

U.S. Direct Investment Abroad for 2013–2015

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

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.” In this article, the statistics are presented on a directional basis by country and industry. On this 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 is the net claims of a U.S. parent on its foreign affiliates.¹

A set of 16 tables accompany this article:

- Table 1 presents 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 and income flows for 2004–2015 at historical cost and with adjustments to current-period prices consistent with the valuation used in the international investment position (IIP) accounts and international transactions accounts.
- Tables 3–16 present direct investment positions and international transactions by country of foreign affiliate, by industry of affiliate, and by account. Table 16 presents statistics that are classified by industry of affiliate and by industry of U.S. parent.

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 only available on a historical-cost basis.

Definitions of key terms 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. Detailed statistics on the outward direct investment positions and related financial transactions and income flows for 1982–2015 are also available on BEA’s Web site. The direct investment statistics presented in this article complement the statistics presented in two articles about changes in the international transactions accounts and in the direct investment position in the July 2016 *SURVEY* by providing more detail

1. For a discussion of the two bases for classifying direct investment—the directional basis and the asset/liability basis—see Derrick T. Jenniges and James J. Fetzer, “Direct Investment Positions for 2015: Country and Industry Detail,” *SURVEY OF CURRENT BUSINESS* 96 (July 2016).

by country, by industry, and by account.² For 2013–2015, the statistics reflect the incorporation of new or revised data from BEA’s quarterly surveys of U.S. direct investment abroad and from annual surveys of the activities of U.S. multinational enterprises.

The statistics in this article differ from some of the counterpart statistics in the IIP accounts and international transactions accounts.³

- The estimates are presented at historical cost. The aggregate statistics on the direct investment position in the IIP accounts are presented at market value and at 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 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 (except for the estimates in tables 1 and 2).⁴ In the international transactions accounts, the statistics on direct investment income and direct investment financial transactions are presented with a current-cost adjustment.

Revisions

As noted in the July 2016 *SURVEY* article on direct investment positions, the total U.S. outward direct investment position at historical cost for all areas was revised downward \$113.6 billion for 2013, \$91.2 billion for 2014, and \$16.7 billion for 2015 (table A).⁵ The downward revision for 2013 was mainly attributable to downward revisions

2. See C. Omar Kebbeh and Eric Bryda, “Annual Revision of the U.S. International Transactions Accounts,” *SURVEY* 96 (July 2016) and Jenniges and Fetzer.

3. See Elena L. Nguyen, “The U.S. Net International Investment Position at the End of the First Quarter of 2016, Year 2016, and Annual Revisions,” *SURVEY* 96 (July 2016) and Thomas Anderson and Christopher Steiner, “U.S. International Transactions: First Quarter of 2016,” *SURVEY* 96 (July 2016).

4. The current-cost adjustment is an adjustment to earnings that converts depreciation reported for financial accounting purposes to a measure more consistent with economic accounting principles.

5. Revisions to positions can result from financial transactions, from other changes in position excluding financial transactions, or from revisions to positions (if any) in the previous year.

to other changes in position.⁶ The 2014 revision was attributable to the downward revision to the 2013 position and downward revisions to financial transactions that were partly offset by upward revisions to other changes in position. The 2015 revision was due to the downward revision to the 2014 position, which was partially offset by upward revisions to financial transactions and to other changes in position.

Income without current-cost adjustment was revised downward \$1.7 billion for 2013, downward \$0.5 billion for 2014, and upward \$7.5 billion for 2015. The revision for 2013 reflected a downward revision to net interest. The revision for 2014 reflected a downward revision to net interest, which was partially offset by upward revisions

to income on equity. Revisions for 2015 were mainly due to upward revisions to earnings on equity.

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

Table A. Foreign Direct Investment in the United States: Comparison of Previously Published and Revised Estimates by Area, 2013–2015
(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
2013									
All areas	4,693,348	4,579,713	-113,635	307,927	303,432	-4,495	450,619	448,890	-1,729
Canada.....	390,172	370,259	-19,913	21,800	20,650	-1,150	32,584	31,420	-1,164
Europe.....	2,650,757	2,604,776	-45,981	161,973	157,885	-4,088	231,957	233,520	1,563
<i>Of which:</i>									
United Kingdom.....	576,516	537,714	-38,802	26,650	25,301	-1,349	33,734	32,030	-1,704
Latin America and Other Western Hemisphere	849,777	788,772	-61,005	56,712	52,783	-3,929	88,436	82,947	-5,489
Africa.....	59,569	60,884	1,315	1,601	1,516	-85	6,860	6,876	16
Middle East.....	46,626	45,399	-1,227	3,776	4,009	233	15,783	15,986	203
Asia and Pacific.....	696,447	709,623	13,176	62,066	66,590	4,524	75,000	78,141	3,141
2014									
All areas	4,920,653	4,829,425	-91,228	316,549	292,283	-24,266	448,942	448,428	-514
Canada.....	386,121	358,452	-27,669	19,847	24,361	4,514	28,902	29,964	1,062
Europe.....	2,781,666	2,773,447	-8,219	171,795	158,062	-13,733	239,947	245,698	5,751
<i>Of which:</i>									
United Kingdom.....	587,943	563,055	-24,888	26,319	27,110	791	36,731	35,538	-1,193
Latin America and Other Western Hemisphere	897,679	834,197	-63,482	59,646	51,275	-8,371	84,208	75,356	-8,852
Africa.....	64,233	67,588	3,355	4,748	2,393	-2,355	5,252	5,529	277
Middle East.....	52,168	49,400	-2,768	6,218	4,768	-1,450	14,995	14,712	-283
Asia and Pacific.....	738,786	746,341	7,555	54,296	51,425	-2,871	75,638	77,170	1,532
2015									
All areas	5,057,383	5,040,648	-16,735	299,969	303,177	3,208	394,797	402,294	7,497
Canada.....	.....	352,928	.....	12,955	13,198	243	19,201	19,075	-126
Europe.....	.....	2,949,235	.....	193,847	196,135	2,288	230,998	237,399	6,401
<i>Of which:</i>									
United Kingdom.....	.....	593,028	.....	30,996	31,474	478	39,917	39,533	-384
Latin America and Other Western Hemisphere .....	.....	847,571	.....	50,028	52,745	2,717	70,210	69,157	-1,053
Africa.....	.....	64,040	.....	76	101	25	2,149	2,103	-46
Middle East.....	.....	48,525	.....	801	2,942	2,141	8,968	8,834	-134
Asia and Pacific.....	.....	778,349	.....	42,263	38,056	-4,207	63,270	65,726	2,456

1. The only accounts for which 2015 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 2015 were first published in the April 2016 SURVEY OF CURRENT BUSINESS and were revised in the July 2016 SURVEY.