

*Visual Essay*

Activities of U.S. Affiliates of Foreign Multinational Enterprises in 2022

December 10, 2024

The U.S. Bureau of Economic Analysis (BEA) recently released statistics on the 2022 [activities of U.S. affiliates of foreign multinational enterprises](#) (MNEs). These statistics provide a picture of the overall activities of U.S. affiliates and contain a wide variety of indicators of their financial structure and operations. The statistics cover items that are needed to analyze the characteristics, performance, and economic impact of foreign-owned businesses on the U.S. economy and are obtained from mandatory surveys of U.S. affiliates conducted by BEA.

Key Terms

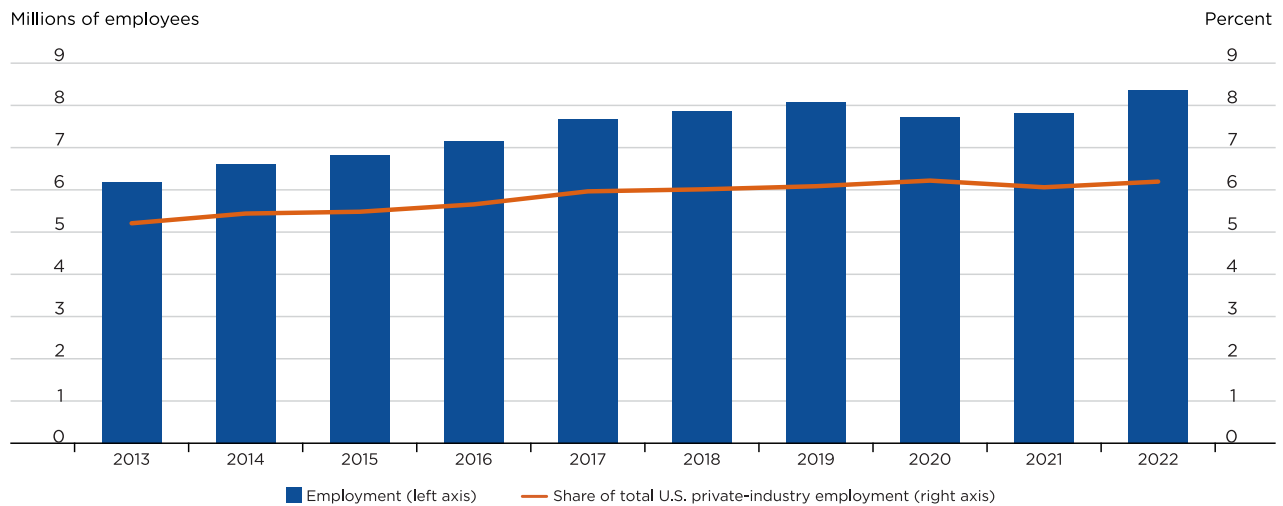
A **U.S. affiliate** is a U.S. business enterprise in which there is foreign direct investment—that is, at least 10 percent is owned by a foreign parent. A **majority-owned U.S. affiliate (MOUSA)** is a U.S. affiliate that is more than 50 percent foreign owned. Data are available in greater detail for majority-owned affiliates in order to feature the firms that are unambiguously under foreign control.

A **foreign parent** is the first foreign resident with a direct investment interest in the U.S. affiliate. The **ultimate beneficial owner (UBO)** is that person, proceeding up a chain of majority ownership (where the entity above owns more than 50 percent of the entity below), beginning with and including the foreign parent, that is not owned more than 50 percent by another person. The UBO ultimately owns or controls, and thus ultimately derives the benefits and assumes the risks from owning or controlling, the U.S. affiliate. The country of the UBO is often the same as that of the foreign parent, but it may be a different country or the United States.

The following charts present highlights of BEA's U.S. affiliate statistics for 2022. Much more detail, including [additional data items](#), can be found on BEA's website.

Employment¹

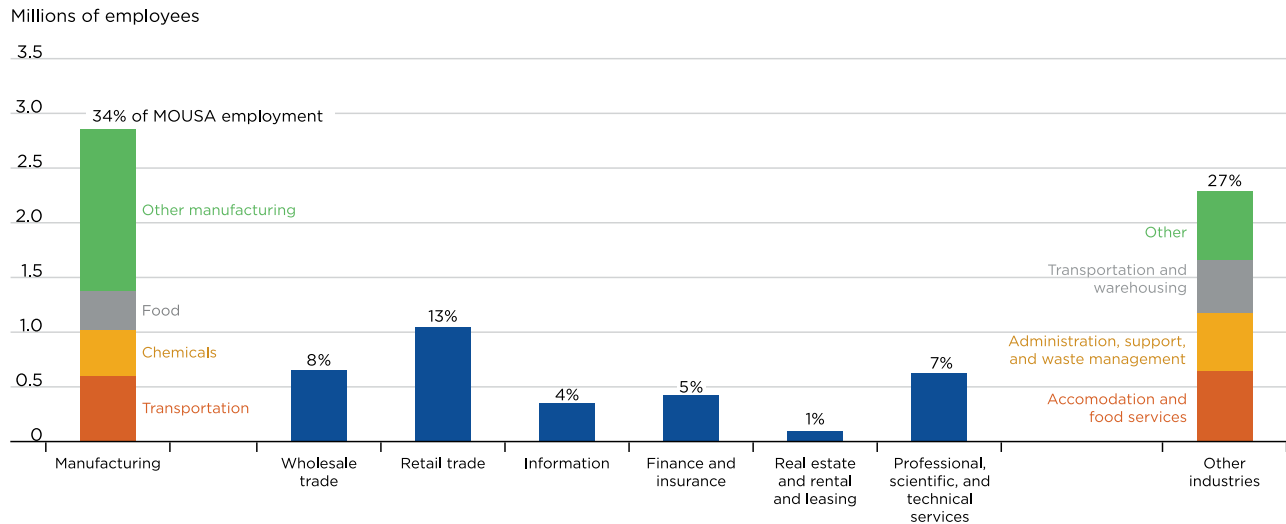
Chart 1. Employment by Majority-Owned U.S. Affiliates, 2013–2022



U.S. Bureau of Economic Analysis

- Majority-owned U.S. affiliates of foreign MNEs employed 8.35 million workers in the United States in 2022, 6.8 percent more than in 2021.
- Majority-owned U.S. affiliates accounted for 6.2 percent of total private-industry employment in the United States, up slightly from 6.1 percent in 2021.

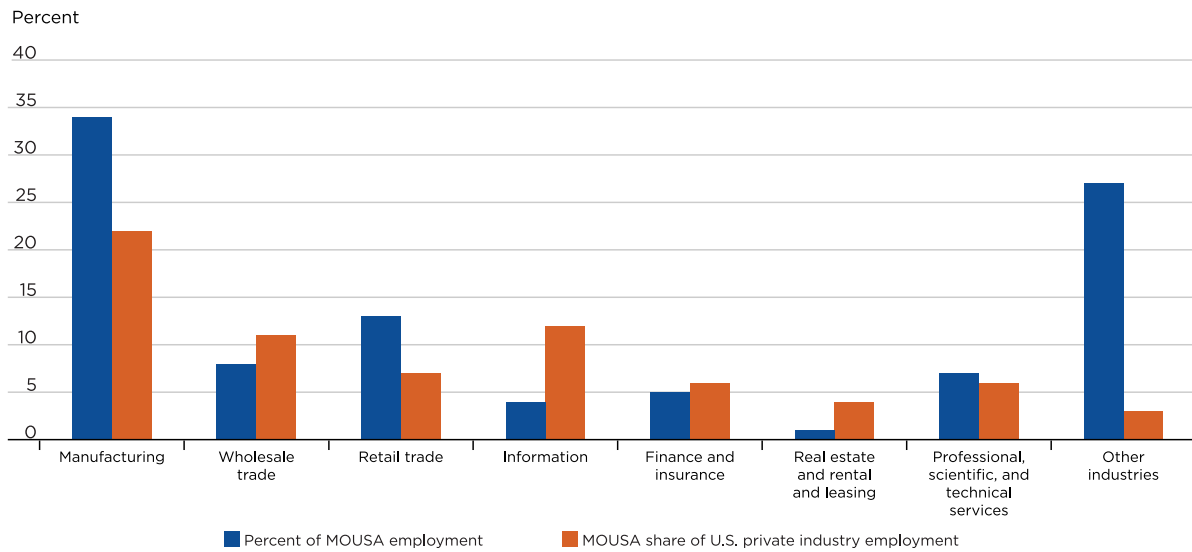
Chart 2. MOUSA Employment by Industry, 2022



MOUSA: Majority-owned U.S. affiliate
 U.S. Bureau of Economic Analysis

- The manufacturing sector accounted for 34 percent of majority-owned U.S. affiliate employment. Within manufacturing, transportation equipment employed the most workers, followed by chemicals and food.
- Within “other industries,” accommodation and food services; administration, support, and waste management; and transportation and warehousing employed the most workers.
- Employment increased in all major industry categories. Transportation and warehousing industries, closely followed by professional, scientific, and technical services, saw the largest employment increases.

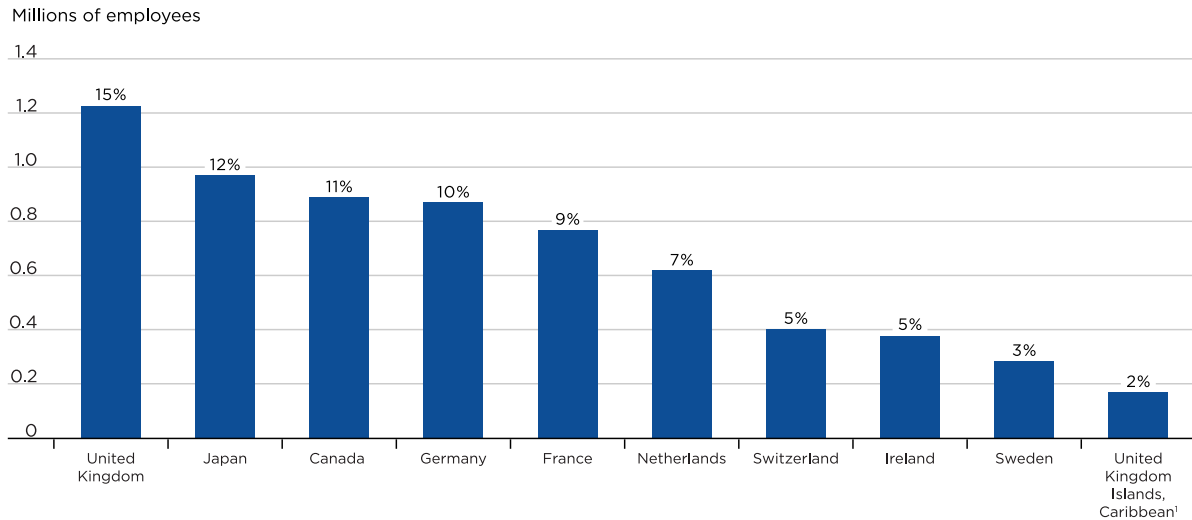
Chart 3. Shares of MOUSA Employment by Industry, 2022



MOUSA Majority-owned U.S. affiliate
U.S. Bureau of Economic Analysis

- Chart 3 illustrates the percentage of majority-owned U.S. affiliate employment by sector. This chart compares those shares to the share of majority-owned U.S. affiliate employment by U.S. private industry sector. (National Income and Product Accounts table 6.4D “[Full-Time and Part-Time Employees by Industry](#)” was used to calculate majority-owned U.S. affiliates (MOUSA) share of U.S. private industry employment in chart 3.)
- Majority-owned U.S. affiliates in the manufacturing sector accounted for 22 percent of U.S. private industry manufacturing employment.
- Other industries accounted for 27 percent of total majority-owned U.S. affiliate employment and 3 percent of U.S. private industry other industries employment.

Chart 4. MOUSA Employment by Country of UBO, 2022



MOUSA: Majority-owned U.S. affiliate

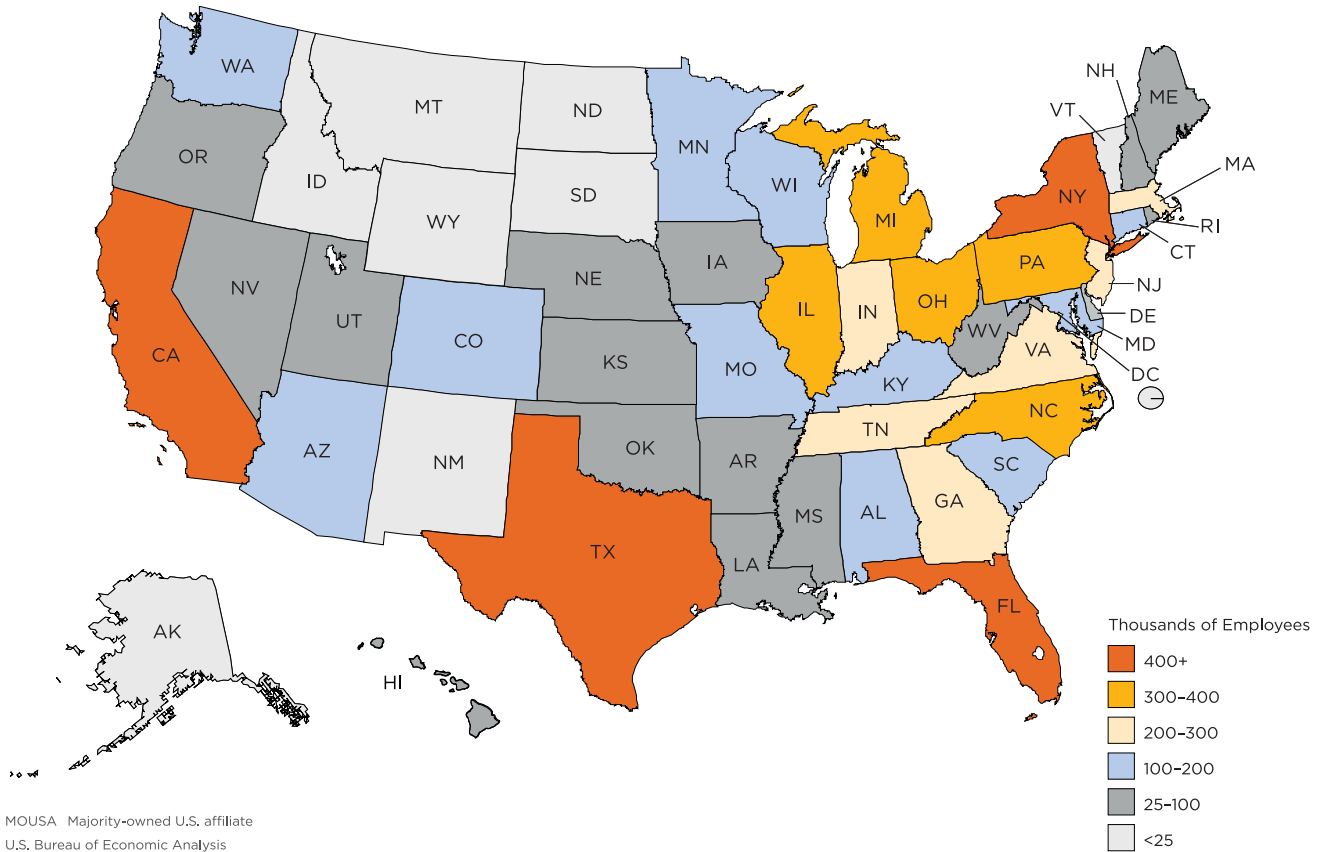
UBO: Ultimate beneficial owner

1. United Kingdom Islands, Caribbean includes the British Virgin Islands, the Cayman Islands, Montserrat, and the Turks and Caicos Islands.

U.S. Bureau of Economic Analysis

- By country of ultimate beneficial owner (UBO), the United Kingdom, Japan, Canada, Germany, and France accounted for the largest share of majority-owned U.S. affiliate employment. These five countries accounted for 57 percent of all majority-owned U.S. affiliate employment.
- U.K.-owned affiliates employed approximately 1.2 million workers in the U.S. across several industries. Japanese-owned affiliates employed approximately 969,000 workers in the United States. Over 50 percent of employment for Japanese-owned affiliates is in the manufacturing sector.

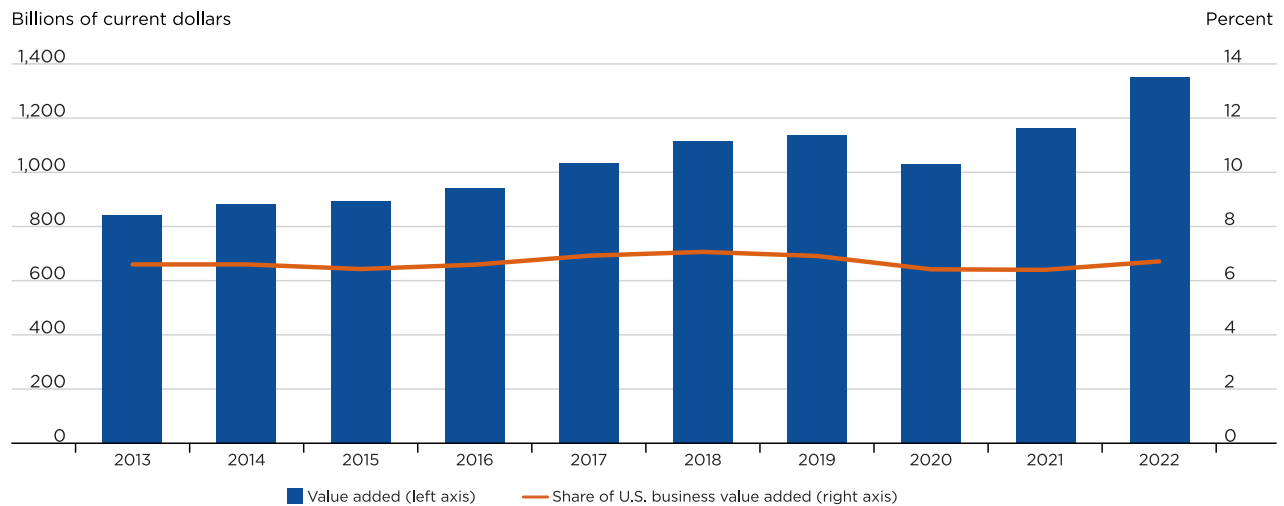
Chart 5. MOUSA Employment by State, 2022



- By state, majority-owned U.S. affiliate employment was highest in California (852,300), Texas (695,600), and New York (546,500). In all three states, majority-owned U.S. affiliates in the manufacturing sector employed the most workers. (Statistics for state-level shares previously produced from table SAEMP27 “[Full-Time and Part-Time Wage and Salary Employment by Industry](#)” are no longer being computed. This table was discontinued in September 2024 due to budget constraints.)

Value Added²

Chart 6. Majority-Owned U.S. Affiliate Value Added, 2013-2022

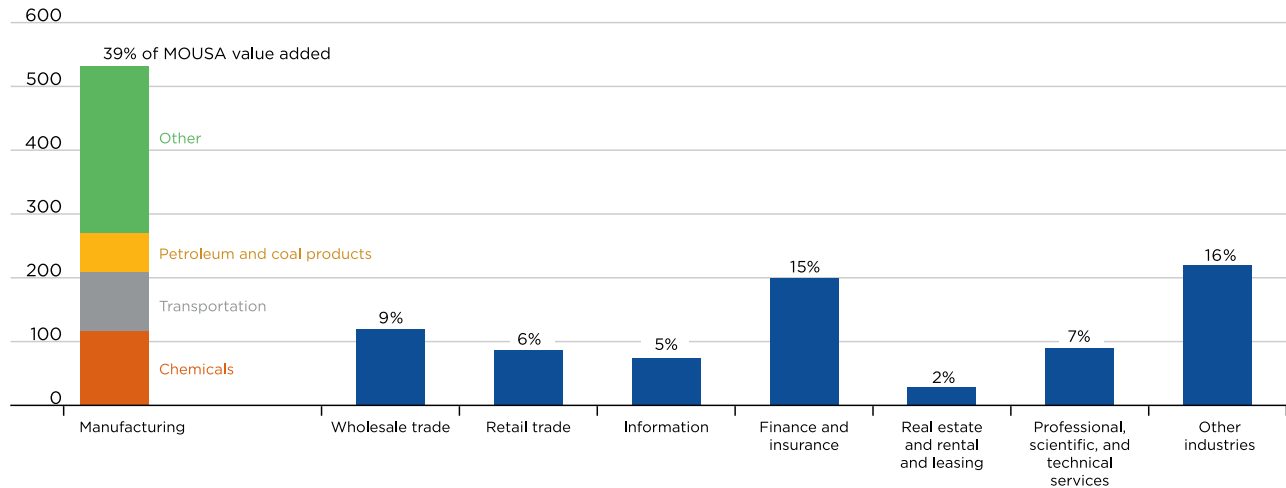


U.S. Bureau of Economic Analysis

- Current-dollar value added of majority-owned U.S. affiliates increased 16.1 percent to \$1.35 trillion in 2022.
- Majority-owned U.S. affiliates accounted for 6.7 percent of total U.S. business-sector value added, up from 6.4 percent in 2021.

Chart 7. MOUSA Value Added by Industry, 2022

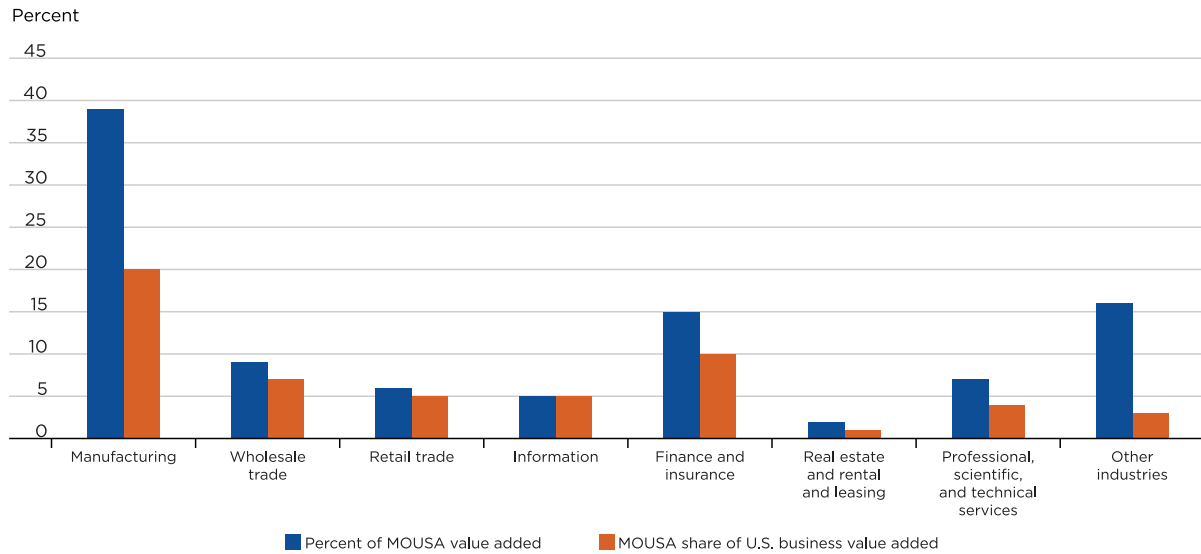
Billions of current dollars



MOUSA: Majority-owned U.S. affiliate
U.S. Bureau of Economic Analysis

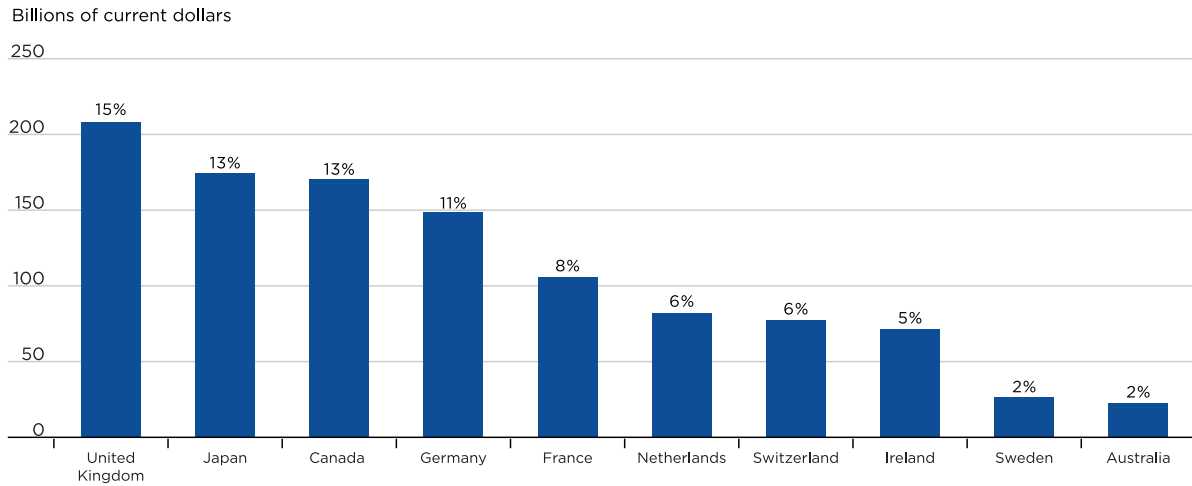
- Manufacturing accounted for most majority-owned U.S. affiliate value added. The largest industry within manufacturing was chemicals (which includes pharmaceuticals), followed by transportation equipment.
- Value added increased in all major industry categories. Manufacturing saw the largest value increase of \$69 billion, and professional, scientific, and technical services saw the largest percentage increase (29 percent) from 2021.

Chart 8. Shares of MOUSA Value Added by Industry, 2022



- Chart 7 illustrates the percentage of majority-owned U.S. affiliate value added by sector. This chart compares those shares to the share of majority-owned U.S. affiliate value added by U.S. private industry sector. ([GDP by industry](#) was used to calculate MOUSA share of U.S. business value added.)
- Majority-owned U.S. affiliates in the manufacturing sector accounted for 20 percent of U.S. private industry manufacturing value added.
- With the exception of manufacturing, finance and insurance, and other industries, majority-owned U.S. affiliate shares of value added by industry were fairly consistent with their shares of U.S. business value added by industry.

Chart 9. MOUSA Value Added by Country of UBO, 2022

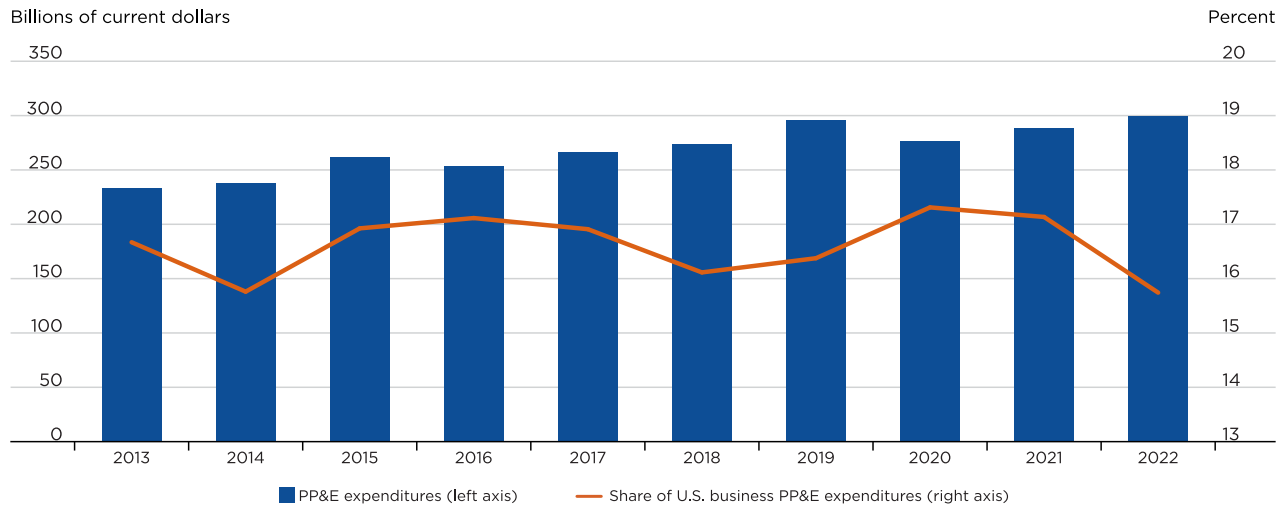


MOUSA: Majority-owned U.S. affiliate
UBO: Ultimate beneficial owner
U.S. Bureau of Economic Analysis

- By country of UBO, the United Kingdom, Japan, Canada, Germany, and France accounted for the largest share of majority-owned U.S. affiliate value added. These five countries accounted for 60 percent of all majority-owned U.S. affiliate value added.
- Canada is the only country in the chart where manufacturing is not the largest contributing sector. The finance and insurance industry was the largest value-added contributor for Canadian-owned affiliates.

Property, Plant, and Equipment³

Chart 10. Majority-Owned U.S. Affiliate PPE Expenditures, 2013-2022

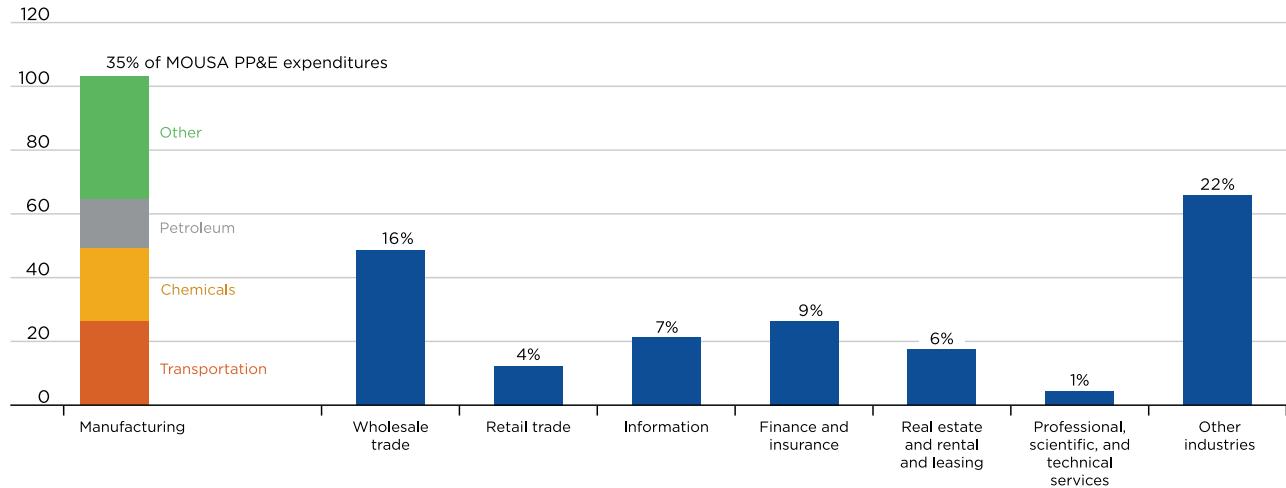


PP&E Property, plant, and equipment
U.S. Bureau of Economic Analysis

- Expenditures for property, plant, and equipment (PP&E) by majority-owned U.S. affiliates increased 3.8 percent to \$299.1 billion in 2022.
- Majority-owned U.S. affiliates accounted for 15.7 percent of total U.S. private business capital expenditures, which is substantially higher than employment and value-added shares.

Chart 11. MOUSA PP&E Expenditures by Industry, 2022

Billions of current dollars

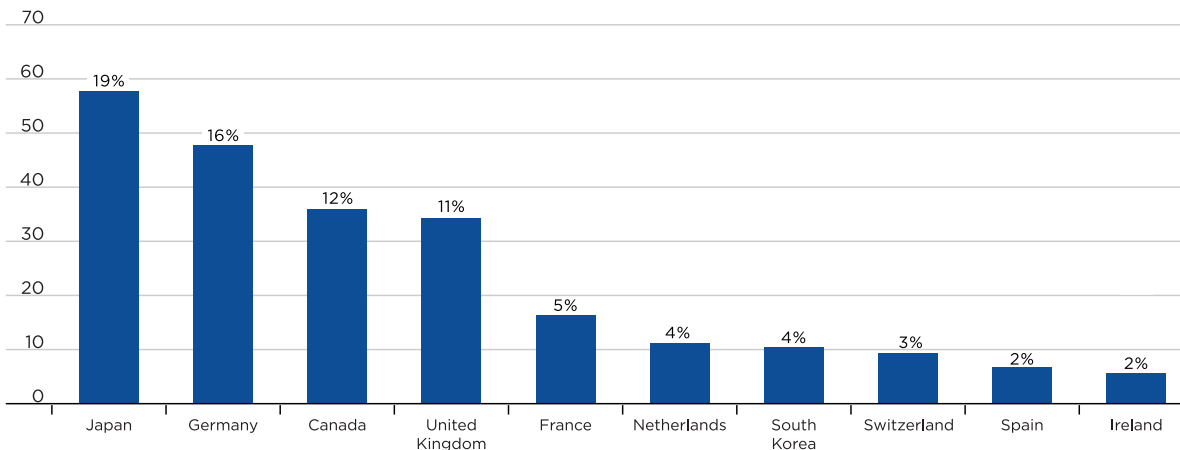


MOUSA: Majority-owned U.S. affiliate
 PP&E: Property, plant, and equipment
 U.S. Bureau of Economic Analysis

- Manufacturing accounted for 35 percent of majority-owned U.S. affiliate PP&E expenditures. Within manufacturing, the largest contributor was transportation equipment, followed by chemicals.
- Within “other industries,” utilities, followed by transportation and warehousing, accounted for the largest shares.
- The largest PP&E expenditure value increase was in the transportation and warehousing industry.

Chart 12. MOUSA PP&E Expenditures by Country of UBO, 2022

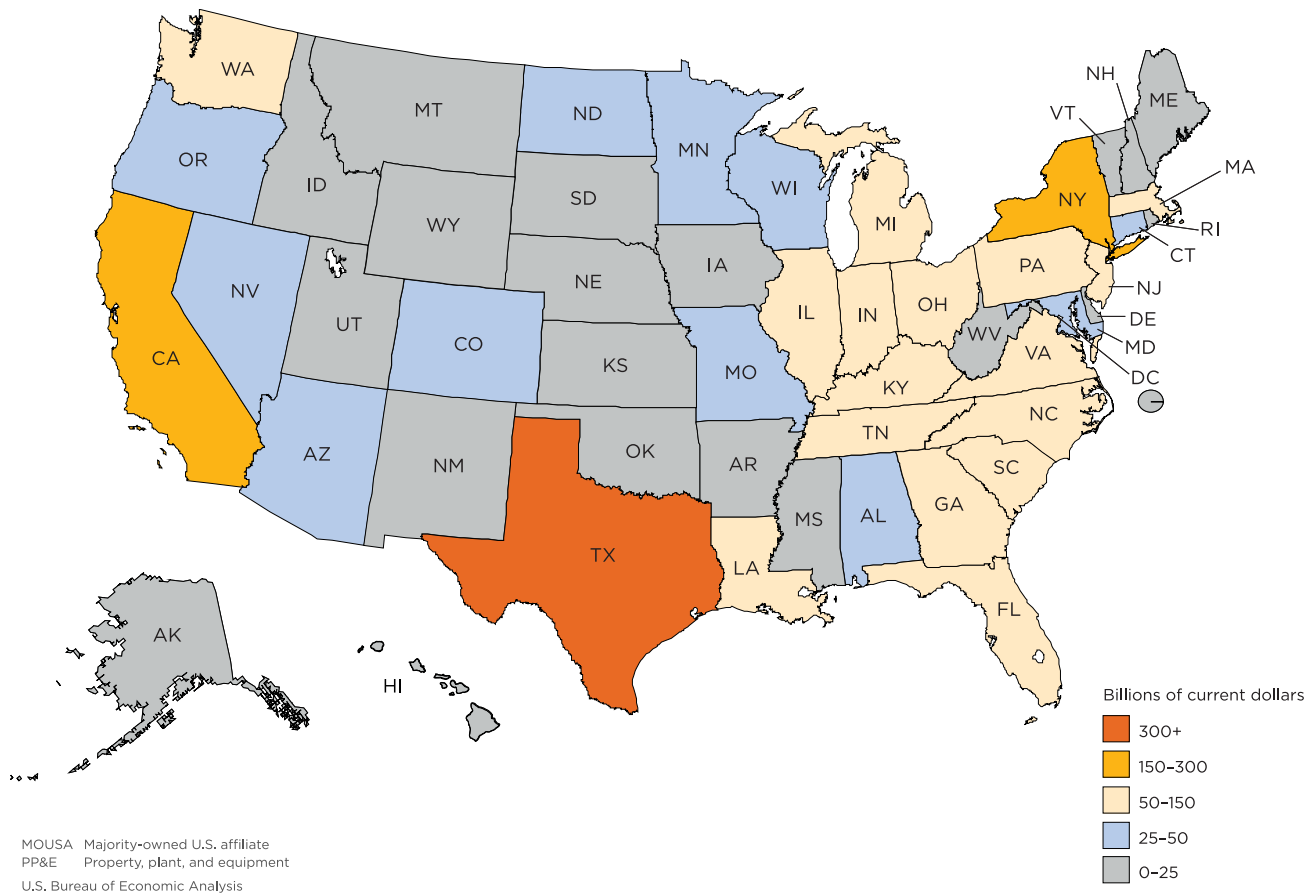
Billions of current dollars



MOUSA: Majority-owned U.S. affiliate
PP&E: Property, plant, and equipment
UBO: Ultimate beneficial owner
U.S. Bureau of Economic Analysis

- By country of UBO, Japan, Germany, Canada, the United Kingdom, and France accounted for the largest share of majority-owned U.S. affiliate PP&E expenditures. The top sector for Japanese-owned affiliates was manufacturing, where transportation equipment manufacturing accounted for 65 percent of the PP&E expenditures.
- PP&E expenditures are slightly more concentrated by country than employment and value added, with the top five countries of UBO accounting for 64 percent of majority-owned U.S. affiliate PP&E expenditures.

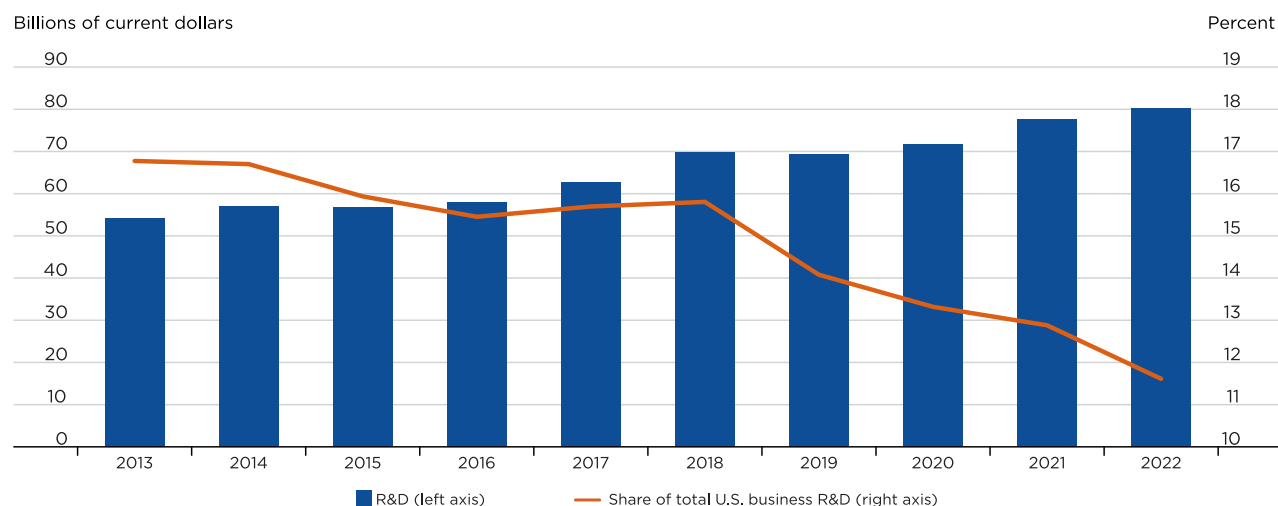
Chart 13. MOUSA PP&E (Stock) by State, 2022



- Charts 10, 11, and 12 illustrate PP&E expenditures. BEA also collects detail on gross PP&E stock, shown in chart 13, which is the value of all land, property, plant, and equipment before accumulated depreciation. These data can be used as a proxy for state-level foreign direct investment levels that are not available in BEA's direct investment position statistics.
- Total gross PP&E for the United States was \$3.2 trillion. The states with the largest share of majority-owned U.S. affiliate gross PP&E were Texas (\$453 billion), California (\$269 billion), and New York (\$251 billion).

Research and Development Expenditures⁴

Chart 14. Majority-Owned U.S. Affiliate R&D Performed, 2013-2022

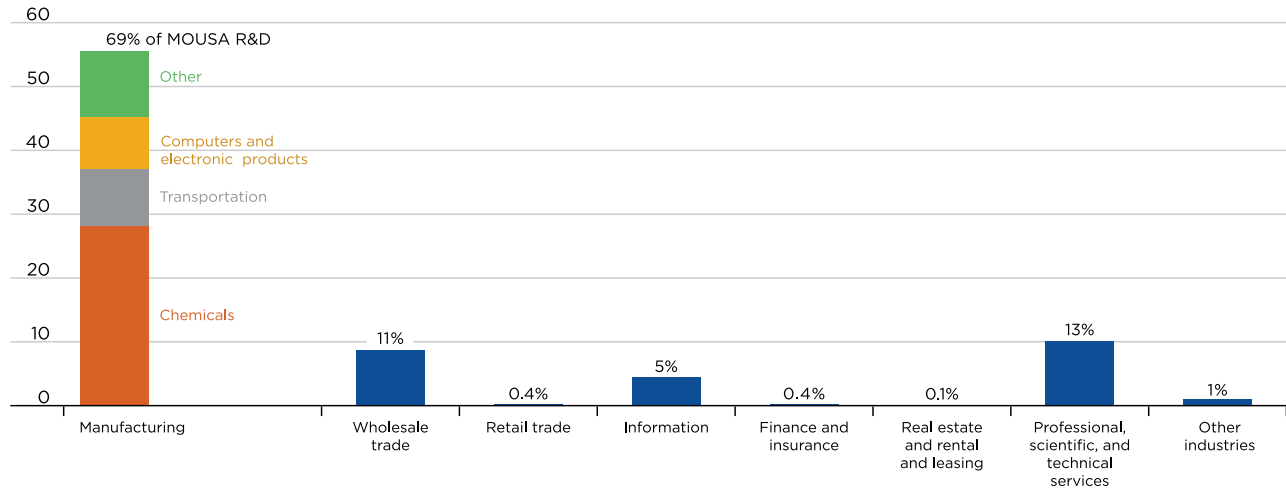


R&D Research and development
U.S. Bureau of Economic Analysis

- Research and development (R&D) performed by majority-owned U.S. affiliates increased 3.5 percent to \$80.3 billion in 2022.
- Majority-owned U.S. affiliates accounted for 11.6 percent of R&D performed by all U.S. businesses in 2022.

Chart 15. MOUSA R&D Performed by Industry, 2022

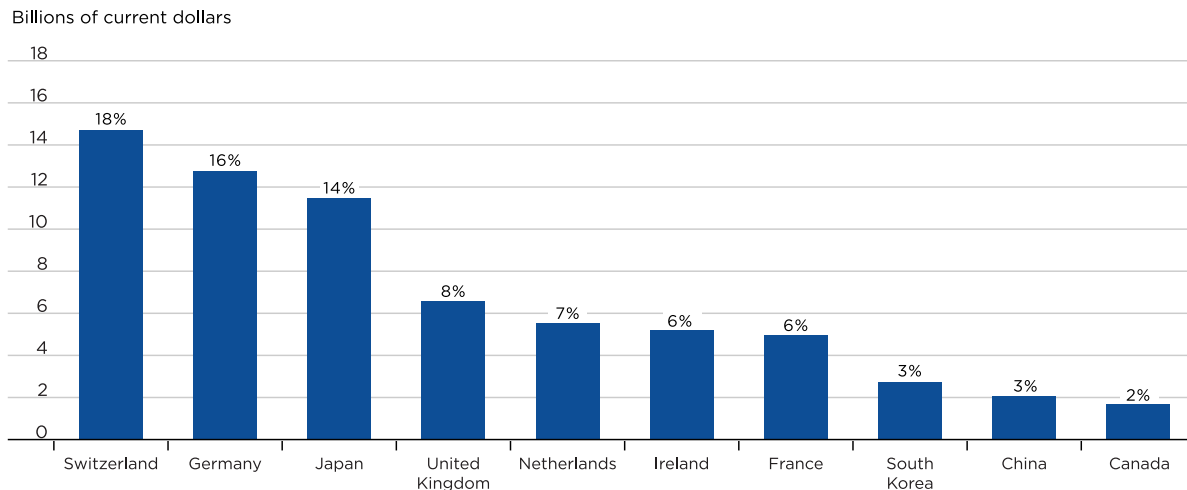
Billions of current dollars



MOUSA: Majority-owned U.S. affiliate
R&D: Research and development
U.S. Bureau of Economic Analysis

- Manufacturing made up most of all majority-owned U.S. affiliate R&D performed, accounting for 69 percent of total R&D. Chemicals manufacturing (which includes pharmaceuticals) accounted for most of majority-owned U.S. affiliate manufacturing R&D.

Chart 16. MOUSA R&D Performed by Country of UBO, 2022



MOUSA Majority-owned U.S. affiliate
R&D Research and development
UBO Ultimate beneficial owner
U.S. Bureau of Economic Analysis

- By country of UBO, Switzerland, Germany, Japan, the United Kingdom, and the Netherlands accounted for the largest share of majority-owned U.S. affiliate R&D performed. These top five countries of UBO accounted for 64 percent of majority-owned U.S. affiliate R&D.
- Swiss-owned affiliates account for 18 percent of R&D performed. R&D expenditures are the only featured data item where Switzerland is in the top three investing countries.

1. Employment covers the total number of full-time and part-time employees on the payroll at the end of the year.
2. Value added is the value of the final goods and services produced by a firm's labor and property. Value added represents the firm's contribution to U.S. gross domestic product.
3. Expenditures for property, plant, and equipment cover expenditures for land and depreciable structures and equipment.
4. Research and development (R&D) performed includes expenditures for R&D performed by the U.S. affiliate, whether the R&D was for their own use or for use by others.



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