

Expenditures for New Foreign Direct Investment in the United States in 2014

By Thomas W. Anderson

IN NOVEMBER 2015, the Bureau of Economic Analysis (BEA) released statistics on expenditures for new investment—which includes spending to acquire, establish, or expand U.S. businesses—that was initiated by foreign direct investors in 2014. In 2014, these expenditures totaled \$241.3 billion.

Most of these expenditures were for acquisitions, which totaled \$224.7 billion. Expenditures to establish new U.S. businesses totaled \$13.8 billion, and expenditures to expand existing foreign-owned U.S. businesses totaled \$2.8 billion.

Total planned expenditures, which consist of first-year expenditures for investments initiated in 2014 and planned future expenditures, totaled \$263.9 billion. Total planned expenditures for establishments were \$31.3 billion, and total planned expenditures for expansions were \$7.8 billion. By definition, planned ex-

penditures for acquisitions are the same as first-year expenditures for acquisitions, at \$224.7 billion.¹

The level of expenditures on acquisitions and establishments in 2014 was comparable with the levels in 2007 and 2008 but were lower than those in some earlier years, including 1999 and 2000 (chart 1).² The patterns in new foreign direct investment are similar to the patterns in global merger and acquisition activity.

Expenditures by industry

Total first-year expenditures in manufacturing were \$139.1 billion and total planned expenditures were \$148.4 billion, the largest totals among major industries (table 1). Within the manufacturing sector, first-

1. Planned purchases of additional equity in a U.S. affiliate are not considered new foreign direct investment and are not included in these statistics. See the box “[Relationship Between the New Investment Statistics and Other Statistics on FDIUS](#).”

2. Statistics on expenditures before 2009 should be compared only with the 2014 statistics on acquisitions and establishments, because the older statistics did not include expenditures for expansions.

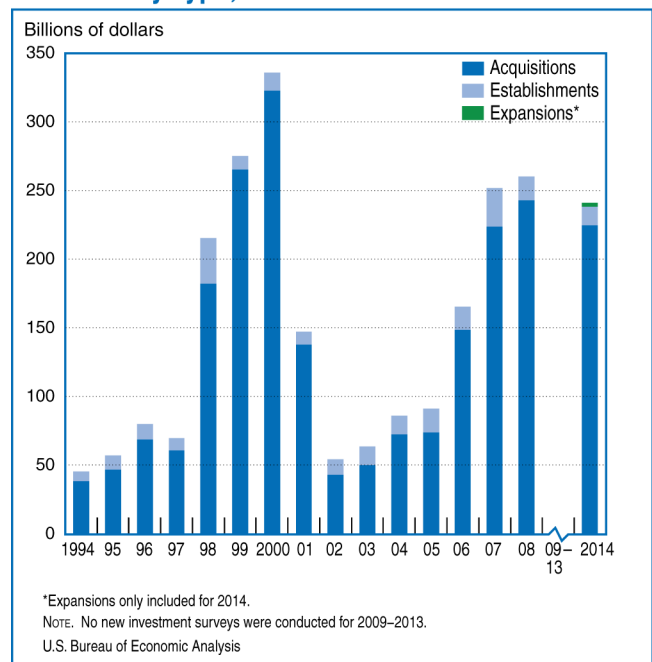
Introduction to the New Statistics

The new investment statistics released in November 2015 are based on information collected by the new survey of new foreign direct investment in the United States (BE-13), which reinstates and expands on the previous BE-13 survey, which was discontinued after 2008. Data from the previous surveys were used to produce statistics on establishments and acquisitions, but did not cover expansions. Statistics on new foreign direct investment initiated in 2014 and historical statistics from previous surveys are available on BEA’s Web site.

State and national policymakers, as well as analysts, can draw on the statistics to assess the effects of foreign direct investment on the U.S. economy and to gauge the relative attractiveness of states to foreign direct investors. Foreign entrepreneurs and others seeking to invest in the United States can use the new statistics to make more informed decisions. The survey also helps to ensure the complete coverage of BEA’s other foreign direct investment statistics.

These new statistics will be released each year. Data for 2015 and revised data for 2014 will be available in the summer of 2016.

Chart 1. New Investment by Foreign Direct Investors by Type, 1994–2014



year expenditures were largest in pharmaceuticals and medicines at \$75.9 billion.

Expenditures were also notable in publishing industries, in mining, and in real estate.³

Expenditures by country

By country of ultimate beneficial owner (UBO), the largest source of expenditures by country was Ireland, with 2014 expenditures of \$42.5 billion, followed by Canada, Germany, and Japan (table 2).⁴

The largest source countries for new investment were usually countries that already have a large foreign direct investment presence in the United States. Of the eight largest countries by foreign direct investment position in the United States—Canada, France, Germany, Ireland, Japan, the Netherlands, Switzerland, and the United Kingdom—seven were also among the top eight source countries for new investment (chart 2).⁵

Expenditures by state

By state, the largest first-year expenditures (\$48.9 billion) and total planned expenditures (\$53.5 billion) were for U.S. businesses in California (table 3). In terms of expenditures by foreign direct investors, the four largest states—California, New York, Texas, and New Jersey—together received over half of all new investment. These four states accounted for 34 percent of total gross domestic product (GDP) in the United States in 2014.

In 2014, first-year expenditures for new investment were 1.4 percent of U.S. GDP. In five states—California, Delaware, New Jersey, New York, and Washington—expenditures in 2014 were greater than 2 percent of the state GDP (chart 3). Share of state GDP is a measure of the relative attractiveness of a state to foreign direct investors.

To avoid the disclosure of data on individual companies, BEA suppressed statistics on first-year expenditures for 13 states. For these states, first-year expenditures accounted for 1.6 percent of their combined state GDP.

Greenfield expenditures

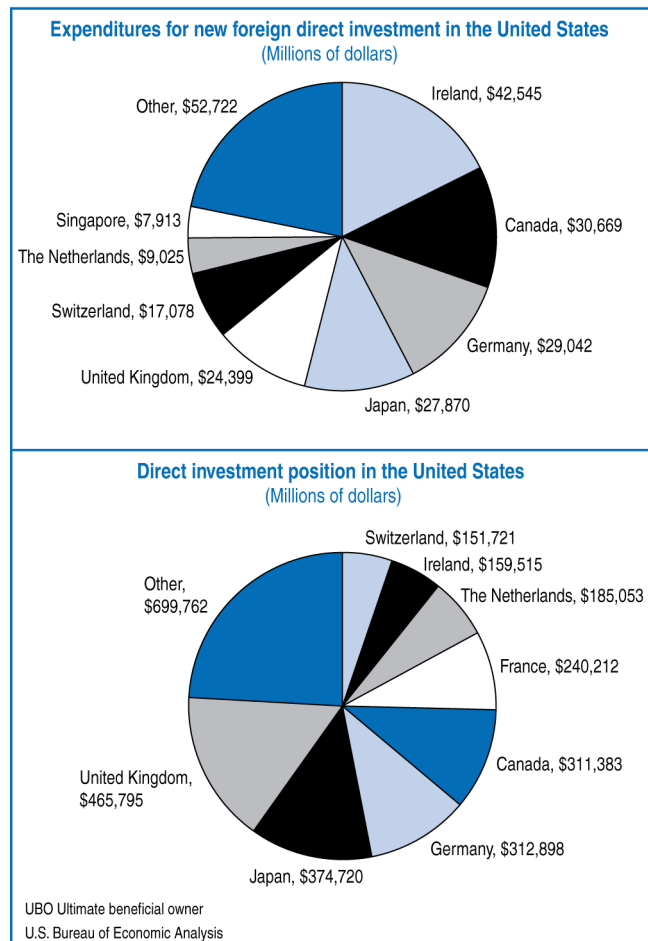
In the November 2015 release of the new investment statistics, BEA for the first time presented statistics on

expenditures to expand existing foreign-owned U.S. businesses. Combining expenditures on expansions with expenditures to establish new U.S. businesses provides a measure of greenfield investments. Greenfield investment expenditures totaled \$16.6 billion in 2014. Total planned greenfield expenditures, which include both first-year expenditures and spending in other years, were \$39.2 billion.

By U.S. industry, 2014 greenfield expenditures were largest in real estate, at \$4.7 billion. In manufacturing, expenditures for 2014 greenfield investments were \$2.8 billion. Manufacturing expenditures were largest in primary and fabricated metals and chemicals.

By country of UBO, the largest source of first-year greenfield expenditures was Canada at \$4.0 billion. Including expenditures from other years, the largest source countries for greenfield expenditures were China and Japan. By state, California and Texas attracted the largest expenditures for greenfield investments: first-year expenditures of \$3.2 billion for

Chart 2. Expenditures for New Foreign Direct Investment and Foreign Direct Investment Position in the United States by Country of UBO, 2014



3. “Real estate” refers to commercial real estate. Purchases of residential real estate for the personal use of the investor are not included in these statistics.

4. The UBO is the entity proceeding up a U.S. affiliate’s ownership chain, beginning with the foreign parent, which is not owned more than 50 percent by another entity.

5. For a definition of the foreign direct investment position in the United States, see the box “Relationship Between the New Investment Statistics and Other Statistics on FDIUS” in this article.

California and \$2.7 billion for Texas, and total planned expenditures of \$7.7 billion for each state.

Technical Note

The statistics on new investments by foreign direct investors are based on data reported in the survey of new foreign direct investment in the United States (BE-13) conducted by BEA. The survey covers U.S. business enterprises that were acquired, established, or expanded by foreign direct investors.⁶

In the survey, a U.S. business enterprise is categorized as “acquired” if a foreign entity acquired a 10 percent or more voting interest in an incorporated U.S. business enterprise or an equivalent interest of an unincorporated U.S. business enterprise, either directly or indirectly through an existing U.S. affiliate, and no foreign entity held at least 10 percent of the voting interest immediately before the acquisition. (A U.S. affiliate is a foreign-owned U.S. business enterprise.) Acquisitions include the acquisition of an enterprise that operates as a separate legal entity or the acquisition of an enterprise that is merged into the operations of an existing U.S. affiliate.

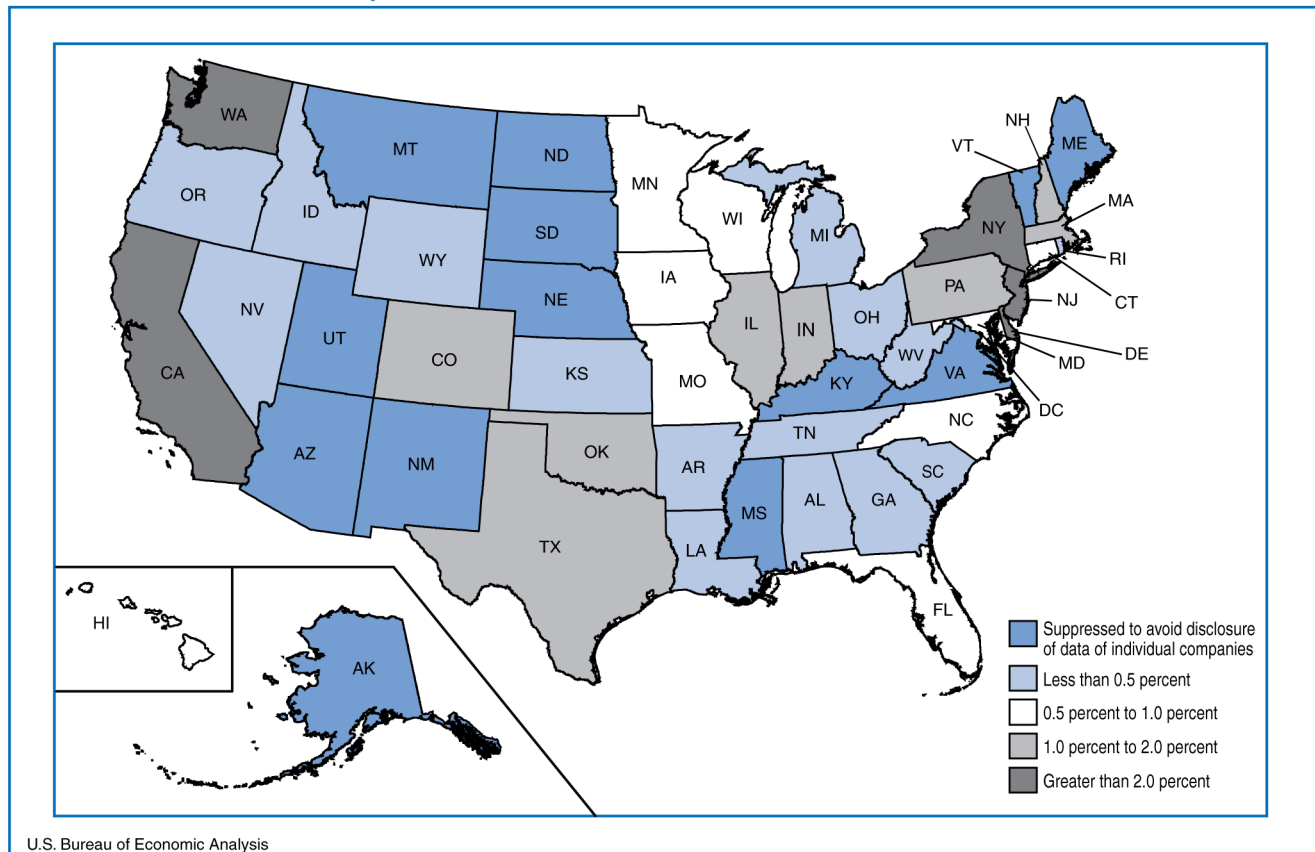
6. Information on the filing requirements for the survey may be found on [BEA’s Web site](#).

In the survey, a U.S. business enterprise is categorized as “established” if a foreign entity or an existing U.S. affiliate of a foreign entity establishes a new legal entity in the United States in which the foreign entity owns 10 percent or more of the new business enterprise’s voting interest or an equivalent interest if the enterprise is unincorporated. An existing U.S. affiliate is categorized as “expanded” if it expands its operations to include a new facility where business is conducted.

BEA reinstated the survey of new foreign direct investment in the United States in 2014 after ending the series after survey year 2008 because of budget cuts. The reinstated survey now includes expansions in an effort to measure greenfield investments more completely. Greenfield investment includes establishments of new companies by foreign investors and expansions of already existing companies. Because expansions were not included in the series that ended in 2008, the current series and the previous series are not comparable. The sum of acquisitions and establishments in the new series is comparable with the total investment outlays reported in the previous series.

The statistics on new foreign direct investment include transactions resulting from corporate inversions

Chart 3. New Investment Expenditures as a Percent of State Gross Domestic Product, 2014



which occurs when a U.S. corporation that is currently the ultimate owner of its worldwide operations takes steps to become a wholly-owned subsidiary of a foreign corporation. A U.S. corporation can initiate an inversion either by creating a foreign corporation to be its new parent or by merging with an existing foreign corporation and ceding control. BEA's direct investment surveys do not collect information on whether a U.S. corporation became foreign owned as a result of a corporate inversion, so these transactions cannot be identified in the statistics based on the survey data alone. BEA is exploring ways to identify inversions, such as adding inversion-related questions to its data collection instruments or using outside sources of in-

formation regarding inversions, so that the effect of these transactions on the statistics can be quantified. The transactions associated with corporate inversions are also included in other BEA direct investment statistics.⁷

The statistics on new foreign direct investment in the United States exclude statistics on holding companies established by foreign direct investors solely for the purpose of acquiring or establishing at least one

7. For additional information on how corporate inversions affect BEA's economic accounts, see Jessica M. Hanson, Howard I. Krakower, Raymond J. Mataloni Jr., and Kate L.S. Pinard, "The Effects of Corporate Inversions on the International and National Economic Accounts" SURVEY OF CURRENT BUSINESS 95 (February 2015).

Relationship Between the New Investment Statistics and Other Statistics on FDIUS

BEA publishes three sets of statistics on foreign direct investment in the United States: statistics on new foreign direct investment; on foreign direct investment transactions and the foreign direct investment position; and on the activities of multinational enterprises (AMNE). The statistics on new investment are related to each of the other two sets of statistics.

Statistics on expenditures for new investment partly overlap financial transaction statistics (chart 4). The new investment statistics include the total cost of the new investment whether the cost was paid by a foreign entity or by an existing U.S. affiliate. In the financial transactions statistics, only costs paid by a foreign entity are included. Financial transactions statistics measure net direct investment transactions between foreign direct investors and U.S. entities and include new investment costs paid by foreign entities, but also include transactions not related to new investments, such as full or partial sell-offs of equity, purchases of additional equity in existing U.S. affiliates, reinvestment of earnings, and intercompany lending transactions related to ongoing operations.

In 2014, financial transactions associated with foreign direct investment in the United States (FDIUS) were \$106.6 billion.¹ These transactions are less than the \$241.3 billion in expenditures for new investment partly because of the sizable disinvestment flows recorded in the financial transactions statistics.²

The new investment expenditures that are included in the financial transactions contribute to the inward direct investment position, which represents the accumulated

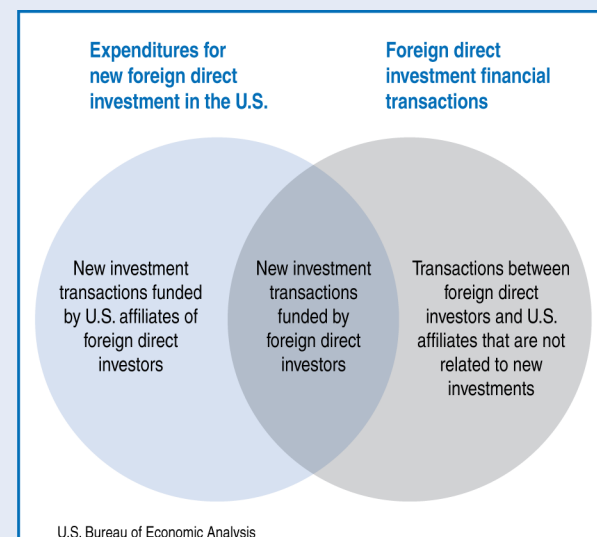
total value of foreign direct investment. The inward direct investment position at historical cost totaled \$2.9 trillion at yearend 2014.³

The survey of new foreign direct investment in the United States, the source of the statistics on expenditures for new investment, also collects information on the finances and operations of the newly acquired, established, or expanded U.S. businesses. These "activities" statistics cover many of the same topics as covered in the AMNE statistics published annually for all U.S. affiliates.⁴ The AMNE statistics for the U.S. businesses that were newly acquired, established, or expanded in 2014 will be released in the summer of 2016.

3. For detailed data on the foreign direct investment position in the United States, see Hansen and Limés, table 2.1 line 32.

4. For more information, see Rita Ismaylov and Ricardo Limés, "Activities of U.S. Affiliates of Foreign Multinational Enterprises in 2013" SURVEY 95 (November 2015).

Chart 4. Comparison of the Statistics on New Investment and the Financial Transactions Statistics



1. For detailed statistics, see Nathan R. Hansen and Ricardo Limés, "Foreign Direct Investment in the United States for 2012–2014: Detailed Historical-Cost Positions and Related Financial Transactions and Income Flows" SURVEY OF CURRENT BUSINESS 95 (September 2015) or line 67 in table 6.1 in the international transactions accounts.

2. Financial transactions that involved decreases in equity other than reinvestment of earnings totaled \$171.3 billion in 2014. For more information, see table 5.3 in Hansen and Limés.

other U.S. business enterprise.⁸ However, the statistics include the acquisitions or establishments that are undertaken by a foreign-owned U.S. holding company. Newly established holding companies are required to file the survey so that these entities can be added to the sample frames for BEA's other surveys of foreign direct investment in the United States and so that the foreign parent's direct transactions with these companies can be included in the international transactions accounts and the international investment position accounts. The statistics on new investments also do not cover the acquisition of additional equity by a foreign parent in an existing U.S. affiliate, the acquisition of an existing U.S. affiliate by one foreign investor from another, or

8. A holding company is a company whose primary activity is holding the securities or financial assets of other companies.

Acknowledgments

The statistics on new foreign direct investment in the United States were prepared under the general direction of Patricia E. Abaroa, Chief of the Direct Investment Division, and Barbara K. Hubbard, Chief of the Direct Transactions and Positions Branch. Sarahelen Thompson, Associate Director for International Economics, provided overall supervision.

Amanda Budny, Chief of the New Foreign Investment Section, supervised the processing and editing of the survey. Diane I. Young, Chief of the Operations Systems and Analysis Branch, supervised the computer programming for data estimation and tabulation.

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Computer programming for data estimation and tabulation: Danit Kanal, Neeta Kapoor, Gary E. Sowers, and Brent Spithaler.

Statistical analysis and data dissemination: Thomas Anderson, Ricardo Limés, Raymond J. Mataloni, and Daniel R. Yorgason.

the expansion of the operations of an existing U.S. affiliate when no new facility where business is conducted is established. Sell-offs or other disinvestments are not subtracted from new investments. Finally, the statistics do not include any costs associated with the new investments in entities other than foreign direct investors or U.S. affiliates.

The statistics on new foreign direct investment in the United States are classified by country of ultimate beneficial owner (UBO), by industry of the affiliate, and by state.⁹ Classification by country of UBO is used because the country that ultimately owns or controls a U.S. business and therefore derives benefits from owning or controlling the business is generally considered most important for analyzing these statistics. The UBO is the entity proceeding up a U.S. affiliate's ownership chain, beginning with the foreign parent, which is not owned more than 50 percent by another entity.

Classification by industry of affiliate requires that each U.S. business is classified in a single industry—the primary industry of the business based on sales or gross operating revenues. As a result, any activities that take place in secondary industries are classified as activities in the primary industry.

Classification by state indicates in which U.S. state the newly acquired, established, or expanded U.S. business is located. If the newly acquired or established U.S. business operates in more than one state, then the state where the greatest number of the employees are based is chosen as the location of business. If there are no employees, then the state of incorporation is chosen.

In addition to data on expenditures, the survey also collects data on the activities of the newly acquired, established, or expanded U.S. business. These additional data include balance sheet and income statement items—specifically sales, net income, assets, and liabilities for the U.S. business and the number of employees. Values for 2014 for these additional items will be released in the summer of 2016 with the revised statistics for 2014 and preliminary statistics for 2015.

9. For additional information on classifications by country of UBO or by industry of affiliate, see "Classification of Data" in *Foreign Direct Investment in the United States: Final Results From the 2012 Benchmark Survey*.

Tables 1 through 3 follow.

Table 1. First-Year Expenditures and Planned Total Expenditures for Investments Initiated in 2014, Industry of Affiliate by Type of Investment
 [Millions of dollars]

	First-year expenditures ¹				Planned total expenditures (first-year and planned future) ²			
	Total	By type of investment			Total	By type of investment		
		U.S. businesses acquired	U.S. businesses established	U.S. businesses expanded		U.S. businesses acquired	U.S. businesses established	U.S. businesses expanded
		(1)	(2)	(3)		(4)	(5)	(6)
All industries	241,261	224,688	13,822	2,751	263,858	224,688	31,345	7,825
Manufacturing	139,105	136,286	1,236	1,582	148,399	136,286	5,974	6,139
Food	6,759	6,485	224	50	6,894	6,485	(D)	(D)
Beverages and tobacco products	(D)	(D)	0	0	(D)	(D)	0	0
Paper.....	346	(D)	0	(D)	(D)	(D)	(D)	(D)
Petroleum and coal products.....	3	0	0	3	3	0	0	3
Chemicals	78,928	78,249	200	479	79,998	78,249	(D)	(D)
Basic chemicals	1,211	(D)	0	(D)	1,211	(D)	0	(D)
Pharmaceuticals and medicines	75,878	75,875	(D)	(D)	(D)	75,875	(D)	(D)
Other	1,829	(D)	(D)	(D)	(D)	(D)	715	(D)
Plastics and rubber products.....	5,018	4,764	250	4	6,461	4,764	(D)	(D)
Nonmetallic mineral products.....	1,271	1,269	2	0	(D)	1,269	(D)	0
Primary and fabricated metals	2,974	2,002	228	744	5,095	2,002	402	2,691
Primary metals.....	2,487	(D)	190	(D)	4,587	(D)	(D)	2,671
Fabricated metal products.....	487	(D)	38	(D)	508	(D)	(D)	20
Machinery.....	1,475	1,449	21	5	(D)	1,449	29	(D)
Computers and electronic products	12,902	12,880	19	3	(D)	12,880	(D)	3
Semiconductors and other electronic components	(D)	(D)	4	3	(D)	(D)	4	3
Navigational, measuring, and other instruments	(D)	(D)	(D)	0	141	(D)	(D)	0
Other	(D)	(D)	(D)	(*)	(D)	(D)	18	(*)
Electrical equipment, appliances, and components	3,822	(D)	(D)	3	(D)	(D)	(D)	3
Transportation equipment.....	1,552	1,324	88	140	3,395	1,324	338	1,732
Motor vehicles, bodies and trailers, and parts.....	1,301	1,092	88	121	3,084	1,092	336	1,655
Other	251	232	(*)	19	311	232	2	77
Other	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Wholesale trade	4,556	4,482	55	19	4,655	4,482	64	109
Motor vehicles and motor vehicle parts and supplies.....	11	7	4	(*)	11	7	4	(*)
Electrical goods.....	532	(D)	(D)	0	532	(D)	(D)	0
Petroleum and petroleum products	(D)	(D)	0	0	(D)	(D)	0	0
Other	(D)	3,854	(D)	19	(D)	3,854	(D)	109
Retail trade	3,856	3,827	(D)	(D)	3,882	3,827	(D)	(D)
Food and beverage stores.....	(D)	(D)	(*)	0	(D)	(D)	(*)	0
Other	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Information	21,330	21,049	268	13	21,405	21,049	(D)	(D)
Publishing industries	14,437	14,420	(D)	(D)	(D)	14,420	(D)	(D)
Telecommunications.....	631	630	(*)	0	631	630	(*)	0
Other	6,263	5,999	(D)	(D)	(D)	5,999	(D)	(D)
Finance and insurance	8,701	7,265	1,327	109	9,220	7,265	(D)	(D)
Depository credit intermediation (banking)	82	(D)	(D)	(D)	82	(D)	(D)	(D)
Finance, except depository institutions	4,731	3,802	(D)	(D)	(D)	3,802	1,071	(D)
Insurance carriers and related activities.....	3,888	(D)	(D)	7	(D)	(D)	(D)	7
Real estate and rental and leasing	20,774	15,521	4,792	461	26,974	15,521	(D)	(D)
Real estate.....	10,510	5,788	4,260	461	(D)	5,788	10,285	(D)
Rental and leasing (except real estate).....	10,265	9,733	532	0	(D)	9,733	(D)	0
Professional, scientific, and technical services	8,190	7,676	499	15	8,214	7,676	524	15
Architectural, engineering, and related services	525	522	2	1	525	522	2	1
Computer systems design and related services	1,329	1,303	(D)	(D)	(D)	1,303	34	(D)
Management, scientific, and technical consulting	436	430	6	0	436	430	6	0
Other	5,899	5,420	(D)	(D)	(D)	5,420	482	(D)
Other industries	34,749	28,581	(D)	(D)	41,108	28,581	11,635	892
Mining.....	13,173	11,794	(D)	(D)	(D)	11,794	(D)	85
Utilities.....	7,240	6,241	(D)	(D)	10,687	6,241	(D)	(D)
Construction	420	182	(D)	(D)	952	182	(D)	(D)
Transportation and warehousing	3,519	3,466	(D)	(D)	(D)	3,466	11	(D)
Administration, support, and waste management	3,052	2,417	625	10	3,056	2,417	625	14
Health care and social assistance.....	(D)	(D)	1	2	(D)	(D)	1	2
Accommodation and food services.....	694	681	11	2	694	681	11	2
Other	(D)	(D)	2,826	21	(D)	(D)	3,468	(D)

(*) Less than \$500,000.

D Suppressed to avoid disclosure of data on individual companies.

1. First-year expenditures include expenditures in the calendar year in which the transaction occurred.

2. Planned total expenditures include first-year expenditures for all investments plus planned future expenditures for establishments and expansions that are multiyear investments. For acquired U.S. businesses, first-year expenditures and planned total expenditures are the same.

Table 2. First-Year Expenditures and Planned Total Expenditures for Investments Initiated in 2014, Country of UBO by Type of Investment ¹
 [Millions of dollars]

	First-year expenditures ²				Planned total expenditures (first-year and planned future) ³			
	Total	By type of investment			Total	By type of investment		
		U.S. businesses acquired	U.S. businesses established	U.S. businesses expanded		U.S. businesses acquired	U.S. businesses established	U.S. businesses expanded
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
All countries	241,261	224,688	13,822	2,751	263,858	224,688	31,345	7,825
Canada	30,669	26,661	3,284	724	31,870	26,661	3,826	1,383
Europe	137,774	133,099	3,473	1,201	144,734	133,099	7,628	4,006
Belgium	668	633	32	3	668	633	32	3
Denmark	811	763	(D)	(D)	(D)	763	45	(D)
Finland	259	(D)	(*)	(D)	(D)	(D)	(*)	(D)
France	4,914	(D)	(D)	5	(D)	(D)	(D)	(D)
Germany	29,042	28,357	420	265	30,161	28,357	(D)	(D)
Ireland	42,545	(D)	(*)	(D)	42,545	(D)	(*)	(D)
Italy	600	467	109	24	665	467	(D)	(D)
Netherlands	9,025	8,149	863	14	9,187	8,149	(D)	(D)
Spain	1,841	1,697	(D)	(D)	(D)	1,697	224	(D)
Sweden	1,385	1,383	2	0	1,386	1,383	2	0
Switzerland	17,078	16,358	(D)	0	(D)	16,358	386	(D)
United Kingdom	24,399	23,492	863	44	26,761	23,492	(D)	(D)
Other	5,206	4,487	(D)	(D)	(D)	4,487	(D)	(D)
Latin America and Other Western Hemisphere	15,725	14,951	745	28	(D)	14,951	(D)	(D)
South and Central America	1,815	1,716	(D)	(D)	(D)	1,716	(D)	(D)
Brazil	11	(*)	10	0	11	(*)	10	0
Mexico	(D)	(D)	10	0	(D)	(D)	10	0
Venezuela	(D)	0	(*)	(D)	(D)	0	(*)	(D)
Other	(D)	(D)	(D)	0	(D)	(D)	(D)	(D)
Other Western Hemisphere	13,909	13,235	(D)	(D)	14,096	13,235	(D)	(D)
Bermuda	6,524	6,419	104	1	6,681	6,419	261	1
United Kingdom Islands, Caribbean ⁴	7,021	6,452	(D)	(D)	7,050	6,452	(D)	(D)
Other	365	365	1	0	365	365	1	0
Africa	95	(D)	(D)	0	95	(D)	(D)	0
South Africa	(D)	(D)	0	0	(D)	(D)	0	0
Other	(D)	(D)	(D)	0	(D)	(D)	(D)	0
Middle East	1,809	1,566	(D)	(D)	2,305	1,566	(D)	(D)
Israel	738	655	(D)	(D)	(D)	655	(D)	(D)
Saudi Arabia	111	1	(D)	(D)	348	1	(D)	(D)
United Arab Emirates	(D)	(D)	(*)	0	(D)	(D)	(*)	0
Other	(D)	(D)	(D)	0	(D)	(D)	265	0
Asia and Pacific	51,538	45,146	5,687	706	65,106	45,146	17,927	2,033
Australia	2,358	2,316	40	2	(D)	2,316	(D)	2
China	3,694	2,370	(D)	(D)	9,996	2,370	(D)	(D)
Hong Kong	6,657	(D)	(D)	0	(D)	(D)	496	0
India	440	75	366	0	(D)	75	(D)	0
Japan	27,870	25,055	2,665	150	32,325	25,055	6,474	796
Korea, Republic of	2,452	1,188	(D)	(D)	4,651	1,188	(D)	(D)
Singapore	7,913	7,830	82	0	(D)	7,830	(D)	0
Taiwan	35	(D)	(D)	3	37	(D)	(D)	3
Other	120	(D)	(D)	0	120	(D)	(D)	0
United States ⁵	3,651	(D)	423	(D)	(D)	(D)	(D)	(D)

(*) Less than \$500,000.

D Suppressed to avoid disclosure of data on individual companies.

1. The Ultimate Beneficial Owner (UBO) is the entity, proceeding up the foreign ownership chain, which is not more than 50 percent owned by another entity. The UBO is the entity that ultimately owns or controls and thus ultimately derives the benefits and assumes the risks from owning or controlling an affiliate.

2. First-year expenditures include expenditures in the calendar year in which the transaction occurred.

3. Planned total expenditures include first-year expenditures for all investments plus planned future expendi-

tures for establishments and expansions that are multiyear investments. For acquired U.S. businesses, first-year expenditures and planned total expenditures are the same.

4. The "United Kingdom Islands, Caribbean" consists of the British Virgin Islands, the Cayman Islands, Montserrat, and the Turks and Caicos Islands.

5. The United States is the country of ultimate beneficial owner for businesses newly acquired, established, or expanded by foreign investors that are ultimately owned by persons located in the United States.

Table 3. First-Year Expenditures and Planned Total Expenditures for Investments Initiated in 2014, State by Type of Investment ¹

[Millions of dollars]

	First-year expenditures ²				Planned total expenditures (first-year and planned future) ³			
	Total	By type of investment			Total	By type of investment		
		U.S. businesses acquired	U.S. businesses established	U.S. businesses expanded		U.S. businesses acquired	U.S. businesses established	U.S. businesses expanded
		(1)	(2)	(3)		(4)	(5)	(6)
Total	241,261	224,688	13,822	2,751	263,858	224,688	31,345	7,825
New England:								
Connecticut	1,461	(D)	(D)	0	1,461	(D)	(D)	0
Maine	(D)	(D)	0	0	296	(D)	(D)	0
Massachusetts	7,019	5,090	(D)	(D)	7,099	5,090	(D)	(D)
New Hampshire	1,108	1,108	0	0	1,108	1,108	0	0
Rhode Island	189	189	0	0	189	189	0	0
Vermont	(D)	(D)	0	0	(D)	(D)	0	0
Mideast:								
Delaware	2,411	1,145	1,262	4	3,633	1,145	(D)	(D)
District of Columbia	1,084	847	237	0	(D)	847	(D)	0
Maryland	2,940	2,806	(D)	(D)	2,952	2,806	(D)	(D)
New Jersey	17,546	17,434	112	0	17,824	17,434	(D)	(D)
New York	35,711	(D)	(D)	(D)	37,956	(D)	(D)	92
Pennsylvania	7,446	7,429	14	2	7,453	7,429	18	6
Great Lakes:								
Illinois	12,818	12,206	587	25	(D)	12,206	588	(D)
Indiana	5,437	5,260	103	73	6,153	5,260	(D)	(D)
Michigan	1,990	1,873	76	41	2,185	1,873	(D)	(D)
Ohio	2,025	1,852	(D)	(D)	2,311	1,852	299	160
Wisconsin	2,510	2,497	(D)	(D)	2,511	2,497	(D)	(D)
Plains:								
Iowa	1,316	(D)	(D)	0	1,316	(D)	(D)	0
Kansas	263	(D)	(D)	0	263	(D)	(D)	0
Minnesota	2,869	2,648	(D)	(D)	2,869	2,648	(D)	(D)
Missouri	2,201	2,122	79	0	2,201	2,122	79	0
Nebraska	(D)	(D)	0	0	(D)	(D)	0	(*)
North Dakota	(D)	(D)	0	0	(D)	(D)	0	0
South Dakota	(D)	(D)	0	0	(D)	(D)	0	0
Southeast:								
Alabama	664	(D)	(D)	(D)	669	(D)	(D)	(D)
Arkansas	61	(D)	(*)	(D)	(D)	(D)	2	(D)
Florida	4,274	(D)	(D)	0	(D)	(D)	1,137	0
Georgia	1,652	863	718	72	2,260	863	1,219	178
Kentucky	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Louisiana	579	(D)	(D)	0	(D)	(D)	(D)	0
Mississippi	(D)	(D)	(D)	2	(D)	(D)	(D)	(D)
North Carolina	3,771	3,642	(D)	(D)	3,909	3,642	(D)	(D)
South Carolina	564	530	(D)	(D)	(D)	530	(D)	54
Tennessee	1,233	(D)	(D)	1	2,988	(D)	(D)	(D)
Virginia	(D)	(D)	(D)	0	3,932	(D)	(D)	0
West Virginia	5	5	0	0	5	5	0	0
Southwest:								
Arizona	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
New Mexico	(D)	(D)	1	(*)	(D)	(D)	(D)	(*)
Oklahoma	1,937	(D)	(D)	0	1,937	(D)	(D)	0
Texas	20,496	17,831	961	1,704	25,576	17,831	3,399	4,346
Rocky Mountains:								
Colorado	3,405	3,371	33	2	(D)	3,371	(D)	(D)
Idaho	3	0	3	0	3	0	3	0
Montana	(D)	(D)	0	0	(D)	(D)	0	0
Utah	(D)	(D)	0	(D)	(D)	(D)	0	(D)
Wyoming	2	2	0	0	(D)	2	(D)	0
Far West:								
Alaska	(D)	(D)	0	0	(D)	(D)	0	0
California	48,947	45,792	3,029	126	53,516	45,792	7,535	189
Hawaii	444	274	170	0	629	274	355	0
Nevada	246	193	(D)	(D)	(D)	193	(D)	(D)
Oregon	551	546	0	5	(D)	546	0	(D)
Washington	16,415	16,283	130	2	16,575	16,283	(D)	(D)
Puerto Rico	0	0	0	0	0	0	0	0
Other U.S. areas ⁴	0	0	0	0	0	0	0	0
Unspecified ⁵	1,019	369	552	98	1,019	369	552	98

(*) Less than \$500,000

(D) Suppressed to avoid disclosure of data on individual companies.

1. The state where the newly acquired, established, or expanded U.S. business enterprise is located. If the U.S. business enterprise operates in more than one state, it is the state where the largest number of employees are based; if there are no employees it is the state of incorporation of the U.S. business enterprise.

2. First-year expenditures include expenditures in the calendar year in which the transaction occurred.

3. Planned total expenditures include first-year expenditures for all investments plus planned future expenditures for establishments and expansions that are multiyear investments. For acquired U.S. businesses, first-year expenditures and planned total expenditures are the same.

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

5. Expenditures are listed as unspecified if BEA has no indication of the affiliate location, such as on the claim for exemption forms, where this information is not collected.