	(D)	(D)	(D)	–718	5,142	5,926	(D)	–131	3,805	489	1,213	(D)	6,586
Brazil	5,095	–152	21	–131	54	–92	(D)	–4	(D)	17	4,108	(*)	–48	736	(D)	(D)	–70	140
Mexico	13,051	3,520	(D)	(D)	671	–91	(D)	–19	–628	(D)	1,395	239	–94	1,102	147	509	24	6,209
Panama	1,135	166	0	(D)	25	–1	(*)	–2	1	(D)	–30	9	(D)	(D)	(D)	509	(D)	389
Venezuela	4,038	(D)	–5	–23	–3	–7	(D)	(D)	(D)	(D)	21	(*)	(D)	900	3	(D)	(D)	18
Other	2,176	(D)	6	–81	–37	(D)	(D)	(D)	(D)	(D)	433	(D)	14	(D)	(D)	(D)	–29	–171
Other Western Hemisphere	63,640	–148	(D)	78	366	–13	(D)	(D)	32	1,189	321	2,060	1,146	620	–14,655	10,611	17,592	46,094
Bahamas	2,228	16	(D)	6	(D)	0	(*)	0	1	(*)	–58	(D)	(D)	(D)	–4	(D)	4	1,753
Bermuda	4,670	–2,828	2	(D)	(D)	–155	(D)	0	0	(D)	–1,349	–1	89	0	–19,488	(D)	(D)	(D)
Curacao	4,159	475	1	4	0	(*)	1	0	1	468	49	(D)	(*)	(D)	33	2,436	(D)	(D)
United Kingdom Islands, Caribbean	51,012	1,977	(D)	174	(D)	141	551	(D)	30	611	1,009	2,100	1,053	(D)	4,492	7,583	(D)	(D)
Other	1,571	213	–3	(D)	–1	0	5	0	0	(D)	670	(D)	(D)	(D)	312	346	–91	–10
Africa	**4,285**	**(D)**	**–2**	**–13**	**(D)**	**–93**	**–2**	**(D)**	**(D)**	**(D)**	**685**	**(*)**	**–8**	**(D)**	**(D)**	**(D)**	**(D)**	**(D)**
South Africa	943	(D)	–2	–7	(*)	(D)	(*)	(D)	(D)	(D)	638	(*)	(D)	0	–9	(*)	–5	(D)
Other	3,342	(D)	(*)	–6	(D)	(D)	–1	(D)	–2	(D)	47	0	(D)	(D)	(D)	(D)	(D)	(D)
Middle East	**20,753**	**(D)**	**92**	**(D)**	**(D)**	**(D)**	**(D)**	**(D)**	**(D)**	**(D)**	**6,985**	**(D)**	**787**	**(D)**	**(D)**	**(D)**	**(D)**	**(D)**
Israel	10,090	(D)	92	(D)	(D)	(*)	(D)	–2	(D)	11	359	(D)	852	1,601	(D)	403	(D)	551
Kuwait	(D)	4	0	0	0	0	(*)	1	3	0	(D)	0	(*)	(D)	(D)	(D)	0	–4
Lebanon	(D)	(*)	0	0	0	0	–1	0	0	1	(*)	0	0	0	0	–7	(*)	(D)
Saudi Arabia	(D)	–71	0	(D)	(D)	–1	–5	–7	(*)	(D)	(D)	(D)	(D)	(D)	0	21	(*)	–22
United Arab Emirates	1,452	(D)	0	(D)	(*)	4	–9	(D)	(D)	(D)	(D)	(*)	(D)	(D)	–1	–39	3	(D)
Other	2,079	(D)	0	0	0	(D)	(D)	0	1	–4	59	2	(D)	(D)	(D)	(D)	(*)	(D)
Asia and Pacific	**409,512**	**114,433**	**3,093**	**15,387**	**6,438**	**9,683**	**22,033**	**1,759**	**40,026**	**16,015**	**122,183**	**5,071**	**9,904**	**42,499**	**36,651**	**8,474**	**8,984**	**61,311**
Australia	52,522	4,721	(D)	–103	1,549	–77	–7	(D)	(D)	2,907	633	(D)	(D)	2,681	3,819	1,937	427	37,974
China	3,729	–340	–16	–233	–1	23	–15	33	26	–157	804	–3	90	784	42	5	22	2,325
Hong Kong	4,915	2,147	–1	(D)	–4	70	(D)	(D)	(D)	–11	1,809	(*)	(*)	584	–11	188	–43	241
India	4,833	729	(D)	202	16	(*)	61	(D)	34	(D)	(D)	(D)	(D)	775	4	(*)	2,435	436
Japan	291,053	84,871	1,975	13,732	4,339	9,283	5,585	1,511	37,654	10,792	99,953	4,777	9,631	35,153	28,709	5,945	5,811	16,204
Korea, Republic of	19,252	3,037	508	126	573	(D)	(D)	(D)	579	823	13,969	2	6	509	173	(D)	14	(D)
Malaysia	872	83	–1	(D)	(D)	(D)	(D)	1	4	7	120	0	(*)	–2	(*)	(D)	(D)	595
New Zealand	1,688	1,206	11	47	(D)	(D)	–4	–4	1,099	(D)	377	0	(D)	0	4	(D)	(D)	(D)
Singapore	24,207	16,088	(D)	–67	62	–20	(D)	111	(D)	(D)	1,926	(D)	33	333	(D)	(D)	350	1,380
Taiwan	4,981	1,918	0	(D)	–2	36	321	(D)	27	(D)	1,290	57	(D)	1,425	(D)	25	–36	(D)
Other	1,460	–27	(D)	(D)	(D)	(D)	(D)	–1	103	–5	(D)	–2	(*)	256	(D)	25	1	319
Addenda:																		
European Union (27) [2]	1,540,276	560,132	8,454	147,673	30,591	69,588	25,539	18,207	51,039	209,041	116,538	28,068	100,332	118,746	228,024	22,259	59,828	306,349
OPEC [3]	14,764	(D)	–5	–16	–42	–4	8	–40	(D)	(D)	(D)	(D)	8	1,099	(D)	(D)	14	2,842

* A nonzero value between –$500,000 and $500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. In 2011, the euro area includes Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain. For 2011, the euro area direct investment position in the United States was $1,008,137 million.

2. The European Union (27) comprises Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

3. OPEC is the Organization of Petroleum Exporting Countries. In 2011, Its members were Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE. Estimates for 2011 are revised.

Table 2.2. Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 2012

[Millions of dollars]

	All industries	Manufacturing: Total	Food	Chemicals	Primary and fabricated metals	Machinery	Computers and electronic products	Electrical equipment, appliances, and components	Transportation equipment	Other manufacturing	Wholesale trade	Retail trade	Information	Depository institutions	Finance (except depository institutions) and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
All countries	**2,650,832**	**898,942**	**32,283**	**235,452**	**47,005**	**86,171**	**61,163**	**38,629**	**108,710**	**289,527**	**292,440**	**51,724**	**123,806**	**198,092**	**365,843**	**50,493**	**106,673**	**562,819**
Canada	**225,331**	**39,912**	**(D)**	**(D)**	**1,617**	**–60**	**(D)**	**–281**	**11,970**	**14,175**	**5,279**	**(D)**	**1,411**	**(D)**	**64,396**	**2,199**	**(D)**	**67,607**
Europe [1]	**1,876,240**	**717,627**	**24,092**	**204,679**	**36,873**	**74,321**	**33,771**	**36,795**	**56,412**	**250,682**	**142,283**	**38,791**	**113,537**	**108,751**	**279,766**	**25,506**	**75,900**	**374,078**
Austria	5,206	2,435	(D)	102	496	482	–5	1	(D)	1,184	390	(D)	8	(D)	2	41	(D)	53
Belgium	88,697	55,278	(D)	14,245	(D)	2,739	81	(D)	(D)	(D)	16,964	7,125	–1	(D)	(D)	(D)	–28	7,676
Denmark	8,807	1,049	(D)	1,235	101	1,089	(D)	3	3	(D)	4,960	(D)	8	0	2	19	(D)	2,713
Finland	7,162	2,177	(D)	(D)	(D)	1,526	13	(D)	(D)	483	3,153	(*)	(*)	(D)	(*)	(*)	(D)	(D)
France	209,121	75,775	1,539	31,600	(D)	2,386	4,229	(D)	6,591	17,195	21,408	4,958	12,526	17,265	30,093	471	6,352	40,274
Germany	199,006	67,429	251	15,808	7,411	13,484	1,106	1,348	19,747	8,276	16,628	(D)	40,901	14,013	26,126	8,968	(D)	11,718
Ireland	24,917	10,702	1,205	3,943	(D)	–183	(D)	7	1	(D)	775	–16	–10	86	3,407	29	(D)	(D)
Italy	23,260	7,176	364	742	296	(D)	(D)	218	297	1,652	1,354	3,469	170	(D)	(D)	169	(D)	(D)
Luxembourg	202,338	73,686	1,001	12,812	1,703	24,783	(D)	(D)	442	31,742	(D)	2,773	14,147	0	45,512	2,187	(D)	50,742
Netherlands	274,904	118,268	(D)	27,644	484	(D)	5,409	(D)	4,071	56,559	19,514	2,608	6,923	(D)	58,144	2,774	(D)	(D)
Norway	16,432	1,277	0	(D)	(D)	(D)	50	(D)	(D)	(D)	6,199	0	55	(D)	(D)	114	(D)	(D)
Spain	47,352	6,247	(D)	2,796	(D)	(D)	17	–3	241	257	15	(D)	39	28,579	3,042	285	(D)	8,851
Sweden	42,387	28,996	(D)	20,086	603	3,997	9	(D)	3,025	379	6,569	(D)	472	(D)	155	(D)	(D)	1,788
Switzerland	203,954	106,576	14,837	16,992	1,244	2,529	(D)	(D)	221	51,062	10,611	6,496	(D)	(D)	42,495	1,556	487	38,122
United Kingdom	486,833	137,553	2,419	56,173	7,262	3,527	4,227	862	20,049	43,034	26,117	3,268	22,900	(D)	67,799	4,997	(D)	(D)
Other	35,863	23,002	2,235	386	8,081	–87	68	(D)	(D)	4,480	(D)	(D)	(D)	474	30	2,695	47	2,680
Latin America and Other Western Hemisphere	**95,642**	**12,290**	**3,089**	**245**	**1,289**	**–154**	**1,626**	**91**	**–594**	**6,698**	**3,609**	**(D)**	**869**	**5,117**	**–16,767**	**13,101**	**(D)**	**56,721**
South and Central America	25,773	8,201	(D)	203	(D)	–205	–131	–48	–626	5,435	3,356	(D)	–123	4,085	721	1,172	(D)	8,188
Brazil	3,590	–238	184	–198	(D)	–60	–40	–14	(D)	–14	2,446	–1	–42	877	(D)	(D)	–58	–39
Mexico	14,883	4,096	(D)	469	713	–70	–98	1	–423	(D)	609	(D)	–86	1,093	(D)	491	17	8,275
Panama	1,003	–27	3	(D)	24	–1	(*)	–4	(D)	(D)	–28	9	–9	(D)	(D)	517	(D)	422
Venezuela	4,638	(D)	–2	(D)	–3	(*)	(D)	–4	(D)	(D)	27	(*)	–1	(D)	3	12	(D)	–11
Other	1,659	(D)	–17	–174	31	–74	(D)	–26	(D)	964	304	(D)	16	1,092	–1	(D)	–34	–459
Other Western Hemisphere	69,869	4,089	(D)	42	(D)	51	1,757	138	32	1,263	253	2,413	992	1,032	–17,487	11,929	18,117	48,533
Bahamas	2,876	17	(D)	6	(D)	0	(*)	0	(*)	(*)	–40	0	(D)	(D)	–3	(D)	4	2,438
Bermuda	2,324	–2,775	2	(D)	(D)	(D)	(D)	0	0	(D)	–4,134	–1	85	0	–21,124	(D)	(D)	(D)
Curacao	4,904	437	1	(D)	0	(*)	1	0	1	(D)	–36	(D)	(*)	(D)	(D)	2,896	(D)	(D)
United Kingdom Islands, Caribbean	58,584	6,192	(D)	168	(D)	(D)	(D)	138	31	638	3,838	2,405	(D)	528	3,324	8,501	(D)	(D)
Other	1,180	217	–7	(D)	(*)	0	8	0	0	(D)	624	(D)	(D)	(D)	(D)	346	–94	–32
Africa	**5,338**	**(D)**	**–4**	**–14**	**(D)**	**(D)**	**–2**	**(D)**	**7**	**(D)**	**615**	**(*)**	**–10**	**(D)**	**(D)**	**137**	**20**	**3,873**
South Africa	1,465	(D)	–3	–9	(*)	(D)	(*)	(D)	7	–6	(D)	(*)	3	0	–10	(*)	–5	(D)
Other	3,873	(D)	–1	–5	(D)	(D)	–1	(D)	0	(D)	(D)	0	–14	(D)	(D)	137	25	(D)
Middle East	**20,603**	**(D)**	**(D)**	**(D)**	**(D)**	**(D)**	**(D)**	**(D)**	**74**	**(D)**	**7,182**	**(D)**	**731**	**(D)**	**(D)**	**1,593**	**(D)**	**2,971**
Israel	9,821	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	254	(D)	803	1,732	(D)	375	(D)	252
Kuwait	(D)	4	0	0	0	0	(*)	1	3	(*)	(D)	0	(*)	(D)	(D)	(D)	0	–15
Lebanon	(D)	1	0	0	0	0	0	0	0	1	(*)	0	0	0	0	–7	(*)	(D)
Saudi Arabia	(D)	–69	0	(D)	(D)	–1	–5	–6	0	(D)	(D)	(D)	(D)	(D)	0	21	(*)	–38
United Arab Emirates	1,340	(D)	0	(D)	(*)	–1	–1	(D)	(D)	(D)	(D)	(*)	(D)	(D)	–1	(D)	4	793
Other	(D)	(D)	0	0	0	(*)	(D)	0	0	–5	(D)	2	(D)	(D)	(D)	(D)	(*)	(D)
Asia and Pacific	**427,679**	**123,401**	**3,030**	**16,384**	**7,247**	**12,255**	**23,831**	**2,074**	**40,841**	**17,738**	**133,471**	**5,384**	**7,268**	**45,553**	**37,402**	**7,956**	**9,677**	**57,568**
Australia	42,685	3,839	(D)	(D)	2,156	–157	(D)	(D)	–36	2,047	696	(D)	105	3,038	3,633	862	(D)	29,787
China	5,154	–34	–21	–180	44	65	–28	71	176	–162	509	(D)	90	1,001	(D)	6	17	(D)
Hong Kong	6,283	2,328	–1	(D)	3	(D)	(D)	–2	(D)	–18	2,075	5	(D)	659	–10	187	(D)	307
India	5,158	813	36	254	14	(D)	116	(D)	32	344	(D)	(*)	(*)	1,013	(*)	(*)	2,338	(D)
Japan	308,253	93,398	2,055	14,914	4,547	11,259	7,314	1,662	38,121	13,525	105,933	5,071	6,197	36,900	29,499	6,427	6,467	18,362
Korea, Republic of	24,467	3,895	465	(D)	530	(D)	19	–8	767	828	16,797	2	6	616	175	149	37	2,791
Malaysia	662	103	5	–4	–10	4	106	–3	4	1	92	0	(*)	4	(*)	(D)	(D)	372
New Zealand	1,663	1,096	(D)	(D)	(D)	1	–4	–4	(D)	–2	456	0	1	0	2	(D)	–2	(D)
Singapore	26,244	15,839	(D)	–92	31	–18	(D)	252	533	(D)	3,936	(*)	39	356	(D)	(D)	(D)	1,436
Taiwan	5,454	2,010	(*)	(D)	–1	37	306	2	21	(D)	1,407	(D)	(D)	1,614	(D)	25	(D)	(D)
Other	1,658	114	1	–11	(D)	(D)	25	76	150	–8	(D)	–3	1	351	(D)	24	–3	191
Addenda:																		
European Union (27) [2]	1,647,567	604,985	9,224	187,635	29,035	71,840	19,980	30,806	56,134	200,331	124,687	32,296	103,210	119,623	237,162	23,673	74,505	327,426
OPEC [3]	15,487	(D)	–2	–5	–47	–1	17	–19	(D)	(D)	(D)	(D)	4	1,111	(D)	1,175	–14	2,823

* A nonzero value between –$500,000 and $500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. In 2012, the euro area includes Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain. For 2012, the euro area direct investment position in the United States was $1,084,435 million.

2. The European Union (27) comprises Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

3. OPEC is the Organization of Petroleum Exporting Countries. In 2012, Its members were Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE. Estimates by country and industry for 2012 are preliminary.