

Direct Investment for 2011–2013

Detailed Historical-Cost Positions and Related Financial Transactions and Income Flows

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THIS ARTICLE presents detailed statistics on direct investment positions and related financial transactions and income flows for U.S. direct investment abroad—or “outward direct investment”—and for foreign direct investment in the United States—or “inward direct investment.” In this article, the statistics are presented on a *directional basis* by country and industry. On a directional basis, direct investment claims and liabilities are classified according to whether the direct investor is a U.S. resident or a foreign resident. On this basis, outward direct investment occurs between a U.S. parent and its foreign affiliates, and inward direct investment occurs between a foreign parent and its U.S. affiliates.¹ Definitions of key terms

1. For a discussion regarding the two bases for classifying direct investment—the directional basis and the asset/liability basis—see Marilyn Ibarra-Caton and Raymond J. Mataloni Jr., “Direct Investment Positions for 2013: Country and Industry Detail,” *SURVEY OF CURRENT BUSINESS* 94 (July 2014).

in the tables and text can be found in the glossary to *U.S. International Economic Accounts: Concepts and Methods* on the Bureau of Economic Analysis (BEA) Web site. Two sets of tables are presented—one for outward direct investment (tables 1–16) and one for inward direct investment (tables 1–17). In each set, tables 1–15 present comparable data.

- Table 1 shows the direct investment positions and rates of return at historical cost, current cost, and market value.
- Table 2 presents the positions and related financial transactions, income, and services flows for 2002–2013 at historical cost and as they are presented in the international investment position accounts and international transactions accounts with adjustments to current-period prices.
- Tables 3–16 present direct investment positions and international transactions by country of foreign

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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, 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 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 Akeia P. Griffin, Susan M. LaPorte, Gazala I. Merchant, Robert L. Rosholt, and Helen P. Yiu. Computer programming for data estimation and tabulation was provided by Karen E. Poffel and Paula D. Brown.

The statistics on royalties and license fees and other private services (table 2) are based largely on data from BEA’s Quarterly Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons (BE–125). The survey was conducted under the supervision of Mark Xu, who was assisted by Pamela Aiken, Suhail Ally, Felix Anderson, Stacey Ansell, Damon C. Battaglia, Faith M. Brannam, Nelly K. Hong, Jamela Des Vignes, Hope R. Jones, Eddie L. Key, and Steven J. Muno. Computer programming for data estimation and tabulation was provided by Gregory Tenentes. Jeffrey Bogen, Omar Kebbeh, and John Sondheimer were also involved in the preparation of the estimates.

affiliate, by country of foreign parent, or by country of other members of the foreign parent group that have direct transactions and positions with the U.S. affiliate, by industry of affiliate, and by account. For outward direct investment, table 16 presents statistics that are classified by industry of affiliate and by industry of U.S. parent. For inward direct investment, table 16 presents statistics that are classified by country of foreign parent or by country of other members of the foreign parent group that have direct transactions and positions with the U.S. affiliate and by country of ultimate beneficial owner (UBO).

- Table 17 provides a breakdown of the foreign direct investment position in the United States by industry of UBO. It shows the value of investments owned by private entities (businesses and individuals, estates, and trusts) and the value owned by foreign governments and government-related entities.
- Detailed statistics on the outward direct investment position and related financial transactions and income flows for 1982–2013 and on the inward direct investment position and related financial transactions and income flows for 1980–2013 are available on BEA's [Web site](#) under “International” and “Direct Investment and Multinational Companies.”

Except for tables 1 and 2, positions are presented on a historical-cost basis only rather than on a market-value or current-cost basis because detailed statistics by country and industry are available only on a historical-cost basis. Summary statistics on services transactions with foreign affiliates and foreign parent companies are also presented.² Global totals (all countries and all industries) for total affiliate trade in services and charges for the use of intellectual property are shown in table 2 (for outward direct investment and for inward direct investment).

The direct investment statistics presented in this article complement the statistics presented in two articles

2. Breakdowns by country and by industry are not included in this presentation. Country detail and detail by type of service or intellectual property will be available in the October SURVEY article on U.S. international services.

about changes in the international transactions accounts and in the direct investment position in the July 2014 SURVEY by providing more detail by country, industry, and account.³ For 2011–2013, the statistics for both inward and outward investment reflect the incorporation of new or revised data from BEA's quarterly surveys of transactions between parents (both U.S. and foreign) and their affiliates, and annual surveys of the activities of multinational enterprises data of U.S. parents and their foreign affiliates and of U.S. affiliates of foreign parents.

The statistics in this article differ from some of the counterpart statistics in the international investment position (IIP) accounts and international transactions accounts.⁴

- The estimates are presented at historical cost. The aggregate statistics on the direct investment position in the IIP accounts are presented at market value in addition to historical cost.
- Direct investment position statistics in tables 1 and 2 in this article are presented on a directional basis, which differs from the presentation of direct investment position statistics in IIP tables 1.1 and 1.2, which are presented on an asset/liability basis. In the IIP statistics, the adjustments made to convert direct investment position statistics from the directional basis to the asset/liability basis are presented in IIP table 2.1.
- The estimates are presented without a current-cost adjustment. The statistics on direct investment income (in the current account) and direct investment financial transactions (in the financial account) in the U.S. international transactions accounts are presented with a current-cost adjustment.

3. Ibarra-Caton and Mataloni; see also Jeffrey R. Bogen, Mai-Chi Hoang, Kristy L. Howell, and Erin M. Whitaker, “Comprehensive Restructuring and Annual Revision of the U.S. International Transactions Accounts,” SURVEY 94 (July 2014).

4. See Elena L. Nguyen, “The U.S. Net International Investment Position at the End of the First Quarter of 2014, Year 2013, and Annual Revisions,” SURVEY 94 (July 2014) and Sarah P. Scott, “U.S. International Transactions: First Quarter of 2014,” SURVEY 94 (July 2014).

Revisions

Outward direct investment

The revised statistics on the U.S. direct investment position abroad, financial transactions, and income reflect the incorporation of newly available and revised data. As noted in the July 2014 Survey article on direct investment positions, the total U.S. outward direct investment position at historical cost for all areas was revised downward \$34.6 billion for 2011, \$68.6 billion for 2012, and \$80.7 billion for 2013 (table A). The downward revision for 2011 was mainly attributable to other changes in position and to a lesser extent, to financial transactions (both equity other than reinvestment of earnings and reinvestment of earnings). For 2012, the downward revision reflected both financial

transactions, primarily reinvestment of earnings, and other changes in position.⁵ The downward revision for 2013 was mainly attributable to other changes in position.

Income without current-cost adjustment was revised downward \$8.3 billion for 2011, \$17.0 billion for 2012, and \$9.7 billion for 2013. For all 3 years, the revisions were attributable to revised income on equity following the reconciliation of quarterly data with annual survey data for 2011 and 2012 and the incorporation of newly available and revised data for 2013.

5. Other changes in position include currency-translation adjustments, capital gains and losses, and other changes in volume and valuation.

Table A. U.S. Direct Investment Abroad: Comparison of Previously Published and Revised Estimates by Area, 2011–2013

[Millions of dollars]

By area	Direct investment position on a historical-cost basis			Financial transactions without current-cost adjustment (outflows (+), inflows (-))			Income without current-cost adjustment		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
2011									
All areas	4,084,659	4,050,026	-34,633	386,724	396,569	9,844	456,523	448,235	-8,288
Canada	331,666	330,041	-1,625	46,680	48,598	1,919	34,920	35,946	1,027
Europe	2,247,345	2,246,394	-952	227,219	235,409	8,190	223,221	217,478	-5,742
<i>Of which:</i>									
United Kingdom	515,991	485,029	-30,961	27,081	25,605	-1,476	31,841	28,258	-3,583
Latin America and Other Western Hemisphere	807,362	788,987	-18,375	75,161	70,886	-4,275	95,649	93,425	-2,224
Africa	57,230	56,996	-234	5,380	5,340	-40	8,277	8,787	511
Middle East	34,881	35,951	1,070	312	771	460	15,090	15,439	349
Asia and Pacific	606,174	591,657	-14,517	31,972	35,564	3,591	79,366	77,158	-2,208
2012									
All areas	4,453,307	4,384,671	-68,635	366,940	311,347	-55,592	448,880	431,929	-16,951
Canada	351,460	346,080	-5,380	26,304	27,557	1,253	32,130	32,925	795
Europe	2,477,040	2,443,287	-33,753	188,484	153,421	-35,064	226,417	215,951	-10,465
<i>Of which:</i>									
United Kingdom	597,813	535,671	-62,141	46,815	38,344	-8,471	36,191	30,049	-6,142
Latin America and Other Western Hemisphere	869,268	845,186	-24,081	89,954	67,902	-22,053	90,967	84,379	-6,588
Africa	61,381	58,639	-2,742	3,706	3,527	-179	7,587	7,391	-197
Middle East	42,853	39,911	-2,942	8,261	7,904	-357	14,850	15,320	470
Asia and Pacific	651,305	651,569	264	50,230	51,037	807	76,930	75,963	-967
2013 ¹									
All areas	4,741,601	4,660,906	-80,695	338,302	328,343	-9,959	448,748	439,093	-9,655
Canada		368,297		24,237	23,155	-1,082	31,221	30,508	-712
Europe		2,607,204		171,236	172,884	1,648	229,471	224,365	-5,106
<i>Of which:</i>									
United Kingdom		570,987		37,632	32,419	-5,214	39,003	32,527	-6,476
Latin America and Other Western Hemisphere		884,402		62,464	56,752	-5,712	87,616	86,133	-1,484
Africa		60,427		3,451	2,932	-519	7,339	6,804	-535
Middle East		45,299		4,031	5,832	1,801	16,575	16,092	-483
Asia and Pacific		695,278		72,884	66,788	-6,095	76,526	75,191	-1,334

1. The only accounts for which 2013 statistics were previously available by country were financial transactions without current-cost adjustment and income without current-cost adjustment. The preliminary

estimates of the direct investment position for 2013 were first published in the April 2014 Survey of Current Business and were revised in the July 2014 Survey.

Inward direct investment

The revised statistics on the foreign direct investment position in the United States, financial transactions, and income reflect the incorporation of new and revised data from the quarterly surveys of transactions between U.S. affiliates and their foreign parents and information from annual surveys of inward activities of multinational enterprises.

As noted in the July 2014 Survey article on direct investment positions, the total inward direct investment

position at historical cost for all areas was revised downward \$68.8 billion for 2011, \$45.1 billion for 2012, and \$8.2 billion for 2013 (table B). The revisions for all 3 years were attributable to other changes in position.

Income without current-cost adjustment was revised upward \$4.2 billion for 2011 and was revised downward \$4.5 billion in 2012 and 2013. The revisions for all 3 years were attributable to revised income on equity.

Table B. Foreign Direct Investment in the United States: Comparison of Previously Published and Revised Estimates by Area, 2011–2013

[Millions of dollars]

By area	Direct investment position on a historical-cost basis			Financial transactions without current-cost adjustment (inflows +); outflows (-)			Income without current-cost adjustment		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
2011									
All areas	2,502,628	2,433,848	-68,779	223,759	229,862	6,103	161,778	165,968	4,190
Canada.....	210,792	205,225	-5,568	20,543	18,790	-1,753	11,333	12,805	1,472
Europe.....	1,768,150	1,732,316	-35,835	127,800	128,687	887	123,365	123,622	256
<i>Of which:</i>									
United Kingdom.....	461,701	446,077	-15,624	48,900	46,316	-2,584	33,778	33,950	172
Latin America and Other Western Hemisphere.....	89,135	78,310	-10,825	17,989	21,137	3,148	2,766	5,189	2,423
Africa.....	4,285	3,295	-990	2,101	1,988	-113	506	466	-39
Middle East.....	20,753	19,463	-1,291	8,973	8,429	-544	56	80	24
Asia and Pacific.....	409,512	395,241	-14,272	46,354	50,832	4,478	23,753	23,807	54
2012									
All areas	2,650,832	2,605,755	-45,077	160,569	169,680	9,111	170,905	166,405	-4,499
Canada.....	225,331	217,800	-7,531	16,460	15,339	-1,122	12,646	11,661	-985
Europe.....	1,876,240	1,857,270	-18,970	105,187	117,723	12,536	124,588	122,254	-2,334
<i>Of which:</i>									
United Kingdom.....	486,833	472,561	-14,272	20,547	25,250	4,703	30,931	30,753	-178
Latin America and Other Western Hemisphere.....	95,642	84,352	-11,290	5,897	4,237	-1,660	8,040	6,878	-1,162
Africa.....	5,338	3,810	-1,527	607	280	-327	47	111	64
Middle East.....	20,603	20,181	-421	626	180	-445	-295	-367	-72
Asia and Pacific.....	427,679	422,341	-5,338	31,792	31,922	130	25,879	25,868	-11
2013 ¹									
All areas	2,772,199	2,763,956	-8,243	187,528	230,768	43,240	168,462	163,914	-4,548
Canada.....		237,921		25,805	23,336	-2,468	16,146	14,258	-1,888
Europe.....		1,933,589		98,096	138,393	40,296	118,442	116,201	-2,240
<i>Of which:</i>									
United Kingdom.....		518,643		36,455	41,909	5,455	34,674	29,246	-5,428
Latin America and Other Western Hemisphere.....		99,701		13,056	14,229	1,173	7,157	7,203	45
Africa.....		1,968		-202	70	272	134	77	-56
Middle East.....		21,166		181	959	779	145	395	249
Asia and Pacific.....		469,610		50,593	53,781	3,188	26,437	25,779	-658

1. The only accounts for which 2013 statistics were previously available by country were financial transactions without current-cost adjustment and income without current-cost adjustment. The preliminary estimates of

the direct investment position for 2013 were first published in the April 2014 SURVEY OF CURRENT BUSINESS and were revised in the July 2014 Survey.