

Foreign Direct Investment in the United States

- New Investment in 1997
- Affiliate Operations in 1996

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OUTLAYS BY foreign direct investors to acquire or establish businesses in the United States decreased to \$70.8 billion in 1997 from a record \$79.9 billion in 1996. Despite the decrease, the first since 1992, outlays in 1997 were among the highest recorded since the new-investment series began in 1980 (chart 1). The 11-percent decrease in outlays in 1997 followed increases of 40 percent in 1996 and 25 percent in 1995 (table 1).¹

1. The estimates of outlays for 1997 are preliminary. The 1996 estimate of total outlays has been revised down 1 percent from the preliminary estimate published last year.

The high level of outlays in 1997 reflected a continuation of favorable U.S. economic conditions and coincided with record-high overall merger and acquisition activity in the United States. In addition, business conditions remained favorable in major investor countries—particularly in Canada, the Netherlands, and the United Kingdom, which together accounted for almost half of the 1997 spending for new investments. The decrease in total outlays from the peak of 1996 reflected a reduction in the number of very large investments and a sharp decline in new investment from Japan, where economic conditions were less favorable.

Additional highlights on new investment in 1997 follow:

- The portion of outlays that were financed with funds from foreign parents rather than from U.S. sources or from other foreign sources dropped sharply—from an unusually

Table 1.—Selected Data on Newly Acquired or Established U.S. Businesses and on Nonbank U.S. Affiliates, 1977–97

	Newly acquired or established U.S. businesses		All nonbank U.S. affiliates			Addendum: Employment by newly acquired or established U.S. businesses as a percentage of employment by all nonbank U.S. affiliates ²
	Outlays (billions of dollars)	Employment (thousands of employees)	Employment (thousands of employees)	Gross product (billions of dollars)	U.S.-affiliate share of gross product originating in private industries ¹ (percent)	
1977	n.a.	n.a.	1,218.7	35.2	2.3	n.a.
1978	n.a.	n.a.	1,429.9	42.9	2.5	n.a.
1979	n.a.	n.a.	1,753.2	55.4	2.9	n.a.
1980	12.2	292.5	2,033.9	70.9	3.4	14.4
1981	23.2	442.8	2,416.6	98.8	4.2	18.3
1982	10.8	233.8	2,448.1	103.5	4.3	9.6
1983	8.1	108.1	2,546.5	111.5	4.3	4.2
1984	15.2	172.5	2,714.3	128.8	4.4	6.4
1985	23.1	275.5	2,862.2	134.9	4.3	9.6
1986	39.2	438.0	2,937.9	142.1	4.3	14.9
1987	40.3	394.1	3,224.3	157.9	4.5	12.2
1988	72.7	736.3	3,844.2	190.4	5.0	19.2
1989	71.2	722.0	4,511.5	223.4	5.4	16.0
1990	65.9	474.3	4,734.5	239.3	5.5	10.0
1991	25.5	249.0	4,871.9	257.6	5.9	5.1
1992	15.3	141.5	4,715.4	266.3	5.8	3.0
1993	26.2	289.1	4,765.6	285.7	5.8	6.1
1994	45.6	289.3	4,840.5	313.0	6.0	6.0
1995	57.2	312.9	^r 4,941.8	^r 322.6	5.9	6.3
1996	^r 79.9	^r 436.9	^p 4,977.5	^p 339.5	5.9	8.8
1997	^p 70.8	^p 297.6	n.a.	n.a.	n.a.	n.a.

^p Preliminary.

^r Revised.

n.a. Not available.

1. For improved comparability with U.S. affiliate gross product, gross product originating in private industries was adjusted to exclude gross product originating in depository institutions and private households, imputed rental income from owner-occupied housing, and business transfer payments.

2. Because the data on new affiliates include bank affiliates, the percentages shown in this column are biased upward. In all years, the bias is less than 1 percentage point; in most years, it is less than 0.3 percentage point.

CHART 1

Outlays for New Investment in the United States by Foreign Direct Investors, 1980–97

Billions \$



U.S. Department of Commerce, Bureau of Economic Analysis

high share of 68 percent in 1996 to 55 percent in 1997.

- More than 90 percent of new investment was accounted for by outlays to acquire existing companies; outlays to establish new companies accounted for the remainder. The share ranged from 82 to 86 percent in 1993–96.
- By industry, outlays were largest in manufacturing, particularly chemicals and industrial machinery; in services, particularly business services; and in insurance.

Most measures of the overall operations of nonbank U.S. affiliates of foreign companies—which include the operations of existing as well as new affiliates—increased in 1996, the latest year

for which such measures are available.² The gross product (or value added) of affiliates increased 5 percent to \$339.5 billion (current dollars) in 1996

2. All data on the overall operations of nonbank U.S. affiliates are on a fiscal year basis. Thus, for 1996, an individual affiliate's fiscal year is its financial reporting year that ended in calendar year 1996.

A U.S. affiliate is a U.S. business enterprise in which there is foreign direct investment—that is, in which a single foreign person owns or controls, directly or indirectly, 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise. The term “U.S. affiliate” denotes that the affiliate is located in the United States; in this article, “affiliate” and “U.S. affiliate” are used interchangeably.

A “person” is any individual, corporation, branch, partnership, associated group, association, estate, trust, or other organization and any government (including any corporation, institution, or other entity or instrumentality of a government). A “foreign” person is a person who resides outside the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and all U.S. territories and possessions.

The financial and operating data of U.S. affiliates cover the entire operations of the U.S. affiliate, irrespective of the percentage of foreign ownership.

Data on Foreign Direct Investment in the United States

BEA collects three broad sets of data on foreign direct investment in the United States (FDIUS): (1) New investment data, (2) financial and operating data of U.S. affiliates, and (3) balance of payments and direct investment position data. This article presents the first two sets of data; the balance of payments and direct investment position data will be published in the articles “The International Investment Position of the United States in 1997,” “U.S. International Transactions, First Quarter 1998,” and “Direct Investment Positions on a Historical-Cost Basis: Country and Industry Detail for 1997” in the July issue of the SURVEY OF CURRENT BUSINESS.

Each of the three data sets focuses on a distinct aspect of FDIUS. The *new investment data* provide information about U.S. businesses that are newly acquired or established by foreign direct investors, regardless of whether the invested funds were raised in the United States or abroad; the *financial and operating data* provide a picture of the overall activities of the U.S. affiliates; and the *balance of payments and direct investment position data* cover cross-border transactions and the positions of both new and existing U.S. affiliates with their foreign parents.¹

New investment data.—The data on outlays by foreign direct investors to acquire or establish affiliates in the United States are collected in BEA's survey of new FDIUS. The data on investment outlays and on the number and types of investment and investors are on a calendar year basis.

1. For a more detailed discussion of the differences between these three sets of data, see Alicia M. Quijano, “A Guide to BEA Statistics on Foreign Direct Investment in the United States,” SURVEY 70 (February 1990): 29–37. This guide is available on BEA's Web site at <<http://www.bea.doc.gov/bea/a11.htm>>.

For a comparison of the data on affiliate operations with the data on new investment, see the appendix “Sources of Data” in Mahnaz Fahim-Nader and William J. Zelle, “Foreign Direct Investment in the United States: New Investment in 1994 and Affiliate Operations in 1993,” SURVEY 75 (May 1995): 68–70.

The new investment survey also collects selected data on the operations of the newly acquired or established affiliates. For newly acquired affiliates, these data are for (or as of the end of) the most recent fiscal year preceding the acquisition, and for newly established businesses, they are projected for (or as of the end of) the first year of operation. The data cover the entire operations of the business, irrespective of the percentage of foreign ownership.

Financial and operating data of U.S. affiliates.—The data on the overall operations of U.S. affiliates are collected in BEA's annual and benchmark surveys of FDIUS. The data cover U.S. affiliates' balance sheets and income statements, employment and compensation of employees, trade in goods, research and development expenditures, sources of finance, and selected data by State. In addition, the gross product of affiliates is estimated from the data reported in these surveys.

Except in benchmark survey years, these data, unlike the *new investment data*, cover only nonbank affiliates. All data on the overall operations of nonbank U.S. affiliates are on a fiscal year basis. The data cover the entire operations of the U.S. affiliate, irrespective of the percentage of foreign ownership.

Balance of payments and the direct investment position data.—These data are collected in the quarterly survey of FDIUS. The data cover the U.S. affiliate's cross-border transactions and positions with its foreign parent or other members of its foreign parent group, so these data focus on the foreign parent's share, or interest, in the affiliate rather than on the affiliate's size or level of operations. The major items included in the U.S. balance of payments are direct investment capital flows, direct investment income, royalties and license fees, and other services transactions with the foreign parent group.

after increasing 3 percent in 1995.³ The share of total gross product originating in private U.S. businesses that was accounted for by affiliates held steady at 5.9 percent (chart 2).

Additional highlights of the operations of U.S. affiliates in 1996 follow:

- Employment by affiliates increased 1 percent, as increases in employment from new investments were largely offset by reductions in employment from sales and liquidations. Largely reflecting the slow growth in affiliate employment, the total amount of compensation of employees paid by affiliates increased 2 percent, the lowest rate of increase since 1978.
- Exports and imports of goods by affiliates increased only slightly, and affiliates' shares of total U.S. exports and imports of goods decreased.
- By country of ultimate beneficial owner (UBO), the United Kingdom remained the largest of any investing country in terms of affiliate gross product, followed by Japan and Germany.⁴ Growth in the gross product

of French-owned affiliates was particularly strong, increasing by more than a third; as a result, France moved from the sixth-largest to the fourth-largest investing country.

- By major industry, the affiliate share of all-U.S.-business employment increased the most in communication and public utilities and decreased the most in transportation. The affiliate share held steady in mining and manufacturing, the two major industries in which the shares were largest. Within manufacturing, the affiliate share increased substantially in motor vehicles and equipment and decreased substantially in food and kindred products and in primary metal industries.
- By State, the affiliate share of total business employment continued to be largest in Hawaii, where Japanese investment predominates. The affiliate share of manufacturing employment continued to be largest in Kentucky, followed by South Carolina and New Jersey.
- The net income of affiliates increased 36 percent, to \$21.1 billion, in 1996 after increasing 91 percent in 1995. Unlike the increase in 1995, which partly reflected reduced capital losses, the increase in 1996 was more than accounted for by increased profits from operations. Profit-type return—operating profits on an economic-accounting basis—increased 42 percent, to \$39.6 billion. This increase continues a pattern of strong growth in

3. The estimates of gross product and the other data items on affiliate operations for 1996 are preliminary. The estimates for 1995 are revised; for most of the key data items, the revisions from the preliminary estimates were small, resulting in changes to the totals of -1.5 percent to 0.5 percent.

4. The UBO is that person, proceeding up a U.S. affiliate's ownership chain, beginning with and including the foreign parent, that is not owned more than 50 percent by another person. The foreign parent is the first foreign person in the affiliate's ownership chain. Unlike the foreign parent, the UBO of an affiliate may be located in the United States. The UBO of each U.S. affiliate is identified to ascertain the person that ultimately owns or controls the U.S. affiliate and that therefore ultimately derives the benefits from ownership or control.

Acknowledgments

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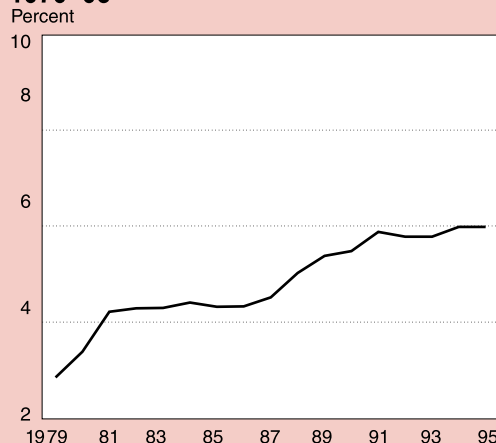
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CHART 2

U.S. Affiliate Share of Gross Domestic Product Originating in Private Industries, 1979-95



U.S. Department of Commerce, Bureau of Economic Analysis

profit-type return that began in 1992. While some of this growth reflects the entry of affiliates into the direct investment universe, most of it is attributable to the improved profitability of existing affiliates.

New Investment in 1997

Outlays to acquire and establish U.S. businesses were \$70.8 billion in 1997 (table 2).⁵ Outlays decreased \$9.1 billion, or 11 percent, after increasing 40 percent in 1996. As in the past, outlays to acquire existing U.S. companies rather than

5. The new investment data cover U.S. business enterprises (including banks) that have total assets of over \$1 million or that own at least 200 acres of U.S. land in the year they are acquired or established. U.S. enterprises that do not meet these criteria are required to file partial reports, primarily for identification purposes; the data from these reports are not included in the accompanying tables. For 1997, the total assets of the U.S. enterprises that filed partial reports were only \$88.3 million, about 0.1 percent of the total assets of \$179.5 billion of the U.S. enterprises that filed complete reports.

A U.S. business enterprise is categorized as "established" if the foreign parent or its existing U.S. affiliate (a) creates a new legal entity that is organized and begins operating as a new U.S. business enterprise or (b) directly purchases U.S. real estate. A U.S. business enterprise is categorized as "acquired" if the foreign parent or its existing U.S. affiliate (a) obtains a voting equity interest in an existing U.S. business enterprise and continues to operate it as a separate legal entity, (b) purchases a business segment or an operating unit of an existing U.S. business enterprise that it organizes as a new separate legal entity, or (c) purchases through the existing U.S. affiliate a U.S. business enterprise or a business segment or an operating unit of a U.S. business enterprise and merges it into the affiliate's own operations.

The data on new investments do not cover a foreign parent's acquisition of additional equity in its U.S. affiliate or its acquisition of an existing U.S. affiliate from another foreign investor. They also do not cover expansions in the operations of existing U.S. affiliates, and selloffs or other disinvestment are not netted against the new investments.

to establish new U.S. companies accounted for most—91 percent—of total outlays in 1997.

Although down somewhat from 1996, the level of outlays in 1997 was still relatively high, reflecting the continued importance of many of the factors that have helped to generate a resurgence in new foreign direct investment beginning in 1993. In 1997, the U.S. economy expanded for the sixth consecutive year, overall merger and acquisition activity in the United States was at record levels, and business conditions remained strong in most major investor countries.⁶ Both existing U.S. affiliates and their foreign parents had strong earnings, which provided them with the funds needed to make new investments. In addition, borrowing conditions in the United States remained favorable in 1997, as long-term interest rates remained low.

In addition, factors specific to particular industries appear to have motivated a number of new investments. Several U.S. insurance companies were acquired as a result of foreign companies' desire to diversify risk and to consolidate into larger, more efficient units. Several U.S. depository institutions were acquired as a result of foreign financial firms' desire to broaden their range of services, to spread the cost of new tech-

6. Data on overall merger and acquisition activity in the United States in 1997 were reported by the Securities Data Company in a news release on January 5, 1998.

Table 2.—Investment Outlays, Investments, and Investors, 1991–97

	Outlays (millions of dollars)							Number						
	1991	1992	1993	1994	1995	1996 ^r	1997 ^p	1991	1992	1993	1994	1995	1996 ^r	1997 ^p
Investments, total	25,538	15,333	26,229	45,626	57,195	79,929	70,819	1,091	941	980	1,036	1,124	1,155	1,050
U.S. businesses acquired	17,806	10,616	21,761	38,753	47,179	68,733	64,272	561	463	554	605	644	686	613
U.S. businesses established	7,732	4,718	4,468	6,873	10,016	11,196	6,547	530	478	426	431	480	469	437
Investors, total	25,538	15,333	26,229	45,626	57,195	79,929	70,819	1,220	1,019	1,094	1,144	1,213	1,302	1,191
Foreign direct investors	8,885	4,058	6,720	13,628	11,927	32,230	15,496	438	350	368	345	345	374	299
U.S. affiliates	16,653	11,275	19,509	31,999	45,268	47,699	55,323	782	669	726	799	868	928	892

^p Preliminary.
^r Revised.

Table 3.—Number of Investments by Size of Outlays, 1991–97

	1991	1992	1993	1994	1995	1996 ^r	1997 ^p
Total	1,091	941	980	1,036	1,124	1,155	1,050
\$2 billion or more	1	0	1	4	5	8	3
\$1 billion–\$1.9 billion	1	0	1	4	4	10	12
\$100 million–\$999 million	45	28	47	71	79	103	107
\$10 million–\$99 million	273	252	252	273	329	366	339
Less than \$10 million	771	661	679	684	707	668	589
Addenda:							
Percent of total outlays:							
Investments of \$1 billion or more	12	0	19	39	41	48	36
Investments of \$100 million or more	59	42	64	78	78	83	81

^p Preliminary.
^r Revised.

nology across a broader base, and to gain more direct access to the large U.S. capital market.

The decrease in outlays in 1997 resulted from several factors. The number of very large investments—that is, investments of \$2 billion or more—decreased from 8 in 1996 to 3 in 1997 (table 3). Outlays by Japanese investors declined sharply in 1997—from \$8.8 billion to \$1.8 billion—after 3 years of increases. Economic growth in Japan slowed significantly in 1997, and prospects for future growth were uncertain because of internal problems—particularly in the banking sector—and the financial difficulties in several of the Asian countries that are major trading partners of, and borrowers from, Japan. Depressed real estate values and a decline in the stock market may also have reduced wealth and made it more difficult for Japanese investors to obtain funds for new overseas investments. The slowdown in new investments may also be due to the appreciation of the U.S. dollar on foreign exchange markets.⁷

By industry, outlays in manufacturing and in services decreased (table 4). Within manufacturing, the largest decreases were in “other manufacturing,” particularly in printing and publishing and in transportation equipment. Within services, decreases were largest in business services, particularly computer and data processing services, and in health services. These decreases were partly offset by substantial increases in outlays in insurance, “other industries,” and depository institutions. The increase in “other industries” was mainly accounted for by increases in communication and public utilities.

By country, declines in outlays from Japan, Germany, and France partly offset increases in outlays from Australia and the Netherlands (table 4). Outlays by Japanese investors, at \$1.8 billion, were only about a tenth as large as those in the peak year of 1990 (chart 3). As noted, stalled economic growth, weakened financial institutions, and the effects of financial difficulties in several other Asian countries limited the abil-

7. The effects of changes in currency values on direct investment are sometimes ambiguous and may depend on the reasons underlying the change, but economic literature suggests that dollar appreciation has tended to retard foreign direct investment in the United States, and dollar depreciation has

tended to stimulate it. See Edward M. Graham and Paul R. Krugman, *Foreign Direct Investment in the United States*, 3rd edition (Washington, DC: Institute for International Economics, 1995): 45–47.

Table 4.—Investment Outlays by Industry of U.S. Business Enterprise and by Country of Ultimate Beneficial Owner, 1991–97

[Millions of dollars]

	1991	1992	1993	1994	1995	1996 ^r	1997 ^p
Total	25,538	15,333	26,229	45,626	57,195	79,929	70,819
By industry:							
Petroleum	702	463	882	469	1,520	1,059	688
Manufacturing	11,461	6,014	11,090	21,218	26,643	27,835	19,963
Food and kindred products	1,247	404	1,294	4,567	3,802	2,145	2,119
Chemicals and allied products	2,897	1,644	5,035	6,905	12,511	3,961	4,034
Primary and fabricated metals	797	1,187	1,297	1,485	547	3,222	1,196
Machinery	4,929	1,002	1,778	1,867	4,489	4,355	5,178
Other manufacturing	1,591	1,778	1,686	6,393	5,293	15,151	7,436
Wholesale trade	623	698	837	2,156	1,168	4,746	2,578
Retail trade	1,605	256	1,495	1,542	2,838	2,988	438
Depository institutions ¹	482	529	958	2,026	2,301	1,944	3,935
Finance, except depository institutions ¹	2,199	797	1,599	2,195	7,837	8,676	6,536
Insurance	2,102	291	1,105	450	654	4,688	8,639
Real estate	3,823	2,161	1,883	2,647	2,996	4,175	3,831
Services	2,256	2,023	4,162	7,163	5,881	15,292	12,407
Other industries	284	2,101	2,218	5,760	5,359	8,528	11,802
By country²:							
Canada	3,454	1,351	3,797	4,128	8,029	9,700	10,764
Europe	13,994	8,344	16,845	31,920	38,195	49,427	46,190
France	4,976	406	1,249	1,404	1,129	6,021	2,772
Germany	1,922	1,964	2,841	3,328	13,117	12,858	6,412
Netherlands	1,661	1,331	2,074	1,537	1,061	6,476	11,255
Switzerland	1,327	1,259	804	5,044	7,533	4,910	6,351
United Kingdom	2,169	2,255	8,238	17,261	9,094	14,757	13,355
Other Europe	1,939	1,129	1,639	3,346	6,261	4,405	6,045
Latin America and Other Western Hemisphere	375	1,438	874	1,352	1,550	1,790	923
South and Central America	108	1,152	527	(^D)	1,283	(^D)	(^D)
Other Western Hemisphere	267	286	347	(^D)	267	(^D)	(^D)
Africa	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)
Middle East	1,006	238	1,308	(^D)	447	(^D)	918
Asia and Pacific	6,560	3,716	3,004	5,263	8,688	12,751	11,993
Australia	251	164	129	1,522	2,270	2,222	8,421
Japan	5,357	2,921	2,065	2,715	3,602	8,813	1,845
Other Asia and Pacific	952	631	810	1,026	2,816	1,716	1,727
United States ³	(^D)	(^D)	(^D)	201	(^D)	(^D)	(^D)

^D Suppressed to avoid disclosure of data of individual companies.

^p Preliminary.

^r Revised.

1. Prior to 1992, “depository institutions” exclude, and “finance, except depository institutions” include, savings institutions and credit unions. Beginning with 1992, savings institutions and credit unions have been reclassified from “finance, except depository institutions” to “depository institutions.”

2. For investments in which more than one investor participated, each investor and each investor’s outlays are classified by country of each ultimate beneficial owner.

3. See footnote 4 in text for explanation.

ity of Japanese investors to invest in the United States. Outlays from Germany and France declined because a number of exceptionally large investments from these countries in 1996 were not matched in 1997. The increase in outlays from Australia reflected sharp increases in outlays in "other industries," particularly in communication and public utilities, and in services. The increase in outlays from the Netherlands reflected substantially higher outlays in insurance and in depository institutions.

The portion of outlays financed with funds from foreign parents dropped from 68 percent to 55 percent. The share for 1996 was unusually high and may have reflected a larger-than-usual share of outlays accounted for by foreign in-

vestors who were making direct investment in the United States for the first time; first-time investors tend to rely more on their own funds than do investors with existing U.S. affiliates that could provide needed funds or assist in obtaining funds from other U.S. sources.

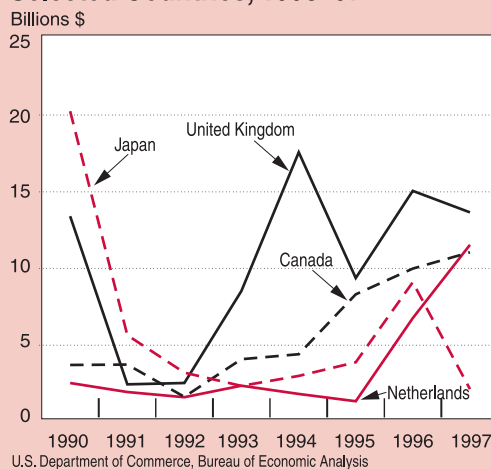
In dollar terms, outlays financed with funds from the foreign parents dropped from \$54.7 billion in 1996 to \$39.1 billion. The decline was in contrast to the increase in net capital inflows for foreign direct investment in the United States (FDIUS) that are recorded in the U.S. balance of payments accounts for 1997.⁸ Outlays financed with funds from other foreign sources or from U.S. sources increased \$6.5 billion, to \$31.7 billion.

The total assets of newly acquired or established affiliates were \$179.5 billion in 1997, down from \$241.0 billion in 1996 (table 5); the assets of the businesses that were acquired were \$165.0 billion.

U.S. businesses that were newly acquired or established employed 298,000 persons in 1997, down from 437,000 in 1996. The largest shares of employment were accounted for by services (34 percent) and manufacturing (32 percent).

CHART 3

Outlays for New Investment in the United States by Foreign Direct Investors from Selected Countries, 1990–97



8. In addition to outlays from foreign parents to acquire or establish U.S. affiliates, net capital inflows for FDIUS include foreign parents' financing of their existing U.S. affiliates. In 1997, these inflows increased \$30.9 billion, to \$107.9 billion. Of the components of total capital inflows—equity capital, reinvested earnings, and intercompany debt—changes in equity capital tend to reflect most closely changes in new foreign investment, and in 1997, these inflows declined \$5.2 billion, to \$47.8 billion. These preliminary estimates of inflows were published in tables 1 and 5 of Christopher L. Bach, "U.S. International Transactions, Fourth Quarter and Year 1997," SURVEY OF CURRENT BUSINESS 78 (April 1998): 79 and 86. Revised estimates will be published in the July issue of the SURVEY.

Table 5.—Selected Operating Data of U.S. Business Enterprises Acquired or Established, by Industry of U.S. Business Enterprise, 1996–97

	1996 ^r					1997 ^p				
	Millions of dollars			Number of employees	Number of hectares of land owned ¹	Millions of dollars			Number of employees	Number of hectares of land owned ¹
	Total assets	Sales	Net income			Total assets	Sales	Net income		
All industries	241,008	83,544	2,608	436,867	322,656	179,476	63,579	2,375	297,645	226,201
Petroleum	2,133	4,816	20	G	(^D)	3,989	5,251	(^D)	2,449	5,232
Manufacturing	33,796	25,156	120	132,728	(^D)	21,144	21,297	696	95,511	(^D)
Wholesale trade	4,625	4,677	44	12,673	(^D)	3,907	6,836	(^D)	J	(^D)
Retail trade	4,295	6,384	79	L	557	521	(^D)	-1	J	2
Depository institutions	(^D)	(^D)	(^D)	35,338	(^D)	29,288	(^D)	147	I	221
Finance, except depository institutions	25,334	3,531	(^D)	7,254	(^D)	15,051	2,591	293	J	(^D)
Insurance	(^D)	(^D)	-37	H	(^D)	72,704	8,411	360	J	291
Real estate	4,571	559	123	A	(^D)	4,196	508	94	A	(^D)
Services	17,109	9,571	308	99,853	(^D)	12,873	6,296	170	100,436	(^D)
Other industries	26,042	17,309	506	74,063	64,448	15,802	9,024	70	40,088	(^D)

^D Suppressed to avoid disclosure of data of individual companies.

^p Preliminary.

^r Revised.

1. One hectare equals 2.471 acres. Thus, for all industries, the number of acres of land owned in 1996 and 1997 were 797,284 and 558,943 respectively.

NOTES.—For newly acquired businesses, data cover the most recently completed financial reporting year. For newly established businesses, data are projections for the first full year of operations.

Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

Affiliate Operations in 1996

In 1996, the gross product of nonbank U.S. affiliates of foreign companies increased 5 percent, a rate of increase higher than the 3-percent increase in 1995 but substantially lower than the rates of increase in most years since the mid-1980's (table 6). The relatively slow growth in 1995 reflected the effect of selloffs of foreign-ownership interests in large U.S. companies. In 1996, the downward effect of selloffs continued, but it was more than offset by the upward effect of new foreign investments.

Partly as a result of new investments, the total assets of affiliates increased 9 percent. The gross property, plant, and equipment of affiliates increased 4 percent; commercial property holdings decreased 1 percent, following a 3-percent decrease in 1995.

Reflecting the continued expansion of the U.S. economy, expenditures on new plant and

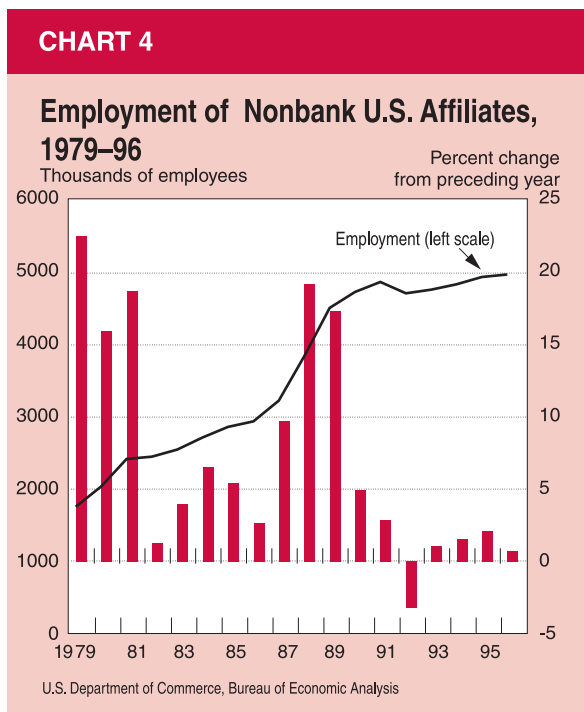


Table 6.—Selected Data of Nonbank U.S. Affiliates of Foreign Direct Investors, 1977-96

	Billions of dollars					Thousands of employees	Billions of dollars							
	Gross product	Sales	Net income	Compensation of employees	Total assets		Gross property, plant, and equipment		Expenditures for new plant and equipment	Research and development expenditures ¹	U.S. exports of goods shipped by affiliates		U.S. imports of goods shipped to affiliates	
							Total	Of which: Commercial property			Total	Of which: To the foreign parent group ²	Total	Of which: From the foreign parent group ²
1977	35.2	194.0	4.0	18.8	1,218.7	143.5	66.8	n.a.	7.6	0.9	24.9	11.7	43.9	30.9
1978	42.9	241.5	4.8	24.2	1,429.9	181.2	80.7	n.a.	9.3	1.2	32.2	16.6	56.6	39.5
1979	55.4	327.9	7.3	31.7	1,753.2	228.6	101.2	n.a.	11.2	1.6	44.3	22.1	63.0	45.3
1980	70.9	412.4	8.8	40.0	2,033.9	291.3	127.8	n.a.	16.9	1.9	52.2	21.0	75.8	47.0
1981	98.8	510.2	11.2	54.8	2,416.6	407.0	188.0	n.a.	26.7	3.1	64.1	26.9	82.3	52.2
1982	103.5	518.1	3.8	61.5	2,448.1	476.4	225.2	n.a.	28.1	3.7	60.2	25.0	84.3	51.9
1983	111.5	536.6	5.6	66.8	2,546.5	531.7	244.0	n.a.	23.2	4.2	53.9	22.6	81.5	54.8
1984	128.8	593.6	9.6	73.2	2,714.3	602.5	269.5	n.a.	25.2	4.7	58.2	27.1	100.5	70.5
1985	134.9	633.0	5.4	79.9	2,862.2	741.1	295.2	n.a.	28.9	5.2	56.4	25.9	113.3	81.7
1986	142.1	672.0	2.5	86.5	2,937.9	838.0	320.2	n.a.	28.5	5.8	49.6	21.9	125.7	93.4
1987	157.9	744.6	7.8	96.0	3,224.3	943.7	353.3	89.9	33.0	6.5	48.1	19.1	143.5	108.2
1988	190.4	886.4	12.0	119.6	3,844.2	1,200.8	418.1	104.0	44.3	7.8	69.5	26.4	155.5	118.4
1989	223.4	1,056.6	9.3	144.2	4,511.5	1,431.3	489.5	124.8	55.2	9.5	86.3	34.3	171.8	129.9
1990	239.3	1,175.9	-4.5	163.6	4,734.5	1,550.2	578.4	146.5	69.6	11.5	92.3	37.8	182.9	137.5
1991	257.6	1,185.9	-11.0	176.0	4,871.9	1,752.6	640.1	165.8	69.8	11.9	96.9	42.2	178.7	132.2
1992	266.3	1,232.0	-21.3	182.1	4,715.4	1,825.2	660.8	172.6	61.4	13.7	103.9	48.8	184.5	137.8
1993	285.7	1,329.4	-4.4	193.0	4,765.6	2,065.8	705.7	173.9	63.2	14.2	106.6	47.4	200.6	150.8
1994	313.0	1,443.5	8.1	200.6	4,840.5	2,206.7	754.4	173.1	68.2	15.6	120.7	51.1	232.4	174.6
1995 ^r	322.6	1,544.6	15.5	206.4	4,941.8	2,388.7	769.5	168.4	74.5	17.5	135.2	57.2	250.8	191.2
1996 ^p	339.5	1,596.0	21.1	210.4	4,977.5	2,614.0	797.6	166.8	84.1	17.2	136.6	57.9	253.0	192.0
Percent change from preceding year:														
1986	5.4	6.2	-54.5	8.2	2.6	13.1	8.5	n.a.	-1.4	10.8	-12.1	-15.5	10.9	14.3
1987	11.1	10.8	218.1	11.0	9.7	12.6	10.3	n.a.	15.8	12.4	-3.0	-12.6	14.2	15.8
1988	20.6	19.0	54.1	24.6	19.2	27.3	18.3	15.7	34.2	20.1	44.6	38.3	8.4	9.4
1989	17.4	19.2	-22.9	20.5	17.4	19.2	17.1	20.0	24.5	20.8	24.1	29.7	10.5	9.8
1990	7.1	11.3	n.m.	13.5	4.9	8.3	18.2	17.4	26.1	21.7	6.9	10.2	6.5	5.8
1991	7.7	.9	n.m.	7.6	2.9	13.1	10.7	13.1	.3	3.0	5.0	11.8	-2.3	-3.8
1992	3.4	3.9	n.m.	3.5	-3.2	4.1	3.2	4.1	-12.1	15.4	7.2	15.5	3.2	4.3
1993	7.3	7.9	n.m.	6.0	1.1	13.2	6.8	.7	3.1	3.7	2.6	-2.9	8.7	9.4
1994	9.5	8.6	n.m.	3.9	1.6	6.8	6.9	-4	7.8	9.6	13.2	8.0	15.8	15.8
1995	3.1	7.0	90.5	2.9	2.1	8.2	2.0	-2.7	9.3	12.7	12.0	11.9	7.9	9.5
1996	5.2	3.3	36.3	2.0	.7	9.4	3.7	-9	12.9	-2.2	1.1	1.2	.9	4

^p Preliminary.

^r Revised.

n.a. Not available.

n.m. Not meaningful.

1. Research and development funded by affiliates, whether performed by the affiliates themselves or by others.

2. The foreign parent group consists of (1) the foreign parent, (2) any foreign person, proceeding up the foreign parent's ownership chain, that owns more than 50 percent of the person below it, up to and including the UBO, and (3) any foreign person, proceeding down the ownership chain(s) of each of these members, that is owned more than 50 percent by the person above it.

equipment by affiliates increased 13 percent, the highest rate of increase since 1990. The net income of affiliates increased 36 percent, continuing a sharp uptrend. However, the total amount of compensation of employees paid by affiliates increased only 2 percent, the lowest rate of increase since 1978 (the earliest year for which an annual rate of change can be computed for the data on U.S. affiliate operations).

The modest increase in compensation of employees largely reflected slow growth in affiliate employment: Despite the record level of outlays for new investment in 1996 (chart 1), employment by affiliates increased less than 1 percent,

following a 2-percent increase in 1995 (chart 4). (In comparison, total U.S. employment in private industries increased 2 percent in 1996 and 3 percent in 1995.) New investments increased affiliate employment by 334,600—the largest gain since 1990—but sales and liquidations reduced employment by 271,900 (table 7).⁹ In addition, the increase in employment from expansions of existing operations was only 62,700, whereas the reduction in employment from cutbacks in existing operations was 78,100. (In 1995, the increase in employment from expansions was 102,900—33,000 more than the decrease in employment from cutbacks.)

U.S. exports and imports of goods by affiliates each increased only 1 percent in 1996, following increases of 13 percent and 10 percent, respectively, in 1995. The slow growth in affiliate exports reflected a falloff in exports by wholesale trade affiliates, and the slow growth in affiliate imports reflected reduced imports by manufacturing affiliates (particularly, by those in the motor vehicle industry). The share of total U.S. exports of goods accounted for by affiliates decreased from 23 percent in 1995 to 22 percent in 1996; the share accounted for by affiliate exports to their foreign parent groups decreased from 10 percent to 9 percent. The share of total U.S. imports of goods accounted for by affiliates decreased from 34 percent to 32 percent; the share accounted for by affiliate imports from their

Data Availability

This article presents summary data on foreign direct investment to acquire or establish businesses in the United States and on the operations of U.S. affiliates of foreign companies.

A set of supplementary tables that present detail on the number of investments and investors for 1992–96 and on investment outlays and selected operating data for the newly acquired or established businesses for 1992–97 will be available on diskette later this summer. In addition, a set of tables for 1980–91 is available.

The revised detailed estimates of U.S. affiliate operations for 1995 and the preliminary estimates for 1996 from the annual surveys will also be available later this summer. The detailed estimates of U.S. affiliate operations for 1977–94 are available on diskettes, and the estimates for 1991–94 are also available in publications.

For more information on these products and how to get them, see the International Investment Division Product Guide on BEA's Web site at <<http://www.bea.doc.gov/bea/ai/iidgud06.htm>>, or write to Research Branch (BE-50), International Investment Division, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

9. The increase in employment from new investments is smaller than the number of employees of newly acquired or established U.S. businesses in 1996 that is shown in table 1. The difference is partly attributable to the exclusion of depository institutions from the data on affiliate operations, but it may also reflect such factors as differences in timing and the post-acquisition restructuring of affiliates. For more information, see the note to table 7, and see the appendix "Sources of Data" in Mahnaz Fahim-Nader and William J. Zeile, "Foreign Direct Investment in the United States: New Investment in 1994 and Affiliate Operations in 1993," SURVEY 75 (May 1995): 68–70.

Table 7.—Sources of Change in Nonbank U.S. Affiliate Employment, 1989–96

[Thousands of employees]

Line		1989	1990	1991	1992	1993	1994	1995	1996
1	Change in total affiliate employment	667.3	223.0	137.5	-156.5	50.2	74.9	101.2	35.7
	Change in employment of large affiliates resulting from:								
2	New investments	596.6	481.6	291.1	101.7	261.9	280.0	301.2	334.6
3	Expansions of existing operations	125.1	107.9	107.4	141.1	110.2	98.1	102.9	62.7
4	Sales or liquidations of businesses	-123.2	-354.1	-152.2	-316.2	-239.9	-245.2	-241.5	-271.9
5	Cutbacks in existing operations	-68.6	-126.5	-136.4	-132.2	-95.1	-55.4	-69.9	-78.1
6	Combinations of new investments and sales or liquidations of businesses	76.7	-16.9	-9.6	-18.0	6.3	-7.4	24.5	14.7
7	Change not accounted for in lines 2–6	60.7	131.1	37.3	67.1	6.8	-4.9	-15.9	-26.3

NOTE.—Lines 2–6 cover large affiliates—that is, affiliates with more than 500 employees. Coverage is limited to large affiliates because a substantial number of small affiliates change their organizational structures, and in such cases, it is particularly difficult to determine the reasons for the changes.

Line 2 equals the yearend employment of affiliates that were acquired or established during the year plus the change in employment of existing affiliates that had an increase in employment and that had acquired another U.S. business during the year.

Line 3 equals the change in employment of affiliates that did not acquire another U.S. business but had an increase in employment.

Line 4 equals the employment at the end of the prior year of affiliates that were liquidated

or sold during the year plus the change in employment of affiliates that had a decline in employment and that sold a business or business segment during the year.

Line 5 equals the change in employment of affiliates that did not sell a business or business segment but had a decline in employment.

Line 6 equals the change in employment of affiliates that both acquired and sold a business or business segment during the year.

Line 7 equals the change in employment of large affiliates not accounted for in lines 2–6 plus all changes in employment for affiliates with fewer than 500 employees. It includes changes resulting from the addition to the survey universe of affiliates that were required to report in earlier years but did not.

foreign parent groups decreased from 26 percent to 24 percent.

Gross product

In 1996, gross product originating in U.S. affiliates increased 5 percent to \$339 billion, following an increase of 3 percent in 1995. The growth in 1996 was about the same as the growth in total U.S. gross domestic product (GDP) originating in private industries. Estimates of real affiliate gross product are not available, but the current-dollar increases in affiliate gross product were well above the increases in prices recorded for U.S. businesses.¹⁰ In both years, the U.S.-affiliate share of total U.S. GDP originating in private industries was 5.9 percent (table 1).

By industry.—Among the major industries, the gross product of affiliates more than doubled in finance, except depository institutions and increased by more than 40 percent in insurance and

in communication and public utilities (table 8). The jump in the finance industry was due both to new foreign acquisitions and to expansions in the operations of existing affiliates. Most of the increase in the insurance industry was accounted for by expansions. In communication and public utilities, the increase was mainly due to acquisitions.

The gross product of affiliates decreased substantially in the real estate, transportation, and mining industries. The decrease in real estate was mainly due to selloffs of affiliates, particularly by Canadian investors. The decrease in transportation was also due to selloffs. The decrease in mining reflected both selloffs and slowdowns in the operations of existing affiliates.

In manufacturing, the gross product of affiliates increased slightly in 1996, following a decrease in 1995. Manufacturing's share of total affiliate gross product declined for the second consecutive year, to 46 percent, a share that was still much larger than manufacturing's 20-percent

Table 8.—Gross Product of Nonbank U.S. Affiliates by Industry of Affiliate, 1991–96

	Millions of dollars						Percent of all-industries total						Addendum: Percent change in affiliate gross product, 1995–96
	1991	1992	1993	1994	1995	1996	1991	1992	1993	1994	1995	1996	
All industries	257,634	266,333	285,738	312,981	322,631	339,485	100.0	100.0	100.0	100.0	100.0	100.0	5.2
Petroleum	24,705	25,553	25,919	28,849	29,252	32,733	9.6	9.6	9.1	9.2	9.1	9.6	11.9
Manufacturing	125,934	134,127	142,478	157,061	155,741	156,354	48.9	50.4	49.9	50.2	48.3	46.1	.4
Food and kindred products	12,260	12,283	11,548	12,273	12,127	11,783	4.8	4.6	4.0	3.9	3.8	3.5	-2.8
Chemicals and allied products	38,996	41,940	44,300	48,548	40,552	42,095	15.1	15.7	15.5	15.5	12.6	12.4	3.8
Primary metal industries	8,568	8,710	9,971	9,601	9,736	8,373	3.3	3.3	3.5	3.1	3.0	2.5	-14.0
Fabricated metal products	6,305	6,310	6,498	6,802	7,136	7,706	2.4	2.4	2.3	2.2	2.2	2.3	8.0
Industrial machinery and equipment	10,455	10,160	10,402	12,881	13,381	12,809	4.1	3.8	3.6	4.1	4.1	3.8	-4.3
Electronic and other electric equipment	14,370	15,694	16,512	18,524	18,542	19,055	5.6	5.9	5.8	5.9	5.7	5.6	2.8
Paper and allied products	3,627	3,513	3,752	4,078	5,331	5,703	1.4	1.3	1.3	1.3	1.7	1.7	7.0
Printing and publishing	5,528	6,054	7,530	8,546	8,810	8,668	2.1	2.3	2.6	2.7	2.7	2.6	-1.6
Rubber and plastics products	4,296	5,459	5,992	6,906	7,286	7,722	1.7	2.0	2.1	2.2	2.3	2.3	6.0
Stone, clay, and glass products	5,691	6,215	6,497	6,787	8,775	9,062	2.2	2.3	2.3	2.2	2.7	2.7	3.3
Motor vehicles and equipment	3,191	2,659	3,738	5,657	7,341	6,718	1.2	1.0	1.3	1.8	2.3	2.0	-8.5
Instruments and related products	5,498	6,100	6,596	6,079	6,299	6,256	2.1	2.3	2.3	1.9	2.0	1.8	-7
Other manufacturing	7,148	9,029	9,142	10,380	10,423	10,403	2.8	3.4	3.2	3.3	3.2	3.1	-2
Wholesale trade	28,451	31,000	33,358	35,251	38,966	41,973	11.0	11.6	11.7	11.3	12.1	12.4	7.7
Motor vehicles and equipment	8,157	7,866	8,918	9,394	8,420	9,350	3.2	3.0	3.1	3.0	2.6	2.8	11.0
Other	20,294	23,134	24,440	25,857	30,546	32,623	7.9	8.7	8.6	8.3	9.5	9.6	6.8
Retail trade	21,441	19,896	20,862	21,901	23,518	24,544	8.3	7.5	7.3	7.0	7.3	7.2	4.4
Finance, except depository institutions ¹	4,034	3,222	2,495	2,099	2,925	6,001	1.6	1.2	.9	.7	.9	1.8	105.1
Insurance	6,789	5,666	7,000	9,177	7,343	10,658	2.6	2.1	2.4	2.9	2.3	3.1	45.1
Real estate	7,039	6,390	6,723	6,431	5,845	4,984	2.7	2.4	2.4	2.1	1.8	1.5	-14.7
Services	18,362	20,260	23,591	23,537	22,224	21,840	7.1	7.6	8.3	7.5	6.9	6.4	-1.7
Hotels and other lodging places	3,276	3,383	3,870	4,271	4,309	4,019	1.3	1.3	1.4	1.4	1.3	1.2	-6.7
Business services	7,756	8,953	8,710	8,948	9,104	8,946	3.0	3.4	3.0	2.9	2.8	2.6	-1.7
Motion pictures	1,559	1,995	4,123	4,476	2,314	1,409	.6	.7	1.4	1.4	.7	.4	-39.1
Other	5,771	5,928	6,888	5,842	6,497	7,465	2.2	2.2	2.4	1.9	2.0	2.2	14.9
Agriculture, forestry, and fishing	824	659	548	672	638	667	.3	.2	.2	.2	.2	.2	4.6
Mining	4,848	5,527	4,983	5,853	6,528	5,486	1.9	2.1	1.7	1.9	2.0	1.6	-16.0
Construction	3,999	3,230	3,026	3,028	3,425	3,228	1.6	1.2	1.1	1.0	1.1	1.0	-5.8
Transportation	9,182	7,609	11,408	11,692	12,976	11,533	3.6	2.9	4.0	3.7	4.0	3.4	-11.1
Communication and public utilities	2,025	3,195	3,345	7,431	13,249	19,485	.8	1.2	1.2	2.4	4.1	5.7	47.1

1. Data for 1991 include, but data for 1992–96 exclude, savings institutions and credit unions.

share of total U.S. private-industry GDP.¹¹ Direct investment may be more concentrated in manufacturing than in services or in other industries because of a generally greater presence in manufacturing of scale economies and of production processes that can be standardized across national boundaries. In addition, direct investment in some service industries may be constrained because a high degree of knowledge of the local language, culture, and business environment is typically required to compete effectively with domestically owned businesses.

Within manufacturing, the gross product of affiliates decreased substantially in primary metals and in motor vehicles and equipment. The decrease in primary metals was due to selloffs. The decrease in motor vehicles partly reflected large reductions in value added for a few affiliates in motor vehicles parts and in truck manufacturing. It also reflected reductions associated with

the wholesale trade activities of some affiliates in automobile manufacturing.¹²

In services, the share of total affiliate gross product accounted for by affiliates declined for the third consecutive year, to 6 percent.¹³ (In contrast, services accounted for 23 percent of total U.S. private-industry GDP.) Within services, the gross product of affiliates in the motion picture industry dropped by more than a third as a result of selloffs and of changes in the industry classification of affiliates with operations in more than one industry.

As in previous years, majority-owned affiliates accounted for a dominant share of affiliate economic activity: These affiliates accounted for 80 percent of the gross product of all nonbank affiliates combined and for more than two-thirds of affiliate gross product in most industries (table 9). However, the shares were less than 30 percent in transportation and in communication and public utilities, partly reflecting restrictions on foreign ownership in the domestic air transport, telecommunications, and broadcasting industries.

By country.—In 1996, the seven largest investing countries in terms of affiliate gross prod-

11. See table 7 in Sherlene K.S. Lum and Robert E. Yuskavage, "Gross Product by Industry, 1947-96," SURVEY 77 (November 1997): 28.

Table 9.—Gross Product of Majority-Owned Affiliates as a Percentage of That of All Nonbank U.S. Affiliates, by Industry of Affiliate, 1994-96

	1994	1995	1996
All industries	78.2	79.0	80.1
Petroleum	80.0	81.8	82.4
Manufacturing	81.8	87.6	90.1
Food and kindred products	97.0	97.6	97.4
Chemicals and allied products	73.4	91.4	92.1
Primary metal industries	59.1	53.8	63.0
Fabricated metal products	91.2	91.7	77.6
Industrial machinery and equipment	84.6	86.8	92.7
Electronic and other electric equipment	95.2	95.9	96.0
Paper and allied products	G	G	G
Printing and publishing	78.7	80.8	95.8
Rubber and plastics products	91.5	91.5	91.6
Stone, clay, and glass products	90.4	91.6	95.4
Motor vehicles and equipment	80.2	87.4	87.7
Instruments and related products	93.6	91.5	96.3
Other manufacturing	H	H	H
Wholesale trade	93.5	90.9	91.2
Motor vehicles and equipment	99.8	99.7	99.8
Other	91.2	88.5	88.8
Retail trade	74.6	70.6	70.1
Finance, except depository institutions	77.2	88.5	97.1
Insurance	67.9	56.9	65.5
Real estate	73.4	70.1	73.5
Services	79.3	81.9	83.6
Hotels and other lodging places	87.7	90.1	91.4
Business services	88.6	89.3	91.7
Motion pictures	F	90.5	93.4
Other	G	63.0	68.0
Agriculture, forestry, and fishing	65.5	64.1	66.8
Mining	80.1	78.6	83.2
Construction	78.9	83.6	85.2
Transportation	27.4	23.0	25.2
Communication and public utilities	25.4	15.5	15.9

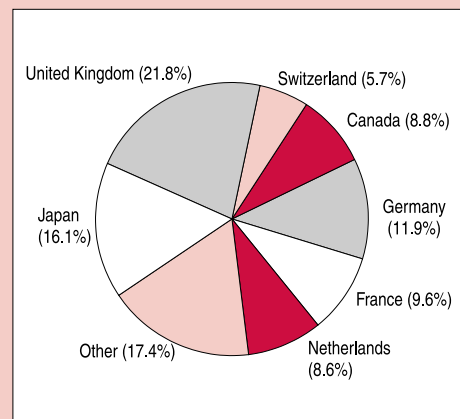
NOTE.—Size ranges are given in cells that are suppressed to avoid disclosure of data of individual companies. The percentage size ranges are: C—0.1 to 19.9; E—20.0 to 39.9; F—40.0 to 59.9; G—60.0 to 79.9; H—80.0 to 100.

12. Some of the largest affiliates in motor vehicles and equipment have substantial secondary operations in motor vehicle wholesale trade. In addition, the gross product data for motor vehicles and equipment exclude data for a number of large affiliates that are classified in motor vehicle wholesale trade but that have substantial secondary operations in automobile manufacturing.

13. Here, "services" refers to the industries that comprise the services division of the Standard Industrial Classification, rather than to the broad range of industries whose outputs are services rather than goods.

CHART 5

Investing Country Shares in the Gross Product of All Nonbank U.S. Affiliates, 1996



U.S. Department of Commerce, Bureau of Economic Analysis

uct were the United Kingdom, Japan, Germany, France, Canada, the Netherlands, and Switzerland (table 10 and chart 5). As in previous years, affiliates with ultimate beneficial owners (UBO's) in these seven countries accounted for more than 80 percent of the gross product of all U.S. affiliates. British-owned affiliates continued to account for the largest share (22 percent) of total affiliate gross product.

The gross product of French-owned affiliates increased by more than a third. The share of affiliate gross product accounted for by these affiliates increased to 10 percent, so that France moved from the sixth-largest to the fourth-largest UBO country. The large increase in gross product was mainly due to acquisitions of minority-

ownership shares in a few large U.S. companies; as a result of these acquisitions, the share of French-owned affiliates' gross product accounted for by majority-owned affiliates decreased from 91 percent to 68 percent (table 11).

The gross product of Japanese- and German-owned affiliates also increased substantially—8 percent and 9 percent, respectively—mainly because of expansions in existing operations. Japanese-owned affiliates continued to account for the second-largest share of total affiliate gross product (16 percent), and German-owned affiliates continued to account for the third-largest share (12 percent).

The share of affiliate gross product accounted for by Canadian-owned affiliates decreased from

Table 10.—Gross Product of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1991–96

	Millions of dollars						Percent of all-countries total						Addendum: Percent change in affiliate gross product, 1995–96
	1991	1992	1993	1994	1995	1996	1991	1992	1993	1994	1995	1996	
All countries	257,634	266,333	285,738	312,981	322,631	339,485	100.0	100.0	100.0	100.0	100.0	100.0	5.2
Canada	39,289	33,479	41,062	41,613	35,277	30,026	15.3	12.6	14.4	13.3	10.9	8.8	-14.9
Europe	149,305	161,226	168,296	188,372	201,965	218,174	58.0	60.5	58.9	60.2	62.6	64.3	8.0
Belgium	2,879	3,725	3,711	4,161	4,290	4,531	1.1	1.4	1.3	1.3	1.3	1.3	5.6
Denmark	1,155	1,143	1,689	1,915	1,849	1,890	.4	.4	.6	.6	.6	.6	2.2
Finland	1,071	1,262	1,435	1,450	1,645	1,632	.4	.5	.5	.5	.5	.5	-.8
France	17,132	18,899	19,274	23,163	23,895	32,584	6.6	7.1	6.7	7.4	7.4	9.6	36.4
Germany	25,733	28,716	32,055	35,043	37,047	40,467	10.0	10.8	11.2	11.2	11.5	11.9	9.2
Ireland	1,695	1,852	1,655	1,937	2,607	2,505	.7	.7	.6	.6	.8	.7	-3.9
Italy	2,081	2,318	2,541	2,992	3,056	2,827	.8	.9	.9	1.0	.9	.8	-7.5
Luxembourg	559	697	814	968	845	678	.2	.3	.3	.3	.3	.2	-19.8
Netherlands	18,607	19,657	20,765	24,927	27,697	29,299	7.2	7.4	7.3	8.0	8.6	8.6	5.8
Norway	492	563	709	1,043	1,074	1,367	.2	.2	.2	.3	.3	.4	27.3
Sweden	6,787	7,053	5,944	5,255	5,484	5,700	2.6	2.6	2.1	1.7	1.7	1.7	3.9
Switzerland	15,290	17,117	16,847	17,113	18,563	19,461	5.9	6.4	5.9	5.5	5.8	5.7	4.8
United Kingdom	55,017	57,412	59,864	67,288	72,478	73,960	21.4	21.6	21.0	21.5	22.5	21.8	2.0
Other	807	812	992	1,117	1,433	1,272	.3	.3	.3	.4	.4	.4	-11.2
Latin America and Other Western Hemisphere	9,137	8,739	10,126	12,045	12,367	12,699	3.5	3.3	3.5	3.8	3.8	3.7	2.7
Mexico	776	1,109	1,400	1,642	1,754	1,439	.3	.4	.5	.5	.5	.4	-18.0
Panama	1,489	1,638	1,460	1,275	(P)	819	.6	.6	.5	.4	(P)	.2	(P)
Venezuela	2,669	3,124	3,757	4,729	4,712	5,084	1.0	1.2	1.3	1.5	1.5	1.5	7.9
Bermuda	1,398	1,153	1,274	2,022	2,398	2,488	.5	.4	.4	.6	.7	.7	3.8
Netherlands Antilles	1,368	1,071	1,233	1,208	1,182	1,364	.5	.4	.4	.4	.4	.4	15.4
Other	1,437	645	1,002	1,169	(P)	1,505	.6	.2	.4	.4	(P)	.4	(P)
Africa	1,241	1,267	1,387	1,571	2,352	2,555	.5	.5	.5	.5	.7	.8	8.6
South Africa	891	877	897	1,012	1,867	1,942	.3	.3	.3	.3	.6	.6	4.0
Other	350	390	489	560	484	613	.1	.1	.2	.2	.2	.2	26.6
Middle East	3,919	3,460	4,556	5,802	4,792	5,292	1.5	1.3	1.6	1.9	1.5	1.6	10.4
Kuwait	998	953	1,062	1,057	776	709	.4	.4	.4	.3	.2	.2	-8.6
Saudi Arabia	2,493	2,117	2,923	3,204	3,033	3,410	1.0	.8	1.0	1.0	.9	1.0	12.4
Other	428	390	571	1,541	983	1,173	.2	.1	.2	.5	.3	.3	19.4
Asia and Pacific	52,551	54,318	56,342	58,769	61,080	65,469	20.4	20.4	19.7	18.8	18.9	19.3	7.2
Australia	8,809	8,101	7,732	4,680	4,615	5,539	3.4	3.0	2.7	1.5	1.4	1.6	20.0
Hong Kong	974	1,056	1,395	1,312	1,335	1,403	.4	.4	.5	.4	.4	.4	5.1
Japan	40,056	42,659	44,539	48,810	50,513	54,560	15.5	16.0	15.6	15.6	15.7	16.1	8.0
Korea, Republic of	560	549	693	657	1,120	1,102	.2	.2	.2	.2	.3	.3	-1.6
Taiwan	545	560	744	1,359	1,808	1,411	.2	.2	.3	.4	.6	.4	-22.0
Other	1,607	1,392	1,239	1,951	1,690	1,454	.6	.5	.4	.6	.5	.4	-13.9
United States	2,191	3,843	3,969	4,810	4,798	5,270	.9	1.4	1.4	1.5	1.5	1.6	9.8

^P Suppressed to avoid disclosure of data of individual companies.

11 percent to 9 percent as a result of a \$5 billion drop in gross product. The drop was more than accounted for by selloffs and reductions in minority-ownership shares in large U.S. companies to below the 10-percent threshold that defines direct investment.¹⁴ Canada's ranking among UBO countries slipped for the second consecutive year, from the fourth-largest country in 1995 to the fifth-largest country in 1996. As recently as 1990, Canada had ranked as the second-largest UBO country.

Among the affiliates of other investing countries, the gross product of Australian-owned affiliates increased substantially, partly as a re-

sult of acquisitions by existing affiliates. The gross product of affiliates with UBO's in Taiwan decreased, partly as a result of selloffs and liquidations.

Share of U.S. employment

In 1996, the share of total U.S. private-industry employment accounted for by U.S. affiliates of foreign companies was 4.8 percent, down slightly from 1995 (table 12). The affiliate share of employment has trended down in recent years after it increased steadily from 1.8 percent in 1977 to 5.3 percent in 1991. The recent decreases partly reflect the concentration of affiliate activity in manufacturing, an industry whose share of total U.S. employment in private industries has declined.¹⁵

By industry.—In 1996, as in most years, the shares of total U.S. private-industry employment accounted for by affiliates were largest in mining (23.8 percent) and manufacturing (11.4 percent).¹⁶ Within manufacturing, the affiliate shares were largest in chemicals and in stone, clay, and glass products.

By major industry, the affiliate share in communication and public utilities increased the most, from 4.5 percent to 6.0 percent, continuing an upward trend; the increase in 1996 was

14. Investment by a foreign person of less than 10 percent in a U.S. business enterprise is considered to be portfolio investment rather than direct investment.

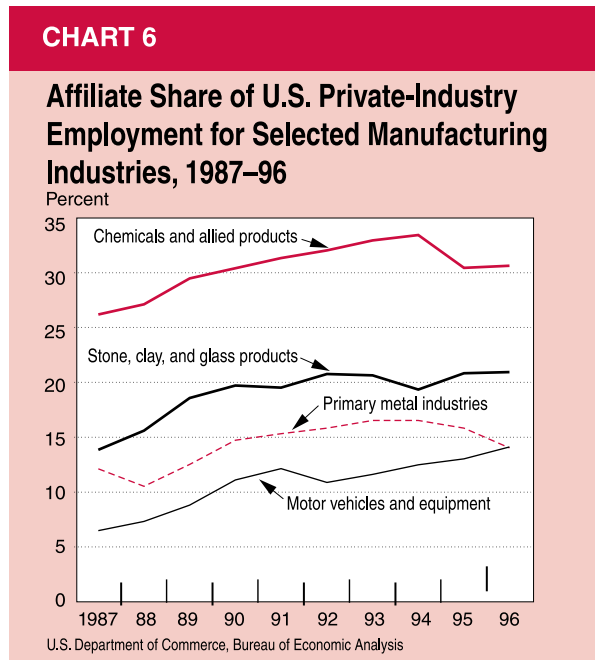
Table 11.—Gross Product of Majority-Owned Affiliates as a Percentage of That of All Nonbank U.S. Affiliates, by Country of UBO, 1994–96

	1994	1995	1996
All countries	78.2	79.0	80.1
Canada	54.2	69.2	86.2
Europe	84.3	82.1	79.8
Belgium	98.8	98.4	98.3
Denmark	H	100.2	100.1
Finland	91.0	93.9	93.6
France	87.6	90.5	68.0
Germany	80.8	81.9	83.2
Ireland	E	E	F
Italy	80.7	94.0	94.8
Luxembourg	59.9	F	56.9
Netherlands	80.9	80.4	83.3
Norway	72.3	79.8	85.0
Sweden	94.8	61.6	73.0
Switzerland	91.0	86.7	86.7
United Kingdom	84.5	80.5	79.3
Other	81.5	64.4	G
Latin America and Other Western Hemisphere ...	84.5	83.4	85.8
Mexico	82.0	80.3	88.3
Panama	97.2	H	97.7
Venezuela	G	G	G
Bermuda	95.2	91.7	97.6
Netherlands Antilles	96.7	96.6	97.5
Other	H	99.1	H
Africa	E	41.8	41.1
South Africa	E	F	F
Other	18.8	E	C
Middle East	41.8	35.3	34.3
Kuwait	F	38.9	33.4
Saudi Arabia	8.6	14.7	12.7
Other	H	96.3	97.8
Asia and Pacific	82.7	81.9	86.4
Australia	82.8	78.8	81.4
Hong Kong	95.7	91.9	66.7
Japan	81.3	80.9	87.1
Korea, Republic of	113.2	94.9	84.8
Taiwan	95.5	96.0	94.1
Other	88.1	90.9	91.4
United States	E	36.2	31.0

NOTES.—Shares of more than 100 percent may result where the gross product of minority-owned affiliates is negative. Size ranges are given in cells that are suppressed to avoid disclosure of data of individual companies. The percentage size ranges are: C—0.1 to 19.9; E—20.0 to 39.9; F—40.0 to 59.9; G—60.0 to 79.9; H—80.0 to 100.

15. Manufacturing's share of U.S. private-industry employment decreased in 1991–96, from 20.7 percent in 1991 to 18.5 percent in 1996.

16. Employment data by industry of sales are used to estimate shares; this basis approximates the establishment-based disaggregation of the corresponding data for all U.S. businesses. See the box "Using Employment Data to Estimate Affiliate Shares of the U.S. Economy" on page 52.



more than accounted for by foreign acquisitions of large U.S. companies. The share in transportation decreased the most, from 6.5 percent to 5.4 percent, mainly as a result of sales and liquidations of affiliates.

The affiliate share in manufacturing held steady in 1996 after dipping slightly in 1995. Within manufacturing, the affiliate share increased the most in motor vehicles and equipment, continuing an upward trend (chart 6). The increase was partly due to acquisitions by existing affiliates. It also reflected increases in the domestic man-

ufacturing operations of affiliates that in earlier years had functioned mainly as marketers of finished vehicles produced by their foreign parent companies.¹⁷

The affiliate shares decreased substantially in food and kindred products and in primary metal industries. The decrease in food and kindred products was partly due to selloffs. The decrease in primary metal industries was more

17. Some of these affiliates are classified in motor vehicle wholesale trade (where their sales are largest) rather than in motor vehicle manufacturing.

Table 12.—Employment by Nonbank U.S. Affiliates by Industry of Sales, 1991–96

	Thousands of employees						As a percentage of total U.S. employment in nonbank private industries ¹					
	1991	1992	1993	1994	1995	1996	1991	1992	1993	1994	1995	1996
All industries²	4,872	4,715	4,766	4,841	4,942	4,978	5.3	5.1	5.0	4.9	4.9	4.8
Agriculture, forestry, and fishing	44	32	31	32	28	29	2.3	1.7	1.7	1.7	1.4	1.4
Mining, excluding oil and gas extraction	73	68	75	67	63	62	24.6	24.0	28.0	25.1	23.8	24.2
Construction	73	68	64	61	76	72	1.5	1.4	1.3	1.2	1.4	1.3
Manufacturing³	2,174	2,140	2,149	2,193	2,159	2,148	11.5	11.5	11.6	11.7	11.4	11.4
Food and kindred products	211	198	184	188	182	158	12.6	11.9	10.9	11.2	10.8	9.3
Textile mill products	40	45	44	50	46	47	6.0	6.7	6.5	7.4	7.0	7.5
Apparel and other textile products	29	32	46	56	39	41	2.9	3.2	4.7	5.7	4.1	4.6
Lumber, wood, furniture, and fixtures	32	31	33	33	27	28	2.7	2.6	2.7	2.6	2.1	2.1
Paper and allied products	52	52	52	51	56	58	7.6	7.5	7.5	7.3	8.1	8.5
Printing and publishing	103	101	113	119	120	113	6.6	6.6	7.4	7.6	7.6	7.2
Chemicals and allied products	341	348	354	354	317	317	31.4	32.1	33.0	33.5	30.5	30.7
Petroleum and coal products ⁴	105	89	77	69	54	54	18.9	17.4	15.4	14.1	11.7	11.7
Rubber and plastics products	126	130	130	135	139	144	14.5	14.8	14.3	14.1	14.2	14.7
Stone, clay, and glass products	102	107	108	104	113	115	19.6	20.8	20.7	19.4	20.9	21.0
Primary metal industries	111	110	113	116	113	100	15.4	15.9	16.6	16.6	15.9	14.1
Fabricated metal products	109	110	114	117	114	125	8.0	8.3	8.5	8.4	7.9	8.6
Industrial machinery and equipment	220	217	218	221	235	233	10.9	11.2	11.2	11.1	11.3	11.0
Electronic and other electric equipment	276	263	259	268	291	298	17.3	17.2	16.9	16.9	17.9	18.0
Motor vehicles and equipment	96	90	98	113	127	137	12.2	11.0	11.7	12.6	13.1	14.2
Other transportation equipment	50	50	38	32	33	29	4.5	4.9	4.2	3.8	4.1	3.6
Instruments and related products	118	111	112	114	112	110	12.2	11.9	12.5	13.3	13.4	12.8
Other	52	56	54	54	42	41	9.3	10.2	9.7	9.6	7.5	7.6
Transportation	218	198	250	250	258	221	6.2	5.6	6.8	6.5	6.5	5.4
Communication and public utilities	29	33	39	80	99	135	1.3	1.5	1.7	3.6	4.5	6.0
Wholesale trade	344	346	359	363	373	377	5.6	5.6	5.9	5.8	5.8	5.8
Retail trade	890	798	831	830	888	925	4.5	4.0	4.1	3.9	4.1	4.2
Finance, except depository institutions ⁵	71	70	60	63	66	70	6.0	6.3	5.0	4.9	5.2	5.2
Insurance	144	143	140	137	134	136	6.4	6.5	6.3	6.1	6.0	6.0
Real estate	33	32	31	27	27	29	2.4	2.4	2.2	1.9	1.9	2.0
Services⁶	719	702	673	676	707	720	2.5	2.3	2.2	2.1	2.1	2.0
Hotels and other lodging places	144	161	133	137	130	112	8.6	9.7	7.9	8.0	7.4	6.2
Business services	307	299	265	275	292	316	6.0	5.5	4.5	4.3	4.2	4.2
Motion pictures	28	24	35	37	40	20	6.8	5.9	8.4	8.2	7.8	3.6
Other	240	217	240	228	246	272	1.1	1.0	1.0	1.0	1.0	1.1
Unspecified ⁷	61	87	64	60	65	55	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. Not applicable.

1. The data on U.S. employment in private industries that were used in calculating these percentages are classified by industry of establishment. They are from table 6.4C of the "National Income and Product Accounts (NIPA) Tables" (see the August 1997 issue of the SURVEY OF CURRENT BUSINESS). The total for U.S. employment in nonbank private industries is equal to employment in private industries less the employment of depository institutions and private households. The U.S. private-industry employment totals used to calculate the affiliate shares in "all industries" in this table differ from the U.S. employment totals used to calculate affiliate shares in tables 13 and 14; the data used for tables 13 and 14 are from BEA's Regional Economic Information System. The estimates used for table 13, unlike those used for this table, do not exclude employment in depository institutions. The estimates used for tables 13 and 14, unlike those used for this table, exclude U.S. residents temporarily employed abroad by U.S. businesses. They may also differ from NIPA estimates used for this table because of different definitions and revision schedules.

2. For consistency with the coverage of the data on U.S. employment in private industries, U.S. affiliate employment in Puerto Rico, in "other U.S. areas," and in the "foreign" category was excluded from the U.S.-affiliate employment total when the percentage shares on this line were computed.

3. Total affiliate manufacturing employment and the shares of all-U.S.-business manufacturing employment accounted for by affiliates shown in this table differ from those shown in table 14. In this table, employment is classified by industry of sales, and the total for manufacturing includes some nonmanufacturing employees (see the box "Using Employment Data to Estimate Affiliate Shares of the U.S. Economy"), whereas in table 14, affiliate manufacturing employment consists only of employees on the payroll of manufacturing plants. Data on the latter basis are not available for the subindustries within manufacturing shown in this table. In addition, the total for manufacturing in this table includes oil and gas extraction, which is excluded from the manufacturing

total in table 14.

4. For both U.S. affiliates and all U.S. businesses, includes oil and gas extraction. (See note below.)

5. Affiliate data for 1991 include, but data for 1992–96 exclude, savings institutions and credit unions. For consistency with the coverage of the data on U.S. employment in "finance, except depository institutions," U.S. affiliate employment in savings institutions and credit unions was excluded from the U.S. affiliate total in this industry when the percentage share for 1991 on this line was calculated.

6. Excludes private households.

7. In the breakdown of employment by industry of sales, U.S. affiliates that filed long forms in the annual surveys (that is, affiliates with assets, sales, or net income or loss greater than \$50 million) had to specify their eight largest sales categories, and U.S. affiliates that filed short forms had to specify their three largest sales categories. Employment in all unspecified industries combined is shown on this line.

NOTE.—In this table, petroleum is not shown as a separate major industry. Instead, in order to be consistent with the all-U.S. data on employment by industry, affiliate employment in the various petroleum subindustries is distributed among the other major industries. Thus, manufacturing includes petroleum and coal products, wholesale trade includes petroleum wholesale trade, retail trade includes gasoline service stations, and transportation includes petroleum tanker operations, pipelines, and storage. A significant portion of U.S. affiliate employment in petroleum and coal products is accounted for by integrated petroleum companies that have, in addition to their manufacturing employees, substantial numbers of employees in petroleum extraction; because these employees cannot be identified separately, they are included in petroleum and coal products manufacturing. For consistency, employees of affiliates classified in the "oil and gas extraction without refining" industry are also included in petroleum and coal products manufacturing rather than in mining.

than accounted for by selloffs in primary ferrous metals.

The affiliate share in services dipped slightly to 2.0 percent. Within services, the affiliate shares decreased substantially in the hotel and motion picture industries. The decrease in hotels was partly due to selloffs of a number of affiliates with UBO's in Hong Kong and Japan. The decrease in motion pictures, from 7.8 percent to 3.6 percent, was partly due to reductions in foreign-ownership shares in U.S. media companies to below 10 percent.

By State.—In 1996, the shares of private-industry employment accounted for by affiliates were highest in Hawaii (11.0 percent), South Carolina (8.1 percent), and North Carolina (7.3 percent) (table 13). These States also had the highest shares in 1995. In both years, Japanese-owned affiliates accounted for 70 percent of affiliate employment in Hawaii, and affiliates with UBO's in Europe accounted for about 75 percent of affiliate employment in South Carolina and in North Carolina.

In manufacturing, the affiliate shares of employment in 1996 were highest in Kentucky (19.3 percent), South Carolina (17.8 percent), and New Jersey (17.6 percent) (table 14). Japanese- and European-owned affiliates each accounted for about 40 percent of affiliate manufacturing em-

ployment in Kentucky. In South Carolina and in New Jersey, more than 70 percent of affiliate manufacturing employment was accounted for by affiliates with UBO's in Europe.

Profitability

The net income of affiliates—after-tax profits on a financial-accounting basis—increased \$5.6 billion, to \$21.1 billion, in 1996 after increases of \$7.4 billion in 1995 and \$12.5 billion in 1994.¹⁸ (The increase in 1994 represented a shift from losses to profits; in 1990–93, affiliates had incurred net losses.) The increase in 1996 reflected increased operating profits, as “profit-type return”—before-tax profits generated from current production on an economic-accounting basis—increased \$11.7 billion, or 42 percent, to \$39.6 billion (table 15).¹⁹ (U.S. income taxes paid by affiliates increased \$5.2 billion, to \$23.3 billion.) In 1995, net income increased more than

18. Net income of affiliates is as shown in the affiliates' income statements; it includes capital gains and losses, income from investments, and other nonoperating income.

19. Affiliates' profit-type return is before the deduction of income taxes or depletion charges, and it excludes capital gains and losses, income from investments, and other nonoperating income. In table 15, it includes an inventory valuation adjustment (IVA). (Conceptually, it should also include a capital consumption adjustment (CCAdj), but estimates of CCAdj by industry are not available; estimates of profit-type return with both IVA and CCAdj are presented for all industries combined in table 16.) For a more detailed description of this measure and for a comparison of this measure and the corresponding measure used in the U.S. national income and product accounts, see Jeffrey H. Lowe, “Gross Product of U.S. Affiliates of Foreign Companies, 1977–87,” SURVEY 70 (June 1990): 53.

Using Employment Data to Estimate Affiliate Shares of the U.S. Economy

In this article, data on employment are used to estimate affiliate shares of the U.S. economy because these data can be disaggregated by industry of sales, a basis that approximates the disaggregation of the data for all U.S. businesses by industry of establishment. Thus, the data on affiliate employment can be used to calculate the affiliate shares of the U.S. economy at a greater level of detail than can be calculated using the gross product estimates or other data, which can only be disaggregated on the basis of industry of affiliate.¹

In the classification by industry of sales, the data on affiliate employment (and sales) are distributed among all of the industries in which the affiliate reports sales.

1. Establishment-level data from a joint project of BEA and the Bureau of the Census can be used to calculate affiliate shares at an even greater level of detail. These data show each four-digit manufacturing industry in the Standard Industrial Classification; they are currently available for 1987–92. The data for 1990 are analyzed in Ned G. Howenstine and William J. Zeile, “Characteristics of Foreign-Owned U.S. Manufacturing Establishments,” SURVEY 74 (January 1994): 34–59. The data for 1991 are analyzed in Ned G. Howenstine and Dale P. Shannon, “Differences in Foreign-Owned U.S. Manufacturing Establishments by Country of Owner,” SURVEY 76 (March 1996): 43–60.

As a result, employment classified by industry of sales should approximate that classified by industry of establishment (or plant), because an affiliate that has an establishment in an industry usually also has sales in that industry.²

In the classification by industry of affiliate, all of the operations data (including the employment data) for an affiliate are assigned to that affiliate's “primary” industry—the industry in which it has the most sales.³ As a result, any affiliate operations that take place in secondary industries will be classified as operations in the primary industry.

2. However, if one establishment of an affiliate provides all of its output to another establishment of the affiliate, the affiliate will not have sales in the industry of the first establishment. For example, if an affiliate operates both a metal mine and a metal-manufacturing plant and if the entire output of the mine is used by the manufacturing plant, all of the affiliate's sales will be in metal manufacturing, and none in metal mining. When the mining employees are distributed by industry of sales, they are classified in manufacturing even though the industry of the establishment is mining.

3. An affiliate's primary industry is based on a breakdown of the affiliate's sales by three-digit BEA International Surveys Industry classification code. These codes are adapted from the *Standard Industrial Classification Manual*, 1987.

Table 13.—Employment by Nonbank U.S. Affiliates by State, 1991–96

	Thousands of employees						As a percentage of total private industry employment in the State ¹					
	1991	1992	1993	1994	1995	1996	1991	1992	1993	1994	1995	1996
	Total²	4,871.9	4,715.4	4,765.6	4,840.5	4,941.8	4,977.5	5.2	5.0	5.0	4.9	4.8
New England	286.1	269.2	273.6	282.3	300.5	336.4	5.3	5.1	5.1	5.1	5.3	5.9
Connecticut	81.3	82.5	77.9	74.2	73.3	83.3	5.9	6.1	5.7	5.4	5.2	5.9
Maine	26.6	24.1	24.2	24.6	29.1	30.6	6.2	5.6	5.5	5.5	6.4	6.6
Massachusetts	128.6	114.3	119.6	129.8	141.5	163.2	5.1	4.6	4.7	5.0	5.3	6.0
New Hampshire	28.4	27.9	30.7	28.7	30.0	30.2	6.7	6.5	7.0	6.2	6.3	6.2
Rhode Island	14.0	12.9	14.1	16.8	16.2	19.3	3.7	3.4	3.7	4.4	4.1	4.9
Vermont	7.2	7.5	7.1	8.2	10.4	9.8	3.4	3.5	3.2	3.6	4.5	4.1
Mideast	956.9	892.2	919.0	913.8	904.8	907.8	5.7	5.4	5.5	5.4	5.3	5.3
Delaware	41.5	35.8	33.2	32.8	15.8	15.4	13.7	11.9	10.8	10.4	4.9	4.6
District of Columbia	11.1	9.9	10.8	11.1	13.4	11.8	2.7	2.4	2.6	2.7	3.3	2.9
Maryland	77.1	73.5	74.9	78.1	95.0	94.4	4.4	4.3	4.3	4.4	5.2	5.1
New Jersey	229.6	216.3	212.6	209.3	205.2	206.5	7.7	7.3	7.1	6.8	6.6	6.6
New York	371.8	340.8	351.1	353.7	343.8	345.4	5.6	5.2	5.3	5.3	5.1	5.1
Pennsylvania	225.8	215.9	236.4	228.8	231.6	234.3	5.0	4.8	5.2	5.0	5.0	5.0
Great Lakes	818.9	811.8	796.6	800.6	837.8	812.1	5.0	4.9	4.7	4.6	4.7	4.4
Illinois	250.4	247.2	238.2	226.6	237.0	229.7	5.4	5.4	5.1	4.7	4.8	4.6
Indiana	124.8	127.2	124.6	130.8	136.9	124.9	5.7	5.7	5.4	5.5	5.6	5.0
Michigan	138.9	143.8	150.1	160.8	170.3	157.3	4.1	4.2	4.3	4.4	4.5	4.1
Ohio	220.8	211.4	206.9	208.7	222.1	223.6	5.2	5.0	4.8	4.7	4.8	4.8
Wisconsin	84.0	82.2	76.8	73.7	71.5	70.7	4.2	4.0	3.6	3.4	3.2	3.1
Plains	266.7	256.9	247.4	249.5	252.4	278.2	3.9	3.7	3.4	3.4	3.3	3.5
Iowa	33.7	33.3	31.4	34.3	35.8	36.3	3.2	3.1	2.9	3.1	3.1	3.1
Kansas	35.0	27.2	29.3	30.5	34.0	41.3	3.8	2.9	3.1	3.1	3.4	4.0
Minnesota	94.5	92.3	84.6	77.9	79.8	88.9	5.1	4.9	4.3	3.9	3.8	4.2
Missouri	77.6	77.6	76.7	80.7	79.3	83.6	3.9	3.8	3.7	3.8	3.6	3.7
Nebraska	16.8	16.3	16.3	16.4	15.7	18.1	2.7	2.6	2.5	2.5	2.3	2.6
North Dakota	4.2	4.6	4.5	4.3	3.2	4.8	2.0	2.1	2.0	1.8	1.3	1.9
South Dakota	4.9	5.6	4.6	5.4	4.6	5.2	2.1	2.3	1.8	2.0	1.6	1.8
Southeast	1,191.6	1,185.6	1,233.6	1,263.2	1,286.3	1,299.8	5.6	5.5	5.5	5.4	5.3	5.3
Alabama	65.0	61.7	61.6	60.7	60.6	61.4	4.8	4.5	4.3	4.2	4.0	4.0
Arkansas	30.4	30.8	30.4	30.8	32.1	35.1	3.9	3.8	3.6	3.5	3.5	3.8
Florida	211.2	196.0	203.8	201.0	210.0	214.4	4.6	4.2	4.2	3.9	4.0	3.9
Georgia	162.6	156.4	167.6	174.4	180.1	185.9	6.6	6.2	6.3	6.3	6.2	6.1
Kentucky	71.3	71.2	75.7	81.2	83.4	84.1	5.8	5.6	5.8	6.0	6.0	5.9
Louisiana	62.2	62.1	60.4	58.1	51.0	54.4	4.7	4.7	4.4	4.1	3.5	3.6
Mississippi	23.6	23.4	23.2	23.2	22.6	21.6	3.1	3.0	2.8	2.7	2.5	2.4
North Carolina	181.0	191.4	211.4	219.8	225.3	225.8	6.8	7.1	7.6	7.6	7.5	7.3
South Carolina	110.1	111.7	105.8	113.8	111.6	116.0	8.7	8.8	8.1	8.4	8.0	8.1
Tennessee	120.4	124.2	129.7	135.1	136.3	133.6	6.4	6.4	6.4	6.4	6.2	6.0
Virginia	119.1	122.1	128.9	130.7	141.4	141.2	5.2	5.3	5.4	5.3	5.6	5.4
West Virginia	34.7	34.6	35.1	34.4	31.9	26.3	6.9	6.8	6.7	6.4	5.8	4.7
Southwest	428.4	424.5	412.3	423.4	428.7	424.0	4.9	4.8	4.5	4.4	4.3	4.1
Arizona	56.7	52.7	52.4	46.3	51.9	56.7	4.5	4.1	3.8	3.2	3.3	3.4
New Mexico	14.8	13.6	16.2	18.7	16.2	15.4	3.3	2.9	3.3	3.6	3.0	2.8
Oklahoma	44.0	42.9	39.0	36.8	34.2	35.0	4.5	4.4	3.9	3.5	3.2	3.1
Texas	312.9	315.3	304.7	321.6	326.4	316.9	5.2	5.2	4.9	4.9	4.8	4.5
Rocky Mountain	110.0	108.8	107.4	117.3	123.4	124.7	4.2	4.0	3.7	3.8	3.8	3.7
Colorado	62.0	61.5	60.0	66.7	72.2	69.8	4.7	4.5	4.2	4.4	4.5	4.2
Idaho	12.9	13.7	11.3	11.9	11.3	11.7	3.9	4.0	3.1	3.1	2.8	2.8
Montana	5.5	5.1	5.3	4.9	4.4	4.2	2.3	2.0	2.0	1.8	1.5	1.4
Utah	24.0	22.9	25.0	28.1	28.6	32.9	3.9	3.6	3.7	3.9	3.7	4.0
Wyoming	5.6	5.6	5.8	5.7	6.9	6.1	3.7	3.7	3.7	3.5	4.1	3.6
Far West	779.6	731.6	723.2	743.4	765.0	764.1	5.2	5.0	4.9	4.9	4.9	4.8
Alaska	13.4	9.8	9.5	9.0	9.8	10.1	7.6	5.5	5.1	4.7	5.0	5.1
California	561.1	522.7	528.6	536.4	548.6	545.3	5.2	4.9	5.0	5.0	5.0	4.8
Hawaii	56.0	53.8	52.4	50.8	48.9	48.6	12.5	11.9	11.8	11.5	11.1	11.0
Nevada	25.1	23.2	22.1	22.6	25.0	25.0	4.4	4.0	3.6	3.3	3.5	3.2
Oregon	41.9	41.9	42.5	46.7	49.7	49.1	4.0	3.9	3.9	4.0	4.1	3.9
Washington	82.1	80.2	77.6	77.9	83.0	86.0	4.5	4.3	4.1	4.0	4.2	4.2
Puerto Rico	19.3	19.8	28.9	28.4	27.4	19.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other U.S. areas ³	10.0	10.0	11.3	13.0	13.1	10.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Foreign ⁴	4.3	4.7	2.9	5.4	2.4	6.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. Not available.
 1. The data on employment in private industries used to calculate the shares shown in this table are from BEA's Regional Economic Information System. The totals are equal to employment in private industries less employment of private households. The U.S. employment totals used to calculate affiliate shares in this table differ from those used for table 12, which are from table 6.4C of the "National Income and Product Accounts (NIPA) Tables." They differ from the NIPA estimates of employment because they include depository institutions and, by definition, they exclude U.S. residents temporarily employed by U.S. businesses. They also may differ from the

NIPA estimates because of different definitions and revision schedules.
 2. For consistency with the coverage of the private-industry employment data, U.S.-affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate employment total when the percentage shares on this line were computed.
 3. Consists of the U.S. Virgin Islands, Guam, American Samoa, and all other outlying U.S. areas.
 4. Consists of employees of U.S. affiliates working abroad.

Table 14.—Manufacturing Employment by Nonbank U.S. Affiliates by State, 1991–96

	Thousands of employees						As a percentage of total manufacturing employment in the State ¹					
	1991	1992	1993	1994	1995	1996	1991	1992	1993	1994	1995	1996
	Total²	2,053.1	2,059.6	2,079.3	2,135.3	2,111.7	2,091.9	11.0	11.2	11.4	11.5	11.3
New England	115.8	110.5	115.7	117.7	120.2	123.0	10.1	10.1	10.8	11.1	11.4	11.8
Connecticut	32.2	31.9	32.0	30.7	28.0	29.9	9.9	10.4	10.8	10.7	10.0	10.8
Maine	7.7	7.0	7.9	8.6	12.4	13.2	8.0	7.5	8.6	9.3	13.5	14.8
Massachusetts	54.3	50.3	50.3	51.5	51.7	52.8	11.2	10.8	11.1	11.4	11.6	11.8
New Hampshire	11.6	11.9	15.0	14.8	15.3	15.4	11.7	12.1	15.3	14.6	14.9	14.7
Rhode Island	6.6	6.1	7.4	8.6	8.3	8.0	7.1	6.7	8.3	9.7	9.6	9.7
Vermont	3.4	3.3	3.1	3.5	4.5	3.7	7.6	7.5	7.1	7.9	9.9	8.0
Mideast	356.9	346.5	350.9	346.4	330.0	325.3	12.3	12.5	12.9	12.9	12.5	12.5
Delaware	20.3	18.4	17.8	17.1	6.3	5.8	28.9	27.2	27.2	27.0	10.2	10.0
District of Columbia4	.4	.5	1.0	.8	.9	2.7	2.8	3.6	7.5	6.1	6.7
Maryland	29.5	27.5	27.0	27.6	25.3	26.3	15.2	14.9	15.0	15.3	14.3	15.0
New Jersey	93.0	91.2	89.9	87.0	83.0	85.6	16.6	17.2	17.3	17.0	16.6	17.6
New York	102.2	99.8	99.9	101.1	101.1	93.6	9.6	9.8	10.1	10.5	10.7	10.1
Pennsylvania	111.5	109.2	115.8	112.6	113.5	113.1	11.3	11.4	12.2	11.9	12.0	12.1
Great Lakes	446.5	455.3	457.3	464.8	466.6	450.0	10.9	11.2	11.1	11.0	10.7	10.5
Illinois	120.0	118.5	117.8	115.2	112.9	111.5	12.6	12.8	12.6	12.0	11.7	11.5
Indiana	80.8	86.1	86.7	90.1	93.6	85.3	13.0	13.6	13.4	13.5	13.6	12.6
Michigan	70.7	75.3	80.0	82.9	88.2	77.3	7.8	8.3	8.8	8.7	9.0	7.9
Ohio	128.0	130.1	130.2	132.1	132.4	134.1	11.9	12.3	12.3	12.3	12.0	12.2
Wisconsin	47.0	45.3	42.6	44.5	39.5	41.8	8.5	8.2	7.6	7.6	6.5	6.9
Plains	118.8	116.7	113.9	121.0	124.2	128.2	8.5	8.4	8.1	8.4	8.4	8.7
Iowa	20.2	21.5	19.5	20.0	20.5	20.8	8.6	9.3	8.2	8.1	8.2	8.3
Kansas	15.3	13.1	14.0	15.3	16.6	16.9	8.2	7.1	7.6	8.1	8.6	8.6
Minnesota	35.2	33.5	30.1	31.0	31.7	33.3	8.8	8.4	7.4	7.4	7.4	7.7
Missouri	35.5	35.3	37.5	39.7	42.7	44.2	8.5	8.5	9.1	9.5	10.1	10.5
Nebraska	8.6	8.3	8.4	9.4	8.3	8.4	8.6	8.2	8.1	8.6	7.4	7.4
North Dakota	1.4	2.0	1.8	2.5	1.7	1.9	7.8	10.8	9.2	11.7	7.8	8.6
South Dakota	2.6	3.0	2.6	3.1	2.7	2.7	7.4	8.1	6.5	7.1	5.8	5.6
Southeast	573.4	595.7	614.3	637.7	618.0	602.5	12.5	12.9	13.2	13.4	12.9	12.8
Alabama	36.9	40.1	39.2	39.9	39.1	40.5	9.6	10.4	10.1	10.2	9.9	10.5
Arkansas	18.5	18.8	19.4	21.6	22.6	23.7	7.9	7.9	7.9	8.5	8.7	9.3
Florida	48.7	46.2	49.3	49.0	47.8	46.1	9.8	9.5	10.1	10.0	9.8	9.3
Georgia	74.4	72.4	76.4	77.4	79.4	80.1	13.7	13.2	13.7	13.3	13.4	13.6
Kentucky	47.4	48.0	52.0	57.6	59.7	60.5	16.8	16.8	17.6	18.8	18.9	19.3
Louisiana	23.1	24.3	23.3	22.5	21.9	22.3	12.3	13.0	12.5	11.9	11.6	11.8
Mississippi	14.3	13.2	13.6	13.5	11.8	11.4	5.7	5.2	5.3	5.1	4.6	4.6
North Carolina	108.6	119.5	120.6	127.3	124.5	111.7	13.1	14.2	14.2	14.7	14.4	13.2
South Carolina	63.7	64.9	65.3	70.4	66.1	65.7	17.1	17.4	17.3	18.5	17.4	17.8
Tennessee	71.3	77.6	82.8	85.9	83.3	83.0	14.1	15.0	15.6	15.9	15.4	16.0
Virginia	48.4	51.2	52.5	52.6	45.8	45.1	11.7	12.5	12.9	12.9	11.3	11.2
West Virginia	18.1	19.5	19.9	20.0	16.0	12.4	21.6	23.6	23.9	24.3	19.3	15.1
Southwest	143.9	142.9	138.3	151.1	156.3	163.5	10.4	10.6	10.0	10.7	10.8	11.0
Arizona	12.0	11.4	11.1	12.7	15.3	17.0	6.7	6.6	6.3	6.8	7.9	8.5
New Mexico	3.1	3.2	2.9	3.9	3.5	3.4	7.3	7.8	6.8	8.8	7.7	7.3
Oklahoma	17.8	16.5	15.0	15.3	14.8	15.6	10.5	10.1	8.9	8.9	8.6	8.9
Texas	111.0	111.8	109.3	119.2	122.7	127.5	11.2	11.5	11.0	11.8	11.9	12.0
Rocky Mountain	26.8	27.0	29.1	34.9	K	K	6.9	6.9	7.3	8.5	^(D)	^(D)
Colorado	12.3	13.7	14.5	18.1	19.2	17.4	6.6	7.4	7.8	9.6	9.9	8.8
Idaho	5.1	4.1	3.2	3.6	2.7	2.9	8.0	6.2	4.6	5.0	3.8	3.9
Montana	1.3	1.3	1.5	1.1	F	F	6.0	5.7	6.4	4.7	^(D)	^(D)
Utah	7.2	6.8	8.8	10.8	9.5	10.2	6.7	6.4	8.0	9.3	7.7	7.8
Wyoming9	1.1	1.1	1.3	1.7	.8	9.5	11.7	11.4	12.9	17.4	7.4
Far West	257.1	250.3	243.8	244.0	247.7	252.7	9.7	9.9	10.0	10.1	10.2	10.1
Alaska	3.2	2.5	2.9	2.5	2.2	2.1	17.7	13.7	16.8	14.9	12.8	12.8
California	208.1	196.6	191.1	191.9	193.1	195.1	10.3	10.4	10.6	10.7	10.8	10.5
Hawaii	2.8	2.6	2.5	1.8	2.0	2.0	13.6	13.1	13.4	10.0	11.7	11.9
Nevada	3.2	3.6	3.8	3.8	4.2	4.3	12.3	13.6	12.8	11.2	11.4	11.0
Oregon	15.8	18.0	18.5	20.2	21.7	21.3	7.3	8.5	8.6	9.0	9.4	9.0
Washington	24.0	27.0	25.0	23.8	24.5	27.9	6.8	7.8	7.3	7.0	7.3	8.1
Puerto Rico	11.0	11.5	13.2	14.8	12.5	12.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other U.S. areas ³	2.1	2.5	2.4	H	G	G	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Foreign ⁴	1.2	.9	.3	A	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. Not available.

^D Suppressed to avoid disclosure of data of individual companies.

1. The data on employment in manufacturing used to calculate the shares shown in this table are from BEA's Regional Economic Information System. The U.S. manufacturing employment totals used to calculate shares in this table differ from the NIPA estimates for manufacturing used for table 12 (see footnote 1 to table 12). They differ from the NIPA estimates of employment because, by definition, they exclude U.S. residents temporarily employed abroad by U.S. businesses. They also may differ from the NIPA estimates because of different definitions and revision schedules.

2. Total affiliate manufacturing employment and the shares of all-U.S.-business manufacturing

employment accounted for by affiliates in this table differ from those shown in table 12 (see footnote 3 to table 12). For consistency with the coverage of the private-industry employment data, U.S. affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate total when the percentage shares on this line were computed.

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

4. Consists of employees of U.S. affiliates working abroad.

NOTE.—Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

profit-type return; much of the difference was accounted for by a large decrease in affiliates' capital losses, which had a large effect on net income but no effect on profit-type return.

The increase in profit-type return in 1996 continues a pattern of strong growth that began in 1992. Some of this growth reflected the entry of affiliates into the direct investment universe, but most of it appears to be attributable to the improved profitability of existing affiliates. The profitability of existing affiliates in manufacturing, an industry sharply affected by cyclical economic conditions, increased substantially in 1991-94 and again in 1996.

By major industry, affiliates' net income and profit-type return both increased substantially in petroleum, insurance, and "other industries." Affiliates' net income and profit-type return both decreased substantially in services, reflecting large operating losses in business services.

In wholesale trade, the net income of affiliates increased much more than their profit-type return because of large increases in capital gains. Because of capital losses, the net income of affiliates in manufacturing and in finance decreased despite increased operating profits. Within manufacturing, capital losses were particularly large in chemicals.

Return on assets.—The rate of return on assets for nonfinancial U.S. affiliates has been considerably lower than that for all U.S. nonfinancial corpo-

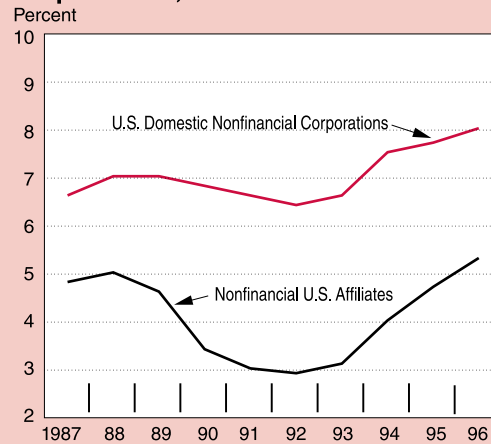
rations over the last decade (chart 7, table 16).²⁰

20. For both groups of firms, the rate of return is measured as profit-type return plus interest paid as a percentage of total assets. In the computation of these measures, both the return and the assets generating the return are valued in prices of the current period.

For U.S. domestic nonfinancial corporations, data on property income are from tables 1.16 and 8.18 in the national income and product accounts. Data on total assets are from the Federal Reserve Statistical Release, *Flow of Funds Accounts of the United States: Flows and Outstandings, Fourth Quarter 1997* (Washington, DC: Board of Governors of the Federal Reserve System, March 1998); these data incorporate significant revisions from those used in constructing similar rates of return estimates for last year's article. In general, the revisions lower the estimated rates of return on assets for U.S. domestic nonfinancial corporations from the rates published last year.

CHART 7

Return on Assets of Nonfinancial U.S. Affiliates and U.S. Domestic Nonfinancial Corporations, 1987-96



U.S. Department of Commerce, Bureau of Economic Analysis

Table 15.—Net Income and Profit-Type Return of Nonbank U.S. Affiliates by Industry of Affiliate, 1991-96

[Millions of dollars]

	Net income ¹						Profit-type return ²					
	1991	1992	1993	1994	1995	1996	1991	1992	1993	1994	1995	1996
All industries	-11,018	-21,331	-4,354	8,132	15,493	21,110	-1,669	2,914	8,798	22,615	27,847	39,557
Petroleum	508	-485	1,098	428	2,101	5,586	2,962	3,044	3,298	4,062	4,735	6,900
Manufacturing	-3,265	-9,171	-6,351	6,432	9,189	7,153	169	1,680	4,329	12,310	12,726	14,719
Food and kindred products	210	238	-1,621	-172	512	3,591	236	384	151	211	-71	695
Chemicals and allied products	3,886	-1,281	3,338	5,123	3,834	549	4,386	4,602	6,323	7,921	6,117	6,388
Primary and fabricated metals	-1,072	-2,029	-1,854	384	1,311	1,010	-572	-483	-78	323	1,639	1,631
Machinery	-3,105	-2,749	-3,970	66	222	-737	-1,992	-2,049	-2,060	1,181	1,038	766
Other manufacturing	-3,186	-3,350	-2,244	1,032	3,310	2,738	-1,890	-774	-7	2,673	4,003	5,239
Wholesale trade	-1,284	-335	-70	1,787	-157	2,839	6	770	1,529	3,090	4,541	5,167
Retail trade	-614	-2,086	-611	982	466	377	125	14	272	1,778	2,199	2,112
Finance, except depository institutions ³	-839	551	1,087	473	1,287	64	75	547	894	512	506	2,297
Insurance	2,602	2,318	4,960	2,961	3,434	5,306	1,498	1,966	2,726	3,379	1,841	4,718
Real estate	-3,370	-4,672	-3,142	-2,248	-2,022	-1,718	-2,291	-2,706	-2,199	-2,049	-1,899	-1,741
Services	-3,737	-3,125	-2,359	-2,347	-2,403	-3,402	-3,295	-2,310	-1,620	-2,221	-2,150	-2,626
Hotels and other lodging places	-1,458	-1,603	-1,427	-1,181	-1,142	-678	-1,504	-1,541	-1,206	-1,147	-1,110	-784
Business services	-440	136	-45	238	24	-1,800	-275	225	310	260	90	-1,057
Motion pictures	-1,365	-1,200	-422	-314	-576	-5	-1,220	-682	-434	-555	-373	-151
Other	-474	-458	-465	-1,090	-709	-919	-296	-312	-291	-779	-757	-634
Other industries	-1,019	-4,326	1,034	-336	3,599	4,907	-919	-91	-431	1,755	5,350	8,010
Of which:												
Transportation	-1,046	-1,355	2,055	-1,092	345	667	-1,252	-1,178	-533	-586	698	1,064
Communication and public utilities	-274	-2,346	-457	544	2,489	4,072	-492	-20	-94	1,404	3,250	6,665

1. Net income is after-tax profits on a financial accounting basis, as shown in affiliates' income statements. It includes capital gains and losses, income from investments, and other nonoperating income.

2. Profit-type return is a component of gross product originating in U.S. affiliates. It is before income taxes; it excludes capital gains and losses, income from investments, and other nonoperat-


ing income; it is before deduction of depletion charges; and it includes an inventory valuation adjustment.

3. Estimates for 1991 include, but those for 1992-96 exclude, savings institutions and credit unions.

For U.S. affiliates, the rate during 1987–96 ranged from 2.9 percent in 1992 to 5.3 percent in 1996. For all U.S. nonfinancial corporations, the rates were uniformly higher, ranging from 6.4 percent in 1992 to 8.0 percent in 1996.

The rate of return on assets for nonfinancial affiliates increased to 5.3 percent in 1996 from 4.7

percent in 1995. For all U.S. nonfinancial corporations, the rate of return increased to 8.0 percent in 1996 from 7.6 percent in 1995.²¹

Tables 17 through 22.2 follow. 

21. For a discussion of possible reasons for the relatively low rates of return for U.S. affiliates, see Mahnaz Fahim-Nader and William J. Zeile, "Foreign Direct Investment in the United States: New Investment in 1996 and Affiliate Operations in 1995," SURVEY 77 (June 1997): 58.

Table 16.—Return on Assets of Nonfinancial U.S. Affiliates and U.S. Domestic Nonfinancial Corporations, 1987–96

	Nonfinancial U.S. affiliates ¹				Rate of return ((col.1/col.4) x 100) (percent)	U.S. domestic non-financial corporations: Rate of return ⁴ (percent)
	Billions of dollars					
	Property income			Total assets ³		
	Total	Profit-type return ²	Monetary interest paid			
(1)	(2)	(3)	(4)	(5)	(6)	
1987	26.5	8.6	17.9	549.6	4.8	6.6
1988	32.9	8.6	24.3	656.9	5.0	7.0
1989	37.1	4.8	32.3	809.8	4.6	7.0
1990	32.3	-5.3	37.6	960.9	3.4	6.8
1991	31.3	-7.9	39.2	1,059.3	3.0	6.6
1992	32.0	-3.6	35.6	1,096.7	2.9	6.4
1993	35.2	0.3	34.9	1,151.0	3.1	6.6
1994	49.0	13.7	35.3	1,228.3	4.0	7.5
1995	60.6	20.6	40.0	1,290.2	4.7	7.7
1996	66.0	27.5	38.5	1,242.2	5.3	8.0

1. Excludes finance, except depository institutions, and insurance (in addition to depository institutions, which are excluded from all data on U.S. affiliate operations).

2. Profit-type return as shown in table 15 plus a capital consumption adjustment (CCAdj). (Estimates of CCAdj by industry are not available.)

3. Average of beginning- and end-of-year value.

4. Equals the ratio of property income to total assets. Data on property income of U.S. domestic nonfinancial corporations are from tables 1.16 and 8.18 in the national income and product accounts. Data on total assets are from the Federal Reserve Statistical Release, *Flow of Funds Accounts of the United States: Flows and Outstandings, Fourth Quarter 1997* (Washington, DC: Board of Governors of the Federal Reserve System, March 1998).

Table 17.—Investment Outlays by Type of Investment and Investor, by Industry of U.S. Business Enterprise, 1996–97

(Millions of dollars)

	1996 ^r					1997 ^r				
	Total	By type of investment		By type of investor		Total	By type of investment		By type of investor	
		U.S. businesses acquired	U.S. businesses established	Foreign direct investors	U.S. affiliates		U.S. businesses acquired	U.S. businesses established	Foreign direct investors	U.S. affiliates
All industries	79,929	68,733	11,196	32,230	47,699	70,819	64,272	6,547	15,496	55,323
Petroleum	1,059	989	70	60	998	688	(P)	(P)	(P)	(P)
Petroleum and coal products manufacturing	(P)	(P)	(*)	4	(P)	0	0	0	0	(P)
Other	(P)	(P)	69	56	(P)	688	(P)	(P)	(P)	(P)
Manufacturing	27,835	25,843	1,992	8,679	19,155	19,963	18,496	1,467	7,798	12,165
Food and kindred products	1,145	1,031	114	(P)	(P)	2,119	(P)	(P)	(P)	(P)
Beverages	2	2	0	0	2	(P)	(P)	0	0	(P)
Other	1,143	1,029	114	(P)	(P)	(P)	(P)	(P)	(P)	(P)
Chemicals and allied products	3,961	3,831	130	739	3,222	4,034	3,736	298	2,576	1,458
Industrial chemicals	1,029	(P)	(P)	(P)	(P)	(P)	225	(P)	(P)	(P)
Drugs	698	(P)	(P)	(P)	(P)	1,184	(P)	(P)	(P)	(P)
Soap, cleaners, and toiletries	1,991	1,989	2	0	1,991	(P)	(P)	0	0	(P)
Other	243	240	3	(P)	(P)	2,430	(P)	(P)	(P)	(P)
Primary and fabricated metals	3,222	3,133	89	2,213	1,009	1,196	1,093	103	(P)	(P)
Primary metal industries	334	(P)	(P)	88	245	188	(P)	(P)	4	185
Ferrous	96	(P)	(P)	(P)	(P)	0	(P)	0	0	(P)
Nonferrous	238	(P)	(P)	(P)	(P)	(P)	(P)	8	4	(P)
Fabricated metal products	2,888	(P)	(P)	2,125	764	1,008	(P)	(P)	(P)	(P)
Machinery	4,355	3,283	1,073	(P)	(P)	5,178	(P)	(P)	1,939	3,239
Industrial machinery and equipment	2,299	2,292	7	287	2,012	3,100	(P)	(P)	796	2,304
Computer and office equipment	(P)	(P)	0	(P)	(P)	421	419	2	(P)	(P)
Other	(P)	(P)	7	(P)	(P)	2,679	(P)	(P)	(P)	(P)
Electronic and other electric equipment	2,057	991	1,066	(P)	(P)	2,078	(P)	(P)	1,143	935
Audio, video, and communications equipment	298	(P)	(P)	(P)	(P)	474	(P)	(P)	(P)	(P)
Electronic components	1,359	367	992	59	1,300	508	(P)	(P)	118	391
Other	399	(P)	(P)	(P)	(P)	1,095	1,095	0	(P)	(P)
Other manufacturing	15,151	14,566	586	4,851	10,300	7,436	7,175	261	2,113	5,323
Textile products and apparel	573	(P)	(P)	(P)	(P)	137	(P)	(P)	39	99
Lumber and furniture	(P)	(P)	2	(P)	(P)	(P)	(P)	3	(P)	1
Paper and allied products	(P)	(P)	(P)	(P)	(P)	1,679	1,675	4	(P)	(P)
Printing and publishing	5,073	5,073	0	467	4,605	1,130	1,130	(*)	(P)	(P)
Newspapers	(P)	(P)	0	0	(P)	(P)	(P)	0	0	(P)
Other	(P)	(P)	0	467	(P)	(P)	(P)	(P)	(P)	1,063
Rubber products	1,453	(P)	(P)	(P)	(P)	211	208	4	(P)	(P)
Miscellaneous plastics products	403	376	27	29	374	1,156	(P)	(P)	(P)	(P)
Stone, clay, and glass products	664	662	1	0	664	304	301	3	2	303
Transportation equipment	(P)	(P)	102	(P)	1,041	1,285	1,285	0	(P)	(P)
Motor vehicles and equipment	(P)	(P)	94	(P)	(P)	(P)	(P)	0	(P)	(P)
Other	(P)	(P)	8	3	(P)	(P)	(P)	0	0	189
Instruments and related products	604	600	3	59	545	1,106	905	201	825	281
Other	(P)	(P)	3	7	(P)	(P)	(P)	0	(P)	0
Wholesale trade	4,746	4,528	218	3,746	999	2,578	1,789	789	156	2,423
Motor vehicles and equipment	177	(P)	(P)	(*)	177	2	0	2	2	0
Professional and commercial equipment	129	123	7	47	82	(P)	9	(P)	(P)	(P)
Metals and minerals	60	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)
Electrical goods	(P)	(P)	0	(P)	(P)	(P)	(P)	(P)	(P)	47
Machinery and equipment	186	168	18	(P)	78	(P)	(P)	(P)	2	75
Other durable goods	(P)	(P)	0	(P)	(P)	(P)	(P)	0	(P)	136
Groceries and related products	41	(P)	(P)	(P)	321	(P)	(P)	0	2	163
Farm product raw materials	0	0	0	0	0	(P)	(P)	0	0	(P)
Other nondurable goods	985	868	117	(P)	(P)	660	(P)	7	652	(P)
Retail trade	2,988	(P)	(P)	27	2,961	438	429	9	(P)	(P)
General merchandise stores	0	0	0	0	0	0	0	0	0	0
Food stores	(P)	(P)	0	0	(P)	0	0	0	0	0
Apparel and accessory stores	(P)	(P)	0	0	(P)	2	0	2	2	0
Other	454	(P)	(P)	27	427	437	429	7	(P)	(P)
Depository institutions¹	1,944	(P)	(P)	36	1,908	3,935	(P)	(P)	(P)	(P)
Finance, except depository institutions¹	8,676	4,453	4,223	3,331	5,345	6,536	6,027	509	554	5,982
Insurance	4,688	(P)	(P)	(P)	(P)	8,639	(P)	(P)	(P)	(P)
Real estate	4,175	614	3,561	(P)	(P)	3,831	426	3,405	566	3,265
Services	15,292	14,559	732	6,597	8,695	12,407	12,271	136	4,197	8,210
Hotels and other lodging places	358	(P)	(P)	7	351	577	508	68	(P)	(P)
Business services	9,083	8,733	350	2,396	6,687	7,186	(P)	(P)	2,961	4,225
Computer and data processing services	5,916	5,583	333	(P)	(P)	4,935	(P)	(P)	(P)	(P)
Other business services	3,167	3,151	16	(P)	(P)	2,251	(P)	(P)	(P)	(P)
Motion pictures, including TV tape and film	440	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)
Engineering and architectural services	(P)	(P)	0	0	(P)	(P)	(P)	0	0	1
Accounting, research, and management services	288	268	20	239	49	46	44	2	37	9
Health services	(P)	(P)	3	(P)	(P)	2,871	2,871	0	(P)	(P)
Other services	1,066	1,061	5	(P)	(P)	414	(P)	(P)	(P)	(P)
Other industries	8,528	8,371	157	6,013	2,515	11,802	11,753	49	1,726	10,076
Agriculture, forestry, and fishing	(P)	(P)	0	(P)	39	14	10	4	7	7
Mining	2,611	2,611	0	(P)	(P)	270	269	(*)	(P)	(P)
Coal	(P)	(P)	0	(P)	(P)	(P)	(P)	0	(P)	(P)
Other	(P)	(P)	0	(P)	(P)	(P)	(P)	0	(P)	9
Construction	(P)	(P)	4	(P)	(P)	7	6	1	1	6
Transportation	108	55	53	3	105	2,934	(P)	(P)	(P)	(P)
Communication and public utilities	5,282	(P)	(P)	(P)	(P)	8,578	(P)	(P)	(P)	(P)

* Less than \$500,000.

P Suppressed to avoid disclosure of data of individual companies.

^r Preliminary.

^r Revised.

1. See footnote 1, table 4.

Table 18.1.—Investment Outlays, Country of Ultimate Beneficial Owner by Industry of U.S. Business Enterprise, 1996

[Millions of dollars]

	All industries	Petroleum	Manufacturing						Wholesale trade	Retail trade	Depository institutions ¹	Finance, except depository institutions ¹	Insurance	Real estate	Services	Other industries
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery	Other manufacturing								
All countries	79,929	1,059	27,835	1,145	3,961	3,222	4,355	15,151	4,746	2,988	1,944	8,676	4,688	4,175	15,292	8,528
Canada	9,700	95	1,128	(^P)	(^P)	254	(^P)	441	236	(^P)	(^P)	924	(^P)	476	4,740	1,767
Europe	49,427		16,938	710	3,094	2,093	1,778	9,263	4,261	2,753	1,628	2,998	4,519	2,140	8,836	(^P)
Austria	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
Belgium	755	0	4	0	0	0	4	0	(^P)	(^P)	0	0	0	(^P)	(^P)	(^P)
Denmark	181	0	171	0	0	0	(^P)	(^P)	0	0	0	0	0	5	1	4
Finland	(^P)	0	(^P)	(^P)	0	0	(^P)	4	0	0	0	0	0	0	0	0
France	6,021	0	3,158	0	1,150	(^P)	252	508	6	0	(^P)	264	(^P)	(^P)	155	(^P)
Germany	12,858	0	2,393	0	646	(^P)	523	(^P)	54	0	0	(^P)	(^P)	737	(^P)	(^P)
Ireland	1,547	0	(^P)	0	0	0	0	(^P)	784	2	(^P)	0	0	0	0	(^P)
Italy	(^P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4
Liechtenstein	(^P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Luxembourg	520	0	439	(^P)	0	0	0	0	0	0	0	0	0	(^P)	(^P)	0
Netherlands	6,476	(^P)	3,074	106	(^P)	(^P)	(^P)	(^P)	(^P)	(^P)	(^P)	121	0	624	(^P)	(^P)
Norway	9	4	0	0	0	0	0	0	0	0	0	5	0	0	(^P)	0
Spain	98	0	3	0	0	0	0	3	0	0	(^P)	2	0	(^P)	0	0
Sweden	640	0	525	0	0	(^P)	(^P)	65	21	0	0	0	0	0	0	4
Switzerland	4,910	0	808	0	0	(^P)	2	(^P)	0	0	0	0	0	81	(^P)	(^P)
United Kingdom	14,757	(^P)	5,940	(^P)	(^P)	532	676	4,532	(^P)	596	(^P)	(^P)	0	94	3,005	45
Other	(^P)	0	0	0	0	0	0	0	0	0	0	0	0	(^P)	0	0
Latin America and Other Western Hemisphere	1,790	4	570	(^P)	0	(^P)	1	174	1	(^P)	17	(^P)	0	(^P)	303	(^P)
South and Central America	(^P)	4	(^P)	(^P)	0	0	0	(^P)	1	0	17	(^P)	0	7	8	(^P)
Brazil	(^P)	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0
Mexico	714	4	406	(^P)	0	0	0	0	1	0	(^P)	(^P)	0	7	2	(^P)
Panama	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Venezuela	(^P)	0	(^P)	0	0	0	0	(^P)	0	0	0	(^P)	0	0	3	0
Other	3	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0
Other Western Hemisphere	(^P)	(^P)	(^P)	0	0	0	1	(^P)	0	(^P)	0	8	0	(^P)	295	(^P)
Bahamas	(^P)	0	0	0	0	0	0	0	0	0	0	(^P)	0	0	(^P)	0
Bermuda	(^P)	0	0	0	0	0	0	0	0	0	0	4	0	(^P)	(^P)	0
Netherlands Antilles	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
U. K. Islands, Caribbean	101	(^P)	(^P)	0	0	0	1	(^P)	0	0	0	(^P)	0	0	(^P)	(^P)
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Africa	(^P)	0	(^P)	0	(^P)	0	0	0	0	0	0	(^P)	0	3	0	0
South Africa	(^P)	0	(^P)	0	(^P)	0	0	0	0	0	0	(^P)	0	3	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Middle East	(^P)	(^P)	(^P)	0	(^P)	5	0	(^P)	0	(^P)	0	(^P)	0	(^P)	25	0
Israel	(^P)	0	0	0	0	0	0	0	4	0	0	0	0	0	0	0
Kuwait	(^P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lebanon	(^P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Saudi Arabia	386	0	0	0	0	0	0	0	0	0	0	(^P)	0	275	(^P)	0
United Arab Emirates	(^P)	0	0	0	0	0	0	0	0	0	0	2	0	(^P)	0	0
Other	2	0	0	0	0	5	0	(^P)	0	(^P)	0	0	0	3	0	0
Asia and Pacific	12,751	(^P)	5,852	99	44	(^P)	(^P)	2,502	247	16	(^P)	(^P)	0	881	1,385	(^P)
Australia	2,222	0	80	(^P)	(^P)	0	0	(^P)	0	0	0	(^P)	0	0	0	(^P)
China	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hong Kong	218	0	3	0	0	3	0	0	0	0	0	0	0	67	(^P)	0
Indonesia	(^P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Japan	8,813	(^P)	5,072	(^P)	(^P)	(^P)	(^P)	2,417	230	14	(^P)	(^P)	0	217	809	(^P)
Korea, Republic of	303	0	0	0	0	0	3	0	0	0	0	0	0	9	0	0
Malaysia	56	0	0	0	0	0	4	0	0	0	(^P)	0	0	4	0	0
New Zealand	(^P)	0	0	0	0	0	0	(^P)	2	0	0	0	0	0	0	0
Philippines	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Singapore	659	0	61	0	0	0	0	2	2	0	0	0	0	0	0	0
Taiwan	447	0	0	0	0	0	0	0	0	0	0	0	0	0	99	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
United States ²	(^P)	3	(^P)	0	0	0	0	(^P)	0	(^P)	0	(^P)	(^P)	(^P)	3	0
Addenda:																
European Union (15) ³	44,246	(^P)	16,130	690	2,831	2,074	1,776	8,760	4,103	2,753	1,628	1,020	(^P)	2,052	7,558	(^P)
OPEC ⁴	591	0	(^P)	0	0	0	0	(^P)	0	0	0	96	0	423	(^P)	0

^{*} Less than \$500,000.^P Suppressed to avoid disclosure of data of individual companies.

1. See footnote 1, table 4.

2. See footnote 4 in text for explanation.

3. The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom. Prior to 1995, Austria, Fin-

land, and Sweden were not members of the European Union.

4. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE.—Data for 1996 are revised. For investments in which more than one investor participated, each investor and each investor's outlays are classified by the country of each individual ultimate beneficial owner.

Table 18.2.—Investment Outlays, Country of Ultimate Beneficial Owner by Industry of U.S. Business Enterprise, 1997

[Millions of dollars]

	All industries	Petroleum	Manufacturing						Wholesale trade	Retail trade	Depository institutions ¹	Finance, except depository institutions ¹	Insurance	Real estate	Services	Other industries
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery	Other manufacturing								
All countries	70,819	688	19,963	2,119	4,034	1,196	5,178	7,436	2,578	438	3,935	6,536	8,639	3,831	12,407	11,802
Canada	10,764	(P)	4,236	(P)	(P)	95	728	1,691	230	0	5	953	(P)	1,066	1,332	2,790
Europe	46,190	(P)	13,388	1,544	2,630	1,036	3,437	4,742	2,170	373	(P)	5,350	(P)	1,622	8,340	1,983
Austria	(P)	0	(P)	0	0	0	(P)	0	0	0	0	0	0	2	0	0
Belgium	171	0	(P)	0	0	0	(P)	(P)	0	0	0	0	0	0	(P)	0
Denmark	(P)	0	(P)	0	0	0	(P)	(P)	0	0	0	0	0	0	0	4
Finland	(P)	0	(P)	(P)	0	0	(P)	(P)	2	0	0	0	0	0	0	0
France	2,772	0	332	0	0	(P)	(P)	122	(P)	(P)	1	(P)	0	0	1,991	0
Germany	6,412	0	2,909	0	(P)	3	(P)	1,573	1,525	0	0	(P)	(P)	1,230	297	(P)
Ireland	(P)	0	28	0	0	0	0	28	0	0	(P)	0	(P)	0	0	0
Italy	(P)	0	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0
Liechtenstein	5	0	0	0	0	0	0	0	0	0	0	0	0	(P)	5	0
Luxembourg	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands	11,255	(P)	1,035	(P)	(P)	(P)	(P)	288	(P)	0	(P)	(P)	(P)	303	(P)	(P)
Norway	(P)	(P)	(P)	0	(P)	0	0	2	0	0	0	0	0	0	0	2
Spain	(P)	0	(P)	0	0	0	0	(P)	0	0	0	0	0	4	0	0
Sweden	2,601	0	(P)	0	(P)	0	605	1	1	0	0	0	0	0	0	2
Switzerland	6,351	0	1,747	0	(P)	4	58	(P)	0	0	0	(P)	(P)	(P)	(P)	0
United Kingdom	13,355	0	5,555	(P)	1,316	(P)	1,302	2,013	189	(P)	(P)	(P)	(P)	28	3,239	(P)
Other	(P)	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Latin America and Other Western Hemisphere	923	(P)	(P)	0	(P)	0	0	(P)	0	0	0	0	0	(P)	(P)	(P)
South and Central America	(P)	(P)	(P)	0	(P)	0	0	(P)	0	0	0	0	0	22	(P)	(P)
Brazil	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Mexico	13	0	(P)	0	0	0	0	(P)	0	0	0	0	0	(P)	(P)	0
Panama	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Venezuela	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	(P)	(P)	(P)	0	(P)	0	0	0	0	0	0	0	0	(P)	0	0
Other Western Hemisphere	(P)	0	(P)	0	0	0	0	(P)	0	0	0	0	0	(P)	0	(P)
Bahamas	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bermuda	(P)	0	(P)	0	0	0	0	(P)	0	0	0	0	0	(P)	0	0
Netherlands Antilles	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
U.K. Islands, Caribbean	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Africa	(P)	0	0	0	0	0	0	0	(P)	0	0	0	0	(P)	0	0
South Africa	(P)	0	0	0	0	0	0	0	0	0	0	0	0	(P)	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Middle East	918	0	(P)	0	0	0	(P)	(P)	0	0	0	(P)	0	(P)	0	(P)
Israel	125	0	(P)	0	0	0	0	(P)	0	0	0	0	0	(P)	0	0
Kuwait	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lebanon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Saudi Arabia	34	0	0	0	0	0	0	0	0	0	0	0	0	0	34	0
United Arab Emirates	(P)	0	0	0	0	0	0	0	0	0	0	0	0	(P)	0	0
Other	(P)	0	(P)	0	0	0	(P)	0	0	0	0	0	0	0	0	0
Asia and Pacific	11,993	0	1,137	(P)	123	66	(P)	444	(P)	65	(P)	(P)	0	584	2,688	6,991
Australia	8,421	0	(P)	(P)	0	3	0	(P)	(P)	0	0	(P)	0	0	(P)	5,880
China	4	0	0	0	0	0	0	0	2	0	0	0	0	2	0	0
Hong Kong	62	0	0	0	0	0	0	0	0	0	0	0	0	(P)	(P)	0
Indonesia	(P)	0	(P)	0	0	0	0	(P)	0	0	0	0	0	0	0	0
Japan	1,845	0	804	(P)	123	(P)	319	306	46	64	0	131	0	(P)	387	(P)
Korea, Republic of	77	0	22	0	0	0	0	0	0	0	(P)	0	0	0	0	0
Malaysia	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
New Zealand	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Philippines	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Singapore	(P)	0	5	0	0	0	5	0	0	0	0	0	0	(P)	2	(P)
Taiwan	226	0	(P)	0	0	0	0	0	1	1	(P)	10	0	4	10	0
Other	70	0	70	(P)	0	(P)	(P)	0	0	0	0	0	0	0	0	0
United States ²	(P)	0	2	0	0	0	2	0	0	0	0	0	0	0	0	(P)
Addenda:																
European Union (15) ³	39,259	(P)	11,612	398	2,094	1,006	3,433	4,682	1,896	373	(P)	3,297	(P)	1,587	7,829	1,981
OPEC ⁴	193	0	(P)	0	0	0	0	(P)	0	0	0	(P)	0	167	0	(*)

* Less than \$500,000.

¹ Suppressed to avoid disclosure of data of individual companies.

2. See footnote 1, table 4.

3. See footnote 4 in text for explanation.

3. The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom. Prior to 1995, Austria, Fin-

land, and Sweden were not members of the European Union.

4. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE.—Data for 1997 are preliminary. For investments in which more than one investor participated, each investor and each investor's outlays are classified by the country of each individual ultimate beneficial owner.

Table 19.1.—Selected Data of Nonbank U.S. Affiliates by Industry of Affiliate, 1995

	Millions of dollars					Thousands of employees	Millions of dollars					
	Gross product	Sales	Net income	Compensation of employees	Total assets		Gross property, plant, and equipment		Expenditures for new plant and equipment	Research and development expenditures	U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
							Total	Of which: Commercial property				
All industries	322,631	1,544,603	15,493	206,354	4,941.8	2,388,724	769,491	168,393	74,510	17,542	135,153	250,824
Petroleum	29,252	124,313	2,101	6,165	109.0	103,740	112,227	5,712	7,290	403	8,869	18,751
Petroleum and coal products manufacturing	21,224	65,999	1,322	3,871	65.9	66,015	85,624	3,947	5,551	238	2,645	12,814
Other	8,028	58,313	779	2,294	43.1	37,726	26,602	1,766	1,739	165	6,224	5,938
Manufacturing	155,741	559,318	9,189	106,236	2,281.9	584,608	292,456	9,528	28,001	14,756	55,391	81,551
Food and kindred products	12,127	51,133	512	7,485	234.6	58,536	22,343	2,121	2,007	360	2,763	3,235
Beverages	2,870	7,283	854	1,234	25.3	15,214	3,658	317	317	27	323	916
Other	9,257	43,850	-342	6,251	209.3	43,321	18,686	1,804	1,640	333	2,439	2,320
Chemicals and allied products	40,552	133,439	3,834	25,095	416.7	192,557	99,000	2,101	8,303	8,263	14,059	13,409
Industrial chemicals and synthetics	16,202	53,127	149	9,074	156.4	81,335	55,467	511	4,053	2,531	6,812	4,954
Drugs	15,253	45,599	2,748	10,299	151.6	75,317	26,272	(P)	2,730	5,201	4,318	6,127
Soap, cleaners, and toilet goods	5,144	19,210	550	3,265	60.9	18,391	7,937	415	713	315	906	505
Other	3,954	15,503	386	2,456	47.8	17,513	9,324	(P)	806	215	2,023	1,823
Primary and fabricated metals	16,872	67,331	1,311	11,692	241.4	54,648	35,733	662	3,465	322	4,179	7,909
Primary metal industries	9,736	41,320	1,210	6,240	111.2	32,324	25,882	312	2,340	161	2,335	5,287
Ferrous	6,752	24,844	822	4,347	69.0	22,606	19,197	54	1,722	43	843	2,645
Nonferrous	2,984	16,476	387	1,893	42.3	9,718	6,684	258	618	119	1,492	2,642
Fabricated metal products	7,136	26,011	101	5,452	130.1	22,324	9,851	350	1,125	161	1,843	2,622
Machinery	31,924	123,110	222	25,220	545.5	95,890	39,694	1,333	5,570	3,991	18,685	29,988
Industrial machinery and equipment	13,381	57,952	-384	10,916	240.7	42,007	15,925	544	1,810	1,136	7,472	14,424
Computer and office equipment	1,918	18,213	-998	2,268	42.4	10,340	3,131	91	525	595	1,860	6,760
Other	11,464	39,739	614	8,647	198.3	31,667	12,794	453	1,285	541	5,611	7,664
Electronic and other electric equipment	18,542	65,158	607	14,304	304.8	53,883	23,768	789	3,760	2,855	11,213	15,564
Audio, video, and communications equipment	5,371	21,188	224	3,980	78.5	15,617	5,832	212	758	1,604	3,634	6,301
Electronic components and accessories	2,782	9,452	73	1,984	50.8	9,481	5,535	197	1,273	319	1,797	2,356
Other	10,390	34,518	310	8,341	175.5	28,784	12,402	379	1,729	931	5,782	6,908
Other manufacturing	54,267	184,305	3,310	36,744	843.8	182,978	95,686	3,311	8,656	1,820	15,705	27,010
Textile products and apparel	3,649	10,827	21	2,586	89.7	9,560	6,816	504	572	51	602	775
Lumber, wood, furniture, and fixtures	1,192	4,626	125	706	23.9	5,141	3,986	95	173	9	412	333
Paper and allied products	5,331	16,759	755	3,145	62.5	16,907	13,570	27	1,008	126	1,618	1,178
Printing and publishing	8,810	25,865	-61	6,608	148.8	44,374	9,665	587	997	44	530	300
Newspapers	304	739	11	239	9.8	1,433	370	(P)	20	(*)	2	3
Other	8,507	25,126	-72	6,369	139.0	42,941	9,295	17	977	44	527	296
Rubber products	4,819	13,350	217	3,674	76.0	12,367	8,724	506	543	209	1,313	2,593
Miscellaneous plastics products	2,467	9,051	107	1,645	45.0	8,565	6,199	292	778	43	527	815
Stone, clay, and glass products	8,775	22,788	801	5,629	120.9	29,215	20,838	556	1,742	162	895	1,355
Transportation equipment	9,233	55,878	410	6,756	141.2	32,485	17,181	528	1,876	424	4,940	17,583
Motor vehicles and equipment	7,341	49,953	529	4,999	107.2	25,116	15,242	501	1,718	309	4,339	16,985
Other transportation equipment	1,892	5,925	-119	1,757	34.0	7,369	1,938	28	158	115	630	598
Instruments and related products	6,299	17,091	538	4,719	105.6	17,340	5,754	130	603	691	2,775	1,533
Other	3,691	8,069	397	1,276	30.2	7,024	2,954	87	364	60	2,093	544
Wholesale trade	38,966	468,277	-157	23,047	460.0	222,922	77,839	7,637	15,972	1,426	65,258	145,877
Motor vehicles and equipment	8,420	96,778	498	3,780	66.1	71,858	40,597	2,845	10,851	285	4,929	37,988
Professional and commercial equipment and supplies	3,988	31,939	-175	2,995	61.2	17,309	4,500	475	662	265	1,743	15,573
Metals and minerals, except petroleum	3,691	72,050	517	1,873	30.9	24,448	4,685	460	472	26	16,600	13,572
Electrical goods	6,834	64,392	-3,342	5,022	93.1	35,588	10,955	1,624	1,648	338	4,817	37,334
Machinery, equipment, and supplies	2,776	39,556	259	1,740	36.1	18,648	2,889	363	483	43	9,652	14,561
Other durable goods	3,349	57,605	-64	2,399	55.4	13,652	4,089	647	572	29	2,821	7,270
Groceries and related products	1,699	31,562	65	1,305	33.3	8,526	1,787	586	236	7	6,341	5,731
Farm-product raw materials	1,015	30,235	170	633	18.6	8,226	2,057	173	177	7	13,563	2,714
Other nondurable goods	7,194	44,160	1,914	3,300	65.3	24,667	6,280	465	872	425	4,793	11,135
Retail trade	23,518	90,738	466	14,509	764.5	46,252	29,419	15,508	2,754	11	1,676	3,415
General merchandise stores	415	1,478	-26	282	19.4	2,177	628	215	76	0	13	134
Food stores	14,328	57,884	700	8,381	407.8	22,121	18,343	10,964	1,790	6	(P)	450
Apparel and accessory stores	2,046	7,360	-212	1,326	72.2	4,588	3,616	1,674	152	(*)	(P)	630
Other	6,730	24,016	4	4,520	265.1	17,366	6,832	2,655	736	5	1,572	2,201
Finance, except depository institutions	2,925	45,901	1,287	6,119	46.2	573,448	7,373	2,372	871	7	19	25
Insurance	7,343	82,513	3,434	8,487	148.2	514,650	26,992	9,805	4,360	0	0	0
Real estate	5,845	14,504	-2,022	1,046	26.6	102,039	92,056	83,751	2,950	10	7	1
Services	22,224	58,464	-2,403	18,264	623.7	109,871	50,711	28,759	4,054	749	590	785
Hotels and other lodging places	4,309	8,544	-1,142	2,804	127.7	31,488	25,623	20,368	1,122	(*)	(*)	5
Business services	9,104	18,705	24	7,692	269.2	25,815	9,354	635	1,520	400	256	432
Computer and data processing services	2,704	6,376	77	2,160	34.6	9,671	2,934	158	557	395	133	121
Other business services	6,399	12,328	-53	5,532	234.6	16,144	6,420	478	963	5	123	311
Motion pictures, including television tape and film	2,314	13,433	-576	1,685	45.4	29,120	3,958	2,135	567	5	69	98
Engineering, architectural, and surveying services	1,884	5,648	-208	1,951	34.1	3,706	1,111	327	92	40	150	49
Accounting, research, management, and related services	1,342	4,200	-146	1,296	24.6	5,542	2,315	962	216	292	48	152
Health services	1,900	3,527	28	1,551	62.3	3,712	1,794	598	205	1	0	2
Other services	1,371	4,407	-383	1,284	60.4	10,489	6,556	3,734	332	11	67	47
Other industries	36,816	100,576	3,599	22,482	481.6	131,193	80,418	5,321	8,257	180	3,343	417
Agriculture, forestry, and fishing	638	2,066	-51	451	16.2	4,938	3,908	326	231	57	368	71
Mining	6,528	12,041	1,202	2,626	42.0	25,689	23,166	147	1,642	45	2,464	120
Coal	2,095	4,112	157	1,039	15.2	5,838	7,066	(*)	325	(P)	529	1
Other	4,433	7,929	1,045	1,587	26.8	19,851	16,100	146	1,317	(P)	1,935	119
Construction	3,425	16,351	-386	3,356	66.6	9,776	4,312	2,058	588	7	(P)	63
Transportation	12,976	37,750	345	10,612	207.3	33,109	11,425	2,204	1,017	(P)	33	34
Communication and public utilities	13,249	32,369	2,489	5,438	149.5	57,680	37,608	586	4,779	(P)	(P)	129

* Less than \$500,000.

(P) Suppressed to avoid disclosure of data of individual companies.

NOTE.—Estimates for 1995 are revised.

Table 19.2.—Selected Data of Nonbank U.S. Affiliates by Industry of Affiliate, 1996

	Millions of dollars					Thousands of employees	Millions of dollars					
	Gross product	Sales	Net income	Compensation of employees	Total assets		Gross property, plant, and equipment		Expenditures for new plant and equipment	Research and development expenditures	U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
							Total	Of which: Commercial property				
All industries	339,485	1,596,022	21,110	210,378	4,977.5	2,613,985	797,647	166,807	84,142	17,150	136,588	252,990
Petroleum	32,733	152,832	5,586	6,525	111.8	114,735	118,588	7,040	7,645	436	9,984	21,080
Petroleum and coal products manufacturing	23,099	73,358	3,725	4,015	67.2	70,418	89,907	5,335	5,355	249	2,646	13,454
Other	9,634	79,474	1,861	2,510	44.5	44,317	28,681	1,706	2,290	187	7,337	7,627
Manufacturing	156,354	552,023	7,153	104,004	2,213.6	578,886	286,029	9,409	29,725	13,807	58,821	78,531
Food and kindred products	11,783	49,562	3,591	6,623	205.4	58,624	21,764	2,016	2,068	353	2,848	3,379
Beverages	2,682	7,612	3,439	1,242	24.7	18,749	3,859	298	2,078	26	316	890
Other	9,102	41,950	152	5,381	180.6	39,876	17,905	1,719	1,640	327	2,532	2,489
Chemicals and allied products	42,095	134,451	549	24,633	409.8	180,996	91,005	1,942	9,054	7,366	15,656	14,254
Industrial chemicals and synthetics	17,032	49,779	-2,326	8,669	149.1	65,859	49,607	419	4,351	958	6,969	5,606
Drugs	15,666	48,702	1,734	10,200	149.6	78,364	24,831	(P)	3,024	5,849	5,993	6,256
Soap, cleaners, and toilet goods	5,477	20,553	650	3,326	66.0	20,205	8,000	360	722	348	952	485
Other	3,920	15,418	492	2,438	45.1	16,568	8,566	(P)	958	212	1,742	1,907
Primary and fabricated metals	16,079	62,902	1,010	10,969	233.3	60,804	35,123	833	3,352	286	4,066	7,390
Primary metal industries	8,373	36,005	807	5,178	97.5	31,334	23,094	273	2,118	156	2,076	4,759
Ferrous	5,236	20,098	427	3,248	52.7	20,193	16,008	32	1,470	34	673	2,509
Nonferrous	3,137	15,907	380	1,929	44.8	11,141	7,086	242	647	121	1,403	2,251
Fabricated metal products	7,706	26,897	203	5,791	135.9	29,470	12,029	560	1,235	131	1,989	2,630
Machinery	31,863	124,066	-737	25,279	536.8	95,234	40,900	1,199	5,787	3,889	20,575	28,733
Industrial machinery and equipment	12,809	54,094	-495	10,493	235.7	38,756	14,392	490	1,803	935	8,194	11,739
Computer and office equipment	1,098	14,470	-1,320	1,803	38.6	7,924	2,081	52	3,372	402	1,364	4,384
Other	11,710	39,624	825	8,690	197.1	30,832	12,311	438	1,471	533	6,830	7,355
Electronic and other electric equipment	19,055	69,972	-242	14,786	301.1	56,479	26,508	709	3,984	2,954	12,381	16,993
Audio, video, and communications equipment	6,168	24,416	383	4,365	85.5	16,181	6,374	120	723	1,652	5,230	8,008
Electronic components and accessories	2,891	10,751	-399	2,011	48.6	11,616	6,999	220	1,665	336	1,798	3,057
Other	9,966	34,805	-226	8,410	167.0	28,681	13,135	368	1,596	965	5,352	5,929
Other manufacturing	54,534	181,042	2,738	36,501	828.4	183,228	97,237	3,419	9,464	1,913	15,677	24,776
Textile products and apparel	3,718	10,584	15	2,575	90.0	9,198	6,884	486	664	55	568	618
Lumber, wood, furniture, and fixtures	1,139	4,713	578	681	24.7	6,671	1,772	88	152	10	300	308
Paper and allied products	5,703	16,208	388	3,373	64.2	18,862	15,318	22	1,061	120	1,622	1,050
Printing and publishing	8,668	22,279	-126	6,284	133.6	38,192	9,183	428	1,107	46	616	382
Newspapers	346	782	39	260	9.5	(P)	379	(P)	21	(*)	2	(P)
Other	8,323	21,497	-165	6,024	124.2	8,804	(P)	8,804	1,087	46	514	(P)
Rubber products	5,092	13,783	264	3,758	78.5	12,109	9,145	532	643	229	1,506	2,543
Miscellaneous plastics products	2,631	8,898	205	1,676	46.7	8,732	6,216	272	724	57	486	406
Stone, clay, and glass products	9,062	23,677	382	5,648	121.0	28,045	21,510	704	2,040	159	725	1,178
Transportation equipment	8,420	55,655	168	6,611	140.6	35,836	18,018	694	2,052	454	5,171	16,052
Motor vehicles and equipment	6,718	50,126	-25	5,218	110.5	29,108	16,512	667	1,950	370	4,542	15,488
Other transportation equipment	1,702	5,529	193	1,392	30.1	6,729	1,506	27	103	84	629	563
Instruments and related products	6,256	16,658	604	4,539	97.8	17,914	5,996	111	641	720	3,045	1,423
Other	3,845	8,588	261	1,357	31.3	7,668	3,195	82	379	64	1,739	817
Wholesale trade	41,973	466,700	2,839	24,338	488.6	233,829	86,757	8,609	19,783	1,735	62,792	147,958
Motor vehicles and equipment	9,350	101,416	409	4,033	68.9	79,527	46,319	3,650	13,920	370	4,341	40,678
Professional and commercial equipment and supplies	4,560	33,122	-149	3,270	66.0	17,687	4,838	401	838	258	1,683	16,023
Metals and minerals, except petroleum	2,811	55,492	418	1,667	28.4	22,988	4,478	453	433	33	12,527	11,789
Electrical goods	8,437	68,507	257	5,456	107.2	37,415	12,369	1,948	498	5,934	38,860	38,860
Machinery, equipment, and supplies	3,245	41,448	365	1,925	39.7	19,853	3,253	344	506	62	9,201	13,311
Other durable goods	3,362	58,566	-302	2,536	57.6	14,256	4,456	687	556	32	2,853	7,252
Groceries and related products	1,729	30,459	38	1,308	36.3	8,119	1,870	576	209	12	6,204	5,348
Farm-product raw materials	1,085	34,508	244	650	18.1	8,668	2,143	130	152	7	15,740	3,120
Other nondurable goods	7,395	43,181	1,559	3,493	66.4	25,317	7,030	419	951	463	4,311	11,578
Retail trade	24,544	94,028	377	15,094	821.0	50,063	31,500	15,881	3,471	3	1,507	3,408
General merchandise stores	563	1,811	-15	359	21.9	1,999	672	211	94	0	13	153
Food stores	14,452	60,115	834	8,250	441.7	26,252	20,194	11,399	2,393	(*)	6	334
Apparel and accessory stores	2,376	8,524	-201	1,534	83.8	5,157	3,837	1,705	204	(*)	21	699
Other	7,153	23,579	-241	4,951	273.6	16,656	6,797	2,566	780	3	1,467	2,222
Finance, except depository institutions	6,001	58,230	64	8,018	49.3	705,181	8,337	2,854	1,159	7	15	21
Insurance	10,658	89,625	5,306	9,167	152.0	575,947	28,956	9,278	4,371	0	0	0
Real estate	4,984	13,903	-1,718	1,006	27.1	100,549	90,180	79,342	3,713	10	7	1
Services	21,840	56,247	-3,402	18,801	633.8	105,297	51,789	28,881	3,773	996	738	1,173
Hotels and other lodging places	4,019	8,033	-678	2,453	109.9	31,041	25,142	958	(*)	(*)	5	5
Business services	8,946	20,865	-1,800	8,473	286.3	27,994	10,680	646	1,424	647	450	793
Computer and data processing services	2,255	7,860	-1,237	2,637	38.6	11,134	3,910	197	572	642	359	535
Other business services	6,690	13,004	-562	5,836	247.7	16,860	6,771	449	852	5	91	258
Motion pictures, including television tape and film	1,409	6,988	-5	1,096	34.8	17,674	3,274	1,831	414	5	98	98
Engineering, architectural, and surveying services	1,767	5,640	-173	1,820	30.8	3,199	958	310	85	25	118	45
Accounting, research, management, and related services	1,164	3,902	-106	1,105	21.2	5,095	2,259	894	340	306	15	80
Health services	2,704	5,999	-368	2,351	85.8	8,721	2,558	566	228	2	(P)	(P)
Other services	1,830	4,819	-273	1,503	65.0	11,573	6,918	3,874	325	10	(P)	(P)
Other industries	40,398	112,434	4,907	23,424	480.3	149,497	95,512	5,512	10,502	157	2,725	818
Agriculture, forestry, and fishing	667	2,204	-84	502	17.7	5,413	4,193	345	304	70	433	124
Mining	5,486	11,802	769	2,618	41.6	28,032	23,707	153	1,733	31	2,110	282
Coal	1,940	3,808	186	967	13.9	5,541	6,768	0	296	(P)	502	2
Other	3,546	7,994	583	1,650	27.8	22,490	16,939	153	1,437	(P)	1,608	280
Construction	3,228	17,227	-516	3,278	69.1	10,675	4,886	2,081	906	5	121	83
Transportation	11,533	32,884	667	9,208	170.1	27,667	10,058	2,022	874	5	24	101
Communication and public utilities	19,485	48,317	4,072	7,818	181.8	77,711	52,667	911	6,686	45	36	228

* Less than \$500,000.

P Suppressed to avoid disclosure of data of individual companies.

NOTE.—Estimates for 1996 are preliminary.

Table 20.1.—Selected Data of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1995

	Millions of dollars					Thousands of employees	Millions of dollars					
	Gross product	Sales	Net income	Compensation of employees	Total assets		Gross property, plant, and equipment		Expenditures for new plant and equipment	Research and development expenditures	U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
							Total	Of which: Commercial property				
All countries	322,631	1,544,603	15,493	206,354	4,941.8	2,388,724	769,491	168,393	74,510	17,542	135,153	250,824
Canada	35,277	140,275	1,904	23,111	708.8	267,083	83,683	20,181	6,635	1,395	5,243	13,490
Europe	201,965	821,951	15,375	130,599	2,992.6	1,330,702	416,193	65,402	37,728	13,201	59,883	84,290
Austria	491	2,986	45	374	8.7	4,104	716	85	85	12	614	566
Belgium	4,290	17,855	425	2,168	99.8	12,297	10,168	1,868	826	90	1,399	1,399
Denmark	1,849	4,510	20	1,513	70.6	4,408	1,865	124	280	97	402	727
Finland	1,645	9,128	-136	1,427	27.3	7,000	2,732	207	316	92	1,025	1,724
France	23,895	110,557	1,201	16,197	346.0	232,156	50,282	14,511	3,984	1,604	15,721	11,353
Germany	37,047	158,737	1,008	26,290	579.7	210,899	74,791	12,335	9,425	3,869	12,322	27,062
Ireland	2,607	8,580	344	1,443	36.2	9,236	5,009	358	315	15	442	362
Italy	3,056	14,769	-64	2,268	52.2	23,481	6,299	665	665	183	1,073	3,292
Liechtenstein	164	565	-14	131	2.7	743	523	305	17	3	43	168
Luxembourg	845	4,471	-34	782	17.4	4,764	1,429	240	74	(P)	202	593
Netherlands	27,697	98,016	2,817	14,562	335.0	155,649	70,084	11,075	5,709	818	5,426	8,728
Norway	1,074	5,814	95	657	13.4	4,737	2,408	182	335	62	423	719
Spain	605	2,166	22	359	9.1	4,969	1,862	269	134	28	191	189
Sweden	5,484	28,098	73	4,664	94.4	41,593	10,052	1,227	996	781	3,094	5,085
Switzerland	18,563	90,557	-369	15,706	309.8	230,963	29,524	3,172	2,795	3,092	6,403	7,510
United Kingdom	72,478	262,849	9,964	41,882	985.7	382,324	147,875	18,434	11,670	2,428	11,760	14,029
Other	173	2,294	-23	176	4.6	1,380	574	344	104	(P)	208	784
Latin America and Other Western Hemisphere	12,367	51,922	822	6,435	168.6	53,733	25,341	5,828	2,785	323	5,884	9,794
South and Central America	7,977	35,589	568	3,588	84.8	37,600	15,508	2,217	1,682	65	3,495	8,701
Brazil	159	4,010	60	279	4.4	8,581	868	155	61	(*)	901	1,116
Mexico	1,754	8,493	-26	1,322	35.7	9,661	3,552	932	450	40	581	2,184
Panama	(P)	2,303	-58	(P)	J	3,703	1,340	343	89	(P)	420	327
Venezuela	4,712	17,988	505	930	22.7	11,895	8,503	558	981	(P)	(P)	4,092
Other	(P)	2,796	88	(P)	I	3,760	1,245	229	102	(*)	(P)	983
Other Western Hemisphere	4,390	16,333	254	2,847	83.8	16,133	9,832	3,611	1,103	258	2,389	1,093
Bahamas	68	415	-1	64	2.6	838	515	218	28	(*)	1	6
Bermuda	2,398	10,525	175	1,460	44.6	8,510	4,740	581	1,434	(P)	(P)	822
Netherlands Antilles	1,182	2,636	102	851	15.5	3,333	2,690	927	258	(P)	(P)	(P)
United Kingdom Islands, Caribbean	724	2,617	-12	452	20.5	3,232	1,780	965	232	5	67	(P)
Other	19	140	-10	20	.7	220	108	67	4	(*)	50	4
Africa	2,352	10,366	420	1,051	20.9	(P)	(P)	252	(P)	75	509	669
South Africa	1,867	9,400	419	924	18.6	7,040	94	428	71	(P)	395	519
Other	484	966	1	127	2.3	(P)	4,390	158	(P)	4	114	150
Middle East	4,792	17,881	-223	1,688	46.3	26,152	20,511	13,595	799	101	672	4,665
Israel	490	2,325	32	427	8.1	2,909	603	122	84	93	460	591
Kuwait	776	1,647	109	164	5.4	7,923	8,124	6,384	129	4	5	21
Lebanon	226	640	7	110	2.7	920	876	448	22	(*)	66	(*)
Saudi Arabia	3,033	12,177	-207	800	21.5	11,350	8,352	4,622	438	4	(P)	(P)
United Arab Emirates	131	488	-137	112	3.0	1,872	1,978	1,671	53	0	(P)	(P)
Other	136	604	-28	74	5.7	1,178	577	347	73	(*)	4	5
Asia and Pacific	61,080	484,124	-5,696	41,433	958.4	599,724	198,582	62,025	22,142	2,384	62,334	136,828
Australia	4,615	21,591	-663	3,030	73.0	36,264	12,210	2,423	1,192	64	1,054	1,378
China	200	2,368	-55	94	2.0	1,186	634	85	33	3	(P)	(P)
Hong Kong	1,335	6,038	-209	948	33.6	7,828	5,552	4,147	360	8	147	1,373
Indonesia	222	1,036	3	163	5.7	792	370	172	27	0	(P)	18
Japan	50,513	414,764	-3,930	33,951	761.9	521,166	164,716	51,421	19,265	1,874	54,038	118,770
Korea, Republic of	1,120	22,856	-577	1,077	22.5	13,336	3,681	738	332	321	3,958	11,708
Malaysia	388	1,358	-21	344	10.9	1,683	723	411	44	7	102	(P)
New Zealand	340	1,768	-54	319	7.2	1,102	792	48	28	4	53	307
Philippines	(P)	831	-65	(P)	I	505	330	84	17	(*)	18	64
Singapore	170	1,762	-321	306	7.4	3,401	1,767	1,289	173	56	171	610
Taiwan	1,808	8,790	341	804	20.5	10,826	6,707	840	574	38	1,063	1,929
Other	(P)	961	-144	(P)	I	1,637	1,099	366	97	8	110	302
United States	4,798	18,085	2,890	2,037	46.2	(P)	(P)	1,110	(P)	62	627	1,086
Addenda:												
European Union (15) ¹	182,030	723,229	15,669	113,982	2,663.3	1,093,369	383,498	61,662	34,516	10,043	52,807	75,137
OPEC ²	9,264	33,782	299	2,270	59.4	36,180	30,950	13,463	1,878	17	550	8,178

* Less than \$500,000.

P Suppressed to avoid disclosure of data of individual companies.

1. The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and the United Kingdom. Prior to 1995, Austria, Finland, and Sweden were not members of the European Union.

2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq,

Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTES.—Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more. Estimates for 1995 are revised.

Table 20.2.—Selected Data of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1996

	Millions of dollars					Thousands of employees	Millions of dollars					
	Gross product	Sales	Net income	Compensation of employees	Total assets		Gross property, plant, and equipment		Expenditures for new plant and equipment	Research and development expenditures	U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
							Total	Of which: Commercial property				
All countries	339,485	1,596,022	21,110	210,378	4,977.5	2,613,985	797,647	166,807	84,142	17,150	136,588	252,990
Canada	30,026	121,650	5,035	19,868	618.6	263,862	74,315	19,085	5,993	1,397	5,658	14,123
Europe	218,174	881,931	15,885	136,653	3,103.9	1,507,678	440,786	66,192	42,608	12,516	63,104	86,533
Austria	387	2,513	12	303	7.0	5,000	557	60	60	7	420	484
Belgium	4,531	19,437	581	2,250	37.2	10,850	10,985	2,138	1,281	80	633	1,427
Denmark	1,890	4,514	-151	1,572	71.8	4,061	1,842	123	267	106	493	699
Finland	1,632	9,954	-215	1,343	25.4	6,654	2,648	191	250	113	1,118	1,587
France	32,584	127,434	3,120	19,977	411.8	274,775	74,447	13,642	7,013	1,712	18,386	12,888
Germany	40,467	168,151	3,096	27,598	610.2	249,891	81,310	13,248	10,362	3,084	13,493	28,304
Ireland	2,505	8,281	204	1,545	37.2	10,374	5,503	339	284	48	335	261
Italy	2,827	13,904	-18	2,078	50.7	20,314	5,232	638	513	130	983	3,230
Liechtenstein	149	582	-29	132	2.5	760	539	318	19	2	42	174
Luxembourg	678	4,215	-41	725	16.0	5,124	1,320	134	155	19	183	653
Netherlands	29,299	111,395	2,785	15,248	378.8	180,292	73,300	11,628	5,441	948	4,468	8,969
Norway	1,367	8,838	71	1,046	18.4	5,308	2,543	385	213	65	583	901
Spain	572	1,985	10	346	8.6	4,171	1,798	241	166	23	192	194
Sweden	5,700	25,561	279	3,884	78.7	33,577	7,652	1,233	889	276	2,811	5,192
Switzerland	19,461	96,026	310	16,544	306.2	275,890	29,683	3,362	3,216	3,375	6,457	7,550
United Kingdom	73,960	277,026	5,890	41,905	972.6	413,966	140,866	18,163	12,386	2,525	12,354	13,267
Other	164	2,114	-19	156	4.4	1,672	561	349	93	2	156	753
Latin America and Other Western Hemisphere	12,699	53,767	147	6,446	155.4	57,482	27,203	6,214	2,928	386	5,725	10,621
South and Central America	7,914	35,613	-110	3,185	70.0	38,658	16,192	1,781	1,686	84	2,853	9,409
Brazil	283	4,462	160	279	4.5	10,652	957	155	104	(*)	1,192	1,241
Mexico	1,439	7,982	-643	1,213	35.8	8,454	3,204	752	347	60	688	2,248
Panama	819	2,316	-22	739	12.9	3,922	1,610	350	66	(P)	542	295
Venezuela	5,084	19,337	379	833	13.0	12,669	9,287	319	1,078	(P)	298	5,067
Other	290	1,517	17	121	3.7	2,962	1,134	206	90	(*)	132	557
Other Western Hemisphere	4,785	18,155	256	3,261	85.4	18,824	11,012	4,432	1,243	302	2,873	1,212
Bahamas	217	702	-25	190	6.3	1,421	883	429	65	(*)	1	6
Bermuda	2,488	11,684	-183	1,584	43.8	9,046	5,601	2,166	593	120	(P)	888
Netherlands Antilles	1,364	3,003	462	993	16.5	3,937	2,691	882	280	179	635	104
United Kingdom Islands, Caribbean	699	2,634	13	475	18.2	4,206	1,729	886	300	4	(P)	210
Other	17	133	-11	19	.7	213	107	68	4	(*)	48	4
Africa	2,555	10,605	733	1,157	22.7	11,708	(P)	258	(P)	81	522	560
South Africa	1,942	9,531	672	1,005	20.4	8,178	(P)	95	422	77	417	663
Other	613	1,074	61	152	2.3	3,530	4,635	163	(P)	4	105	(P)
Middle East	5,292	21,024	-258	2,001	61.8	26,501	20,298	14,490	855	121	607	5,481
Israel	391	2,513	-96	471	9.6	2,818	752	124	89	115	412	663
Kuwait	709	1,500	230	139	5.2	7,418	7,137	6,400	135	(*)	4	20
Lebanon	177	482	-23	105	2.9	905	899	447	35	(*)	60	(*)
Saudi Arabia	3,410	14,776	-63	871	26.4	11,985	8,668	5,310	346	5	106	(P)
United Arab Emirates	144	327	-5	41	1.1	1,966	2,133	1,834	157	0	19	(P)
Other	461	1,427	-300	373	16.6	1,410	709	375	94	1	6	5
Asia and Pacific	65,469	487,580	-3,370	42,107	972.9	635,683	205,841	59,393	27,257	2,592	60,077	134,416
Australia	5,539	23,013	243	3,345	77.4	44,617	15,157	2,662	1,141	56	1,268	1,375
China	179	1,821	-4	72	1.6	1,004	494	79	42	3	(P)	(P)
Hong Kong	1,403	6,848	-199	993	36.8	8,406	5,572	3,859	313	7	71	1,142
Indonesia	202	986	-12	154	5.7	765	361	170	27	0	119	18
Japan	54,560	418,320	-2,271	34,524	776.4	549,408	168,399	47,741	23,473	2,070	52,555	117,433
Korea, Republic of	1,102	22,476	-611	1,070	22.6	12,706	4,086	867	686	351	3,642	10,707
Malaysia	395	1,388	-24	327	9.5	1,804	794	437	44	9	(P)	30
New Zealand	348	1,755	-45	302	7.6	1,100	760	48	27	3	30	364
Philippines	38	126	13	18	.7	275	174	80	5	(*)	10	49
Singapore	159	1,794	-348	310	7.5	3,866	2,344	1,837	595	42	94	505
Taiwan	1,411	8,089	73	822	20.2	10,229	6,564	839	835	39	795	2,161
Other	134	963	-183	173	6.8	1,503	1,137	774	68	11	104	(P)
United States	5,270	19,466	2,938	2,146	42.2	111,071	(P)	1,175	(P)	57	894	1,255
Addenda:												
European Union (15) ¹	197,068	774,840	15,531	118,824	2,773.5	1,224,534	407,801	62,052	39,099	9,072	55,867	77,182
OPEC ²	10,086	37,504	634	2,162	52.6	37,437	31,445	14,091	2,037	14	548	9,903

* Less than \$500,000.

^P Suppressed to avoid disclosure of data of individual companies.¹ The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and the United Kingdom. Prior to 1995, Austria, Finland, and Sweden were not members of the European Union.² OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and the United Arab Emirates.

Estimates for 1996 are preliminary.

Table 21.1.—Gross Product of Nonbank U.S. Affiliates, Industry of Affiliate by Country of Ultimate Beneficial Owner, 1995
 [Millions of dollars]

	All countries	Canada	Europe						Latin America and Other Western Hemisphere	Africa	Middle East	Asia and Pacific			United States
			Total	Of which:								Total	Of which:		
				France	Germany	Netherlands	Switzerland	United Kingdom					Australia	Japan	
All industries	322,631	35,277	201,965	23,895	37,047	27,697	18,563	72,478	12,367	2,352	4,792	61,080	4,615	50,513	4,798
Petroleum	29,252	1,613	19,013	1,356	174	(P)	59	6,126	5,430	(P)	(P)	354	(P)	99	86
Petroleum and coal products manufacturing	21,224	(P)	17,420	(P)	52	(P)	12	(P)	860	0	(P)	(P)	(P)	31	0
Other	8,028	(P)	1,593	(P)	122	291	46	(P)	4,570	(P)	182	(P)	106	68	86
Manufacturing	155,741	14,917	105,135	13,793	21,826	6,957	13,556	35,556	2,611	1,110	845	30,497	2,523	24,989	625
Food and kindred products	12,127	(P)	8,054	585	89	(P)	2,436	4,044	182	(P)	24	1,738	(P)	1,190	(P)
Beverages	2,870	(P)	1,200	160	13	(*)	(P)	690	10	0	0	346	0	285	0
Other	9,257	(P)	6,854	425	76	(P)	(P)	3,354	172	(P)	24	1,392	(P)	905	(P)
Chemicals and allied products	40,552	668	36,375	3,596	9,430	3,581	6,486	10,658	(P)	69	96	3,120	545	1,639	(P)
Industrial chemicals and synthetics	18,202	73	13,654	1,901	4,594	(P)	434	4,430	2	69	0	2,404	486	990	0
Drugs	15,253	15	14,922	1,054	3,014	23	5,985	3,536	0	0	75	241	36	222	0
Soap, cleaners, and toilet goods	5,144	288	4,432	(P)	1,440	(P)	18	(P)	0	0	0	201	11	190	(P)
Other	3,954	292	3,366	(P)	382	150	49	(P)	1	0	21	274	12	238	-1
Primary and fabricated metals	16,872	(P)	7,004	1,410	2,022	245	211	1,855	(P)	(P)	24	6,367	74	5,982	16
Primary metal industries	1,317	1,317	2,380	593	562	-3	88	387	0	7	7	5,427	(P)	5,109	3
Ferrous	6,752	268	1,240	489	216	-3	63	25	(P)	(P)	0	5,082	(P)	4,813	0
Nonferrous	2,984	1,049	1,120	104	346	0	23	95	(P)	(P)	7	345	(P)	296	3
Fabricated metal products	7,136	(P)	4,644	817	1,461	248	124	1,468	(P)	0	17	940	(P)	873	13
Machinery	31,924	2,909	21,686	2,769	5,297	2,493	2,607	4,813	106	82	299	6,731	415	5,887	111
Industrial machinery and equipment	13,381	319	9,095	301	2,185	80	(P)	3,208	70	82	258	3,487	(P)	3,098	90
Computer and office equipment	1,918	54	445	203	(P)	31	67	12	5	0	170	1,208	0	1,200	36
Other	11,464	265	8,650	97	(P)	50	(P)	3,195	65	82	88	2,259	(P)	1,899	55
Electronic and other electric equipment	18,542	2,590	12,592	2,468	3,112	2,412	(P)	1,605	35	0	41	3,284	(P)	2,788	21
Audio, video, and communications equipment	5,371	(P)	2,585	1,379	1	0	(P)	785	15	0	6	(P)	0	564	5
Electronic components and accessories	2,782	59	1,110	103	(P)	(P)	10	440	-1	0	35	1,564	2	1,476	14
Other	10,390	(P)	8,897	985	(P)	(P)	(P)	381	22	0	0	(P)	(P)	749	2
Other manufacturing	54,267	7,396	32,016	5,434	4,988	(P)	1,815	14,185	(P)	(P)	401	12,540	(P)	10,291	12
Textile products and apparel	3,649	(P)	1,859	311	243	39	127	992	204	1	401	904	0	553	1
Lumber, wood, furniture, and fixtures	1,192	187	583	10	(P)	1	73	270	40	0	5	377	0	216	0
Paper and allied products	5,331	630	3,517	7	103	(P)	(P)	1,041	10	(P)	(P)	621	(P)	244	1
Printing and publishing	8,810	5,222	3,189	135	(P)	90	(P)	1,845	22	1	8	359	(P)	177	10
Newspapers	9,04	0	99	1	0	0	38	1	1	0	8	1	0	0	0
Other	8,507	(P)	3,150	135	(P)	90	(P)	1,807	21	1	8	(P)	(P)	177	10
Rubber products	4,819	26	2,301	(P)	(P)	3	32	79	4	0	0	2,487	0	2,486	0
Miscellaneous plastics products	2,467	337	1,374	144	336	25	24	519	147	0	(*)	609	11	522	0
Stone, clay, and glass products	8,775	(P)	5,874	(P)	802	0	463	1,615	(P)	0	0	2,304	822	1,444	0
Transportation equipment	9,233	(P)	4,392	775	1,089	(P)	6	1,881	(P)	0	0	4,415	1	4,292	0
Motor vehicles and equipment	7,341	(P)	2,649	(P)	997	(P)	0	680	(P)	0	0	4,288	1	4,286	0
Other transportation equipment	1,892	17	1,743	(P)	92	9	6	1,220	5	0	0	127	0	6	0
Instruments and related products	6,299	21	5,572	586	508	2	424	3,295	(P)	0	(P)	286	0	223	0
Other	3,691	148	3,355	263	120	3	73	2,648	10	0	0	178	28	133	0
Wholesale trade	38,966	2,267	16,793	1,688	5,939	1,389	1,787	3,535	1,005	729	17	17,851	295	16,221	304
Motor vehicles and equipment	8,420	(P)	3,383	6	3,083	14	2	292	1	2	1	4,804	11	4,790	(*)
Professional and commercial equipment and supplies	3,988	42	1,406	10	394	327	29	299	1	0	-4	2,543	0	2,250	1
Metals and minerals, except petroleum	3,691	359	2,351	120	961	2	(P)	139	(P)	(P)	1	825	-3	757	0
Electrical goods	6,834	164	528	236	79	33	27	116	47	19	1	6,050	1	5,684	-24
Machinery, equipment, and supplies	2,776	48	1,046	91	420	32	199	136	44	60	6	1,470	0	1,470	26
Other durable goods	3,349	410	2,543	192	103	627	76	1,084	136	1	0	258	(P)	133	2
Groceries and related products	1,699	514	700	(P)	3	33	-3	366	154	13	0	315	0	238	2
Farm-product raw materials	1,015	2	(P)	(P)	10	6	32	67	(P)	1	0	201	2	182	0
Other nondurable goods	7,194	(P)	440	885	314	(P)	(P)	(P)	(P)	10	10	1,307	(P)	776	250
Retail trade	23,518	2,746	15,886	360	6,259	2,377	54	4,076	1,101	(*)	188	3,561	11	3,404	36
General merchandise stores	415	4	381	0	0	1	0	-7	0	0	(*)	22	-2	24	(P)
Food stores	14,328	(P)	10,935	(P)	(P)	(P)	37	2,011	546	0	0	(P)	0	(P)	16
Apparel and accessory stores	2,046	(P)	1,486	134	69	(P)	-1	757	(P)	0	0	318	5	(P)	0
Other	6,730	1,756	3,083	(P)	(P)	515	19	(P)	(P)	(*)	188	(P)	8	1,050	19
Finance, except depository institutions	2,925	(P)	2,785	124	54	349	725	1,444	-73	2	-30	15	7	103	(P)
Insurance	7,343	(P)	3,187	(P)	(P)	842	-1,525	2,828	67	0	10	108	6	51	(P)
Real estate	5,845	1,241	1,857	261	477	478	132	424	172	(*)	898	1,607	174	1,208	69
Services	22,224	2,393	12,653	2,106	774	493	3,040	4,726	1,476	17	343	5,256	1,255	3,076	84
Hotels and other lodging places	4,309	104	1,369	604	37	6	30	698	126	-1	237	2,475	(*)	1,659	0
Business services	9,104	(P)	6,697	717	121	393	(P)	2,243	(P)	13	58	806	209	511	83
Computer and data processing services	2,704	376	1,957	330	80	208	(P)	492	6	0	35	321	41	228	9
Other business services	6,399	(P)	4,739	337	185	(P)	1,751	(P)	13	23	23	484	168	283	74
Motion pictures, including television tape and film	2,314	(P)	500	-183	2	3	(*)	227	0	0	0	(P)	(P)	29	0
Engineering, architectural, and surveying services	1,884	121	1,618	488	206	(P)	60	374	0	5	0	139	0	139	0
Accounting, research, management, and related services	1,342	27	964	(P)	45	2	57	565	7	0	6	337	1	340	1
Health services	1,900	599	1,162	(P)	(P)	(P)	(P)	98	-2	0	0	140	(P)	57	0
Other services	1,371	(P)	342	149	(P)	(P)	11	98	(P)	0	42	(P)	16	341	(*)
Other industries	36,816	8,959	24,654	(P)	(P)	(P)	735	13,763	578	(P)	(P)	1,832	(P)	1,362	(P)
Agriculture, forestry, and fishing	638	34	317	61	78	40	37	61	206	2	14	85	11	41	15
Mining	6,528	1,401	4,623	95	(P)	(P)	60	2,355	(P)	59	310	610	7	305	15
Coal	2,095	17	2,031	0	(P)	(P)	65	384	(P)	0	59	-11	(*)	-11	0
Other	4,433	1,384	2,582	95	4	(P)	2	1,971	0	0	0	321	6	316	15
Construction	3,425	68	2,260	603	594	38	(P)	169	4	0	0	59	59	433	(P)</

Table 21.2.—Gross Product of Nonbank U.S. Affiliates, Industry of Affiliate by Country of Ultimate Beneficial Owner, 1996

[Millions of dollars]

	All countries	Canada	Europe						Latin America and Other Western Hemisphere	Africa	Middle East	Asia and Pacific			United States
			Total	Of which:								Total	Of which:		
				France	Germany	Netherlands	Switzerland	United Kingdom					Australia	Japan	
All industries	339,485	30,026	218,174	32,584	40,467	29,299	19,461	73,960	12,699	2,555	5,292	65,469	5,539	54,560	5,270
Petroleum	32,733	1,684	20,561	1,391	163	(D)	184	6,708	6,335	(D)	(D)	862	(D)	124	138
Petroleum and coal products manufacturing	23,099	613	18,575	941	48	(D)	11	(D)	(D)	0	0	(D)	(D)	30	(*)
Other	9,634	1,071	1,987	450	115	252	172	(D)	(D)	0	35	(D)	134	95	138
Manufacturing	156,354	14,498	107,819	15,036	23,464	7,343	14,066	35,924	2,568	1,228	898	28,330	2,743	23,191	1,013
Food and kindred products	11,783	1,873	7,994	515	101	(D)	2,873	3,664	185	(D)	(D)	1,412	82	1,104	(D)
Beverages	2,682	(D)	1,189	132	13	(*)	(D)	648	9	0	0	363	0	306	0
Other	9,102	(D)	6,804	384	88	(D)	(D)	3,016	175	(D)	(D)	1,049	82	798	25
Chemicals and allied products	42,095	392	38,596	3,729	10,608	4,187	6,938	11,476	4	(D)	167	2,619	541	1,438	(D)
Industrial chemicals and synthetics	17,032	68	14,887	1,929	4,428	1,474	717	5,251	2	63	0	2,012	489	935	0
Drugs	15,666	12	15,321	1,091	4,255	22	6,158	3,403	0	0	125	208	34	173	0
Soap, cleaners, and toilet goods	5,477	263	4,902	(D)	1,542	(D)	17	(D)	2	0	0	(D)	10	108	(D)
Other	3,920	49	3,485	(D)	382	(D)	46	(D)	1	(D)	42	(D)	8	222	(*)
Primary and fabricated metals	16,079	1,945	7,995	2,194	2,134	278	168	1,843	783	(D)	(D)	4,783	110	4,339	15
Primary metal industries	8,373	1,202	2,494	557	655	-3	98	458	(D)	(D)	9	3,951	54	3,573	3
Ferrous	5,236	262	1,278	442	273	-3	22	98	(D)	(D)	0	3,514	39	3,214	0
Nonferrous	3,137	940	1,215	115	382	0	77	360	(D)	(D)	9	432	15	359	3
Fabricated metal products	7,706	743	5,501	1,637	1,480	281	70	1,385	(D)	0	(D)	836	56	766	(D)
Machinery	31,883	3,522	21,422	5,578	1,892	2,482	5,145	64	79	155	6,490	393	5,594	130	
Industrial machinery and equipment	12,809	255	9,363	2,784	2,238	(D)	1,077	3,553	31	79	124	2,854	76	2,403	113
Computer and office equipment	1,098	19	538	183	(D)	49	57	11	5	0	43	449	0	316	44
Other	11,710	236	8,814	79	(D)	(D)	1,020	3,542	26	79	81	2,405	76	2,087	69
Electronic and other electric equipment	19,055	3,267	12,069	2,522	3,340	(D)	1,405	5,592	34	0	32	3,636	318	3,190	17
Audio, video, and communications equipment	6,168	(D)	2,630	1,424	-1	0	(D)	830	14	0	6	(D)	0	595	2
Electronic components and accessories	2,891	64	936	94	(D)	300	14	414	-1	0	26	1,852	2	1,800	13
Other	9,996	(D)	8,503	1,004	(D)	(D)	(D)	348	21	0	0	(D)	316	796	1
Other manufacturing	54,534	6,766	31,813	5,813	5,043	(D)	1,604	13,796	1,532	(D)	528	13,026	1,616	10,716	(D)
Textile products and apparel	3,718	449	1,881	235	37	128	1,031	220	1	367	799	0	0	572	1
Lumber, wood, furniture, and fixtures	1,139	187	493	1	178	1	69	189	(D)	0	(D)	369	136	207	0
Paper and allied products	5,703	651	3,478	7	94	(D)	335	1,142	14	(D)	(D)	689	289	255	(D)
Printing and publishing	8,668	4,407	3,481	131	(D)	(D)	32	2,011	20	(D)	8	729	(D)	517	24
Newspapers	346	(D)	39	0	1	0	0	37	1	0	0	(D)	1	0	0
Other	8,323	(D)	3,442	131	(D)	(D)	32	1,973	19	0	8	(D)	(D)	517	24
Rubber products	5,092	21	2,496	(D)	737	2	31	92	4	0	0	2,571	0	2,569	0
Miscellaneous plastics products	2,631	443	1,423	166	325	24	23	589	135	0	(*)	629	11	547	0
Stone, clay, and glass products	9,062	70	6,403	(D)	796	0	534	1,582	266	0	0	2,323	961	1,329	0
Transportation equipment	8,420	363	3,404	657	1,298	36	4	1,214	142	0	0	4,470	18	4,325	0
Motor vehicles and equipment	6,718	342	1,903	534	1,176	(D)	0	1,239	137	0	0	4,336	18	4,318	0
Other transportation equipment	1,702	22	1,541	123	122	(D)	4	1,086	5	0	0	134	0	7	0
Instruments and related products	6,256	38	5,394	517	411	2	401	3,318	529	0	25	271	0	244	0
Other	3,845	138	3,319	296	(D)	3	49	2,628	(D)	0	0	196	(D)	151	(D)
Wholesale trade	41,973	2,172	16,970	1,813	6,118	1,660	869	3,443	1,004	650	15	20,963	215	19,633	199
Motor vehicles and equipment	9,350	(D)	3,318	7	3,032	18	2	43	(D)	(D)	1	5,751	9	5,632	(*)
Professional and commercial equipment and supplies	4,560	31	1,634	11	397	442	376	298	1	0	-4	2,896	0	2,642	1
Metals and minerals, except petroleum	2,811	410	1,373	113	(D)	2	19	150	28	118	0	882	-3	816	0
Electrical goods	8,247	165	658	244	94	35	11	121	45	19	2	7,522	0	7,326	-24
Machinery, equipment, and supplies	3,245	68	1,243	96	449	48	196	277	43	6	6	1,798	0	1,721	26
Other durable goods	3,262	331	2,792	195	113	654	104	1,233	182	1	0	54	25	-71	2
Groceries and related products	3,729	(D)	687	5	37	(*)	(D)	280	152	(D)	1	398	0	332	2
Farm-product raw materials	1,085	2	589	(D)	12	5	39	84	(D)	(D)	0	223	3	212	0
Other nondurable goods	7,395	421	4,696	438	(D)	419	122	956	(D)	(D)	10	1,439	180	1,023	143
Retail trade	24,544	2,676	17,093	930	6,338	2,642	56	4,120	368	(*)	431	3,957	13	3,444	20
General merchandise stores	563	3	523	0	0	1	0	114	7	0	(*)	29	-2	30	0
Food stores	14,452	(D)	11,537	-2	5,480	(D)	38	2,096	233	0	0	(D)	0	(D)	16
Apparel and accessory stores	2,376	(D)	1,442	134	70	(D)	-1	750	49	0	0	(D)	7	(D)	0
Other	7,153	1,830	3,590	798	787	417	19	1,161	79	(*)	430	1,221	8	1,066	3
Finance, except depository institutions	6,001	364	2,701	166	167	398	893	1,087	(D)	2	-20	2,836	12	2,954	(D)
Insurance	10,658	1,003	6,017	(D)	(D)	771	172	2,667	(D)	0	14	74	10	23	(D)
Real estate	4,984	734	1,787	249	444	532	159	321	214	7	868	1,304	176	897	71
Services	21,840	2,893	13,002	2,059	1,496	437	2,429	4,710	1,493	15	307	4,112	286	3,045	17
Hotels and other lodging places	4,019	59	1,304	593	44	9	27	631	164	-1	210	2,284	(*)	1,618	0
Business services	8,946	405	6,568	664	116	346	1,471	2,858	1,022	11	48	875	116	664	17
Computer and data processing services	2,255	281	1,534	264	80	191	(D)	777	6	0	30	457	0	397	-53
Other business services	1,609	124	5,034	400	35	154	(D)	2,082	1,016	11	18	417	115	268	69
Motion pictures, including television tape and film	1,467	(D)	518	-57	2	3	(*)	517	22	0	0	(D)	0	17	0
Engineering, architectural, and surveying services	1,767	(D)	1,529	318	(D)	73	(D)	117	0	5	0	(D)	0	129	0
Accounting, research, management, and related services	1,164	4	844	(D)	46	(*)	(D)	387	6	0	5	304	(*)	302	1
Health services	2,704	666	1,946	50	(D)	0	(D)	62	-13	0	0	105	73	(D)	0
Other services	1,830	889	293	(D)	28	8	(D)	85	292	0	44	312	(D)	(D)	(*)
Other industries	40,398	4,003	32,225	(D)	(D)	(D)	633	14,981	682	(D)	(D)	3,031	(D)	1,248	178
Agriculture, forestry, and fishing	667	33	285	55	68	32	34	(D)	243	2	(D)	(D)	7	59	0
Mining	5,486	1,678	3,424	84	(D)	(*)	77	1,671	(D)	(D)	56	189	5	185	(*)
Coal	1,940	16	1,887	0	(D)	0	75	345	(D)	(D)	56	-19	(*)	-19	0
Other	3,546	1,662	1,537	84	(*)	2	2	1,325	(D)	(D)	0	208	5		

Table 22.1.—Employment by Nonbank U.S. Affiliates, State by Country of Ultimate Beneficial Owner, 1995

[Thousands of employees]

	All countries	Canada	Europe					Latin America and Other Western Hemisphere	Africa	Middle East	Asia and Pacific			United States	
			Total	Of which:							Total	Of which:			
				France	Germany	Netherlands	Switzerland					United Kingdom	Australia		Japan
Total	4,941.8	708.8	2,992.6	346.0	579.7	335.0	309.8	985.7	168.6	20.9	46.3	958.4	73.0	761.9	46.2
New England:															
Connecticut	73.3	6.6	57.4	7.7	13.2	11.9	5.7	13.2	1.0	.2	.5	7.0	.5	6.2	.6
Maine	29.1	11.4	12.3	.6	1.6	1.2	1.0	6.5	G	H	(*)	1.2	.2	1.1	.1
Massachusetts	141.5	19.7	93.6	10.6	13.0	6.8	16.8	38.9	1	.1	2.6	15.0	.9	13.3	G
New Hampshire	30.0	5.6	20.6	1.5	5.8	1.1	1.2	8.6	1.1	.1	.2	2.1	(*)	2.0	.3
Rhode Island	16.2	2.5	12.1	.7	2.3	1.1	.5	5.9	.1	.3	.1	.9	(*)	.8	.3
Vermont	10.4	4.8	3.9	.6	.8	1.1	1.0	.9	.1	0	(*)	.9	.1	.8	.6
Mideast:															
Delaware	15.8	G	10.4	.6	1.0	1.7	.7	4.9	.4	(*)	.7	1.3	(*)	.8	G
District of Columbia	13.4	1.8	6.8	.5	.3	.3	.5	4.3	.2	0	.3	4.2	.2	2.9	.1
Maryland	95.0	12.2	71.6	6.9	7.7	7.1	5.3	35.3	2.0	(*)	.3	8.1	.7	7.2	.6
New Jersey	205.2	22.5	136.9	19.9	30.8	11.9	22.5	36.9	4.2	G	1.1	35.9	1.0	29.7	3.5
New York	343.8	52.1	214.5	28.1	41.8	34.0	21.9	66.5	6.1	.2	5.9	55.6	3.9	43.6	9.3
Pennsylvania	231.6	27.8	173.3	20.7	33.0	22.6	10.2	68.9	3.1	.5	2.9	22.8	3.8	18.0	1.2
Great Lakes:															
Illinois	237.0	37.9	131.4	13.4	23.2	12.0	17.6	45.8	5.6	.2	2.1	57.2	3.7	43.5	2.4
Indiana	136.9	15.9	72.4	16.6	14.2	5.0	5.1	23.4	4.3	.5	1.0	42.2	1.1	40.2	.6
Michigan	170.3	28.4	106.3	7.9	29.5	12.4	7.6	29.9	1.6	1.4	.6	33.8	1.9	31.3	.2
Ohio	222.1	27.8	128.8	12.6	19.5	14.5	16.5	48.3	6.9	.8	1.7	55.1	1.6	51.7	1.0
Wisconsin	71.5	14.8	49.5	3.9	12.3	5.4	6.3	14.1	1.0	.1	.1	5.9	.8	4.7	(*)
Plains:															
Iowa	35.8	5.6	24.4	3.0	3.8	2.5	1.5	9.2	.2	5	(*)	4.9	.5	3.7	.2
Kansas	34.0	8.0	20.2	3.3	4.5	1.3	2.5	6.8	.5	.2	.1	4.8	.5	2.9	.3
Minnesota	79.8	12.2	59.0	4.0	7.5	21.8	4.0	16.1	.7	.3	.2	7.2	.7	3.6	.1
Missouri	79.3	15.0	50.4	5.6	11.8	4.4	6.8	16.0	1.4	A	G	9.8	.4	7.2	.9
Nebraska	15.7	3.5	9.2	1.9	1.7	.4	1.3	2.9	.5	.1	(*)	2.2	(*)	2.0	.2
North Dakota	3.2	.6	1.8	.2	.4	.2	.1	.8	.8	.1	(*)	.1	(*)	.1	(*)
South Dakota	4.6	1.2	2.9	.2	.9	.2	.2	1.2	(*)	(*)	0	.4	(*)	.4	(*)
Southeast:															
Alabama	60.6	9.6	35.4	11.1	4.2	1.6	4.1	7.9	2.4	1.2	.6	11.3	1.3	8.8	.1
Arkansas	32.1	4.7	17.0	3.0	2.6	1.7	2.1	3.2	.6	.5	.3	8.9	1.6	5.8	.1
Florida	210.0	39.6	116.9	15.7	19.7	9.1	8.8	37.2	17.9	4	2.2	31.4	4.6	21.6	1.6
Georgia	180.1	20.8	114.2	11.3	16.5	19.4	9.4	39.6	4.5	2.2	2.9	34.4	3.0	28.0	1.2
Kentucky	83.4	10.9	37.0	4.4	10.0	1.9	2.7	12.9	2.9	.3	2.5	29.6	.3	26.2	.2
Louisiana	51.0	4.3	31.1	4.0	8.0	6.1	2.0	7.2	7.8	.1	1.5	5.8	1.4	2.8	.4
Mississippi	22.6	4.8	13.8	2.6	1.9	.9	2.0	4.0	1.3	.3	.1	2.2	.9	1.2	.1
North Carolina	225.3	34.1	164.4	14.3	36.6	9.9	13.1	53.0	3.8	.3	1.8	20.2	1.8	17.0	.6
South Carolina	111.6	6.2	85.9	13.6	20.7	13.7	5.3	17.0	2.7	.7	.5	15.6	.7	13.7	(*)
Tennessee	136.3	19.1	81.6	6.2	6.9	14.7	6.8	30.8	2.4	.3	.7	32.0	2.2	28.1	.1
Virginia	141.4	12.3	103.2	9.2	17.3	5.3	8.0	35.8	H	.1	.3	20.1	.4	16.0	G
West Virginia	31.9	4.5	23.6	2.1	5.6	3.1	3.6	5.8	.4	(*)	.3	2.9	.6	2.2	.2
Southwest:															
Arizona	51.9	10.0	31.3	5.0	6.3	1.8	2.8	12.1	1.7	.1	.1	8.4	.6	6.4	.3
New Mexico	16.2	1.9	9.4	1.2	2.1	1.8	.2	3.6	.8	(*)	(*)	3.4	1.4	2.1	.5
Oklahoma	34.2	5.3	19.4	5.4	2.8	1.1	1.5	5.7	3.3	4	.2	5.1	.3	4.0	.5
Texas	326.4	53.5	187.3	21.4	35.5	22.1	19.6	57.7	22.9	1.4	5.2	52.9	9.4	30.4	3.1
Rocky Mountains:															
Colorado	72.2	12.9	41.7	3.0	6.4	3.1	5.5	18.8	1.6	4	.2	14.2	.9	9.6	1.2
Idaho	11.3	2.2	8.2	.5	H	.2	.9	1.7	.1	(*)	(*)	.8	(*)	.5	(*)
Montana	4.4	1.4	2.7	.2	.9	.2	.2	1.1	.1	(*)	(*)	.3	(*)	.3	(*)
Utah	28.6	4.2	18.7	.9	6.4	.9	1.8	6.7	.3	.2	(*)	5.0	.6	3.4	.1
Wyoming	6.9	.2	6.2	1.5	G	.1	.1	2.8	.4	0	(*)	(*)	(*)	(*)	(*)
Far West:															
Alaska	9.8	2.4	3.3	.2	.2	.7	.2	2.0	.3	0	(*)	3.2	.1	2.5	.6
California	548.6	71.8	265.5	31.1	51.3	23.9	40.7	89.4	16.7	1.0	4.0	185.6	12.9	143.5	4.1
Hawaii	48.9	1.6	4.3	.5	.6	G	.3	1.2	4.6	(*)	.2	37.7	1.7	34.3	.4
Nevada	25.0	6.9	12.2	.9	3.4	H	.8	3.1	.3	.8	(*)	4.5	1.2	3.2	.3
Oregon	49.7	6.2	28.3	1.3	12.8	1.1	2.2	5.5	.5	(*)	.2	14.1	.8	12.3	.4
Washington	83.0	17.3	43.2	3.4	13.1	4.1	5.6	10.1	1.1	.6	.2	19.2	1.4	15.4	1.5
Puerto Rico	27.4	.5	13.2	1.2	1.7	.9	2.6	5.3	I	0	(*)	3.8	.1	1.3	G
Other U.S. areas ¹	13.1	G	2.9	.1	.1	.6	(*)	.8	G	.1	(*)	6.5	.1	3.5	.2
Foreign ²	2.4	.9	1.0	(*)	.2	.3	.1	.3	.1	0	(*)	.4	.1	.3	(*)

* Less than 50 employees.

1. See footnote 3 to table 13.

2. See footnote 4 to table 13.

NOTES.—Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

Estimates for 1995 are revised.

Table 22.2.—Employment by Nonbank U.S. Affiliates, State by Country of Ultimate Beneficial Owner, 1996
[Thousands of employees]

	All countries	Canada	Europe					Latin America and Other Western Hemisphere	Africa	Middle East	Asia and Pacific			United States	
			Total	Of which:							Total	Of which:			
				France	Germany	Netherlands	Switzerland					United Kingdom	Australia		Japan
Total	4,977.5	618.6	3,103.9	411.8	610.2	378.8	306.2	972.6	155.4	22.7	61.8	972.9	77.4	776.4	42.2
New England:															
Connecticut	83.3	5.6	69.2	8.1	12.8	19.0	7.1	14.7	.9	.1	.7	6.2	.5	5.2	.6
Maine	30.6	11.2	11.7	.5	1.7	1.2	.6	6.1	H	H	(*)	2.4	.1	1.2	A
Massachusetts	163.2	19.4	114.7	10.2	14.8	26.8	16.7	37.6	J	.3	2.7	15.1	.6	13.8	G
New Hampshire	30.2	5.6	19.8	1.7	5.7	1.1	1.2	8.9	1.7	.4	.2	2.2	(*)	2.0	.2
Rhode Island	19.5	2.4	15.3	.5	1.7	.1	.5	7.0	(*)	.3	(*)	.9	(*)	.9	.3
Vermont	9.8	4.9	3.5	.7	.6	(*)	1.0	.7	.2	0	(*)	1.0	.1	.8	.2
Midwest:															
Delaware	15.4	.8	10.5	.5	1.1	1.5	.7	5.0	A	(*)	.7	1.6	(*)	.9	G
District of Columbia	11.8	1.3	6.9	.8	.5	.4	.5	4.1	.1	0	.3	3.1	.2	2.9	.1
Maryland	94.5	10.3	73.1	6.3	7.9	8.3	5.8	34.0	2.1	(*)	.4	8.3	.8	6.8	.3
New Jersey	206.5	11.1	142.3	22.0	33.2	14.6	23.2	34.1	7.4	G	2.0	39.1	7.7	33.1	H
New York	345.4	41.2	219.5	29.4	40.7	38.5	22.1	66.8	5.5	.8	9.9	59.7	4.8	47.2	8.9
Pennsylvania	234.3	23.1	180.3	23.5	32.3	23.7	9.6	71.0	3.5	.5	2.7	23.5	3.7	18.5	.8
Great Lakes:															
Illinois	229.7	35.2	132.8	14.4	24.5	14.2	18.9	42.2	5.4	.2	2.0	52.5	2.9	40.7	1.6
Indiana	124.9	15.4	70.8	14.2	15.3	5.1	4.8	23.6	4.4	.5	1.0	32.2	1.0	30.1	.5
Michigan	157.3	25.9	95.1	8.2	30.3	11.4	7.8	28.2	1.2	1.5	.7	32.7	1.9	30.0	.2
Ohio	223.6	23.2	132.2	15.5	24.4	14.5	15.2	46.2	6.1	.9	4.7	55.9	1.6	53.2	.5
Wisconsin	70.7	14.5	49.1	4.5	12.0	5.0	5.8	14.0	1.1	.1	.3	5.4	.8	4.1	.1
Plains:															
Iowa	36.3	5.2	24.5	3.2	3.7	2.4	1.5	9.1	.8	.5	(*)	5.1	.5	3.8	.1
Kansas	41.3	7.9	28.1	11.4	4.3	1.7	2.4	6.9	.5	.3	.1	4.2	.5	2.7	.2
Minnesota	88.9	17.1	64.4	5.2	9.4	22.5	3.4	18.6	.8	.3	.3	5.8	.7	2.6	.3
Missouri	183.6	14.7	55.0	10.2	13.3	4.4	7.7	13.9	1.6	1	2.0	9.6	.6	7.1	.6
Nebraska	81.1	2.7	12.3	2.1	1.8	.4	1.3	5.7	.6	.1	(*)	2.3	(*)	2.1	.1
North Dakota	4.8	.6	3.1	.4	1.7	.2	.1	.8	.1	.1	(*)	.2	0	.2	0
South Dakota	5.2	1.3	3.3	.2	.9	.2	.1	1.6	(*)	.1	.2	.4	(*)	.4	0
Southeast:															
Alabama	61.4	8.8	35.4	11.3	4.8	1.8	3.9	7.8	1.9	1.3	.7	13.3	1.6	9.2	(*)
Arkansas	35.1	4.0	19.2	5.1	2.7	1.6	1.6	3.8	.6	.5	.3	10.5	1.4	7.9	(*)
Florida	214.4	32.4	131.7	23.7	22.3	9.3	8.4	41.3	13.3	.4	2.6	32.8	5.3	22.8	1.3
Georgia	185.9	20.9	113.3	12.9	15.9	20.1	8.8	38.6	4.5	2.2	5.8	37.0	3.1	30.7	2.2
Kentucky	84.1	10.7	37.1	4.9	10.0	1.7	2.6	12.4	3.0	.4	1.8	30.9	.3	27.3	.2
Louisiana	54.4	4.1	32.2	6.0	7.6	6.3	1.9	7.1	9.2	A	1.5	5.3	1.3	2.7	G
Mississippi	21.6	4.5	12.1	3.5	1.8	1.0	.6	3.2	1.3	.3	.8	2.2	.9	1.2	.4
North Carolina	225.8	29.2	167.9	18.1	37.3	10.5	13.5	51.5	3.3	.3	3.2	20.9	1.9	17.2	.8
South Carolina	116.0	5.5	90.6	14.6	22.7	16.3	4.6	16.4	2.9	.9	.6	15.5	.7	13.4	(*)
Tennessee	133.6	18.2	81.1	8.2	8.4	15.2	5.3	29.9	2.3	.3	.6	31.3	2.3	27.5	(*)
Virginia	141.2	11.1	105.7	11.3	18.2	5.2	7.9	36.4	3.2	A	.5	19.5	.5	16.6	G
West Virginia	26.3	4.1	19.0	2.1	5.5	2.0	1.4	4.5	.2	(*)	.3	2.6	.6	1.9	(*)
Southwest:															
Arizona	56.7	11.0	31.6	5.5	6.8	1.9	3.1	11.0	1.2	.1	.2	12.4	4.7	6.3	.2
New Mexico	15.4	2.0	9.1	1.1	2.2	1.8	.2	3.1	.7	(*)	.1	3.1	1.1	1.9	.5
Oklahoma	35.0	5.1	19.9	6.2	2.7	1.1	1.3	5.8	3.2	.4	.2	5.7	.3	4.5	.5
Texas	316.9	36.0	195.4	27.8	40.1	20.7	19.5	56.6	22.2	1.5	5.7	53.7	9.0	33.5	2.4
Rocky Mountains:															
Colorado	69.8	9.7	42.4	3.8	6.7	2.6	5.5	18.9	1.6	.4	.4	14.1	.9	9.4	1.1
Idaho	11.7	2.0	8.6	.5	4.6	.2	.8	1.7	.3	(*)	(*)	.8	(*)	.3	(*)
Montana	4.2	1.2	2.5	.2	.9	.2	.2	.9	(*)	(*)	0	.5	(*)	.3	(*)
Utah	32.9	4.1	22.8	1.2	9.6	.9	2.1	7.0	.2	.2	.1	5.5	.5	3.8	(*)
Wyoming	6.1	.3	5.5	1.1	1.2	.1	.1	2.6	.3	0	(*)	(*)	(*)	(*)	(*)
Far West:															
Alaska	10.1	2.4	3.6	.1	.2	.7	.2	2.4	.3	(*)	(*)	3.0	.1	2.3	.9
California	545.3	58.4	268.6	34.9	52.4	24.3	42.5	84.4	16.3	.9	4.5	193.1	13.5	152.5	3.5
Hawaii	48.6	.9	6.6	2.5	.3	G	.4	1.7	2.7	(*)	.3	37.6	1.6	34.2	.6
Nevada	25.0	7.3	11.3	2.7	2.8	1.0	.8	3.3	.3	.8	(*)	4.9	1.6	3.1	.2
Oregon	49.1	6.1	27.4	1.9	12.0	1.1	2.3	4.7	.5	(*)	.2	14.5	.7	12.9	.4
Washington	86.0	17.2	44.8	4.1	13.9	4.1	5.8	10.0	1.1	.6	.5	20.3	1.3	16.5	1.5
Puerto Rico	19.4	.3	13.1	1.8	1.5	.8	2.8	3.6	.5	0	(*)	4.6	.1	1.3	.9
Other U.S. areas ¹	10.3	.1	3.2	G	.1	.7	.1	1.1	.3	(*)	(*)	6.5	.1	3.5	.2
Foreign ²	6.4	.5	4.6	A	.4	H	.1	.4	.1	0	0	1.2	(*)	1.2	(*)

* Less than 50 employees.
1. See footnote 3 to table 13.
2. See footnote 4 to table 13.

NOTES.—Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.
Estimates for 1996 are preliminary.