

# Foreign Direct Investment in the United States for 2014–2016

## 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 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 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, inward direct investment is the net claims of a foreign parent on its U.S. affiliates.<sup>1</sup>

A set of 17 tables accompany this article:

- Table 1 presents the direct investment positions, income, 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 2005–2016 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 statistics by country of foreign parent, by industry of affiliate, and by account. Table 16 presents statistics that are classified by (1) 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, and by (2) 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 and includes 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.

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 Eco-

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 Sarah A. Stutzman, “Direct Investment Positions for 2016: Country and Industry Detail,” SURVEY OF CURRENT BUSINESS 97 (July 2017).

nomics Analysis (BEA) Web site. Detailed statistics on inward direct investment positions and related financial transactions and income inflows for 1980–2016 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 the direct investment position in the July 2017 SURVEY by providing more detail by country, by industry, and by account.<sup>2</sup> For 2014–2016, the statistics also reflect the incorporation of new or revised data from BEA’s quarterly and annual surveys of foreign direct investment in the United States.

The statistics in this article differ from some of the counterpart statistics in the IIP accounts and international transactions accounts.<sup>3</sup> There are a few reasons for this:

- The statistics are presented at historical cost. The aggregate statistics on the direct investment position in the IIP accounts are presented at market value, at current cost, and at historical cost.
- Direct investment statistics in the tables and 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 and in the international transactions accounts, 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 statistics are presented without a current-cost adjustment (except for tables 1 and 2).<sup>4</sup> In the international transactions accounts, the statistics on direct investment income and direct investment financial transactions are presented with a current-cost adjustment.

2. See Eric Bryda, C. Omar Kebbeh, and Daniel H. Meier, “Annual Update of the U.S. International Transactions Accounts,” SURVEY 97 (July 2017) and Jenniges and Stutzman.

3. See Elena L. Nguyen and Douglas B. Weinberg, “U.S. Net International Investment Position: First Quarter of 2017, Year 2016, and Annual Update,” SURVEY 97 (July 2017) and Christopher P. Steiner and Michelle Murillo, “U.S. International Transactions: First Quarter of 2017,” SURVEY 97 (July 2017).

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.

## Updates

The revised statistics on the foreign direct investment position at yearend, financial transactions, and income for 2014–2016 reflect the incorporation of the results from BEA's quarterly and annual surveys of foreign direct investment in the United States. The statistics for 2005–2016 in tables 1 and 2 were also revised to reflect a new streamlined method for estimating current-cost adjustments to direct investment position and income.<sup>5</sup>

The total inward direct investment position at historical cost for all areas was revised up \$32.5 billion for 2014, revised up \$169.4 billion for 2015, and revised up \$201.5 billion for 2016 (table A).<sup>6</sup> The upward revisions for 2014

5. A detailed discussion of the new method is available in Bryda, Kebbeth, and Meier and Nguyen and Weinberg.

6. 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.

### Discontinuation of Detailed Direct Investment Articles

This article will be discontinued next year as part of BEA's strategic effort to ensure that data are disseminated effectively and efficiently. These annual articles, which normally appear in September, will be replaced by a news release in July, with accompanying tables on the BEA Web site. BEA will provide the same statistics but in a more timely and convenient way.

and 2015 were mainly attributable to upward revisions to financial transactions. For 2016, the upward revision was attributable largely to the 2015 upward revision; an upward revision to 2016 financial transactions also contributed.<sup>7</sup>

Income without current-cost adjustment was revised up \$2.5 billion for 2014, down \$3.0 billion for 2015, and up \$17.2 billion for 2016. The revisions were mainly attributable to revisions to income on equity.

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

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**Table A. Foreign Direct Investment in the United States: Updates to Position, Financial Transactions, and Income by Area, 2014–2016**  
(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
2014									
<b>All areas</b> .....	<b>2,913,304</b>	<b>2,945,795</b>	<b>32,491</b>	<b>171,601</b>	<b>201,733</b>	<b>30,132</b>	<b>174,814</b>	<b>177,294</b>	<b>2,480</b>
Canada .....	257,142	273,896	16,754	28,363	23,479	-4,884	13,976	15,032	1,056
Europe .....	1,983,202	2,004,199	20,997	59,125	93,768	34,643	121,843	122,793	950
Of which:									
United Kingdom .....	458,727	479,373	20,646	-95,814	-94,851	963	27,778	27,147	-631
Latin America and Other Western Hemisphere .....	119,962	117,051	-2,911	14,325	13,627	-698	9,515	8,835	-680
Africa .....	853	1,691	838	507	825	318	-56	488	544
Middle East .....	16,691	16,467	-224	-1,591	-1,548	43	303	346	43
Asia and Pacific .....	535,454	532,491	-2,963	70,872	71,582	710	29,233	29,800	567
2015									
<b>All areas</b> .....	<b>3,134,199</b>	<b>3,303,586</b>	<b>169,387</b>	<b>348,402</b>	<b>465,765</b>	<b>117,363</b>	<b>151,336</b>	<b>148,335</b>	<b>-3,001</b>
Canada .....	268,972	322,118	53,146	25,029	59,555	34,526	16,097	15,941	-156
Europe .....	2,162,845	2,276,695	113,850	267,414	345,958	78,544	102,276	99,497	-2,779
Of which:									
United Kingdom .....	483,841	512,139	28,298	18,051	39,323	21,272	10,071	9,348	-723
Latin America and Other Western Hemisphere .....	118,796	117,301	-1,495	12,184	10,744	-1,440	8,797	8,610	-187
Africa .....	707	4,330	3,623	519	1,872	1,353	-48	189	237
Middle East .....	18,468	18,169	-299	2,227	2,157	-70	578	516	-62
Asia and Pacific .....	564,411	564,974	563	41,029	45,480	4,451	23,636	23,582	-54
2016 <sup>1</sup>									
<b>All areas</b> .....	<b>3,523,968</b>	<b>3,725,418</b>	<b>201,450</b>	<b>391,104</b>	<b>457,125</b>	<b>66,021</b>	<b>142,541</b>	<b>159,749</b>	<b>17,208</b>
Canada .....	.....	371,468	.....	55,632	51,922	-3,710	14,888	16,417	1,529
Europe .....	.....	2,605,559	.....	266,691	334,362	67,671	100,268	115,033	14,765
Of which:									
United Kingdom .....	.....	555,687	.....	43,730	49,068	5,338	18,005	19,485	1,480
Latin America and Other Western Hemisphere .....	.....	124,798	.....	21,392	21,190	-202	7,397	7,906	509
Africa .....	.....	4,394	.....	100	100	0	174	177	3
Middle East .....	.....	19,826	.....	19	545	526	1,070	1,133	63
Asia and Pacific .....	.....	599,373	.....	47,270	49,007	1,737	18,744	19,083	339

1. The only accounts for which 2016 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 2016 were first published in the April 2017 SURVEY OF CURRENT BUSINESS and were revised in the July 2017 SURVEY.