

Gross Product of U.S. Multinational Companies, 1977-91

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THIS ARTICLE presents estimates of gross product of nonbank U.S. multinational companies (MNC'S) based on data collected in Bureau of Economic Analysis (BEA) benchmark and annual surveys of U.S. direct investment abroad. These estimates, in combination with other estimates based on data from BEA surveys, provide insights into production by U.S. MNC'S.¹ They can be used, for example, to determine the shares of U.S. and foreign economies that are accounted for by U.S.-MNC production or to determine the foreign content of U.S.-MNC output.

Gross product is an economic accounting measure of the production of goods and services. For a firm, gross product can be measured as its gross output (sales or receipts and other operating income, plus inventory change) less its intermediate inputs (purchased goods and services); as such, gross product measures value added by the firm. Alternatively, gross product can be measured as the sum of costs incurred (other than for intermediate inputs), and profits earned, in production. The costs fall into four major categories: Employee compensation, net interest paid, indirect business taxes, and capital consumption allowance.² The estimates presented here were prepared by summing costs and profits.

The gross product estimates for U.S. MNC'S, for their parent companies, and for their majority-

owned foreign affiliates (MOFA'S) are available for the benchmark years 1977, 1982, and 1989; the estimates for MOFA'S are also available for 1990 and 1991.^{3 4}

The following are highlights of the estimates:

- Since 1977, there has been a modest shift in U.S. multinational companies' production away from foreign locations, with the foreign share of their total production declining from 25 percent in 1977 to 23 percent in 1989. A decrease in the foreign share in nonmanufacturing industries was partly offset by an increase in the foreign share in manufacturing.
- The U.S.-parent share of all-U.S.-business gross domestic product (GDP) declined from 32 percent in 1977 to 26 percent in 1989. Much of this decline reflected the concentration of U.S.-parent production in the slower growing segments of the U.S. economy, rather than a shift of U.S.-MNC production from the United States to foreign countries.

3. The necessary data for calculating U.S.-parent, and thus total U.S.-MNC, gross product are collected only in benchmark surveys. For MOFA'S, most of the necessary data are also collected in the annual surveys conducted in nonbenchmark years. Gross product estimates for minority-owned foreign affiliates are not available because most of the data necessary to construct them are not collected.

4. U.S.-MNC gross product estimates for 1977 were previously published in "Gross Product of U.S. Multinational Companies, 1977," *SURVEY OF CURRENT BUSINESS* 63 (February 1983): 24-29. Estimates for 1966 and 1970 appeared in "Gross Product of Foreign Affiliates of U.S. Companies," *SURVEY* 57 (February 1977): 17-28.

1. It should be noted that the estimates of the gross product of U.S. MNC'S are in current dollars; they are not adjusted for price changes or for changes in foreign exchange rates, both of which affect the relationship between changes in current-dollar gross product and changes in the real value of the goods and services produced by U.S. MNC'S.

2. In the U.S. national income and product accounts (NIPA'S), two measures of depreciation, or capital consumption, are used: (1) *Capital consumption allowance* (CCA) and (2) *consumption of fixed capital*. Capital consumption allowance consists of depreciation charges, based largely on tax returns, and allowances for accidental damage to fixed capital. Consumption of fixed capital adds adjustments to CCA in order to place depreciation on an economic basis (that is, using economic service lives, straight-line depreciation, and replacement-cost valuation). For majority-owned foreign affiliates, the only measure of consumption of fixed capital available from BEA'S survey data is the book value of depreciation, reported on a basis consistent with U.S. generally accepted accounting principles. Because it does not provide for replacement-cost valuation, this measure is termed "capital consumption allowance" in this article, although it reflects some of the adjustments that determine the difference between the NIPA measures of CCA and consumption of fixed capital. It should be noted that the basis for measuring depreciation has no effect on the value of total gross product; any differences in the measures of depreciation, which is a cost of production, have equal and offsetting effects on the profit-type-return component.

Acknowledgments

Ray Mataloni wrote the sections on gross product of U.S. MNC'S and U.S. parents; Lee Goldberg wrote the section on gross product of foreign affiliates. Arnold Gilbert, with the assistance of Marie Colosimo and Robert Price, developed and ran the computer programs used to estimate the components of gross product for which data were not reported, to prevent disclosure of company-specific data, and to generate the tables. Jeffrey Lowe prepared the estimates of net interest paid by U.S. MNC'S.

- Overall, U.S. parent companies did not increase their use of merchandise imports as inputs. In both 1977 and 1989, the U.S., or "local," content of U.S. parents' output was 94 percent. In manufacturing, however, the local content of parents' output decreased modestly, from 96 percent in 1977 to 93 percent in 1989.
- In 1989, the profitability of MOFA's—measured as the percentage of gross product that is accounted for by profit-type return—was 27 percent, compared with 16 percent for U.S. parents. The higher profitability of MOFA's partly reflected the fact that U.S. MNC's tend to limit their overseas operations to those that are expected to earn above-average profits in order to compensate for the added risks of operating abroad.
- U.S. multinationals do not appear to have shifted manufacturing operations to low-wage countries to any significant degree between 1977 and 1991. In both years, about 85 percent of MOFA gross product in manufacturing was accounted for by relatively high-wage countries.
- For most host countries, the share of the country's GDP that was accounted for by MOFA production was larger than the share of U.S. GDP that was accounted for by that country's U.S. affiliates. For example, MOFA gross product accounted for 7 percent of British GDP in 1991, whereas the U.S. affiliates of British companies accounted for only 1 percent of U.S. GDP.

parts examine the gross product of U.S. parents and of MOFA's, respectively. Within these parts, the structure of U.S.-MNC output, the share of the U.S. economy accounted for by U.S. parents, and the share of host economies accounted for by MOFA's are analyzed. The technical note discusses data sources, estimation procedures, and definitional differences between the estimates of U.S.-MNC gross product and the estimates of U.S. GDP that appear in the national income and product accounts (NIPA's).

Tables 11 and 12, which follow the article, present detailed gross product estimates for U.S. MNC's. Table 11 presents gross product of U.S. MNC's, by industry of U.S. parent, for 1977, 1982, and 1989. Table 12 presents gross product of MOFA's, cross-classified by country and by major industry of affiliate, for 1977, 1982, and 1989-91.

U.S. MNC's

In 1977-89, total gross product of U.S. MNC's grew at an average annual rate of 6 percent, from \$652 billion to \$1,365 billion. U.S.-parent and MOFA gross product grew at similar rates, 7 percent and

Key Terms

The following key terms are used to describe the members of U.S. multinational companies.

U.S. multinational company (MNC): The U.S. parent and all of its foreign affiliates. In this article, however, a U.S. MNC consists only of the U.S. parent and its majority-owned foreign affiliates (MOFA's).

U.S. parent: A person, resident in the United States, that owns or controls 10 percent or more of the voting securities, or the equivalent, of a foreign business enterprise. "Person" is broadly defined to include any individual, branch, partnership, associated group, association, estate, trust, corporation or other organization (whether or not organized under the laws of any State), or any government entity. If incorporated, the U.S. parent is the fully consolidated U.S. enterprise consisting of (1) the U.S. corporation whose voting securities are not owned more than 50 percent by another U.S. corporation, and (2) proceeding down each ownership chain from that U.S. corporation, any U.S. corporation (including Foreign Sales Corporations located within the United States) whose voting securities are more than 50 percent owned by the U.S. corporation above it. A U.S. parent comprises the domestic (U.S.) operations of a U.S. MNC.

Foreign affiliate: A foreign business enterprise in which there is U.S. direct investment, that is, in which a U.S. person owns or controls 10 percent or more of the voting securities or the equivalent. Affiliates comprise the foreign operations of a U.S. MNC.

Majority-owned foreign affiliate (MOFA): A foreign affiliate in which the combined ownership of all U.S. parents exceeds 50 percent.

Nonbank: An entity (MNC, parent, or affiliate) whose primary activity is not banking. Only nonbanks are covered by this article.

Table 1.—Gross Product of Nonbank U.S. MNC's, U.S. Parents, and MOFA's, Selected Years

	U.S. MNC's worldwide	U.S. parents	MOFA's
Millions of dollars:			
1977	651,665	490,529	161,136
1982	1,019,734	796,017	223,717
1989	1,364,878	1,044,884	319,994
1990	n.a.	n.a.	356,033
1991	n.a.	n.a.	356,069
Percent change at annual rates:			
1977-89	6	7	6
1977-82	9	10	7
1982-89	4	4	5
Share of total MNC gross product (percent):			
1977	100	75	25
1982	100	78	22
1989	100	77	23

n.a. Not available
MNC Multinational company
MOFA Majority-owned foreign affiliate

6 percent, respectively (table 1). By comparison, total private U.S. GDP in current dollars grew at an average annual rate of 9 percent. As discussed later, some of this difference resulted from differences between U.S. MNC's and all U.S. businesses in the industry composition of their gross product.

Between 1977 and 1989, there was a modest shift in U.S.-MNC production away from foreign

locations, with the MOFA share of their total production declining from 25 percent in 1977 to 23 percent in 1989. The shift, however, was concentrated in nonmanufacturing industries—mainly petroleum and transportation. In petroleum, the MOFA share of U.S.-MNC production fell from 54 percent to 44 percent, partly reflecting the gradual transfer of MOFA facilities in the Middle East to local investors. In transportation,

Table 2.—Structure of Output of Nonbank U.S. MNC's, by Major Industry of U.S. Parent, 1977, 1982, and 1989

	Millions of dollars							Percent			
	Sales to unaffiliated persons	Inventory change	Total output (col.1 + col.2 = col.4 + col.7)	Gross product			Purchases from outside the MNC ¹ (col.3 - col.4)	Share of total output accounted for by:			
				Total	U.S. parents	MOFA's		Gross product			Purchases from outside the MNC ((col.7 / col.3) × 100)
								Total ((col.4 / col.3) × 100)	U.S. parents ((col.5 / col.3) × 100)	MOFA's ((col.6 / col.3) × 100)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
1977											
All industries	1,717,181	19,881	1,737,062	651,665	490,529	161,136	1,085,397	38	28	9	62
Petroleum	312,491	3,841	316,332	114,051	52,052	61,999	202,281	36	16	20	64
Manufacturing	891,512	11,737	903,249	382,280	301,286	80,994	520,969	42	33	9	58
Food and kindred products	103,778	890	104,668	27,871	21,782	6,088	76,797	27	21	6	73
Chemicals and allied products	124,868	1,984	126,852	51,547	39,133	12,413	75,305	41	31	10	59
Primary and fabricated metals	104,896	518	105,414	40,209	35,380	4,829	65,205	38	34	5	62
Machinery, except electrical	105,274	2,200	107,474	60,402	42,356	18,046	47,072	56	39	17	44
Electric and electronic equipment	71,815	1,292	73,107	32,105	26,683	5,422	41,002	44	36	7	56
Transportation equipment	196,982	2,210	199,192	88,513	71,302	17,211	110,679	44	36	9	56
Other manufacturing	183,898	2,642	186,540	81,633	64,649	16,983	104,907	44	35	9	56
Wholesale trade	95,959	768	96,727	6,536	5,058	1,478	90,191	7	5	2	93
Finance (except banking), insurance, and real estate	135,375	350	135,725	29,230	22,825	6,404	106,495	22	17	5	78
Services	27,347	91	27,438	11,674	9,950	1,724	15,764	43	36	6	57
Other industries	254,497	3,094	257,591	107,895	99,358	8,537	149,696	42	39	3	58
1982											
All industries	2,809,252	-14,013	2,795,239	1,019,734	796,017	223,717	1,775,505	36	28	11	64
Petroleum	716,779	-3,859	712,920	211,937	134,096	77,841	500,983	30	19	8	70
Manufacturing	1,244,342	-10,624	1,233,718	542,689	421,050	121,639	691,029	44	34	10	56
Food and kindred products	152,715	-998	151,717	46,069	35,804	10,265	105,648	30	24	7	70
Chemicals and allied products	226,653	-1,964	224,689	93,054	66,234	26,820	131,635	41	29	12	59
Primary and fabricated metals	116,991	-2,162	114,829	43,592	37,215	6,377	71,237	38	32	6	62
Machinery, except electrical	149,891	-1,043	148,848	84,046	60,597	23,449	64,802	56	41	16	44
Electric and electronic equipment	140,795	-1,300	139,495	69,259	59,323	9,936	70,236	50	43	7	50
Transportation equipment	215,862	-1,149	214,713	91,170	71,256	19,914	123,543	42	33	9	58
Other manufacturing	241,435	-2,010	239,425	115,499	90,621	24,878	123,926	48	38	10	52
Wholesale trade	158,350	-604	157,746	17,427	13,604	3,823	140,319	11	9	2	89
Finance (except banking), insurance, and real estate	219,544	-364	219,180	31,823	22,801	9,022	187,357	15	10	4	85
Services	53,780	-102	53,678	29,362	25,997	3,365	24,316	55	48	6	45
Other industries	416,458	1,541	417,999	186,496	178,469	8,027	231,503	45	43	2	55
1989											
All industries	3,780,150	15,656	3,795,806	1,364,878	1,044,884	319,994	2,430,928	36	28	8	64
Petroleum	454,570	-335	454,235	165,680	93,128	72,552	288,555	36	21	16	64
Manufacturing	1,949,221	10,151	1,959,372	793,771	586,568	207,203	1,165,601	41	30	11	59
Food and kindred products	238,629	-564	238,065	79,472	60,310	19,162	158,593	33	25	8	67
Chemicals and allied products	321,167	1,745	322,912	141,006	97,119	43,887	181,906	44	30	14	56
Primary and fabricated metals	122,068	610	122,678	45,775	37,556	8,219	76,903	37	31	7	63
Machinery, except electrical	249,741	2,935	252,676	116,146	70,887	45,259	136,530	46	28	18	54
Electric and electronic equipment	169,909	1,898	171,807	68,515	56,139	12,376	103,292	40	33	7	60
Transportation equipment	432,713	1,133	433,846	160,292	121,141	39,151	273,554	37	28	9	63
Other manufacturing	414,994	2,395	417,389	182,567	143,417	39,150	234,822	44	34	9	56
Wholesale trade	254,746	1,234	255,980	28,766	22,587	6,179	227,214	11	9	2	89
Finance (except banking), insurance, and real estate	433,328	-1,058	432,270	62,715	50,535	12,180	369,555	15	12	3	85
Services	125,561	545	126,106	66,999	57,090	9,909	59,107	53	45	8	47
Other industries	562,724	5,119	567,843	246,946	234,975	11,971	320,897	43	41	2	57

1. Includes purchases from minority-owned foreign affiliates, which could not be excluded because the necessary data are unavailable.

MNC Multinational company
MOFA Majority-owned foreign affiliate

the MOFA share decreased from 8 percent to 2 percent, partly reflecting the entrance into the U.S.-MNC universe in the late 1980's of a few U.S. companies, mainly airlines, whose long-established domestic operations were much larger than their newly established foreign operations. In manufacturing, by contrast, the MOFA share of U.S.-MNC production increased from 21 to 26 percent, partly reflecting faster growth in foreign sales than in domestic sales by these U.S. MNC's.

Structure of output

When compared with total U.S.-MNC output, gross product provides insight into the production methods of U.S. MNC's. U.S.-MNC output is equal to sales to unaffiliated persons plus inventory change; alternatively, it can be defined as the gross product of U.S. MNC's plus their purchases from outsiders. Two ratios are particularly useful for examining the structure of output of U.S. MNC's. The ratio of U.S.-MNC gross product to U.S.-MNC output measures the extent to which output by U.S. MNC's reflects their own production rather than that of outside suppliers (table 2, column 8). A second ratio, U.S.-parent gross product as a share of total U.S.-MNC output, measures the extent to which U.S. MNC's produce in the United States rather than purchasing from outsiders or producing through MOFA's (table 2, column 9).

Overall, the structure of U.S.-MNC output changed little from 1977 to 1989. The gross-product share of U.S.-MNC output decreased 2 percentage points, to 36 percent, as U.S. parents, but not MOFA's, increased their reliance on outside suppliers for intermediate goods and services. Similar changes occurred in manufacturing.

Overall, the U.S. parents' gross-product share of total U.S. MNC output was unchanged, at 28

percent, from 1977 to 1989. However, there were a number of offsetting changes among major industry groups. In manufacturing, the U.S. parents' share declined 3 percentage points, partly reflecting faster growth in foreign sales than in domestic sales. This decline was offset by increases in the U.S. parents' share in petroleum, wholesale trade, services, and "other" industries.

U.S. Parents

Gross product of U.S. parents was \$1,045 billion in 1989. It accounted for 26 percent of all-U.S.-business GDP, down from 32 percent in 1977 (table 3).^{5 6} Much of this decline reflected the relatively high concentration of U.S. parents in slower growing segments of the economy, such as "petroleum extraction and refining" and manufacturing. In 1989, "petroleum extraction and refining" accounted for 8 percent of U.S.-parent gross product, but for only 2 percent of all-U.S.-business GDP; manufacturing accounted for 56 percent of U.S.-parent gross product, but for only 24 percent of all-U.S.-business GDP (chart 1).^{7 8}

5. For this analysis, the estimates of all-U.S.-business GDP exclude the segments of the U.S. economy in which nonbank parents do not (or cannot) have a presence—including banks, government and government enterprises, and private households. (See footnote 1 to table 3 for additional details.)

6. At the all-industries level, the estimates of U.S.-parent gross product are generally consistent with the estimates of U.S. GDP in the NIPA's (see the technical note). For individual industries, however, inconsistencies may result from differences in the basis for the industrial distribution of the estimates. All-U.S.-business GDP is distributed among industries based on the principal product or service of each establishment, or plant, whereas U.S.-parent gross product is distributed on an enterprise, or company, basis, with each U.S. parent classified on the basis of the principal industry of all its establishments combined. Because establishments of a large company may be classified in different industries, distributions of data by industry of establishment and by industry of enterprise can differ significantly, particularly in the case of data that are highly disaggregated. In this article, U.S.-parent gross product as a share of all-U.S.-business GDP is computed only at the highly aggregated level shown in table 3.

7. For these comparisons, petroleum and coal product manufacturing is excluded from "manufacturing" and included in "petroleum extraction and refining."

8. Changes in the industrial composition of current-dollar GDP may reflect changes in relative prices as well as changes in the composition of the

Table 3.—Gross Product of Nonbank U.S. Parents and GDP of All Nonbank U.S. Businesses, by Major Industry, 1977, 1982, and 1989

	Millions of dollars						Percent		
	1977		1982		1989		U.S.-parent share of all-U.S.-business GDP		
	Gross product of U.S. parents	GDP of all U.S. businesses ¹	Gross product of U.S. parents	GDP of all U.S. businesses ¹	Gross product of U.S. parents	GDP of all U.S. businesses ¹	1977	1982	1989
All industries	490,529	1,520,300	796,017	2,412,000	1,044,884	4,028,800	32	33	26
Petroleum extraction and refining	46,784	51,900	116,157	148,100	85,777	97,300	90	78	88
Manufacturing ²	301,286	452,900	421,050	622,000	586,568	966,100	67	68	61
Services	9,950	249,800	25,997	463,500	57,090	939,900	4	6	6
All other industries	132,509	765,700	232,813	1,178,400	315,449	2,025,500	17	20	16

1. Excludes GDP of banks, government and government enterprises, and private households; imputed rental income of owner-occupied farm and nonfarm housing; rental income of persons; business transfer payments; subsidies; and the statistical discrepancy.

2. Excludes petroleum and coal product manufacturing, which is included in "petroleum extraction and refining."

NOTE.—The "petroleum extraction and refining" category in this table corresponds to the "petroleum" category in other tables in this article except that it excludes wholesale trade, tanker operations, pipelines, storage for hire, and gasoline service stations. The "manufacturing" and "services" categories in this table correspond to categories of the same name in the other tables in this article.

The growth in gross product by U.S. parents was further depressed by their relatively low concentration in services, a faster growing segment of the economy. Services accounted for 5 percent of U.S.-parent gross product in 1989, compared with 23 percent of all-U.S.-business GDP.

Gross product by component

Table 4 shows U.S.-parent gross product in 1977, 1982, and 1989 by major industry, disaggregated into the five components of costs and profits. In 1989, in all industries combined, employee compensation accounted for 64 percent of U.S.-parent gross product, profit-type return for 16 percent, net interest paid for 3 percent, indirect business taxes for 6 percent, and capital consumption allowances for 12 percent.

In manufacturing and wholesale trade, the component shares of gross product closely mirrored the average component shares of gross product for all industries. However, in petroleum, services, "finance (except banking), insurance, and real estate" (FIRE), and "other" industries, component shares differed considerably from the all-industries averages. In petroleum, employee compensation accounted for a lower-than-average share of U.S.-parent gross product, and indirect business taxes and capital

consumption allowances accounted for higher-than-average shares. These differences reflect the capital-intensive nature of petroleum extraction and refining and the relatively high level of excise taxes on petroleum products. In services, the employee-compensation share was higher than average, reflecting the labor-intensive nature of many types of services. In FIRE, the employee-compensation and profit-type-return shares were higher than average, and in "other" industries, the capital-consumption-allowances share was higher than average.

Structure of output

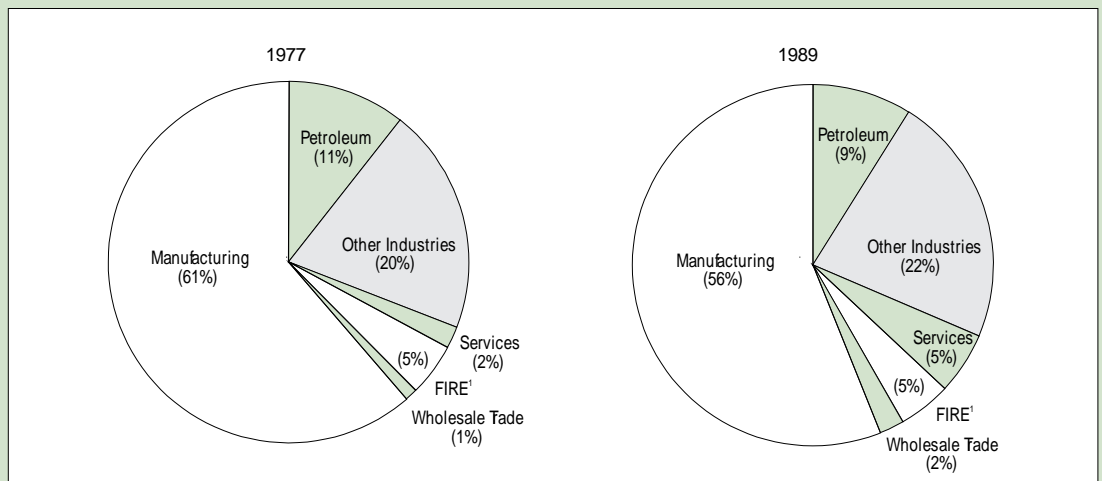
This section examines changes in the structure of U.S.-parent output from 1977 to 1989. Changes in the gross-product share of U.S.-parent output will be examined first, followed by an examination of changes in the local content of U.S.-parent output. It should be noted that from the perspective of a U.S. parent, unlike that of the worldwide U.S. MNC, total purchases (shown in table 5, column 5) includes purchases from foreign affiliates as well as from unaffiliated U.S. and foreign persons.

In all industries combined, the gross-product share of U.S.-parent output edged down from 34 percent in 1977 to 33 percent in 1989. In manufacturing, the gross-product share declined from 40 percent to 38 percent, as the shares of output accounted for by both imports from foreign

goods and services produced. For details, see "Gross Product by Industry, 1977-90," SURVEY 73 (May 1993): 36-37.

CHART 1

Gross Product of Nonbank U.S. Parents, by Major Industry, 1977 and 1989



1. Finance (except banking), insurance, and real estate.

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

affiliates and purchases from outside the MNC increased.

Among manufacturing industries, the largest decreases in the gross-product share of U.S.-parent output were in nonelectrical machinery (mainly computers), down 11 percentage points; transportation equipment (mainly automobiles), down 10 percentage points; and electric and electronic equipment, down 4 percentage points. In these industries, the movement by U.S. parents away from internal production and toward greater reliance on outside suppliers may have been in response to increased global competition; to improve their competitiveness, parents may have sought to specialize in areas in which they had an advantage and to allocate other functions to foreign affiliates and to companies

outside the MNC. The largest increase in the gross-product share of U.S.-parent output was in food manufacturing, up 6 percentage points.⁹

The local (U.S.) content of U.S.-parents' output—the portion of their output accounted for by their own production and by inputs

9. It should be noted that changes in the gross-product share of U.S.-parent output in a particular manufacturing industry may reflect changes in the U.S. parents' industry composition in addition to actual changes in the structure of U.S.-parent output. As mentioned earlier, the U.S.-parent data are on an enterprise basis; thus, the totals for a particular industry cover both the parents' activities in their primary industry and in their secondary industries. As a result, changes in the gross-product share of output in a particular industry may reflect changes in the composition of the secondary activities of the U.S. parents classified in that industry rather than a tendency for U.S. parents to produce more or less of what they sell in a particular industry. For example, if a U.S. parent classified in wholesale trade (where the ratio of gross product to output is relatively low) ventures into a secondary industry like pharmaceutical manufacturing (where the ratio of gross product to output is relatively high), its gross-product share will rise, even if the purchasing patterns in its primary industry do not change.

Table 4.—Gross Product of Nonbank U.S. Parents, Major Industry by Component, 1977, 1982, and 1989

(Millions of dollars)

	Gross product	Employee compensation	Profit-type return	Net interest	Indirect business taxes, etc.	Capital consumption allowances
1977						
All industries	490,529	305,504	103,375	9,823	32,642	39,185
Petroleum	52,052	17,093	16,008	2,140	9,913	6,898
Manufacturing	301,286	204,782	58,005	4,363	13,734	20,402
Food and kindred products	21,782	13,142	4,826	519	2,021	1,274
Chemicals and allied products	39,133	22,959	10,023	1,025	1,346	3,781
Primary and fabricated metals	35,380	27,347	2,871	1,143	1,086	2,933
Machinery, except electrical	42,356	28,708	9,552	272	822	3,003
Electric and electronic equipment	26,683	19,210	4,980	309	796	1,388
Transportation equipment	71,302	53,030	12,437	-650	3,108	3,378
Other manufacturing	64,649	40,386	13,317	1,745	4,555	4,646
Wholesale trade	5,058	3,273	881	330	310	264
Finance (except banking), insurance, and real estate ...	22,825	14,166	8,717	-2,849	1,988	803
Services	9,950	7,066	1,795	238	617	233
Other industries	99,358	59,124	17,969	5,601	6,080	10,585
1982						
All industries	796,017	520,383	121,061	10,687	63,026	80,860
Petroleum	134,096	43,876	29,341	8,144	34,134	18,601
Manufacturing	421,050	313,068	48,163	6,980	15,586	37,254
Food and kindred products	35,804	22,755	6,919	1,081	2,484	2,565
Chemicals and allied products	66,234	43,102	11,071	1,838	2,683	7,540
Primary and fabricated metals	37,215	31,994	-1,696	2,085	1,194	3,637
Machinery, except electrical	60,597	44,467	7,851	1,489	1,211	5,579
Electric and electronic equipment	59,323	45,975	8,223	-236	962	4,399
Transportation equipment	71,256	64,201	2,162	-1,753	1,604	5,043
Other manufacturing	90,621	60,573	13,634	2,474	5,449	8,491
Wholesale trade	13,604	8,591	2,301	1,088	566	1,058
Finance (except banking), insurance, and real estate ...	22,801	26,409	9,853	-18,319	3,263	1,595
Services	25,997	18,054	3,832	1,183	600	2,329
Other industries	178,469	110,385	27,571	11,611	8,878	20,024
1989						
All industries	1,044,884	666,196	164,910	26,344	66,639	120,795
Petroleum	93,128	27,140	15,807	9,086	22,092	19,003
Manufacturing	586,568	393,495	86,214	25,258	21,943	59,658
Food and kindred products	60,310	28,633	14,574	4,886	6,372	5,844
Chemicals and allied products	97,119	54,004	23,389	4,423	3,044	12,258
Primary and fabricated metals	37,556	26,562	6,335	908	986	2,765
Machinery, except electrical	70,887	56,649	1,799	2,397	2,606	7,436
Electric and electronic equipment	56,139	40,398	9,218	-683	1,084	6,121
Transportation equipment	121,141	94,585	11,552	415	2,551	12,037
Other manufacturing	143,417	92,664	19,347	12,911	5,299	13,196
Wholesale trade	22,587	13,982	3,176	1,654	1,656	2,120
Finance (except banking), insurance, and real estate ...	50,535	46,830	16,406	-22,821	6,667	3,454
Services	57,090	41,414	5,949	3,096	1,767	4,864
Other industries	234,975	143,335	37,358	10,071	12,513	31,697

purchased from other U.S. companies—in all industries was 94 percent in both 1977 and 1989. By industry, there were offsetting changes over the period; local content increased in petroleum and

decreased in manufacturing and wholesale trade (table 5, column 14).¹⁰

10. The precision of this measure of local content is limited by the following qualifications. First, the measure of domestic, or "other," purchases

Table 5.—Structure of Output of Nonbank U.S. Parents, by Major Industry, 1977, 1982, and 1989

	Millions of dollars									Percent				
	Sales (1)	Inventory change (2)	Total output (col.1 + col.2 = col.4 + col.5) (3)	Gross product (4)	Purchases					Local content of output ³ (col.4 + col.9) (10)	Share of total output accounted for by:			
					Total (col.3 - col.4) (5)	Merchandise imports			Other ² (col.5 - col.6) (9)		U.S. parent gross product (col.3 / col.3) × 100 (11)	Merchandise imports from foreign affiliates (col.7 / col.3) × 100 (12)	Purchases from outside the MNC (col.8 + col.9 / col.3) × 100 (13)	Addendum: Local content (col.10 / col.3) × 100 (14)
						Total (6)	Shipped by foreign affiliates ¹ (7)	Shipped by unaffiliated foreign persons (8)						
1977														
All industries	1,412,293	14,155	1,426,448	490,529	935,919	81,500	36,266	45,234	854,419	1,344,948	34	3	63	94
Petroleum	221,757	3,185	224,942	52,052	172,890	37,266	16,496	20,770	135,624	187,676	23	7	70	83
Manufacturing	739,460	7,253	746,713	301,286	445,427	30,247	16,807	13,440	415,180	716,466	40	2	57	96
Food and kindred products	83,422	530	83,952	21,782	62,170	2,219	563	1,656	59,951	81,733	26	1	73	97
Chemicals and allied products	96,474	1,169	97,643	39,133	58,510	2,824	978	1,846	55,686	94,819	40	1	59	97
Primary and fabricated metals	94,563	300	94,863	35,380	59,483	3,116	1,141	1,975	56,367	91,747	37	1	62	97
Machinery, except electrical	80,174	1,463	81,637	42,356	39,281	2,178	1,260	918	37,103	79,459	52	2	47	97
Electric and electronic equipment	62,631	1,038	63,669	26,683	36,986	3,496	2,139	1,357	33,490	60,173	42	3	55	95
Transportation equipment	165,681	994	166,675	71,302	95,373	12,224	8,949	3,275	83,149	154,451	43	5	52	93
Other manufacturing	156,516	1,759	158,275	64,649	93,626	4,188	1,776	2,412	89,438	154,087	41	1	58	97
Wholesale trade	77,683	628	78,311	5,058	73,253	9,824	1,513	8,311	63,429	68,487	6	2	92	87
Finance (except banking), insurance, and real estate	119,596	107	119,703	22,825	96,878	(D)	108	(D)	(D)	(D)	19	(*)	(D)	(D)
Services	23,777	78	23,855	9,950	13,905	(D)	36	(D)	(D)	(D)	42	(*)	(D)	(D)
Other industries	230,020	2,904	232,924	99,358	133,566	(D)	1,306	(D)	(D)	(D)	43	(*)	(D)	(D)
1982														
All industries	2,348,388	-7,380	2,341,008	796,017	1,544,991	108,651	39,288	69,363	1,436,340	2,232,357	34	2	64	95
Petroleum	570,213	-2,714	567,499	134,096	433,403	52,930	11,027	41,903	380,473	514,569	24	2	74	91
Manufacturing	1,017,591	-6,040	1,011,551	421,050	590,501	41,081	24,959	16,122	549,420	970,470	42	2	56	96
Food and kindred products	119,431	-642	118,789	35,804	82,985	3,060	651	2,409	79,925	115,729	30	1	69	97
Chemicals and allied products	169,628	-981	168,647	66,234	102,413	4,835	1,848	2,987	97,578	163,812	39	1	60	97
Primary and fabricated metals	100,142	-1,635	98,507	37,215	61,292	2,964	1,373	1,591	58,328	95,543	38	1	61	97
Machinery, except electrical	115,679	-558	115,121	60,597	54,524	3,765	2,786	979	50,759	111,356	53	2	45	97
Electric and electronic equipment	126,194	-950	125,244	59,323	65,921	7,137	3,842	3,295	58,784	118,107	47	3	50	94
Transportation equipment	182,242	-31	182,211	71,256	110,955	13,841	12,038	1,803	97,114	168,370	39	7	54	92
Other manufacturing	204,276	-1,244	203,032	90,621	112,411	5,480	2,421	3,059	106,931	197,552	45	1	54	97
Wholesale trade	129,493	-138	129,355	13,604	115,751	9,599	828	8,771	106,152	119,756	11	1	89	93
Finance (except banking), insurance, and real estate	196,492	-79	196,413	22,801	173,612	(D)	105	(D)	(D)	(D)	12	(*)	(D)	(D)
Services	46,745	-69	46,676	25,997	20,679	(D)	23	(D)	(D)	(D)	56	(*)	(D)	(D)
Other industries	387,854	1,661	389,515	178,469	211,046	4,772	2,345	2,427	206,274	384,743	46	1	54	99
1989														
All industries	3,136,837	13,474	3,150,311	1,044,884	2,105,427	178,526	74,738	103,788	1,926,901	2,971,785	33	2	64	94
Petroleum	328,989	-464	328,525	93,128	235,397	25,976	7,789	18,187	209,421	302,549	28	2	69	92
Manufacturing	1,553,374	6,945	1,560,319	586,568	973,751	106,532	61,122	45,410	867,219	1,453,787	38	4	58	93
Food and kindred products	190,617	254	190,871	60,310	130,561	3,609	966	2,643	126,952	187,262	32	1	68	98
Chemicals and allied products	235,731	817	236,548	97,119	139,429	11,783	3,708	8,075	127,646	224,765	41	2	57	95
Primary and fabricated metals	104,727	346	105,073	37,556	67,517	5,665	2,088	3,577	61,852	99,408	36	2	62	95
Machinery, except electrical	171,239	1,447	172,686	70,887	101,799	16,660	11,763	4,897	85,139	156,026	41	7	52	90
Electric and electronic equipment	146,277	1,132	147,409	56,139	91,270	13,169	5,382	7,787	78,101	134,240	38	4	58	91
Transportation equipment	361,979	1,181	363,160	121,141	242,019	44,973	31,808	13,165	197,046	318,187	33	9	58	88
Other manufacturing	342,804	1,768	344,572	143,417	201,155	10,674	5,407	5,267	190,481	333,898	42	2	57	97
Wholesale trade	226,707	1,249	227,956	22,587	205,369	34,644	2,492	32,152	170,725	193,312	10	1	89	85
Finance (except banking), insurance, and real estate	394,461	1,238	395,699	50,535	345,164	(D)	(D)	357	(D)	(D)	13	(D)	(D)	(D)
Services	106,517	214	106,731	57,090	49,641	508	219	289	49,133	106,223	53	(*)	46	100
Other industries	526,789	4,292	531,081	234,975	296,106	(D)	(D)	7,393	(D)	(D)	44	(D)	(D)	(D)

* Less than 0.5 percent.

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

1. As reported on parents' forms.

2. Includes purchases of goods and services from U.S. residents and purchases of services from foreign resi-

dents.

3. The local content of output is overstated to the extent that "other" purchases (column 9) include imported services and that imported merchandise and services are embodied in purchases from domestic suppliers. (These items were not reported separately and thus could not be identified and included in foreign content.)

In manufacturing, the local content of output decreased modestly, from 96 percent in 1977 to 93 percent in 1989. This decrease reflected the substitution of merchandise imports for products that U.S. parents formerly produced themselves. The gross-product share of U.S.-parent output (table 5, column 11) fell 2 percentage points, and the U.S.-import share of U.S.-parent output (table 5, column 6 divided by column 3) increased by a like amount. This decrease in local content appears to have occurred among other U.S. manufacturing companies as well; the share of U.S. gross domestic purchases of goods accounted for by U.S. merchandise imports shipped to companies other than U.S. parents increased from 8 percent in 1977 to 13 percent in 1989.

Judging from the patterns of trade between U.S. parents and MOFA's, this decrease in local content primarily reflected increased imports from high-wage countries (such as Canada and

Japan).^{11 12} It does not, therefore, appear to have been primarily a reflection of U.S. parents shifting their production of goods for the U.S. market to low-wage countries. Thirty-seven percent of the increase in imports shipped by MOFA's to U.S. parents came from low-wage countries.

MOFA'S

Country and industry trends

In this section, trends in the gross product of MOFA's are examined using estimates from BEA's annual surveys for 1990 and 1991 and from its benchmark surveys for 1977, 1982, and 1989. Gross product by MOFA's in all industries combined was \$356 billion in 1991. MOFA's in manufacturing accounted for \$182 billion, or just over one-half of the total (chart 2). MOFA's in petroleum accounted for one-quarter of the total, and MOFA's in wholesale trade for about one-eighth. From 1977 to 1991, the share of MOFA gross product in petroleum shrank from 38 percent to 25

11. Data on imports shipped by unaffiliated foreigners to U.S. parents are not available for individual countries.

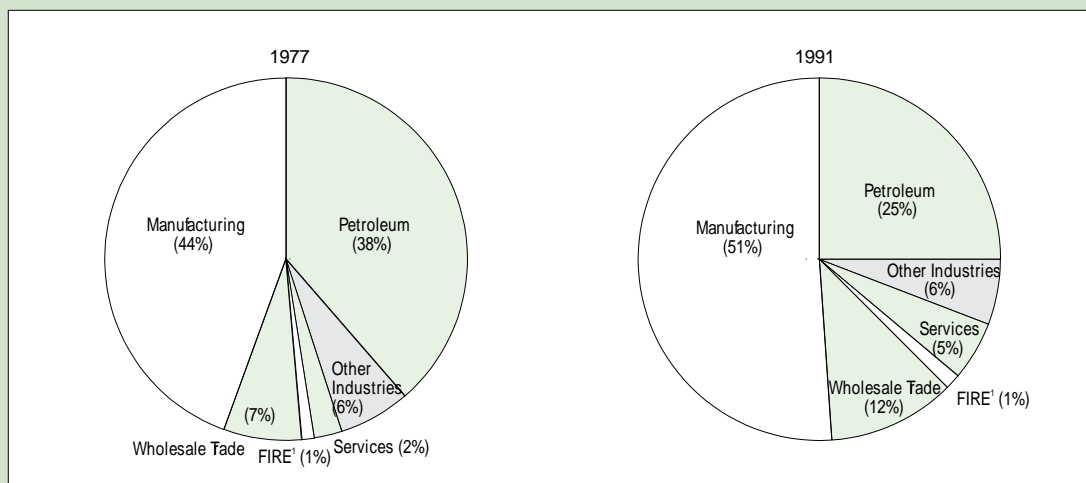
12. The distinction between "high-wage" and "low-wage" countries is based on the 1989 estimates of average hourly wages of production workers of MOFA's in the 26 countries that hosted at least 10,000 employees of manufacturing MOFA's in that year. A country was classified as "low wage" if the average hourly compensation of production workers in manufacturing MOFA's was below the MOFA average or as "high wage" if the compensation was above the MOFA average.

The estimates are derived from data collected in the 1989 benchmark survey of U.S. direct investment abroad. For details, see "U.S. Multinational Companies: Operations in 1991," SURVEY 73 (July 1993): 47-48.

used (table 5, column 9) is overstated because merchandise imports (table 5, column 6) includes only the direct merchandise imports of U.S. parents and therefore excludes any imports embodied in purchases from domestic suppliers. Second, merchandise imports are reported on the basis of when, where, and to whom the goods were shipped. Most U.S. parents account for sales on the basis of when, where, and to whom the goods were charged. Thus, the derived data on output (the denominator of the local content ratio) are on a "charged" basis and are not completely comparable to the import data used in deriving the numerator. Third, "other" purchases are overstated because they include purchases of services from foreigners, which are not reported separately and thus could not be subtracted from total purchases.

CHART 2

Gross Product of Nonbank Majority-Owned Foreign Affiliates, by Major Industry, 1977 and 1991



1. Finance (except banking), insurance and real estate.

percent, and the share in manufacturing rose from 44 percent to 51 percent.

Most of MOFA gross product originated in the major industrialized countries. MOFA's in Europe accounted for \$218 billion, or 61 percent, of the worldwide total (table 6 and chart 3). Among countries, the United Kingdom was the biggest single host of affiliate production, with \$59 billion in gross product, or 17 percent of the total, followed by MOFA's in Germany (14 percent), Canada (13 percent), France (8 percent), Italy (6 percent), and Japan (5 percent).

Outside the principal industrial economies, MOFA's in Brazil and Mexico accounted for the largest shares of gross product—between 2 and 3 percent each. Despite the increasing importance of the newly industrialized countries of the Asia and Pacific region to the U.S. economy, MOFA's in the rapidly growing economies of this region still accounted for a relatively small share of total

MOFA gross product. MOFA's in Indonesia, Singapore, and Hong Kong had the largest shares, but each country's share was only about 1 percent of the worldwide total.

Trends in the geographic location of the foreign manufacturing operations of U.S. MNC's do not appear to have been related primarily to differences in labor costs among countries. Of countries with large MOFA employment, the share of MOFA manufacturing gross product for "low-wage" host countries rose slightly, from 15 percent in 1977 to 16 percent in 1991, while the share for "high-wage" countries decreased slightly, from 85 percent to 84 percent.

The most notable changes in the geographic distribution of MOFA gross product since 1977 were an increase in the share of the total accounted for by MOFA's in Europe and a decrease in the share of MOFA's in the Middle East.

Table 6.—Gross Product of Nonbank Majority-Owned Foreign Affiliates, by Country, 1977, 1982, and 1989–91

[Millions of dollars]

	1977	1982	1989	1990	1991		1977	1982	1989	1990	1991
All countries	161,136	223,717	319,994	356,033	356,069	Other Western Hemisphere	2,230	2,654	1,549	1,351	262
Canada	27,783	34,017	52,114	50,820	47,126	Bahamas	157	209	425	286	279
Europe	69,360	112,577	179,758	213,419	217,515	Barbados	25	59	203	193	159
Austria	844	981	2,021	2,380	2,365	Bermuda	398	82	-113	-210	-727
Belgium	4,244	5,127	8,540	10,081	9,831	Dominican Republic	226	122	209	263	270
Denmark	672	1,334	1,243	1,476	1,894	Jamaica	370	403	455	338	334
Finland	247	574	1,065	1,203	1,125	Netherlands Antilles	89	189	-244	-506	-802
France	9,688	12,196	22,625	27,410	27,306	Trinidad and Tobago	(P)	(P)	497	775	642
Germany ¹	18,115	24,756	35,683	46,969	49,524	United Kingdom Islands, Caribbean	24	23	-10	74	9
Greece	389	497	677	925	1,169	Other	(P)	(P)	128	136	97
Ireland	762	1,893	4,473	5,416	5,318	Africa	8,020	10,055	5,299	6,162	6,074
Italy	5,825	8,481	16,487	18,967	20,308	Egypt	344	1,389	769	1,016	849
Luxembourg	198	235	587	730	672	Nigeria	1,848	2,219	1,733	2,222	2,239
Netherlands	4,209	5,392	13,214	13,724	13,444	South Africa	1,317	2,330	701	698	752
Norway	1,655	4,440	4,164	5,120	4,939	Other	4,511	4,117	2,097	2,226	2,235
Portugal	178	341	997	1,269	1,507	Middle East	22,260	8,112	4,891	3,206	2,882
Spain	2,019	2,571	7,398	8,428	8,308	Israel	225	280	359	577	632
Sweden	1,103	1,889	2,229	2,128	2,432	Saudi Arabia	(P)	3,965	2,735	123	254
Switzerland	2,015	3,198	5,106	6,072	6,756	United Arab Emirates	1,117	3,060	1,176	1,644	1,475
Turkey	266	152	463	812	848	Other	(P)	808	621	862	521
United Kingdom	16,861	38,465	52,703	60,123	59,494	Asia and Pacific	16,367	28,438	46,875	49,786	52,208
Other	70	54	83	188	275	Australia	5,578	10,069	13,902	14,178	12,295
Latin America and Other Western Hemisphere	16,036	27,939	29,601	31,080	28,464	China	2	7	8	114	211
South America	10,927	20,358	21,843	22,782	19,188	Hong Kong	542	959	2,926	3,122	3,192
Argentina	1,449	2,902	1,577	2,603	3,363	India	210	229	157	136	123
Brazil	6,485	11,199	16,618	16,093	11,514	Indonesia	4,661	6,317	3,999	4,987	5,031
Chile	162	468	681	801	926	Japan	3,065	4,587	14,940	14,565	16,517
Colombia	532	1,361	1,150	1,399	1,278	Korea, Republic of	79	219	726	906	1,031
Ecuador	307	516	272	341	327	Malaysia	333	1,691	1,749	1,825	2,016
Peru	404	1,116	397	412	340	New Zealand	384	618	985	914	2,264
Venezuela	1,370	2,394	736	694	1,080	Philippines	549	1,074	1,006	1,015	1,189
Other	216	402	412	438	360	Singapore	400	1,109	2,353	3,547	3,333
Central America	2,879	4,927	6,208	6,947	9,014	Taiwan	260	616	1,938	2,255	2,395
Costa Rica	115	163	208	176	192	Thailand	254	657	1,815	1,832	2,203
Guatemala	156	276	158	110	238	Other	50	288	372	389	408
Honduras	142	251	287	213	276	International ²	1,311	2,579	1,457	1,559	1,798
Mexico	2,050	3,561	4,883	5,800	7,585	Addenda:					
Panama	289	433	530	522	561	Eastern Europe ³	0	0	4	(P)	122
Other	127	244	143	126	163	European Communities (12) ⁴	63,162	101,289	164,628	195,516	198,775
						OPEC ⁵	32,948	21,801	10,730	10,158	10,492

¹ Suppressed to avoid disclosure of data of individual companies.

² Prior to 1990, includes only the Federal Republic of Germany (FRG). Beginning with 1990, also includes the former German Democratic Republic (GDR), which reunited with the FRG in October 1990. This change does not affect the comparability of the 1990 data with the data for earlier years, because no affiliates of U.S. companies were in the former GDR before 1990.

³ "International" affiliates are those that have operations in more than one country and that are engaged in petroleum shipping, other water transportation, or operating movable oil- and gas-drilling equipment.

⁴ Comprises Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Romania, and the Union of Soviet Socialist Republics.

⁵ Comprises Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, and the United Kingdom.

⁶ OPEC is the Organization of Petroleum Exporting Countries. Through yearend 1992, its members were Algeria, Ecuador, Gabon, Indonesia, Iran, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

European affiliates accounted for three-quarters of the total increase in MOFA gross product between 1977 and 1991; affiliates in the Asia and Pacific region accounted for most of the remainder. In Europe, MOFA gross product grew at an average annual rate of 9 percent from 1977 to 1991; this high growth rate (compared with 6 percent in all countries combined) was about in line with the growth in nominal demand in Europe. European affiliates' share of total MOFA gross product rose from 43 percent in 1977 to 61 percent in 1991. Among the factors that may have contributed to this increase were the expansion of the European Communities (EC) and the movement toward closer economic integration. Economic integration stimulated overall growth in demand; in addition, it offered potential foreign investors a means of accessing a large and increasingly important market on the same terms as local firms, without having to establish production facilities in each country. By locating operations within the EC, a U.S. firm could avoid actual or potential tariffs or other trade barriers applied to nonmember countries.

Some of the rise in MOFA gross product in the EC was due to the rapid growth of MOFA's in countries that have smaller economies, such as Spain (which joined the EC in 1986); however, the leading factor was the growth of MOFA's in countries in which U.S. affiliates had long been established, particularly the United Kingdom and Germany. In the United Kingdom, MOFA gross

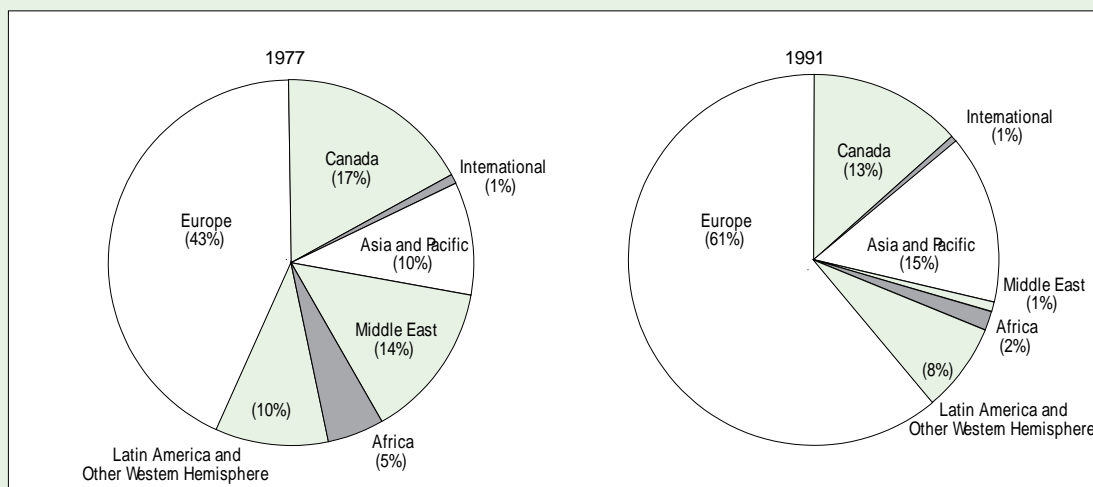
product more than tripled from 1977 to 1991, growing at an average annual rate of 9 percent and accounting for over one-fifth of the worldwide increase in gross product. In Germany, MOFA gross product almost tripled, growing at an average annual rate of 7 percent.

The share of worldwide MOFA gross product accounted for by affiliates in the Middle East fell from 14 percent in 1977 to 1 percent in 1991. This sharp decline mainly reflected falling oil prices in the 1980's and the measures taken by the petroleum exporting countries in the Middle East to increase their own involvement in extraction and refining and to reduce that of foreign-owned firms in the region. Faced with these unfavorable developments, oil companies in the 1980's tended to shift their operations from the Middle East to Europe (mainly the North Sea area) and the Pacific (particularly Australia, Malaysia, and Thailand).

Developments in the oil industry, including a sharp fall in oil prices beginning in 1986 and the sell-off of two large affiliates, also contributed to the decline in Canadian affiliates' share of gross product from 17 percent in 1977 to 13 percent in 1991. However, the decline in Canada primarily reflected sluggish growth in production in manufacturing industries. From 1977 to 1991, the average annual rate of growth in the gross product of Canadian manufacturing affiliates was less than one-half that of manufacturing affiliates in all countries combined—3 percent, compared

CHART 3

Gross Product of Nonbank Majority-Owned Foreign Affiliates, by Area, 1977 and 1991



with 7 percent; growth slowed for Canadian affiliates in each of the major industries within manufacturing, as well as in all manufacturing industries combined.

Share of host-country GDP

MOFA gross product accounted for only a small share of the GDP of most host countries. Based on World Bank estimates of foreign-country GDP, in 1991, U.S.-MOFA gross product represented 5 percent or less of host-country GDP in all but five countries: Ireland (14 percent), Canada (9 percent), Singapore (8 percent), United Kingdom (7 percent), and Nigeria (7 percent) (table 7).¹³ By comparison, nonbank U.S. affiliates of foreign companies for all countries combined accounted for 6 percent of U.S. GDP in 1991; affiliates of the country with the largest share, the United Kingdom, accounted for 1 percent of U.S. GDP, and affiliates of Japan and Canada each accounted for 0.7 percent.

The six largest host economies—Japan, Germany, France, Italy, the United Kingdom, and Canada—together accounted for 62 percent of MOFA gross product in 1991. Among these countries, the MOFA share of host country GDP was largest in Canada (9 percent) and smallest in Japan (0.5 percent).

Canada's large share reflects several factors: Canada's proximity to the United States; its use of the English language; the integration of its automotive, energy, and mineral industries with their U.S. counterparts; and the similarity of U.S. and Canadian technology and tastes. Likewise, the United Kingdom's large share reflects the traditionally close ties between U.S. and British business, which are facilitated by a common language and similar tastes, technology, and regulatory environments.

Among other major industrial countries, Japan, Germany, and France had relatively small shares. Japan's particularly small share (0.5 percent) may reflect several factors: Past Japanese restrictions on foreign investment, informal barriers associated with extensive interlocking stock ownership

among major Japanese corporations (which tend to inhibit foreign investment), close ties between business and government, and a business culture that prizes long-term relationships and is averse to buyouts and takeovers. Germany's low share (3 percent) may reflect similar patterns of cross ownership among large German manufacturing concerns and financial institutions. As in Japan's case, France's share (2 percent) may reflect historic restrictions on foreign investment and government ownership and other intervention in significant areas of the economy.

The high share for Ireland probably reflects the relatively small size of its economy, its proximity to the EC, and its considerable efforts to attract foreign direct investment. Several of the other countries with shares of at least 4 percent also have relatively small economies and are situated near a large market.

Table 7.—Gross Product of Nonbank Majority-Owned Foreign Affiliates as a Percentage of GDP of Selected Host Countries, 1991

Ireland	13.6
Canada	9.2
Singapore	8.3
United Kingdom	6.8
Nigeria	6.6
New Zealand	5.3
Belgium	5.0
Hong Kong	4.7
Norway	4.7
Netherlands	4.6
Indonesia	4.3
Malaysia	4.3
Australia	4.1
Germany	3.1
Colombia	3.1
Chile	3.0
Argentina	2.9
Switzerland	2.9
Ecuador	2.8
Egypt	2.8
Brazil	2.8
Mexico	2.7
Philippines	2.6
Thailand	2.4
Portugal	2.3
France	2.3
Venezuela	2.0
Greece	2.0
Italy	1.8
Denmark	1.7
Uruguay	1.6
Spain	1.6
Austria	1.4
Sweden	1.2
Finland	1.0
Israel	1.0
Turkey9
South Africa8
Peru7
Japan5
Korea, Republic of4
Saudi Arabia2
India1
China1

NOTE.—Host country GDP data are from the 1993 *World Development Report*, published by the World Bank.

GDP Gross domestic product

13. World Bank, *World Development Report 1993* (New York: Oxford University Press, 1993): 242-43. These estimates of GDP were obtained from national sources and are expressed in U.S. dollars.

It should be noted that the MOFA gross product estimates are not strictly comparable with the World Bank statistics because the latter cover banking, government, and other segments of the economy in which nonbank MOFA's do not (or cannot) have operations. Comparability may also be affected by coverage problems or by the use of statistical methods and definitions that differ in some respects from those used in deriving the gross product estimates for MOFA's or that differ from one country to another. (The international System of National Accounts provides guidelines that may alleviate these comparability problems if more countries move into conformity with them.) Thus, the computed MOFA shares of host-country GDP probably provide only a rough indication of the MOFA shares of various host economies.

Gross product by component

Table 8 shows MOFA gross product in 1977, 1982, 1989, and 1991 by major area and industry, disaggregated into the five components. In 1989, profit-type return accounted for a higher portion of gross product for MOFA's than it did for U.S. parents—27 percent, compared with 16 percent). The share of gross product accounted for by indirect business taxes was also higher for MOFA's (25 percent, compared with 6 percent).

In contrast, the share accounted for by employee compensation was lower for MOFA's (41 percent, compared with 64 percent). To some extent, the higher profit-type-return share for MOFA's probably reflects the higher rate of return on invested capital for foreign operations than for U.S. operations; U.S. MNC's tend to limit their overseas operations to those that are expected to earn above-average profits in order to compensate for the added risks of operating abroad, such as those associated with currency fluctuations and

Table 8.—Gross Product of Nonbank Majority-Owned Foreign Affiliates, Major Area and Industry of Affiliate by Component, 1977, 1982, 1989, and 1991

[Millions of dollars]

	Gross product	Employee compensation	Profit-type return	Net interest	Indirect business taxes, etc.	Capital consumption allowances	Gross product	Employee compensation	Profit-type return	Net interest	Indirect business taxes, etc.	Capital consumption allowances
	1977						1982					
All areas, all industries	161,136	59,534	52,197	2,778	35,409	11,218	223,717	89,445	54,851	-406	62,290	17,538
By major area												
Canada	27,783	14,465	6,470	231	4,522	2,094	34,017	17,215	6,069	-281	7,883	3,132
Europe	69,360	31,658	13,150	1,546	17,755	5,252	112,577	46,455	20,652	1,180	35,629	8,661
Latin America and Other Western Hemisphere	16,036	5,848	5,189	341	3,370	1,288	27,939	10,970	8,622	-1,877	7,960	2,264
Africa	8,020	965	4,793	28	1,807	428	10,055	1,599	5,130	42	2,766	518
Middle East	22,260	1,417	15,688	25	4,812	317	8,112	3,275	3,844	-59	829	222
Asia and Pacific	16,367	4,765	6,803	357	3,136	1,306	28,438	9,033	9,812	284	7,208	2,101
International	1,311	416	105	250	7	532	2,579	897	722	306	14	641
By major industry												
Petroleum	62,010	4,876	28,978	848	24,143	3,165	85,608	10,336	28,933	977	40,754	4,607
Manufacturing	71,609	40,416	14,852	1,929	8,837	5,575	99,756	56,436	14,254	3,715	16,141	9,210
Food and kindred products	5,598	3,136	1,415	205	521	321	8,884	4,716	2,065	419	1,102	581
Chemicals and allied products	10,075	5,366	2,624	511	693	882	16,429	8,794	3,693	811	1,604	1,527
Primary and fabricated metals	4,231	2,271	890	152	158	311	5,402	3,698	558	291	364	491
Machinery, except electrical	13,555	7,551	3,520	200	630	1,654	17,619	10,182	3,907	592	688	2,251
Electric and electronic equipment	8,062	5,404	1,373	209	657	419	9,676	6,715	1,330	300	848	683
Transportation equipment	13,921	8,127	2,387	225	2,105	1,077	18,055	11,240	-166	745	3,853	2,383
Other manufacturing	16,165	8,109	2,643	429	4,074	910	23,491	11,091	2,867	557	7,683	1,293
Wholesale trade	11,301	5,010	3,511	226	1,399	1,156	19,409	9,534	4,119	255	3,837	1,663
Finance (except banking), insurance, and real estate	1,948	855	1,604	-657	90	56	1,180	1,800	4,524	-5,676	291	240
Services	3,929	2,530	987	5	140	268	8,009	5,250	1,584	-87	453	809
Other industries	10,339	5,847	2,265	427	800	998	9,757	6,088	1,437	409	814	1,008
	1989						1991					
All areas, all industries	319,994	132,565	86,524	-4,986	78,902	26,989	356,069	160,385	74,528	-7,227	96,318	32,066
By major area												
Canada	52,114	26,495	11,496	647	8,883	4,593	47,126	28,127	5,375	839	7,405	5,380
Europe	179,758	75,722	40,701	-2,231	50,394	15,172	217,515	98,800	38,400	-4,228	67,350	17,193
Latin America and Other Western Hemisphere	29,601	10,038	12,624	-3,406	8,174	2,170	28,464	11,468	9,477	-3,921	8,823	2,617
Africa	5,299	683	2,806	119	1,147	543	6,074	783	3,184	139	1,315	653
Middle East	4,891	2,781	1,390	-85	466	339	2,882	767	1,387	-79	498	308
Asia and Pacific	46,875	16,332	17,039	-128	9,827	3,806	52,208	19,944	15,976	-81	10,921	5,449
International	1,457	514	467	99	11	366	1,798	495	730	103	5	465
By major industry												
Petroleum	77,195	9,277	15,176	1,935	44,769	6,038	88,835	8,183	16,413	1,060	55,891	7,287
Manufacturing	173,298	81,732	48,877	1,273	26,251	15,164	182,085	98,168	35,598	115	30,937	17,267
Food and kindred products	13,643	6,147	4,269	290	1,948	988	17,922	8,315	5,981	-7	2,319	1,313
Chemicals and allied products	32,059	13,615	11,716	217	2,583	3,928	32,690	16,734	9,593	19	2,958	3,386
Primary and fabricated metals	7,623	4,135	2,161	212	523	592	7,113	4,582	1,056	263	513	699
Machinery, except electrical	31,720	16,663	10,374	634	1,480	2,570	29,923	19,306	5,698	-202	1,833	3,287
Electric and electronic equipment	12,646	7,651	2,839	173	615	1,369	13,389	9,076	2,072	-74	521	1,794
Transportation equipment	33,764	16,598	8,068	-556	6,461	3,193	33,944	19,755	4,208	55	6,380	3,546
Other manufacturing	41,843	16,923	9,450	305	12,641	2,525	47,104	20,398	6,990	62	16,413	3,242
Wholesale trade	36,760	18,324	10,493	-307	5,951	2,299	41,060	22,170	10,311	-639	6,696	2,522
Finance (except banking), insurance, and real estate	3,439	4,928	6,046	-8,767	504	728	4,739	5,913	5,932	-8,454	574	774
Services	14,509	10,046	2,593	141	510	1,219	18,097	13,126	2,703	-134	685	1,718
Other industries	14,793	8,258	3,339	738	918	1,541	21,253	12,825	3,571	824	1,535	2,498

Table 9.—Structure of Output for Nonbank Majority-Owned Foreign Affiliates, by Major Area and by Major Industry of Affiliate, 1977, 1982, 1989, and 1991

	Millions of dollars										Percent					
	Sales (1)	Inventory change (2)	Total output (col.1 + col.2 = col.4 + col.5) (3)	Gross product (4)	Purchases					Foreign content of output (col.4 + col.9) (10)	Share of total output accounted for by:					
					Total (col.3 - col.4) (5)	U.S. exports to MOFA's			Other ¹ (col.5 - col.6) (9)		Foreign content			U.S. content		
						Total (6)	Shipped by U.S. parents (7)	Shipped by unaf- filiated U.S. persons (8)			Total (col.10 / col.3 × 100) (11)	MOFA gross product (col.4 / col.3 × 100) (12)	Other (col.9 / col.3 × 100) (13)	Total (col.6 / col.3 × 100) (14)	U.S. merchan- dise exports shipped by: (15)	Unaffili- ated U.S. persons (col.8 / col.3 × 100) (16)
1977																
All areas, all industries	507,019	5,726	512,745	161,136	351,609	35,813	29,275	6,539	315,796	476,932	93	31	62	7	6	1
By major area																
Canada	84,659	248	84,907	27,783	57,124	16,201	12,566	3,636	40,923	68,706	81	33	48	19	15	4
Europe	220,213	3,712	223,925	69,360	154,565	10,866	9,468	1,398	143,699	213,059	95	31	64	5	4	1
Latin America and Other Western Hemisphere	58,208	909	59,117	16,036	43,081	3,700	2,908	791	39,381	55,417	94	27	67	6	5	1
Africa	19,023	64	19,087	8,020	11,067	648	508	139	10,419	18,439	97	42	55	3	3	1
Middle East	62,922	198	63,120	22,260	40,860	937	801	136	39,923	62,183	99	35	63	1	1	(*)
Asia and Pacific	47,572	632	48,204	16,367	31,837	3,346	2,935	411	28,491	44,858	93	34	59	7	6	1
International	14,422	-39	14,383	1,311	13,072	115	87	28	12,957	14,268	99	9	90	1	1	(*)
By major industry																
Petroleum	198,624	598	199,222	62,010	137,212	1,639	1,358	282	135,573	197,583	99	31	68	1	1	(*)
Manufacturing	194,200	4,015	198,215	71,609	126,606	25,145	20,510	4,634	101,461	173,070	87	36	51	13	10	2
Food and kindred products	21,756	330	22,086	5,598	16,488	974	454	520	15,514	21,112	96	25	70	4	2	2
Chemicals and allied products	32,396	740	33,136	10,075	23,061	3,007	2,655	351	20,054	30,129	91	30	61	9	8	1
Primary and fabricated metals	11,560	252	11,812	4,231	7,581	845	632	213	6,736	10,967	93	36	57	7	5	2
Machinery, except electrical	28,406	555	28,961	13,555	15,406	3,036	2,810	227	12,370	25,925	90	47	43	10	10	1
Electric and electronic equipment	18,655	328	18,983	8,062	10,921	2,316	1,986	330	8,605	16,667	88	42	45	12	10	2
Transportation equipment	48,686	1,006	49,692	13,921	35,771	11,805	9,483	2,322	23,966	37,887	76	28	48	24	19	5
Other manufacturing	32,741	804	33,545	16,165	17,380	3,161	2,490	671	14,219	30,384	91	48	42	9	7	2
Wholesale trade	64,463	781	65,244	11,301	53,943	7,631	6,607	1,023	46,312	57,613	88	17	71	12	10	2
Finance (except banking), insurance, and real estate	10,002	1	10,003	1,948	8,055	20	13	8	8,035	9,983	100	19	80	(*)	(*)	(*)
Services	9,051	48	9,099	3,929	5,170	201	121	80	4,969	8,898	98	43	55	2	1	1
Other industries	30,679	283	30,962	10,339	20,623	1,177	666	512	19,446	29,785	96	33	63	4	2	2
1982																
All areas, all industries	730,235	-6,633	723,602	223,717	499,885	52,753	44,320	8,432	447,132	670,849	93	31	62	7	6	1
By major area																
Canada	108,038	-1,591	106,447	34,017	72,430	19,413	15,474	3,939	53,017	87,034	82	32	50	18	15	4
Europe	364,405	-3,092	361,313	112,577	248,736	17,211	15,167	2,044	231,525	344,102	95	31	64	5	4	1
Latin America and Other Western Hemisphere	103,857	-1,738	102,119	27,939	74,180	6,479	5,120	1,360	67,701	95,640	94	27	66	6	5	1
Africa	23,596	-37	23,559	10,055	13,504	999	764	234	12,505	22,560	96	43	53	4	3	1
Middle East	16,899	-25	16,874	8,112	8,562	632	438	195	7,930	16,042	96	49	48	4	3	1
Asia and Pacific	105,523	-107	105,416	28,438	76,978	7,907	7,306	601	69,071	97,509	92	27	66	8	7	1
International	8,116	-43	8,073	2,579	5,494	111	52	59	5,383	7,962	99	32	67	1	1	1
By major industry																
Petroleum	266,304	-1,046	265,258	85,608	179,650	2,775	1,784	991	176,875	262,483	99	32	67	1	1	(*)
Manufacturing	271,099	-4,757	266,342	99,756	166,586	34,748	28,882	5,865	131,838	231,594	87	37	49	13	11	2
Food and kindred products	32,585	-314	32,271	8,884	23,387	1,866	948	918	21,521	30,405	94	28	67	6	3	3
Chemicals and allied products	54,840	-798	54,042	16,429	37,613	4,036	3,298	738	33,577	50,006	93	30	62	7	6	1
Primary and fabricated metals	15,015	-462	14,553	5,402	9,151	941	724	216	8,210	13,612	94	37	56	6	5	1
Machinery, except electrical	40,470	-546	39,924	17,619	22,305	4,835	4,566	269	17,470	35,089	88	44	44	12	11	1
Electric and electronic equipment	25,248	-678	24,570	9,876	14,694	4,618	4,133	485	10,076	19,952	81	40	41	19	17	2
Transportation equipment	57,183	-1,076	56,107	18,055	38,052	13,963	11,265	2,698	24,089	42,144	75	32	43	25	20	5
Other manufacturing	45,758	-882	44,876	23,491	21,385	4,488	3,948	540	16,897	40,388	90	52	38	10	9	1
Wholesale trade	113,622	-806	112,816	19,409	93,407	14,063	12,834	1,229	79,344	98,753	88	17	70	12	11	1
Finance (except banking), insurance, and real estate	23,526	-38	23,488	1,180	22,308	15	11	3	22,293	23,473	100	5	95	(*)	(*)	(*)
Services	17,911	38	17,949	8,009	9,940	266	139	127	9,674	17,683	99	45	54	1	1	1
Other industries	37,773	-23	37,750	9,757	27,993	886	669	216	27,107	36,864	98	26	72	2	2	1

See footnotes at end of table.

Table 9.—Structure of Output for Nonbank Majority-Owned Foreign Affiliates, by Major Area and by Major Industry of Affiliate, 1977, 1982, 1989, and 1991—Continued

	Millions of dollars									Percent						
	Sales (1)	Inventory change (2)	Total output (col.1 + col.2 = col.4 + col.5) (3)	Gross product (4)	Purchases					Foreign content of output (col.4 + col.9) (10)	Share of total output accounted for by:					
					Total (col.3 - col.4) (5)	U.S. exports to MOFA's			Other ¹ (col.5 - col.6) (9)		Foreign content			U.S. content		
						Total (6)	Shipped by U.S. parents (7)	Shipped by unaffiliated U.S. persons (8)			Total (col.10 / col.3) × 100 (11)	MOFA gross product (col.4 / col.3) × 100 (12)	Other (col.9 / col.3) × 100 (13)	Total (col.6 / col.3) × 100 (14)	U.S. parents (col.7 / col.3) × 100 (15)	Unaffiliated U.S. persons (col.8 / col.3) × 100 (16)
1989																
All areas, all industries	1,019,966	2,182	1,022,148	319,994	702,154	97,488	86,050	11,437	604,666	924,660	90	31	59	10	8	1
By major area																
Canada	173,251	1,309	174,560	52,114	122,446	37,843	32,050	5,792	84,603	136,717	78	30	48	22	18	3
Europe	573,270	-813	572,457	179,758	392,699	29,888	27,585	2,303	362,811	542,569	95	31	63	5	5	(*)
Latin America and Other Western Hemisphere	87,014	530	87,544	29,601	57,943	11,236	9,495	1,741	46,707	76,308	87	34	53	13	11	2
Africa	11,576	-267	11,309	5,299	6,010	(P)	(P)	(P)	(P)	(P)	(P)	47	(P)	(P)	(P)	(P)
Middle East	8,021	-43	7,978	4,891	3,087	367	288	78	2,720	7,611	95	61	34	5	4	1
Asia and Pacific	161,640	1,444	163,084	46,875	116,209	17,491	16,136	1,355	98,718	145,593	89	29	61	11	10	1
International	5,196	22	5,218	1,457	3,761	(P)	(P)	(P)	(P)	(P)	(P)	28	(P)	(P)	(P)	(P)
By major industry																
Petroleum	179,420	602	180,022	77,195	102,827	2,462	1,869	593	100,365	177,560	99	43	56	1	1	(*)
Manufacturing	509,308	4,299	513,607	173,298	340,309	66,493	57,707	8,786	273,816	447,114	87	34	53	13	11	2
Food and kindred products	50,791	-245	50,546	13,643	36,903	2,078	1,465	613	34,825	48,468	96	27	69	4	3	1
Chemicals and allied products	94,652	421	95,073	32,059	63,014	7,342	6,500	842	56,672	87,731	92	34	59	8	7	1
Primary and fabricated metals	21,032	-51	20,981	7,623	13,358	1,756	1,409	348	11,602	19,225	92	36	55	8	7	2
Machinery, except electrical	100,319	1,073	101,392	31,720	69,672	11,682	10,837	845	57,990	89,710	88	31	57	12	11	1
Electric and electronic equipment	39,678	658	40,336	12,646	27,690	8,122	7,286	837	19,568	32,214	80	31	49	20	18	2
Transportation equipment	114,391	1,000	115,391	33,764	81,627	27,874	23,841	4,032	53,753	87,517	76	29	47	24	21	3
Other manufacturing	88,444	1,442	89,886	41,843	48,043	7,639	6,370	1,269	40,404	82,247	92	47	45	8	7	1
Wholesale trade	204,295	105	204,400	36,760	167,640	26,797	25,247	1,550	140,843	177,603	87	18	69	13	12	1
Finance (except banking), insurance, and real estate	51,137	-3,203	47,934	3,439	44,495	1	(*)	(*)	44,494	47,933	100	7	93	(*)	(*)	(*)
Services	32,466	202	32,668	14,509	18,159	448	388	60	17,711	32,220	99	44	54	1	1	(*)
Other industries	43,342	178	43,520	14,793	28,727	1,286	838	448	27,441	42,234	97	34	63	3	2	1
1991																
All areas, all industries	1,240,880	-803	1,240,077	356,069	884,008	108,787	95,691	13,096	775,221	1,131,290	91	29	63	9	8	1
By major area																
Canada	176,996	-1,040	175,956	47,126	128,830	39,522	32,831	6,690	89,308	136,434	78	27	51	22	19	4
Europe	733,584	-880	732,704	217,515	515,189	34,318	31,229	3,089	480,871	698,386	95	30	66	5	4	(*)
Latin America and Other Western Hemisphere	102,090	130	102,220	28,464	73,756	14,380	12,781	1,600	59,376	87,840	86	28	58	14	13	2
Africa	13,513	62	13,575	6,074	7,501	485	336	149	7,016	13,090	96	45	52	4	2	1
Middle East	7,849	53	7,902	2,882	5,020	309	190	118	4,711	7,593	96	36	60	4	2	1
Asia and Pacific	200,461	825	201,286	52,208	149,078	19,739	18,293	1,445	129,339	181,547	90	26	64	10	9	1
International	6,387	47	6,434	1,798	4,636	34	30	4	4,602	6,400	99	28	72	1	(*)	(*)
By major industry																
Petroleum	238,336	17	238,353	88,835	149,518	2,963	2,311	652	146,555	235,390	99	37	61	1	1	(*)
Manufacturing	595,686	-979	594,707	182,085	412,622	72,681	62,664	10,017	339,941	522,026	88	31	57	12	11	2
Food and kindred products	67,968	420	68,388	17,922	50,466	1,846	1,329	517	48,620	66,542	97	26	71	3	2	1
Chemicals and allied products	113,182	189	113,371	32,690	80,681	8,260	7,028	1,232	72,421	105,111	93	29	64	7	6	1
Primary and fabricated metals	22,053	-384	21,669	7,113	14,556	1,729	1,329	400	12,827	19,940	92	33	59	8	6	2
Machinery, except electrical	112,724	-771	111,953	29,923	82,030	12,775	11,862	913	69,255	99,178	89	27	62	11	11	1
Electric and electronic equipment	47,504	73	47,577	13,389	34,188	9,172	8,470	702	25,016	38,405	81	28	53	19	18	1
Transportation equipment	127,545	-214	127,331	33,944	93,387	29,271	24,586	4,685	64,116	98,060	77	27	50	23	19	4
Other manufacturing	104,710	-293	104,417	47,104	57,313	9,628	8,060	1,568	47,685	94,789	91	45	46	9	8	2
Wholesale trade	227,485	-173	227,312	41,060	186,252	31,152	29,289	1,863	155,100	196,160	86	18	68	14	13	1
Finance (except banking), insurance, and real estate	65,896	-13	65,883	4,739	61,144	38	29	9	61,106	65,845	100	7	93	(*)	(*)	(*)
Services	45,651	-13	45,638	18,097	27,541	578	497	80	26,963	45,060	99	40	59	1	1	(*)
Other industries	67,825	360	68,185	21,253	46,932	1,375	899	475	45,557	66,810	98	31	67	2	1	1

^P Suppressed to avoid disclosure of individual company data.

^{*} Less than 0.5 percent.

1. Includes purchases of goods and services from foreign residents and purchases of services from U.S. resi-

dents.

MOFA Majority-owned foreign affiliate

the possibility of changes in the regulatory or policy environment.¹⁴

The higher share of indirect business taxes for MOFA's may partly reflect the fact that the taxes on petroleum products imposed by many foreign governments are higher than those imposed by the U.S. Government. In 1989, the indirect-business-taxes share of gross product for MOFA's in petroleum was 58 percent, whereas it was only 24 percent for U.S. parents in this industry.

The factors underlying the differences in the profit-type-return and indirect-business-taxes shares between MOFA's and U.S. parents may also underlie the differences in the employee-compensation shares, because a higher (lower) share for one component necessarily means a lower (higher) share for other components. In addition, the employee-compensation share may be more directly affected by the tendency of MOFA's to be in less labor-intensive industries. For example, 25 percent of MOFA gross product was in petroleum, an industry with relatively low labor intensity, whereas only 9 percent of U.S. parent gross product was in this industry. The employee-compensation share for MOFA's may also tend to be lower because average hourly wage rates in many countries where MOFA's operate are lower than those in the United States.

Among the four major regions that accounted for 97 percent of MOFA gross product in 1991—Canada, Europe, Latin America and Other Western Hemisphere, and Asia and Pacific—the employee-compensation share of MOFA gross product was highest in Canada (60 percent), followed by Europe (45 percent), Latin America and Other Western Hemisphere (40 percent), and Asia and Pacific (38 percent). In contrast, the profit-type-return share of gross product was lowest in Canada (11 percent) and Europe (18 percent) and highest in Latin America and Other Western Hemisphere (33 percent) and Asia and Pacific (30 percent). Canada's employee-compensation share was unusually high in 1991, and its profit-type-return share unusually low. This unusual distribution may have reflected the country's economic recession; in other years, Canada's distribution was more in line with that of other major areas.¹⁵

14. For additional discussion, see "Rates of Return on Direct Investment," *SURVEY* 72 (August 1992): 79–86.

15. Cyclical downturns tend to depress profits more than payroll because many firms tend to maintain their labor force and wage structure in anticipation of an eventual upturn.

Structure of output

This section examines the changes in the gross-product share of MOFA output and the changes in the U.S. content of MOFA output from 1977 to 1991. In all industries combined, the gross-product share of MOFA output decreased from 31 percent to 29 percent (table 9). By area, the largest decreases were in Asia and Pacific and in Canada.

In manufacturing, the gross-product share of MOFA output decreased from 36 percent to 31 percent, as the portion of output accounted for by purchases from other foreign persons (table 9, column 13) increased. Among manufacturing industries, the largest decreases in the gross-product share of MOFA output were in non-electrical machinery (mainly computers) and in electric and electronic equipment.

In all industries combined, the U.S. content of MOFA output—that portion of MOFA output represented by purchases from U.S. parents and other U.S. sources—rose from 7 percent to 9 percent. By area, the largest increases in U.S. content were in Latin America and in Asia and Pacific. In Latin America (primarily Mexico), the U.S. content more than doubled, from 6 percent to 14 percent. This increase largely reflected rising U.S. merchandise exports to MOFA's participating in the Mexican Government's *maquiladora* program.¹⁶ Consequently, much of the increase in U.S. content represented unfinished goods that ultimately returned to the United States after further processing or assembly in Mexico.¹⁷ In Asia and Pacific (primarily Japan), the U.S. content rose from 7 percent in 1977 to 10 percent in 1991. Much of this increase reflected U.S. parents' exports of finished goods to MOFA's engaged in wholesale trade.

In manufacturing, the U.S. content of MOFA output edged down from 13 percent in 1977 to 12 percent in 1991. The changes in all of the major manufacturing industries except electric and electronic equipment were equally modest. In electric and electronic equipment, the U.S. content increased substantially, from 12 percent to 19 percent, partly reflecting an increase in ship-

16. Under this program, U.S. producers can export components free of customs duties to Mexican affiliates for assembly if a certain percentage of the finished goods are exported back to the United States. U.S. duties are levied only on the value added in Mexico.

17. The increase in the U.S. content of Mexican affiliates' output may be somewhat overstated because of differences between the valuation of MOFA sales and the valuation of U.S. exports shipped to MOFA's. U.S. exports shipped to MOFA's measure the goods' full market value; in contrast, sales by some MOFA's participating in the *maquiladora* program measure only the fees paid to the affiliates for processing or assembling the goods (thus excluding the value of inputs received from the U.S. parents).

ments to MOFA's of components for assembly and reexport to the United States.

Technical Note

Data sources

The 1977, 1982, and 1989 gross product estimates for U.S. parents and MOFA's are based on universe data from BEA's benchmark surveys of U.S. direct investment abroad. The first three columns of table 10 present the U.S. MNC, U.S. parent, and MOFA estimates of gross product components from the 1989 benchmark survey; the next two columns indicate the location of the estimates in *U.S. Direct Investment Abroad: 1989 Benchmark Survey, Final Results* (U.S. Government Printing Office, Washington, DC: October 1992). MOFA gross product estimates for 1990 and 1991 are mainly based on universe estimates derived from sample data from BEA's annual surveys of U.S. direct investment abroad.

Estimation

Most of the data required to estimate U.S.-MNC gross product were collected in the BEA surveys, but data for several items were not collected; these items had to be estimated for some or all

of the years. For both U.S. parents and MOFA's, imputed interest received and paid had to be estimated for all years; these items do not represent actual transactions, so data on them cannot be collected. For MOFA's, monetary interest received and paid also had to be estimated for the two nonbenchmark years, 1990 and 1991.

In constructing table 5 (structure of output for U.S. parents), the "inventory change" component had to be estimated for 1982 and 1989 because opening balances for inventories for those years were not collected. These estimates were derived using data from the Census Bureau's *Quarterly Financial Report*, which covers all U.S. businesses.

Definitional differences between U.S.-MNC and NIPA gross product components

In general, the MNC gross product components are conceptually consistent with the corresponding NIPA components. The last column of table 10 highlights definitional differences between MNC and NIPA gross product components. The net effect of these differences is negligible because their individual effects are largely offsetting and because each one is quite small in relation to total GDP.


Tables 11 and 12 follow. 

Table 10.—U.S.-MNC Gross Product Methodology and Its Relation to NIPA Methodology

	1989 estimates (millions of dollars)			Location of estimates in 1989 benchmark survey publication ¹ (table and column number)		How MNC definition compares with NIPA definition
	U.S. MNC's	U.S. parents	MOFA's			
				U.S. parents	MOFA's	
Total gross product	1,364,878	1,044,884	319,994			
Employee compensation	798,761	666,196	132,565			Same as NIPA's.
Wages and salaries	645,986	538,857	107,129	II.P 1 (4)	III.G 1 (5)	
Plus: Employee benefit plans	152,775	127,339	25,436	II.P 1 (5)	III.G 1 (6)	
Profit-type return (PTR)	251,434	164,910	86,524			(1) Based on financial accounting practices; NIPA PTR is based on tax accounting practices. (2) Excludes inventory valuation and capital consumption adjustments, and certain other adjustments.
Net income	242,805	170,663	72,142	II.N 1 (10)	III.E 1 (11)	
Plus: Income taxes	93,737	60,446	33,291	II.N 1 (8)	III.E 1 (9)	
Plus: Depletion	7,436	5,234	2,202	II.M 1 (5)	III.D 1 (5)	
Less: Capital gains and losses	24,185	22,056	2,129	II.N 1 (4)	III.E 1 (5)	
Less: Income from equity investments	68,358	49,377	18,981	II.N 1 (3)	III.E 1 (3+4)	
Net interest paid	21,358	26,344	-4,986			Same as NIPA's.
Monetary interest paid	182,381	155,147	27,234	II.S 1 (2)	III.J 1 (2)	
Plus: Imputed interest paid	22,542	21,299	1,243	estimated	estimated	
Less: Monetary interest received	171,278	141,578	29,700	II.S 1 (1)	III.J 1 (1)	
Less: Imputed interest received	12,288	8,525	3,763	estimated	estimated	
Indirect business taxes, etc.	145,541	66,639	78,902			Excludes business transfer payments.
Taxes other than income and payroll taxes	140,772	64,028	76,744	II.S 1 (7)	III.J 1 (4)	
Plus: Production royalty payments to governments	5,895	2,610	3,285	II.S 1 (4+5)	III.J 1 (3)	
Less: Subsidies received	1,127	² 0	1,127	n.a.	III.J 1 (5)	
Capital consumption allowances (CCA)	147,784	120,795	26,989			(1) Based on financial accounting practices; NIPA CCA is based on tax accounting practices. (2) Excludes depreciation expenditures for mining exploration, shafts and wells, and certain other adjustments.
Depreciation	147,784	120,795	26,989	II.M 1 (6)	III.D 1 (6)	

n.a. Not available.

1. U.S. Department of Commerce, Bureau of Economic Analysis, *U.S. Direct Investment Abroad: 1989 Benchmark Survey, Final Results* (Washington, DC: U.S. Government Printing Office, 1992).

2. Data on subsidies received by U.S. parent companies were not collected in the 1989 benchmark survey. Subsidies are assumed to be zero because few U.S. parents were in industries that receive most of the subsidies in the United States.

NOTE.—U.S. MNC gross product excludes the following because they are beyond the scope of direct investment: Gross product of government and government enterprises and private households; imputed rental income of owner-occupied farm and nonfarm housing; and rental income of persons. The U.S. MNC estimates also exclude banks.

MOFA Majority-owned foreign affiliate

NIPA National income and product accounts

Table 11.—Gross Product of Nonbank U.S. MNC's, by Industry of U.S. Parent, 1977, 1982, and 1989

	Amount (millions of dollars)									MOFA share of MNC total (percent)		
	U.S. MNC's worldwide			U.S. parents			MOFA's			1977	1982	1989
	1977	1982	1989	1977	1982	1989	1977	1982	1989			
All industries	651,665	1,019,734	1,364,878	490,529	796,017	1,044,884	161,136	223,717	319,994	25	22	23
Petroleum	114,051	211,937	165,680	52,052	134,096	93,128	61,999	77,841	72,552	54	37	44
Oil and gas extraction	4,384	14,767	4,371	3,546	11,333	3,352	838	3,434	1,019	19	23	23
Crude petroleum extraction (no refining) and natural gas	3,052	5,034	3,211	2,368	4,324	2,918	685	710	293	12	14	9
Oil and gas field services	1,332	9,733	1,160	1,178	7,009	434	154	2,724	726	12	28	63
Petroleum and coal products	101,137	175,425	151,174	43,238	104,824	82,425	57,899	70,601	68,749	57	40	45
Integrated petroleum refining and extraction	100,837	174,483	147,690	42,941	104,068	79,831	57,896	70,415	67,859	57	40	46
Petroleum refining without extraction	(D)	(D)	(D)	(D)	(D)	(D)	-5	(D)	(D)	(D)	(D)	(D)
Petroleum and coal products, nec	(D)	(D)	(D)	(D)	(D)	(D)	-8	(D)	(D)	(D)	(D)	(D)
Petroleum wholesale trade	5,109	18,385	9,785	2,193	14,828	7,158	2,917	3,557	2,627	57	19	27
Other	3,420	3,361	350	3,075	3,111	193	345	250	157	10	7	45
Manufacturing	382,280	542,689	793,771	301,286	421,050	586,568	80,994	121,639	207,203	21	22	26
Food and kindred products	27,871	46,069	79,472	21,782	35,804	60,310	6,088	10,265	19,162	22	22	24
Grain mill and bakery products	4,976	6,183	11,957	4,088	5,023	9,990	887	1,160	1,967	18	19	16
Beverages	5,016	7,661	20,941	3,905	6,268	16,477	1,111	1,393	4,464	22	18	21
Other	17,879	32,225	46,574	13,789	24,513	33,843	4,090	7,712	12,731	23	24	27
Chemicals and allied products	51,547	93,054	141,006	39,133	66,234	97,119	12,413	26,820	43,887	24	29	31
Industrial chemicals and synthetics	28,970	47,841	64,665	23,320	34,419	43,889	5,650	13,422	20,776	20	28	32
Drugs	11,259	21,828	43,656	7,697	14,589	30,448	3,562	7,239	13,208	32	33	30
Soap, cleaners, and toilet goods	7,486	14,287	20,174	4,911	9,712	13,123	2,575	4,575	7,051	34	32	35
Agricultural chemicals	(D)	4,070	2,812	(D)	3,272	2,156	(D)	798	656	(D)	(D)	(D)
Chemical products, nec	(D)	5,029	9,698	(D)	4,242	7,503	(D)	787	2,195	(D)	(D)	16
Primary and fabricated metals	40,209	43,592	45,775	35,380	37,215	37,556	4,829	6,377	8,219	12	15	18
Primary metal industries	27,318	23,046	27,195	24,800	20,349	22,276	2,518	2,697	4,919	9	12	18
Ferrous	19,065	13,659	8,439	18,227	13,103	7,899	838	556	540	4	4	6
Nonferrous	8,253	9,387	18,756	6,573	7,246	14,377	1,680	2,141	4,379	20	23	23
Fabricated metal products	12,890	20,546	18,580	10,579	16,866	15,280	2,311	3,680	3,300	18	18	18
Machinery, except electrical	60,402	84,046	116,146	42,356	60,597	70,887	18,046	23,449	45,259	30	28	39
Farm and garden machinery	3,388	3,532	(D)	2,793	3,039	(D)	595	493	(D)	18	14	(D)
Construction, mining, and materials handling machinery	10,534	12,171	9,937	8,425	9,850	7,921	2,109	2,321	2,016	20	19	20
Computer and office equipment	30,263	49,733	74,449	17,621	32,221	39,566	12,642	17,512	34,883	42	35	47
Other	16,218	18,609	(D)	13,518	15,487	(D)	2,700	3,122	(D)	17	17	(D)
Electric and electronic equipment	32,105	69,259	68,515	26,683	59,323	56,139	5,422	9,936	12,376	17	14	18
Household appliances	3,639	3,877	5,256	2,634	3,128	3,556	1,005	749	1,700	28	19	32
Household audio and video, and communication equipment	7,859	25,221	34,569	7,084	21,952	29,531	775	3,269	5,038	10	13	15
Electronic components and accessories	3,456	10,844	13,095	2,784	9,364	9,814	672	1,480	3,281	19	14	25
Electrical machinery, nec	17,151	29,317	15,595	14,181	24,879	13,238	2,970	4,438	2,357	17	15	15
Transportation equipment	88,513	91,170	160,292	71,302	71,256	121,141	17,211	19,914	39,151	19	22	24
Motor vehicles and equipment	62,507	53,350	97,948	47,979	36,260	65,303	14,528	17,090	32,645	23	32	33
Other	26,006	37,820	62,343	23,323	34,996	55,837	2,683	2,824	6,506	10	7	10
Other manufacturing	81,633	115,499	182,567	64,649	90,621	143,417	16,983	24,878	39,150	21	22	21
Tobacco products	9,841	19,527	20,832	6,023	11,645	11,782	3,818	7,882	9,050	39	40	43
Textile products and apparel	9,198	10,450	11,549	8,079	9,432	10,098	1,119	1,018	1,451	12	10	13
Lumber, wood, furniture, and fixtures	7,322	7,279	12,723	6,597	6,724	11,738	625	555	985	10	8	8
Paper and allied products	12,034	13,454	36,414	9,708	11,842	29,197	2,325	1,612	7,217	19	12	20
Printing and publishing	5,916	10,732	22,271	5,260	9,812	20,184	656	920	2,087	11	9	9
Rubber products	9,902	11,488	9,838	7,328	8,367	6,127	2,574	3,121	3,711	26	27	38
Miscellaneous plastics products	1,576	1,249	6,119	1,285	1,090	4,396	292	159	1,723	19	13	28
Glass products	2,792	4,631	5,649	2,191	3,896	4,793	601	735	856	22	16	15
Stone, clay, and other nonmetallic mineral products	4,872	6,187	6,692	3,806	5,150	4,991	1,066	1,037	1,701	22	17	25
Instruments and related products	13,940	25,456	46,061	10,656	18,313	36,455	3,284	7,143	9,606	24	28	21
Other	4,240	5,045	4,422	3,717	4,351	3,657	523	694	765	12	14	17
Wholesale trade	6,536	17,427	28,766	5,058	13,604	22,587	1,478	3,823	6,179	23	22	21
Durable goods	2,583	10,431	13,668	1,939	7,609	10,520	644	2,822	3,148	25	27	23
Non durable goods	3,953	6,996	15,098	3,119	5,995	12,067	834	1,001	3,031	21	14	20
Finance (except banking), insurance, and real estate	29,230	31,823	62,715	22,825	22,801	50,535	6,404	9,022	12,180	22	28	19
Finance, except banking	3,012	4,991	16,948	2,488	4,730	15,103	524	261	1,845	17	5	11
Insurance	24,835	23,539	41,233	19,866	17,954	34,948	4,968	5,585	6,285	20	24	15
Real estate	85	135	668	72	120	558	13	15	110	15	11	16
Holding companies	1,108	3,005	2,808	399	-2	-75	709	3,007	2,883	64	100	103
Nonbusiness entities, except Government	190	154	1,057	(1)	(1)	(1)	190	154	1,057	100	100	100
Services	11,674	29,362	66,999	9,950	25,997	57,090	1,724	3,365	9,909	15	11	15
Hotels and other lodging places	n.a.	2,838	6,676	n.a.	2,693	5,780	n.a.	145	896	n.a.	5	13
Business services	n.a.	10,026	24,067	n.a.	8,501	18,756	n.a.	1,525	5,311	n.a.	15	22
Advertising	n.a.	2,627	3,960	n.a.	1,947	2,349	n.a.	680	1,611	n.a.	26	41
Equipment rental (ex. automotive and computers)	n.a.	652	193	n.a.	646	175	n.a.	6	18	n.a.	1	9
Computer and data processing services	n.a.	2,313	6,361	n.a.	2,135	5,353	n.a.	178	1,008	n.a.	8	16
Business services, nec	n.a.	4,434	13,551	n.a.	3,773	10,878	n.a.	661	2,673	n.a.	15	20
Automotive rental and leasing	n.a.	(2)	4,998	n.a.	(2)	4,212	n.a.	(2)	786	n.a.	n.a.	16
Motion pictures, including television tape and film	n.a.	941	3,465	n.a.	825	2,663	n.a.	116	802	n.a.	12	23
Health services	n.a.	5,420	8,965	n.a.	5,234	8,559	n.a.	186	406	n.a.	3	5
Engineering, architectural, and surveying services	n.a.	3,350	3,498	n.a.	2,422	2,998	n.a.	928	500	n.a.	28	14
Management and public relations services	n.a.	(2)	1,702	n.a.	(2)	1,180	n.a.	(2)	522	n.a.	n.a.	31
Other	n.a.	6,787	13,629	n.a.	6,322	12,943	n.a.	465	686	n.a.	7	5
Other industries	107,895	186,496	246,946	99,538	178,469	234,975	8,537	8,027	11,971	8	4	5
Agriculture, forestry, and fishing	(D)	1,044	366	(D)	803	332	(D)	241	34	(D)	23	9
Mining	2,415	956	2,931	1,974	876	2,551	441	80	380	18	8	13
Metal mining	853	(D)	2,103	680	(D)	1,764	173	48	339	20	(D)	16
Nonmetallic minerals	1,562	(D)	828	1,294	(D)	787	268	32	41	17	(D)	5
Construction	(D)	11,583	8,509	(D)	9,984	7,300	(D)	1,599	1,209	(D)	14	14
Transportation	18,771	27,409	58,371	17,287	25,386	57,216	1,483	2,023	1,155	8	7	2
Communication and public utilities	47,798	99,035	123,381	46,536	97,738	120,224	1,262	1,297	3,157	3	1	3
Retail trade	28,740	46,471										

Table 12.1.—Gross Product of Nonbank Majority-Owned Foreign Affiliates, Country by Industry, 1977

[Millions of dollars]

	All industries	Petroleum	Manufacturing								Wholesale trade	Finance (except banking), insurance, and real estate	Services	Other industries
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing				
All countries	161,136	62,010	71,609	5,598	10,075	4,231	13,555	8,062	13,921	16,165	11,301	1,948	3,929	10,339
Canada	27,783	6,110	15,151	1,364	1,623	1,346	1,682	1,276	3,815	4,044	875	910	621	4,114
Europe	69,360	16,944	40,441	2,455	5,412	2,091	9,540	4,935	7,705	8,303	7,628	276	2,102	1,969
Austria	844	(D)	226	25	17	12	(P)	(D)	(D)	70	307	0	27	(D)
Belgium	4,244	543	2,605	88	524	110	341	622	(D)	(D)	726	21	151	198
Denmark	672	(D)	123	26	(D)	(D)	1	46	0	(D)	225	(D)	7	(D)
Finland	247	(D)	62	0	(D)	0	0	5	0	(D)	209	0	0	(*)
France	9,688	(P)	6,203	341	812	165	2,122	655	1,045	1,064	961	(P)	416	255
Germany, Federal Republic of	18,115	4,424	12,058	519	1,242	760	3,080	1,262	3,290	1,904	999	78	250	306
Greece	389	235	100	9	37	(D)	0	9	0	(D)	38	5	5	(D)
Ireland	762	188	485	62	152	10	76	32	8	146	83	-2	3	5
Italy	5,825	2,430	2,744	199	447	114	909	449	178	447	466	23	82	80
Luxembourg	198	23	175	0	(D)	(D)	32	5	0	(D)	3	-4	0	0
Netherlands	4,209	887	2,235	278	592	267	589	123	(D)	(D)	641	19	266	162
Norway	1,655	1,207	178	0	(D)	(D)	4	(D)	0	27	219	-5	27	28
Portugal	178	(P)	84	11	(D)	5	(D)	(D)	17	51	(D)	(D)	(D)	2
Spain	2,019	8	1,479	115	250	38	117	438	390	130	368	7	49	108
Sweden	1,103	294	518	(P)	49	19	282	(D)	14	87	234	(D)	40	(D)
Switzerland	2,015	321	449	(P)	49	(D)	42	107	0	195	1,025	42	130	48
Turkey	266	(D)	69	2	4	0	0	(D)	(D)	(D)	12	0	43	(D)
United Kingdom	16,861	3,793	10,679	724	1,145	529	1,905	930	2,292	3,155	1,046	18	586	739
Other	70	7	(D)	0	0	(*)	0	(D)	0	(D)	14	(D)	9	(D)
Latin America and Other Western Hemisphere	16,036	3,072	9,533	1,156	1,981	587	889	920	1,506	2,494	1,195	348	461	1,426
South America	10,927	1,668	7,534	788	1,518	462	809	676	1,245	2,036	755	45	309	616
Argentina	1,449	306	945	73	213	35	145	46	179	254	143	3	21	32
Brazil	6,485	736	5,169	450	1,003	231	657	535	901	1,392	220	26	88	246
Chile	162	(D)	62	6	21	0	(D)	(D)	(D)	(D)	30	0	4	(D)
Colombia	532	113	320	39	91	(D)	1	18	(D)	(D)	72	6	6	15
Ecuador	307	(D)	35	9	10	4	0	5	0	6	16	0	2	(D)
Peru	404	114	74	14	14	(D)	1	13	(D)	(D)	36	(*)	4	177
Venezuela	1,370	97	745	168	165	36	5	45	115	212	228	10	185	105
Other	216	(D)	184	28	1	(D)	0	(D)	(D)	(D)	9	1	(*)	(D)
Central America	2,879	233	1,863	299	433	122	79	242	261	426	313	38	61	371
Costa Rica	115	1	57	16	17	1	7	7	0	16	5	(*)	0	53
Guatemala	156	45	61	15	18	2	0	8	(*)	18	8	2	0	39
Honduras	142	(D)	33	23	2	0	0	0	0	8	3	(*)	0	(D)
Mexico	2,050	21	1,646	232	378	115	79	211	261	369	222	7	39	115
Panama	289	89	26	9	0	0	0	0	0	(D)	67	27	21	60
Other	127	(D)	41	(D)	10	3	0	16	0	(D)	8	2	0	(D)
Other Western Hemisphere	2,230	1,170	136	69	30	4	0	2	0	32	127	266	92	439
Bahamas	157	39	6	2	5	0	0	0	0	(*)	41	5	46	21
Barbados	25	(D)	0	0	0	0	0	0	0	0	0	0	3	(D)
Bermuda	398	56	0	0	0	0	0	0	0	0	49	268	23	2
Dominican Republic	226	33	83	(P)	3	4	0	1	0	(D)	4	2	(*)	104
Jamaica	370	(D)	18	5	4	0	0	0	0	8	4	1	1	(D)
Netherlands Antilles	89	(D)	1	1	(*)	0	0	0	0	0	4	-14	15	(D)
Trinidad and Tobago	(D)	(D)	(D)	1	(D)	0	0	0	0	(D)	4	1	4	14
United Kingdom Islands, Caribbean	24	0	1	0	0	0	0	0	0	1	20	2	0	1
Other	(D)	27	(D)	1	(D)	0	0	0	0	7	1	(*)	0	(D)
Africa	8,020	(D)	802	(D)	119	95	(D)	85	(D)	(D)	314	(*)	43	(D)
Egypt	344	332	4	0	4	0	0	0	0	3	0	0	5	(*)
Nigeria	1,848	1,736	54	2	24	1	0	0	(D)	(D)	31	2	2	24
South Africa	1,317	(D)	546	(D)	80	39	104	53	(D)	114	208	8	18	18
Other	4,511	4,001	198	(D)	11	55	(D)	2	(D)	(D)	72	-10	18	232
Middle East	22,260	21,120	103	(D)	41	0	(D)	23	0	(D)	103	(D)	404	(D)
Israel	225	(D)	84	(D)	22	0	(D)	21	0	(D)	(D)	7	11	1
Saudi Arabia	(D)	(D)	3	0	3	0	0	0	0	0	8	(D)	272	147
United Arab Emirates	1,117	1,072	(*)	0	0	0	0	0	0	0	0	(*)	3	42
Other	(D)	(D)	16	1	16	0	-3	2	0	0	0	1	118	(D)
Asia and Pacific	16,367	(D)	5,579	(D)	900	112	1,317	823	(D)	1,123	1,186	(D)	298	(D)
Australia	5,578	1,158	2,458	256	381	63	225	167	703	664	378	178	153	1,253
China	2	0	2	0	0	0	0	0	0	0	0	0	0	0
Hong Kong	542	71	199	2	19	(D)	22	117	0	(D)	172	24	40	36
India	210	1	205	1	82	0	25	(D)	0	(D)	3	-1	0	2
Indonesia	4,661	4,394	106	2	17	(*)	0	18	0	69	7	1	1	150
Japan	3,065	(D)	1,468	(P)	228	11	(D)	1	97	375	94	83	83	(D)
Korea, Republic of	79	0	59	10	1	0	(P)	34	0	(D)	0	5	5	(D)
Malaysia	333	161	122	(*)	12	(D)	2	80	2	(D)	20	1	3	27
New Zealand	384	(D)	158	(D)	21	0	(P)	8	(D)	38	60	6	2	(D)
Philippines	549	(D)	278	79	70	(D)	0	23	(D)	77	40	6	4	(D)
Singapore	400	105	210	(*)	2	20	45	127	(D)	(D)	52	(*)	3	30
Taiwan	260	9	224	16	23	0	(P)	147	(D)	(D)	21	(*)	0	5
Thailand	254	(D)	58	8	14	1	0	(D)	0	(D)	40	(D)	5	(D)
Other	50	3	30	3	30	0	0	0	0	-3	(D)	(*)	(*)	(D)
International ¹	1,311	873												438
Addenda:														
Eastern Europe ²	0	0	0	0	0	0	0	0	0	0	0	0	0	0
European Communities (12) ³	63,162	14,670	38,969	2,372	5,282	2,021	(P)	(D)	7,676	7,865	5,608	228	1,827	1,861
OPEC ⁴	32,948	30,227	963	181	234	41	7	83	115	301	335	(D)	583	(D)

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

^{*} Less than \$500,000.

¹ See footnote 2 to table 6.

² See footnote 3 to table 6.

³ See footnote 4 to table 6.

⁴ See footnote 5 to table 6.

Table 12.2.—Gross Product of Nonbank Majority-Owned Foreign Affiliates, Country by Industry, 1982

[Millions of dollars]

	All industries	Petroleum	Manufacturing							Wholesale trade	Finance (except banking), insurance, and real estate	Services	Other industries	
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment					Other manufacturing
All countries	223,717	85,608	99,756	8,884	16,429	5,402	17,619	9,876	18,055	23,491	19,409	1,180	8,009	9,757
Canada	34,017	10,998	16,413	1,448	2,303	989	2,002	1,680	4,123	3,868	1,796	341	1,094	3,376
Europe	112,577	38,413	54,727	4,267	7,892	2,954	11,956	5,273	9,462	12,922	12,058	701	4,691	1,987
Austria	981	(D)	246	(D)	16	1	(D)	77	-20	122	297	1	81	(D)
Belgium	5,127	932	2,394	98	803	96	389	513	18	477	1,445	-17	(D)	(D)
Denmark	1,334	749	231	71	15	8	2	80	15	40	294	(*)	50	11
Finland	574	(D)	(D)	0	4	0	0	(D)	0	4	317	0	49	6
France	12,196	1,784	7,423	586	1,241	347	2,548	442	584	1,676	1,972	34	787	196
Germany, Federal Republic of	24,756	7,137	15,292	638	1,541	968	3,239	1,641	4,340	2,925	1,333	30	517	446
Greece	497	260	140	10	(D)	5	0	(D)	0	53	68	-1	(D)	(D)
Ireland	1,893	404	1,336	128	464	25	247	106	21	345	143	-11	13	7
Italy	8,481	3,183	3,928	312	669	157	1,431	623	145	592	903	23	292	153
Luxembourg	235	40	196	0	(D)	16	12	(D)	0	116	1	-2	0	0
Netherlands	5,392	1,496	2,553	499	467	285	494	111	36	659	808	17	377	141
Norway	4,440	3,732	257	2	21	4	2	(D)	0	(D)	345	4	71	31
Portugal	341	17	191	23	26	13	(D)	44	25	(D)	94	0	40	0
Spain	2,571	88	1,854	193	388	89	336	480	202	165	309	2	242	76
Sweden	1,889	765	626	(D)	52	4	403	(D)	32	(D)	391	6	92	9
Switzerland	3,198	803	721	68	95	53	53	99	0	353	1,284	67	298	25
Turkey	152	74	49	(D)	9	0	0	16	0	(D)	0	0	8	(D)
United Kingdom	38,465	16,418	17,254	1,572	1,972	884	2,749	760	4,065	5,251	2,010	552	1,458	774
Other	54	(*)	(D)	0	0	0	0	0	0	(D)	(D)	-4	18	(D)
Latin America and Other Western Hemisphere	27,939	5,974	17,531	2,189	3,907	1,051	1,723	1,129	2,647	4,885	2,199	-159	766	1,629
South America	20,358	3,244	14,093	1,595	2,982	868	1,594	699	2,418	3,937	1,557	32	447	986
Argentina	2,902	664	1,859	210	428	61	262	58	71	768	190	22	66	102
Brazil	11,199	475	9,572	809	1,942	534	1,307	538	2,031	2,410	665	11	144	332
Chile	488	135	122	13	34	22	0	9	7	37	88	(*)	16	107
Colombia	1,361	434	720	124	201	37	1	(D)	(D)	253	102	-1	33	72
Ecuador	516	402	72	18	21	8	0	13	2	10	22	1	7	12
Peru	1,116	707	108	18	37	17	0	9	0	27	86	(*)	(D)	(D)
Venezuela	2,394	300	1,401	319	307	70	20	40	229	418	384	-1	163	147
Other	402	126	238	83	12	120	3	(D)	(D)	15	20	0	(D)	(D)
Central America	4,927	653	3,187	573	788	(D)	129	417	229	(D)	526	-22	128	454
Costa Rica	163	2	68	13	16	2	0	14	0	23	(D)	4	2	2
Guatemala	276	139	74	16	32	4	0	6	0	16	13	1	4	45
Honduras	251	(D)	82	(D)	10	0	0	(D)	0	(D)	4	(*)	2	(D)
Mexico	3,561	(D)	2,879	470	700	166	129	378	229	808	421	-5	84	(D)
Panama	433	197	45	4	27	1	0	0	12	64	64	-22	31	118
Other	244	213	39	(D)	3	(D)	0	(D)	0	(D)	(D)	(*)	5	(D)
Other Western Hemisphere	2,654	2,076	251	21	137	(D)	0	0	14	0	115	-168	191	188
Bahamas	209	30	14	3	0	0	0	0	0	0	(D)	7	86	(D)
Barbados	59	(D)	13	0	0	0	0	9	0	5	0	0	5	(D)
Bermuda	82	67	0	0	0	0	0	0	0	0	(D)	-38	34	(D)
Dominican Republic	122	2	43	4	10	(D)	0	2	0	(D)	(D)	3	9	(D)
Jamaica	403	(D)	119	5	95	0	0	0	19	10	(D)	(D)	10	(D)
Netherlands Antilles	189	(D)	6	(D)	(D)	1	0	0	0	0	(D)	(D)	13	3
Trinidad and Tobago	(D)	(D)	27	(D)	(D)	0	0	0	0	5	(D)	8	7	(D)
United Kingdom Islands, Caribbean	23	2	3	0	0	0	0	3	0	15	15	-19	25	-3
Other	(D)	(D)	25	3	0	0	0	0	0	22	(D)	0	3	4
Africa	10,055	7,861	1,345	229	222	137	(D)	77	232	(D)	515	2	147	185
Egypt	1,389	1,316	13	(*)	8	3	0	2	0	0	(D)	1	24	(D)
Nigeria	2,219	2,138	65	0	(D)	4	0	0	0	0	(D)	0	3	(D)
South Africa	2,330	826	1,011	186	149	71	131	43	227	204	377	-2	83	33
Other	4,117	3,581	255	43	(D)	59	(D)	59	5	89	(D)	3	37	(D)
Middle East	8,112	6,548	187	7	49	(D)	(D)	71	0	(D)	243	-2	660	477
Israel	280	5	124	0	33	0	0	(D)	0	(D)	(D)	1	46	(D)
Saudi Arabia	3,965	(D)	46	5	3	(D)	0	(D)	0	(D)	(D)	-4	536	409
United Arab Emirates	3,060	2,961	0	0	(D)	0	0	0	0	0	(D)	0	0	(D)
Other	808	(D)	(D)	2	(D)	0	2	0	0	0	(D)	1	0	(D)
Asia and Pacific	28,438	13,578	9,553	744	2,056	239	1,801	1,646	1,589	1,478	2,598	297	651	1,761
Australia	10,069	3,351	4,295	418	1,053	(D)	362	195	1,209	(D)	844	62	349	1,168
China	7	3	4	0	(*)	0	0	4	0	0	0	0	0	0
Hong Kong	959	95	246	(D)	26	7	27	140	0	(D)	342	75	71	129
India	229	(D)	209	0	66	0	25	(D)	0	(D)	0	(*)	(D)	-4
Indonesia	6,317	5,998	146	7	46	15	(*)	33	0	45	35	4	7	128
Japan	4,587	(D)	2,178	140	497	41	(D)	216	1	(D)	777	97	93	(D)
Korea, Republic of	219	(*)	119	(D)	7	0	0	78	0	(D)	(D)	1	4	(D)
Malaysia	1,691	(D)	373	(D)	21	(D)	(D)	283	0	42	62	4	(D)	(D)
New Zealand	618	207	281	27	43	2	2	15	0	(D)	104	2	7	18
Philippines	1,074	418	447	72	155	(D)	1	81	(D)	(D)	51	(D)	27	(D)
Singapore	1,109	309	570	2	15	3	215	221	108	5	183	5	23	18
Taiwan	616	(D)	514	29	35	(D)	(D)	287	(D)	36	(D)	(D)	3	(D)
Thailand	657	446	96	11	32	1	(D)	37	0	(D)	(D)	(*)	12	(D)
Other	288	135	76	(D)	59	0	0	(D)	0	19	19	0	22	36
International ¹	2,579	2,237												342
Addenda:														
Eastern Europe ²	0	0	0	0	0	0	0	0	0	0	0	0	0	0
European Communities (12) ³	101,289	32,507	52,791	4,130	7,695	2,892	(D)	4,817	9,450	(D)	9,380	627	4,073	1,910
OPEC ⁴	21,801	17,988	1,737	349	414	127	21	101	(D)	(D)	592	(*)	787	697

^D Suppressed to avoid disclosure of data of individual companies.^{*} Less than \$500,000.¹ See footnote 2 to table 6.² See footnote 3 to table 6.³ See footnote 4 to table 6.⁴ See footnote 5 to table 6.

Table 12.3.—Gross Product of Nonbank Majority-Owned Foreign Affiliates, Country by Industry, 1989
[Millions of dollars]

	All industries	Petroleum	Manufacturing								Wholesale trade	Finance (except banking), insurance, and real estate	Services	Other industries
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing				
All countries	319,994	77,195	172,008	13,643	32,059	7,623	30,430	12,646	33,764	41,843	37,947	3,439	14,612	14,793
Canada	52,114	9,509	28,885	1,759	4,298	1,902	2,676	1,921	8,662	7,667	3,291	1,165	1,998	7,266
Europe	179,758	41,596	99,389	6,738	19,241	3,619	19,923	5,853	18,417	25,597	24,463	1,137	9,969	3,204
Austria	2,021	582	695	73	53	6	24	82	(D)	(D)	659	3	58	24
Belgium	8,540	1,368	4,956	263	1,828	152	614	224	(D)	(D)	1,521	35	567	93
Denmark	1,243	128	363	163	51	20	-1	61	7	62	605	18	114	14
Finland	1,065	396	68	3	18	4	8	5	0	31	576	-1	21	5
France	22,625	(D)	11,794	745	2,776	384	3,519	577	639	3,155	4,008	160	1,871	(D)
Germany, Federal Republic of	35,683	5,116	25,804	916	3,271	1,312	5,054	1,442	7,056	6,753	2,473	-38	1,318	1,010
Greece	677	317	201	42	95	0	0	8	0	55	110	(*)	46	3
Ireland	4,473	569	3,502	406	979	77	842	277	41	881	298	18	82	5
Italy	16,487	6,148	7,760	578	1,644	172	2,810	387	809	1,361	1,881	64	422	211
Luxembourg	587	64	515	0	80	(D)	8	3	0	(D)	0	-7	12	4
Netherlands	13,214	(D)	7,761	687	3,661	369	892	545	74	1,533	2,421	-171	1,180	(D)
Norway	4,164	3,497	120	1	34	4	15	2	0	63	436	23	(D)	(D)
Portugal	997	258	342	94	98	(D)	6	76	0	(D)	308	(*)	89	0
Spain	7,398	106	5,723	520	1,007	155	870	250	2,092	828	1,120	-3	316	136
Sweden	2,229	(D)	1,008	58	67	17	649	23	8	186	(D)	15	77	(D)
Switzerland	5,106	768	1,215	106	100	35	140	132	12	690	2,407	273	423	19
Turkey	463	203	137	22	34	-7	0	9	0	(D)	76	(*)	(D)	(D)
United Kingdom	52,703	15,514	27,423	2,061	3,444	885	4,473	1,748	6,468	8,344	4,703	749	3,264	1,050
Other	83	(D)	1	0	0	0	0	2	0	-1	(D)	-2	15	1
Latin America and Other Western Hemisphere	29,601	3,561	21,664	2,540	4,009	1,411	1,854	1,588	4,740	5,522	2,553	-208	687	1,344
South America	21,843	2,332	16,886	1,682	3,036	1,228	1,638	1,104	3,618	4,581	1,737	87	340	460
Argentina	1,577	454	973	162	249	(*)	10	14	0	75	4	37	35	35
Brazil	16,618	849	14,167	1,158	2,352	974	1,413	1,062	3,382	3,826	1,273	62	236	30
Chile	681	135	364	10	56	193	(D)	5	56	(D)	101	19	14	48
Colombia	1,150	489	650	112	188	25	0	19	0	(D)	101	4	21	-115
Ecuador	272	219	37	17	5	11	0	2	2	11	0	(*)	0	5
Peru	397	(D)	90	5	43	6	0	3	0	33	21	0	5	(D)
Venezuela	736	64	509	152	138	19	14	3	(D)	(D)	129	-2	22	13
Other	412	(D)	95	65	4	2	0	0	0	23	27	0	4	(D)
Central America	6,208	422	4,606	842	897	(D)	216	476	1,121	(D)	498	54	132	496
Costa Rica	208	1	99	28	30	(D)	0	8	0	(D)	10	0	3	94
Guatemala	158	52	69	15	11	0	0	0	0	43	15	-3	2	25
Honduras	287	69	105	90	69	(*)	2	0	0	13	11	(D)	(*)	(D)
Mexico	4,883	30	4,123	588	800	139	216	467	1,121	792	388	68	105	169
Panama	530	164	182	124	49	1	0	7	0	7	72	0	19	(D)
Other	143	105	29	-1	7	7	0	1	0	15	2	(D)	3	(D)
Other Western Hemisphere	1,549	807	172	17	76	(D)	0	8	0	(D)	318	-349	215	387
Bahamas	425	61	0	8	8	0	0	0	0	0	62	178	84	33
Barbados	203	67	3	1	0	0	0	0	(*)	2	101	23	10	0
Bermuda	-113	49	1	0	(*)	0	0	0	0	1	54	-231	12	2
Dominican Republic	209	11	31	2	12	0	0	2	0	14	10	(*)	(D)	(D)
Jamaica	455	58	85	0	41	(D)	0	0	0	(D)	53	(*)	(D)	(D)
Netherlands Antilles	-244	-16	7	3	4	0	0	0	0	0	4	-244	3	2
Trinidad and Tobago	497	467	16	5	9	0	0	0	0	2	0	5	7	1
United Kingdom Islands, Caribbean	-10	12	10	0	1	0	0	6	0	3	24	-80	21	3
Other	128	98	12	6	0	0	0	0	0	5	10	(*)	1	7
Africa	5,299	(D)	883	191	228	175	127	17	19	127	117	-15	43	(D)
Egypt	769	689	24	5	10	4	(D)	0	0	0	30	2	(D)	(D)
Nigeria	1,733	1,701	18	(*)	15	2	0	1	0	0	12	(*)	1	0
South Africa	701	(D)	441	24	160	58	(D)	(D)	19	69	55	0	11	(D)
Other	2,097	1,294	400	161	42	111	16	11	0	58	20	-17	(D)	(D)
Middle East	4,891	(D)	195	8	23	0	8	119	0	37	163	-64	226	(D)
Israel	359	(*)	191	6	22	0	8	119	0	36	82	-16	102	0
Saudi Arabia	2,735	(D)	6	1	4	0	0	0	0	1	31	-29	103	(D)
United Arab Emirates	1,176	1,156	(*)	0	(*)	0	0	0	0	0	27	-24	13	4
Other	621	(D)	-3	(*)	-3	0	0	0	0	0	23	5	9	(D)
Asia and Pacific	46,875	13,734	20,992	2,407	4,259	516	5,841	3,148	1,927	2,893	7,359	1,424	1,690	1,675
Australia	13,902	3,691	6,861	1,500	1,903	250	511	281	1,245	1,171	1,927	203	610	611
China	8	-28	36	10	9	-1	9	7	0	2	-6	0	5	(*)
Hong Kong	2,926	240	751	5	24	55	170	261	11	225	910	302	255	468
India	157	-9	161	0	(D)	0	(D)	(*)	0	(D)	3	1	1	(D)
Indonesia	3,999	3,591	100	(D)	59	2	7	(D)	0	42	42	-1	14	254
Japan	14,940	(D)	7,668	464	1,412	111	3,954	863	47	818	3,249	613	602	(D)
Korea, Republic of	726	-6	463	56	75	3	11	195	5	119	234	(D)	17	(D)
Malaysia	1,749	(D)	477	4	41	(D)	12	313	0	(D)	80	35	5	(D)
New Zealand	985	(D)	302	58	45	3	8	10	0	(D)	173	11	25	(D)
Philippines	1,006	(D)	625	183	219	0	3	124	0	96	69	(D)	18	78
Singapore	2,353	463	1,453	22	89	20	656	588	34	44	293	51	79	13
Taiwan	1,938	4	1,531	76	167	16	224	455	(D)	239	(D)	(D)	34	(D)
Thailand	1,815	1,132	476	14	98	45	(D)	46	0	(D)	56	17	17	(D)
Other	372	215	88	(D)	(D)	(D)	6	(D)	0	1	(D)	5	(D)	(D)
International ¹	1,457	692												765
Addenda:														
Eastern Europe ²	4	0	-1	0	0	0	0	0	0	-1	(*)	0	5	0
European Communities (12) ³	164,628	35,877	96,145	6,474	18,935	3,560	19,087	5,599	18,014	24,475	19,447	825	9,282	3,052
OPEC ⁴	10,730	9,372	672	177	223	34	20	6	(D)	(D)	260	-55	162	320

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

^{*} Less than \$500,000.

¹ See footnote 2 to table 6.

² See footnote 3 to table 6.

³ See footnote 4 to table 6.

⁴ See footnote 5 to table 6.

Table 12.4.—Gross Product of Nonbank Majority-Owned Foreign Affiliates, Country by Industry, 1990

[Millions of dollars]

	All industries	Petroleum	Manufacturing							Wholesale trade	Finance (except banking), insurance, and real estate	Services	Other industries	
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment					Other manufacturing
All countries	356,033	86,987	187,573	16,348	32,572	7,665	33,433	13,382	37,078	47,096	40,233	5,637	17,090	18,513
Canada	50,820	9,003	27,391	2,005	3,375	1,407	2,505	1,833	8,595	7,672	3,444	1,752	2,051	7,179
Europe	213,419	48,665	116,180	8,926	20,606	4,372	22,779	6,539	22,780	30,179	27,436	2,205	12,148	6,785
Austria	2,380	(D)	733	88	48	15	33	125	(D)	(D)	694	24	104	(D)
Belgium	10,081	1,445	5,485	285	1,824	194	670	278	(D)	(D)	2,101	262	728	60
Denmark	1,476	153	429	188	52	(D)	-1	(D)	(D)	73	733	28	123	8
Finland	1,203	(D)	25	3	25	6	14	5	0	0	583	1	24	(D)
France	27,410	5,418	13,993	1,012	3,465	500	4,041	972	599	3,403	4,593	183	2,489	734
Germany ¹	46,969	6,795	33,620	1,421	3,735	1,454	6,293	1,855	10,460	8,402	3,084	313	1,591	1,565
Greece	925	530	188	36	89	0	7	0	56	129	26	49	3	7
Ireland	5,416	672	4,270	430	1,281	89	1,220	284	48	919	393	-16	90	7
Italy	18,967	6,250	9,227	741	2,193	190	3,212	637	780	1,473	2,271	169	548	503
Luxembourg	730	79	632	0	70	(D)	20	(D)	(D)	0	0	-1	15	5
Netherlands	13,724	2,392	6,931	833	2,496	482	908	563	62	1,586	2,748	-31	1,496	188
Norway	5,120	4,314	177	2	31	5	48	13	0	79	518	-1	89	23
Portugal	1,269	357	420	113	128	3	12	(D)	(D)	(D)	381	8	102	0
Spain	8,428	146	6,353	586	1,031	183	923	271	2,509	851	1,215	55	422	237
Sweden	2,128	(D)	1,049	75	97	11	541	(D)	(D)	(D)	810	29	90	(D)
Switzerland	6,072	984	1,728	(D)	119	50	101	103	18	(D)	2,825	28	462	44
Turkey	812	422	185	(D)	38	(D)	0	(D)	(D)	(D)	115	(*)	92	(*)
United Kingdom	60,123	17,322	30,545	2,627	3,886	1,125	4,741	1,042	6,876	10,248	4,205	1,143	3,616	3,291
Other	188	(D)	(D)	0	0	(D)	0	(D)	0	-3	38	-15	17	1
Latin America and Other Western Hemisphere	31,080	5,999	21,621	3,043	4,179	1,249	1,774	1,368	4,135	5,873	1,883	-671	754	1,494
South America	22,782	4,603	15,934	2,046	3,153	1,063	1,546	781	2,565	4,780	923	189	385	747
Argentina	2,603	765	1,397	445	287	15	18	20	17	595	356	(D)	28	(D)
Brazil	16,093	2,602	12,938	1,258	2,423	794	1,508	719	2,399	3,837	83	(D)	281	(D)
Chile	801	(D)	359	16	100	190	3	8	0	42	127	(D)	16	77
Colombia	1,399	581	588	121	201	27	0	18	(D)	(D)	111	2	21	96
Ecuador	341	286	40	15	6	11	0	2	0	6	11	(D)	0	(D)
Peru	412	(D)	60	7	16	4	0	3	0	31	67	(D)	5	(D)
Venezuela	694	76	439	109	116	20	17	11	(D)	(D)	148	-5	28	8
Other	438	(D)	113	75	4	4	0	0	0	30	20	1	5	(D)
Central America	6,947	340	5,458	980	920	(D)	220	579	1,570	(D)	577	-1	157	414
Costa Rica	176	1	105	27	29	(D)	0	8	0	(D)	17	0	4	49
Guatemala	110	27	66	10	13	0	0	0	0	42	15	-4	2	5
Honduras	213	59	80	74	(*)	2	0	0	0	3	7	(*)	-1	67
Mexico	5,800	38	4,984	739	817	120	220	569	1,570	948	450	32	118	177
Panama	522	130	193	130	54	2	0	0	8	85	85	(D)	31	(D)
Other	126	86	30	-1	7	7	0	1	0	16	3	(D)	3	(D)
Other Western Hemisphere	1,351	1,055	228	17	105	(D)	7	8	0	(D)	383	-860	212	332
Bahamas	286	39	8	(*)	8	0	0	0	0	0	43	41	120	35
Barbados	193	63	2	(*)	0	0	0	0	(*)	0	105	(*)	24	0
Bermuda	-210	17	1	0	(*)	0	0	0	1	134	-383	30	-10	0
Dominican Republic	263	19	35	2	16	0	0	2	0	15	11	(*)	(D)	(D)
Jamaica	338	50	133	0	69	(D)	0	0	0	(D)	57	3	(D)	(D)
Netherlands Antilles	-506	4	8	3	4	0	0	0	0	0	9	-544	17	1
Trinidad and Tobago	775	735	13	5	7	0	0	0	0	2	0	19	8	(*)
United Kingdom Islands, Caribbean	74	17	9	0	1	0	0	6	0	21	3	9	15	0
Other	136	111	19	7	0	0	7	0	5	4	4	1	2	0
Africa	6,162	4,659	868	199	240	131	109	21	18	150	144	21	67	403
Egypt	1,016	927	24	5	10	4	(D)	0	0	36	2	20	7	0
Nigeria	2,222	2,186	22	4	12	2	0	1	0	4	12	1	1	0
South Africa	698	(D)	423	19	150	65	92	1	18	78	75	0	14	0
Other	2,226	(D)	399	171	68	60	(D)	0	0	69	21	19	33	(D)
Middle East	3,206	2,428	350	9	30	1	6	255	0	48	79	-4	291	62
Israel	577	(*)	341	8	25	0	6	255	0	47	20	7	210	0
Saudi Arabia	123	(D)	7	1	4	1	0	0	0	1	23	-26	69	(D)
United Arab Emirates	1,644	1,606	(*)	0	(*)	0	0	0	0	0	23	5	4	5
Other	862	(D)	1	(*)	(*)	0	0	0	0	0	14	10	8	(D)
Asia and Pacific	49,786	15,560	21,163	2,165	4,143	504	6,261	3,366	1,550	3,173	7,246	2,334	1,778	1,704
Australia	14,178	4,445	6,321	1,302	1,872	217	496	247	885	1,301	1,713	359	634	706
China	114	-50	41	11	11	-2	(D)	(D)	0	2	(D)	0	7	(D)
Hong Kong	3,122	294	856	6	48	(D)	233	220	4	(D)	933	417	266	354
India	136	-9	141	0	35	0	(D)	0	0	(D)	3	(*)	1	(*)
Indonesia	4,987	4,529	111	8	58	2	(D)	(D)	0	(D)	42	(D)	16	(D)
Japan	14,565	(D)	7,305	497	1,311	117	(D)	(D)	43	(D)	2,845	992	544	(D)
Korea, Republic of	906	-6	486	70	72	3	12	185	13	132	349	23	44	11
Malaysia	1,825	1,006	612	7	35	9	15	42	0	123	119	72	5	11
New Zealand	914	(D)	243	8	54	3	(D)	0	(D)	(D)	171	30	42	(D)
Philippines	1,015	(D)	571	137	211	(D)	3	103	0	(D)	53	(D)	-7	(D)
Singapore	3,547	652	2,372	18	98	19	1,340	808	34	54	242	101	162	18
Taiwan	2,255	5	1,526	77	171	19	202	457	(D)	(D)	489	(D)	45	(D)
Thailand	1,832	1,045	496	16	107	(D)	7	75	0	(D)	161	(D)	18	(D)
Other	389	253	82	9	60	1	(D)	5	0	0	(D)	(D)	0	(D)
International²	1,559	673												886
Addenda:														
Eastern Europe ³	(D)	0	(D)	0	0	0	0	(D)	0	1	3	(D)	5	0
European Communities (12) ⁴	195,516	41,560	112,094	8,272	20,248	4,279	22,040	6,101	22,399	28,755	21,852	2,139	11,271	6,600
OPEC ⁵	10,158	8,820	621	137	198	37	24	12	42	172	263	-25	132	347

^D Suppressed to avoid disclosure of data of individual companies.^{*} Less than \$500,000.¹ Beginning with 1990, includes the former German Democratic Republic (GDR), which reunited with the Federal Republic of Germany in October 1990. This change does not affect the comparability of the 1990 data with the data for earlier years, because no affiliates of U.S. companies were in the former GDR before 1990.² See footnote 2 to table 6.³ See footnote 3 to table 6.⁴ See footnote 4 to table 6.⁵ See footnote 5 to table 6.

Table 12.5.—Gross Product of Nonbank Majority-Owned Foreign Affiliates, Country by Industry, 1991

[Millions of dollars]

	All industries	Petroleum	Manufacturing							Wholesale trade	Finance (except banking), insurance, and real estate	Services	Other industries	
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment					Other manufacturing
All countries	356,069	88,835	182,085	17,922	32,690	7,113	29,923	13,389	33,944	47,104	41,060	4,739	18,097	21,253
Canada	47,126	7,725	23,753	2,075	3,303	1,447	2,140	1,709	6,923	6,155	3,633	2,370	2,155	7,491
Europe	217,515	53,114	115,359	10,171	21,094	4,043	20,571	6,496	21,406	31,579	27,663	981	12,953	7,445
Austria	2,365	(D)	759	90	47	13	38	161	(D)	(D)	594	38	103	(D)
Belgium	9,831	1,607	5,411	332	1,983	225	436	257	(D)	(D)	1,749	218	764	84
Denmark	1,894	532	476	204	77	(D)	(D)	(D)	(D)	90	709	27	130	20
Finland	1,125	101	101	4	30	6	18	5	0	37	(D)	2	25	(D)
France	27,306	5,556	13,768	1,163	3,528	498	3,582	972	627	3,399	4,501	153	2,468	859
Germany ¹	49,524	7,512	34,850	1,695	3,862	1,240	6,479	1,691	10,409	9,473	3,471	121	1,811	1,758
Greece	1,169	705	230	56	111	0	0	10	0	52	154	30	49	0
Ireland	5,318	660	4,224	431	1,494	93	779	283	45	1,098	290	46	80	17
Italy	20,308	7,077	9,286	934	2,249	167	3,158	635	701	1,444	2,506	135	661	643
Luxembourg	672	90	551	0	38	(D)	25	(D)	(D)	2	10	16	3	3
Netherlands	13,444	2,608	6,708	929	2,247	410	785	476	73	1,789	2,963	-481	1,407	240
Norway	4,939	4,290	127	2	22	5	28	15	0	56	411	3	91	18
Portugal	1,507	461	465	148	175	4	(D)	(D)	(D)	443	11	127	0	0
Spain	8,308	149	6,190	609	1,075	162	821	331	2,417	1,230	73	399	267	0
Sweden	2,432	(D)	1,075	(D)	149	8	516	55	(D)	277	(D)	37	138	(D)
Switzerland	6,756	725	2,217	(D)	127	52	127	99	19	(D)	2,763	456	549	46
Turkey	848	372	303	(D)	(D)	23	0	0	0	117	(D)	(D)	57	-1
United Kingdom	59,494	19,048	28,432	2,621	3,795	1,080	3,753	1,233	5,636	10,314	4,496	108	4,058	3,353
Other	275	43	184	(D)	(D)	0	0	(D)	0	-2	28	-5	23	1
Latin America and Other Western Hemisphere	28,464	4,681	21,004	3,403	3,977	1,032	1,243	1,214	4,466	5,667	2,102	-1,472	586	1,563
South America	19,188	3,248	13,744	2,108	2,779	842	986	471	2,181	4,376	1,014	74	364	744
Argentina	3,363	921	1,951	609	369	31	30	26	879	370	(D)	38	38	(D)
Brazil	11,514	1,221	9,887	1,080	1,912	558	956	396	1,926	3,058	79	(D)	235	(D)
Chile	926	(D)	325	21	72	172	3	0	49	151	(D)	25	169	(D)
Colombia	1,278	453	641	133	213	30	0	15	(D)	(D)	99	-2	22	64
Ecuador	327	272	33	13	3	11	0	4	4	12	-2	0	13	0
Peru	340	(D)	63	7	23	4	0	0	0	26	69	(D)	5	(D)
Venezuela	1,080	107	711	150	184	33	19	16	(D)	(D)	213	-6	33	23
Other	360	(D)	133	96	4	4	0	0	30	21	6	6	(D)	(D)
Central America	9,014	567	7,056	1,276	1,117	(D)	249	735	2,285	(D)	736	44	170	442
Costa Rica	192	-7	135	38	30	7	0	12	0	48	14	0	4	46
Guatemala	238	163	69	13	13	0	0	0	0	42	7	-5	2	3
Honduras	276	84	119	103	7	2	0	0	0	0	3	(D)	-1	(D)
Mexico	7,585	52	6,521	992	1,019	(D)	249	722	2,285	(D)	600	72	143	196
Panama	561	153	182	131	41	2	0	0	8	109	(D)	19	19	(D)
Other	163	122	32	-1	7	7	0	1	0	18	1	(D)	3	(D)
Other Western Hemisphere	262	867	204	19	81	(D)	8	9	0	(D)	352	-1,590	52	376
Bahamas	279	59	9	(*)	8	0	0	0	0	42	-9	145	33	0
Barbados	159	24	2	(*)	0	0	0	0	(*)	162	-34	6	0	0
Bermuda	-727	8	1	0	(*)	0	0	0	0	76	-859	20	26	0
Dominican Republic	270	(D)	39	2	16	0	0	2	0	19	5	1	(D)	(D)
Jamaica	334	(D)	103	0	47	(D)	0	0	0	62	3	(D)	2	(D)
Netherlands Antilles	-802	4	3	4	0	0	0	0	0	10	-681	-145	2	0
Trinidad and Tobago	642	605	11	5	4	0	0	0	0	0	18	8	0	0
United Kingdom Islands, Caribbean	9	15	10	0	1	0	0	0	0	-8	-30	8	15	(D)
Other	97	70	21	8	0	0	8	0	5	4	1	2	(*)	(*)
Africa	6,074	4,574	888	220	276	88	105	19	21	159	172	37	51	352
Egypt	849	(D)	21	8	3	4	(D)	0	0	55	2	(D)	(D)	(D)
Nigeria	2,239	2,187	38	18	17	2	0	1	0	(*)	(D)	1	(D)	0
South Africa	752	(D)	458	23	181	56	(D)	(D)	21	82	68	0	13	(D)
Other	2,235	(D)	371	172	75	26	10	11	0	76	(D)	35	(D)	(D)
Middle East	2,882	1,882	384	14	20	1	16	292	0	41	83	39	395	100
Israel	632	(*)	359	11	15	0	7	286	0	40	26	11	236	0
Saudi Arabia	254	73	9	2	4	1	0	0	0	1	10	14	135	13
United Arab Emirates	1,475	(D)	15	0	(*)	0	9	5	0	0	27	5	16	(D)
Other	521	(D)	1	(*)	(*)	0	0	0	0	20	8	8	(D)	(D)
Asia and Pacific	52,208	16,041	20,697	2,039	4,021	501	5,847	3,658	1,127	3,504	7,408	2,783	1,957	3,323
Australia	12,295	4,124	5,311	1,015	1,455	188	496	241	571	1,346	1,032	289	685	854
China	211	23	77	17	46	-2	11	0	0	102	0	8	8	1
Hong Kong	3,192	380	812	19	71	(D)	191	226	4	(D)	947	484	198	371
India	123	-11	130	0	32	0	(D)	0	0	(D)	3	(*)	2	(D)
Indonesia	5,031	4,590	114	7	69	3	4	(D)	0	46	(D)	17	(D)	(D)
Japan	16,517	(D)	7,932	542	1,456	137	3,744	1,035	57	962	3,551	1,325	703	(D)
Korea, Republic of	1,031	-7	593	80	90	4	62	181	12	164	353	38	45	10
Malaysia	2,016	(D)	813	8	45	9	71	528	0	151	131	(D)	6	(D)
New Zealand	2,264	(D)	186	3	62	3	(D)	13	(D)	(D)	106	38	41	(D)
Philippines	1,189	688	210	256	(D)	3	(D)	3	2	(D)	68	(D)	(*)	(D)
Singapore	3,333	789	1,924	18	91	20	977	717	36	65	306	110	185	19
Taiwan	2,395	13	1,572	88	190	23	124	479	(D)	(D)	552	205	48	4
Thailand	2,203	1,373	475	22	110	(D)	(D)	0	(D)	(D)	180	(D)	19	(D)
Other	408	293	70	11	49	1	3	6	0	32	0	0	0	(D)
International²	1,798	819												980
Addenda:														
Eastern Europe ³	122	0	122	(D)	0	0	0	(D)	0	2	-2	-2	5	0
European Communities (12) ⁴	198,775	46,005	110,593	9,123	20,633	3,936	19,843	6,033	20,983	30,040	22,516	451	11,968	7,243
OPEC ⁵	10,492	8,639	921	190	279	50	33	26	125	218	321	14	207	390

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

* Less than \$500,000.

1. See footnote 1 to table 12.4.

2. See footnote 2 to table 6.

3. See footnote 3 to table 6.

4. See footnote 4 to table 6.

5. See footnote 5 to table 6.