

Taking Account...

New report details direct investment abroad data

Preliminary statistics gathered in the Bureau of Economic Analysis (BEA) 2011 annual survey of U.S. direct investment abroad on the financial structure and operations of U.S. multinational companies (MNCs) and their foreign affiliates are now available on the BEA Web site. These statistics supersede the advance statistics for 2011 published in the April 2013 press release.

The data in the publication provide a comprehensive look at the finances and operations of U.S. MNCs. Data items include balance sheet items such as assets and liabilities, employment and employee compensation, sales, capital expenditures, trade in goods, and expenditures for research and development (R&D). The data give a detailed picture of the levels and growth of U.S. direct investment abroad as well as its distribution by industry and by country.

The statistics provide comprehensive and reliable information needed to monitor, analyze, and guide policy on U.S. direct investment abroad. They can be used to evaluate the consequences to the economies of the United States and foreign host countries that stem from the actions of U.S. MNCs.

The data on the operations of U.S. MNCs cover the entire operations, both domestic and foreign, of U.S. MNCs.

The domestic operations are represented by the operations of

the U.S. parents, and the foreign operations are represented by the operations of the foreign affiliates. For comparison with the data on domestic operations, data for majority-owned foreign affiliates are often the preferred measure of foreign operations because these foreign affiliates are majority-owned, like the domestic operations covered by the U.S. parent data.

For selected statistics, including value added, employment, employee compensation, capital expenditures, and R&D expenditures, the data for U.S. parents are combined with data for majority-owned foreign affiliates to arrive at an aggregate total value for U.S. MNCs. In 2011, total MNC value added grew 8.3 percent, the combined result of 4.9 percent growth of parents and 16.3 percent growth of majority-owned foreign affiliates.

Summed totals can be used to examine the domestic and foreign split in the MNC worldwide operations.

While the value added of majority-owned affiliates grew faster in 2011 than that of U.S. parents, U.S. parents continued to account for roughly two-thirds or more of U.S. MNC combined value added (68.2 percent), capital expenditures (73.1 percent), R&D (83.0 percent), and employment (66.0 percent).

For other statistics, including sales and assets, an MNC-wide total cannot be calculated, be-

cause adding data for U.S. parents and foreign affiliates would result in duplication from transactions and positions within the MNC.

Comparisons by industry should be done using data on foreign affiliates by industry of U.S. parent so that the two data series are classified on a consistent basis.

Data on U.S. parents were reported by companies on the BE-11A survey form. The amount of data collected depended on the size of the parent company. Although the data were collected on a sample survey, the statistics cover the universe of U.S. parent companies and their foreign affiliates.

SURVEY to go online only beginning February 2014

As noted in this month's *Director's Message*, BEA has announced that it will discontinue publishing paper copies of the SURVEY OF CURRENT BUSINESS. BEA will continue to publish the SURVEY as a free online monthly publication on its Web site at www.bea.gov. In recent years, usage of the print publication has declined. In addition, budgetary pressures have increased, prompting the decision to maintain the online publication only.

News release schedule for 2014 now available

BEA has posted its 2014 press release schedule at www.bea.gov, along with a downloadable electronic calendar of releases dates.