

U.S. Affiliates of Foreign Companies

Operations in 2001

By William J. Zeile

PRELIMINARY results from BEA's latest annual survey of foreign direct investment in the United States (FDIUS) indicate that the current-dollar gross product of U.S. nonbank affiliates of foreign companies fell 6 percent in 2001, the first decrease on record. The decrease, from \$517 billion in 2000 to \$487 billion in 2001, marked the end of a period of rapid annual in-

creases that were associated with a surge in foreign acquisitions of U.S. companies. Reversing a 5-year uptrend, the affiliate share of U.S. gross domestic product (GDP) in private industries dropped from a record 6.9 percent in 2000 to 6.4 percent (table 1 and chart 1).¹ For affiliates that were majority-owned by foreign direct investors, the share decreased from 6.0 percent to 5.6 percent.

In 2000, the gross product of affiliates had increased 13 percent. This increase largely reflected additions to the affiliate universe through record spending by foreign direct investors to acquire or establish U.S. companies. In 2001, foreign investment spending in the United States dropped by more than half, reflecting a slowdown in the U.S. economy and a sharp decrease in

Table 1. Gross Product of Nonbank U.S. Affiliates of Foreign Companies, 1977–2001

	Millions of dollars		Percentage of U.S. private-industry gross domestic product		Addendum: Gross product of majority-owned nonbank affiliates as a percentage of that of all nonbank affiliates
	All nonbank affiliates	Majority-owned nonbank affiliates	All nonbank affiliates	Majority-owned nonbank affiliates	
1977	35,222	n.a.	2.3	n.a.	n.a.
1978	42,920	n.a.	2.4	n.a.	n.a.
1979	55,424	n.a.	2.8	n.a.	n.a.
1980	70,906	n.a.	3.3	n.a.	n.a.
1981	98,828	n.a.	4.2	n.a.	n.a.
1982	103,489	n.a.	4.3	n.a.	n.a.
1983	111,490	n.a.	4.2	n.a.	n.a.
1984	128,761	n.a.	4.4	n.a.	n.a.
1985	134,852	n.a.	4.3	n.a.	n.a.
1986	142,120	n.a.	4.3	n.a.	n.a.
1987	157,869	n.a.	4.4	n.a.	n.a.
1988	190,384	146,424	4.9	3.8	76.9
1989	223,420	168,547	5.4	4.1	75.4
1990	239,279	190,477	5.5	4.4	79.6
1991	257,634	207,126	5.8	4.7	80.4
1992	266,333	214,781	5.7	4.6	80.6
1993	285,738	223,008	5.7	4.5	78.0
1994	312,981	244,690	5.9	4.6	78.2
1995	322,631	254,938	5.8	4.6	79.0
1996	358,085	283,422	6.1	4.8	79.1
1997	389,432	313,655	6.2	5.0	80.5
1998	419,828	353,860	6.3	5.3	84.3
1999	457,707	397,295	6.5	5.6	86.8
2000 ^r	516,664	447,287	6.9	6.0	86.6
2001 ^p	486,553	428,109	6.4	5.6	88.0
Percent change from preceding year:					
1989	17.4	15.1	.....	.....	.....
1990	7.1	13.0	.....	.....	.....
1991	7.7	8.7	.....	.....	.....
1992	3.4	3.7	.....	.....	.....
1993	7.3	3.8	.....	.....	.....
1994	9.5	9.7	.....	.....	.....
1995	3.1	4.2	.....	.....	.....
1996	11.0	11.2	.....	.....	.....
1997	8.8	10.7	.....	.....	.....
1998	7.8	12.8	.....	.....	.....
1999	9.0	12.3	.....	.....	.....
2000 ^r	12.9	12.6	.....	.....	.....
2001 ^p	-5.8	-4.3	.....	.....	.....

^p Preliminary.

^r Revised.

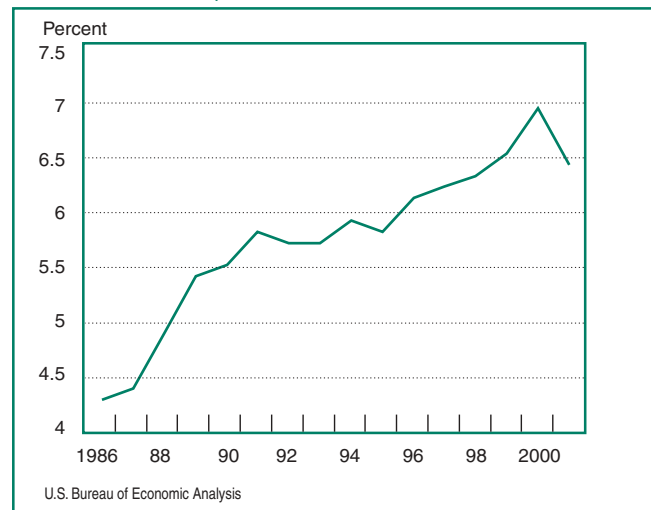
n.a. Not available.

NOTE: For improved comparability with U.S.-affiliate gross product, U.S. private-industry gross domestic product was adjusted to exclude gross product originating in depository institutions and private households, imputed rental income from owner-occupied housing, and business transfer payments. For the latest estimates of U.S. private-industry gross domestic product, see Robert E. Yuskavage and Erich H. Strassner, "Gross Domestic Product by Industry for 2002," SURVEY OF CURRENT BUSINESS 83 (May 2003): 7–14.

1. The estimates of gross product of U.S. affiliates are conceptually consistent with those of total U.S. GDP, or gross product originating, by industry (see the box "Key Terms"). For gross product and for the other data items on affiliate operations, the estimates cover the operations of each affiliate irrespective of the percentage of foreign ownership. All of the estimates are on a fiscal year basis; an individual affiliate's fiscal year 2001 is its financial reporting year that ended in calendar year 2001.

The estimates of gross product and the other data items for affiliate operations for 2001 are preliminary. The estimates for 2000 are revised; for most of the key data items, the revisions to the totals ranged from -0.4 percent to 1.5 percent.

Chart 1. Nonbank U.S.-Affiliate Share of GDP in Private Industries, 1986–2001



merger and acquisition activity worldwide.²

In combination with the falloff in new foreign investment, the decrease in affiliate gross product in 2001 can be attributed to both foreign selloffs of U.S. affiliates and reductions in ongoing affiliate production associated with a slowdown in the U.S. economy. Foreign selloffs were particularly salient in the information sector, where the gross product of affiliates decreased more than 50 percent. Reductions in ongoing operations were most pronounced for affiliates in finance and insurance and in manufacturing. In manufacturing (a sector that accounts for almost half of affiliate gross product), the reduction mirrored a drop

in manufacturing production for the U.S. economy as a whole.³

Foreign selloffs and reduced affiliate production in 2001 also contributed to a 2-percent decrease in affiliate employment—the first decrease since 1992. As a result, the affiliate share of U.S. private-industry employment decreased from 5.7 percent to 5.6 percent.⁴ Because some of the largest selloffs were of minority-owned affiliates, employment by affiliates that are majority-owned by foreign parent companies—and thus are unambiguously under their control—continued to edge up in 2001; the share of U.S. private-

2. According to data from BEA's survey of new foreign investments, outlays by foreign direct investors to acquire or establish businesses in the United States fell from a record \$335.6 billion in 2000 to \$147.1 billion in 2001 (these outlays continued to decline in 2002, to \$52.6 billion, which was the lowest level since 1994); see Thomas W. Anderson, "Foreign Direct Investment in the United States: New Investment in 2002," *SURVEY OF CURRENT BUSINESS* 83 (June 2003): 55–62.

3. For the U.S. economy as a whole, the current-dollar value of gross product in manufacturing decreased 6 percent in 2001; however, manufacturing accounted for less than a fifth of total private-industry gross product. See table 1 in Robert J. McCahill and Brian C. Moyer, "Gross Domestic Product by Industry for 1999–2001," *SURVEY* 82 (November 2002): 32.

4. Because U.S. affiliates tend to be concentrated in less labor-intensive sectors of the economy (such as manufacturing), their share of U.S. employment has consistently been lower than their share of U.S. gross product.

Key Terms

The following key terms are used to describe U.S. affiliates of foreign companies and their operations.

U.S. affiliate. A U.S. business enterprise in which there is foreign direct investment—that is, in which a single foreign person owns or controls, directly or indirectly, 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise. "Person" is broadly defined to include any individual, corporation, branch, partnership, associated group, association, estate, trust, or other organization and any government (including any corporation, institution, or other entity or instrumentality of a government). A "foreign person" is any person that resides outside the United States—that is, outside the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and all U.S. territories and possessions.

Majority-owned U.S. affiliate. A U.S. affiliate that is owned more than 50 percent by foreign direct investors.

Foreign parent. The first person outside the United States in a U.S. affiliate's ownership chain that has a direct investment interest in the affiliate.

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

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

Gross product. The contribution to U.S. gross domestic product, which is the market value of the goods and services produced by labor and property located in the United States. Gross product, often referred to as "value added," can be measured as gross output (sales or receipts and other operating income plus inventory change) minus intermediate inputs (purchased goods and services). Alternatively, it can be measured as the sum of the costs incurred (except for intermediate inputs) and the profits earned in production. The gross product estimates presented in this article were prepared by summing cost and profit data collected in the annual and benchmark surveys of foreign direct investment in the United States.

The estimates of gross product of U.S. affiliates are conceptually consistent with BEA's estimates of U.S. GDP by industry; both sets of estimates are measured as the sum of the costs incurred (except for intermediate inputs) and the profits earned in production. However, there are a few minor differences in measurement that are small relative to total affiliate gross product and thus have a negligible effect on the affiliate shares of private-industry GDP in table 1.

industry employment accounted for by majority-owned affiliates held steady at 5.0 percent.⁵

Reflecting a slowdown in economic growth both in the United States and in major trading-partner countries, affiliate exports and imports of goods both de-

creased in 2001, following increases in 2000. The decreases for affiliates, however, were considerably smaller than the decreases in total U.S. exports and imports of goods, so the affiliate shares of exports and imports both increased. The affiliate share of exports increased from 21.1 percent to 22.4 percent, and the affiliate share of imports increased from 30.6 percent to 32.4 percent.⁶

5. Because of the presumption of foreign control, majority ownership is viewed by many as the preferred basis for selecting firms for the analysis of the role of foreign multinational enterprises in host-country production, employment, and trade. For an extensive discussion of the concepts of foreign ownership and control, see Robert E. Lipsey, "Foreign Direct Investment and the Operations of Multinational Firms: Concepts, History, and Data," in *Handbook of International Trade*, ed. Kwan Choi and James Harri-gan (Oxford, United Kingdom: Basil Blackwell, 2003).

6. Affiliates' shares of exports and imports have consistently been much larger than their shares of GDP and employment because of the high trade orientation of affiliates in manufacturing and wholesale trade.

Data on Foreign Direct Investment in the United States

BEA collects three broad sets of data on foreign direct investment in the United States (FDIUS): (1) Financial and operating data of U.S. affiliates, (2) data on U.S. businesses newly acquired or established by foreign direct investors (new investment data), and (3) international transactions (balance of payments) and direct investment position data. This article presents the financial and operating data. The new investment data were published in "Foreign Direct Investment in the United States: New Investment in 2002" in the June 2003 issue of the *SURVEY OF CURRENT BUSINESS*. The international transactions and direct investment position data were published in the articles "The International Investment Position of the United States at Yearend 2002," "U.S. International Transactions, First Quarter 2003," and "Direct Investment Positions for 2002: Country and Industry Detail," in the July 2003 *SURVEY*.

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

Financial and operating data of U.S. affiliates. The data on the overall operations of U.S. affiliates are collected in BEA's annual and benchmark surveys of FDIUS.

(Benchmark surveys, which are BEA's most comprehensive surveys of foreign direct investment in terms of both coverage of companies and subject matter, are conducted once every 5 years.) The data cover U.S. affiliates' balance sheets and income statements, employment and compensation of employees, trade in goods, research and development expenditures, sources of finance, and selected data by state. In addition, the gross product of affiliates is estimated from data reported in these surveys.

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

New investment data. The data on outlays by foreign direct investors to acquire or establish affiliates in the United States are collected on a calendar year basis in BEA's survey of new FDIUS. In addition, the new investment survey collects selected data on the operations of the newly acquired or established affiliates. For newly acquired affiliates, these data are for (or as of the end of) the most recent fiscal year preceding the acquisition, and for newly established businesses, they are projected for (or as of the end of) the first year of operation. The data cover the entire operations of the business irrespective of the percentage of foreign ownership.

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

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

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

The following are additional highlights of the operations of U.S. affiliates in 2001.

- By country of ownership, the United Kingdom remained the largest investing country in terms of affiliate gross product, followed by Japan and Germany. As a result of selloffs in 2001, the ranking for France slipped from fourth to fifth, behind the Netherlands.
- By industry, the affiliate share of U.S. employment in the information sector dropped from 10 percent to 7 percent, largely as a result of selloffs. Within the manufacturing sector, the affiliate share decreased substantially in computer and electronic products and in electrical equipment, appliances, and components.
- By state, the affiliate share of private-industry employment was highest in Hawaii, followed by South Carolina and Connecticut. In most states, affiliate employment in manufacturing decreased in 2001; the largest reductions were in North Carolina and Pennsylvania.
- Exports of goods by German-owned affiliates decreased substantially in 2001, largely reflecting reduced exports by affiliates in the motor vehicle and machinery industries. In contrast, exports by Swiss-owned affiliates increased substantially, reflecting increased exports by affiliates in the pharmaceuticals industry.
- Imports of goods increased for wholesale trade affiliates but decreased for manufacturing affiliates. Within manufacturing, imports decreased sharply for affiliates in the computer and electronic product industry, particularly for Canadian-owned affiliates.

This article examines changes in the gross product,

employment, and trade in goods of U.S. affiliates in 2001, particularly as they relate to changes in the corresponding totals for the U.S. economy. For each of these measures, changes in affiliate operations are examined both in the aggregate and by major investing country. For gross product, the changes are also examined by industry of affiliate, and for employment, the affiliate shares of the economy are examined by industry and by state. Several additional measures of U.S.-affiliate operations are presented in tables at the end of this article.

Gross Product

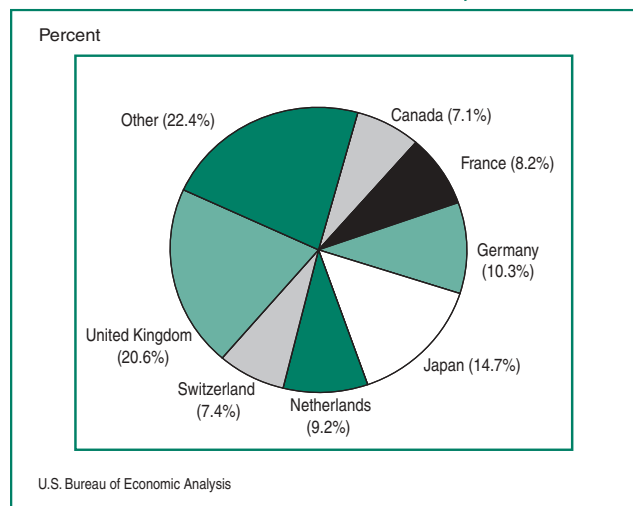
In 2001, the gross product (or value added) of non-bank U.S. affiliates in current dollars decreased 6 percent, marking the first decrease since at least 1977, the initial year for which annual data on affiliate operations are available. The decrease, from \$517 billion to \$487 billion, followed a 13-percent increase in affiliate gross product in 2000. In comparison, total U.S. GDP in private nonbank industries increased 2 percent in 2001, following an increase of 6 percent in 2000.⁷ The share of U.S. GDP in private industries accounted for by U.S. affiliates dropped from a record 6.9 percent in 2000 to 6.4 percent in 2001, reversing a 5-year uptrend.

The gross product of U.S. affiliates that are majority-owned by foreign direct investors decreased 4 percent; their share of U.S. GDP in private industries decreased from 6.0 percent to 5.6 percent. The majority-owned affiliates' share of the gross product of all U.S. affiliates increased from 87 percent to 88 percent.

By country of ownership

Affiliates with ultimate beneficial owners (UBO's) in seven major investing countries—Canada, France, Germany, Japan, the Netherlands, Switzerland, and the United Kingdom—have accounted for more than three-fourths of the gross product of all nonbank affiliates since at least 1977. In 2001, as throughout 1977–2000, the largest investing country in terms of affiliate gross product was the United Kingdom; the share of affiliate gross product accounted for by British-owned affiliates was 20.6 percent (table 2 and chart 2). Japanese-owned affiliates accounted for the second-largest share of affiliate gross product (14.7 percent), and German-owned affiliates accounted for the third-largest

Chart 2. Investing-Country Shares of the Gross Product of All Nonbank U.S. Affiliates, 2001



7. The rate of change in U.S. private-industry GDP serves as a convenient benchmark against which the increase in U.S.-affiliate gross product can be evaluated. However, the two growth rates are not strictly comparable, because the growth rate of U.S. affiliate gross product partly reflects transfers in ownership that do not represent increased production for the whole economy. Similarly, changes in U.S.-affiliate employment, exports, and imports partly reflect changes in ownership and so are not strictly comparable with the corresponding changes for the whole economy.

share (10.3 percent).⁸ Japan also ranked as the second-largest investing country in terms of affiliate gross product in 2000 and in each of the years 1991–97. In 1998 and 1999, Germany ranked as the second-largest investing country.

For each of the seven major investing countries, the gross product of affiliates decreased in 2001. In dollar terms, the decreases were particularly large for affiliates with UBO's in France, the United Kingdom, and Canada. The gross product of French-owned affiliates decreased \$15 billion, or 28 percent, mainly as a result of selloffs. Because these selloffs were largely of minor-

8. For majority-owned affiliates, the top three rankings were the same as those for all nonbank affiliates.

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Table 2. Gross Product of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1997–2001

	Millions of dollars					Percentage of all-countries total					Addendum: Percent change in affiliate gross product, 2000–2001
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001	
All nonbank affiliates:											
All countries	389,432	419,828	457,707	516,664	486,553	100.0	100.0	100.0	100.0	100.0	–5.8
Canada	34,732	39,853	42,673	41,196	34,648	8.9	9.5	9.3	8.0	7.1	–15.9
Europe	248,970	268,466	298,861	344,720	308,241	63.9	63.9	65.3	66.7	63.4	–10.6
France	36,182	37,443	44,779	55,413	39,975	9.3	8.9	9.8	10.7	8.2	–27.9
Germany	46,330	66,852	70,614	55,257	50,180	11.9	15.9	15.4	10.7	10.3	–9.2
Netherlands	34,740	29,165	35,651	47,728	44,685	8.9	6.9	7.8	9.2	9.2	–6.4
Sweden	8,504	8,811	10,680	11,052	10,494	2.2	2.1	2.3	2.1	2.2	–5.0
Switzerland	26,331	28,207	31,620	41,951	36,080	6.8	6.7	6.9	8.1	7.4	–14.0
United Kingdom	78,289	75,310	83,309	108,337	100,338	20.1	17.9	18.2	21.0	20.6	–7.4
Other	18,595	22,678	22,208	24,983	26,489	4.8	5.4	4.9	4.8	5.4	6.0
Latin America and Other Western Hemisphere	13,682	17,346	20,426	26,213	33,724	3.5	4.1	4.5	5.1	6.9	28.7
Bermuda	3,239	5,809	8,604	11,799	14,079	0.8	1.4	1.9	2.3	2.9	19.3
Mexico	1,418	1,644	1,739	2,937	6,303	0.4	0.4	0.4	0.6	1.3	114.6
Venezuela	5,258	5,275	4,985	6,111	6,445	1.4	1.3	1.1	1.2	1.3	5.5
Other	3,767	4,618	5,098	5,365	6,897	1.0	1.1	1.1	1.0	1.4	28.5
Africa	2,870	2,912	1,249	1,090	1,126	0.7	0.7	0.3	0.2	0.2	3.3
Middle East	7,481	4,628	2,946	3,116	8,819	1.9	1.1	0.6	0.6	1.8	183.0
Saudi Arabia	4,189	2,319	1,186	911	6,782	1.1	0.6	0.3	0.2	1.4	644.8
Other	3,292	2,309	1,760	2,205	2,037	0.8	0.5	0.4	0.4	0.4	–7.7
Asia and Pacific	74,541	79,039	81,469	88,863	87,368	19.1	18.8	17.8	17.2	18.0	–1.7
Australia	5,488	6,835	8,726	7,513	8,251	1.4	1.6	1.9	1.5	1.7	9.8
Japan	63,017	65,034	65,127	73,289	71,663	16.2	15.5	14.2	14.2	14.7	–2.2
Other	6,036	7,170	7,616	8,061	7,454	1.5	1.7	1.7	1.6	1.5	–7.5
United States	7,156	7,585	10,082	11,465	12,627	1.8	1.8	2.2	2.2	2.6	10.1
Majority-owned nonbank affiliates:											
All countries	313,655	353,860	397,295	447,287	428,109	100.0	100.0	100.0	100.0	100.0	–4.3
Canada	29,779	34,174	36,400	36,928	30,843	9.5	9.7	9.2	8.3	7.2	–16.5
Europe	199,458	228,775	261,473	299,251	275,753	63.6	64.7	65.8	66.9	64.4	–7.9
France	24,356	25,268	31,790	38,763	37,376	7.8	7.1	8.0	8.7	8.7	–3.6
Germany	36,914	57,975	61,569	51,524	46,985	11.8	16.4	15.5	11.5	11.0	–8.8
Netherlands	27,797	26,094	31,482	43,745	40,309	8.9	7.4	7.9	9.8	9.4	–7.9
Sweden	6,443	8,680	10,559	10,678	10,133	2.1	2.5	2.6	2.7	2.6	–5.1
Switzerland	22,268	22,798	25,996	35,225	30,374	7.1	6.4	6.5	7.9	7.1	–13.8
United Kingdom	66,112	70,602	80,391	98,282	87,941	21.1	20.0	20.2	22.0	20.5	–10.5
Other	15,570	17,358	19,685	21,034	22,635	5.0	4.9	5.0	4.7	5.3	7.6
Latin America and Other Western Hemisphere	12,126	15,732	19,120	25,036	29,631	3.9	4.4	4.8	5.6	6.9	18.4
Bermuda	3,166	(D)	8,566	11,697	14,008	1.0	(D)	2.2	2.6	3.3	19.8
Mexico	1,229	1,488	1,447	2,746	3,270	0.3	0.4	0.3	0.6	0.8	19.1
Venezuela	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Other	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Africa	(D)	(D)	1,211	1,051	(D)	(D)	(D)	0.3	0.2	(D)	(D)
Middle East	2,619	2,460	2,131	2,402	8,298	0.8	0.7	0.5	0.5	1.9	245.4
Saudi Arabia	600	346	500	328	6,270	0.2	0.1	0.1	0.1	1.5	1812.2
Other	2,019	2,114	1,631	2,074	2,028	0.6	0.6	0.4	0.5	0.5	–2.2
Asia and Pacific	65,069	68,005	71,836	77,594	76,499	20.7	19.2	18.1	17.3	17.9	–1.4
Australia	4,668	5,642	7,216	6,109	7,171	1.5	1.6	1.8	1.4	1.7	17.4
Japan	55,280	56,291	57,622	63,622	62,983	17.6	15.9	14.5	14.2	14.7	–1.0
Other	9,789	11,714	14,214	7,863	6,345	3.1	3.3	3.6	1.8	1.5	–19.3
United States	(D)	(D)	5,124	5,024	(D)	(D)	(D)	1.3	1.1	(D)	(D)

D Suppressed to avoid disclosure of data of individual companies.

ity-owned affiliates and because there were new French investments in majority-owned affiliates, the reduction in gross product for French majority-owned affiliates was much more modest (\$1 billion). For British-owned affiliates, gross product decreased \$8 billion (\$10 billion for majority-owned affiliates), due to a combination of selloffs and reductions in value added for ongoing affiliate operations. In sharp contrast to previous years, there was little new direct investment activity by British companies to counter the effect of selloffs.⁹ For Canadian-owned affiliates, gross product decreased \$7 billion, or 16 percent, primarily as a result of cutbacks in affiliate operations associated with a severe downturn in the market for products in the computer and electronics industry. Affiliates with UBO's in Switzerland and Germany also experienced sizable reductions in gross product, partly reflecting depressed market conditions in the finance and insurance industry.

In contrast to the decreases for affiliates of the largest investing countries, the gross product of affiliates with UBO's in Bermuda increased \$2 billion, or 19 percent. This increase was more than accounted for by inversions in ownership for multinational companies

that previously had been headquartered in the United States or had been units of U.S.-headquartered companies. (A corporate inversion occurs when a U.S. multinational corporation forms a corporation, typically in a foreign low- or no-tax country, and simultaneously "inverts" the corporate chain of ownership, so that the new foreign corporation becomes the parent company and the U.S.-based company becomes its affiliate.) The \$2 billion increase in gross product for Bermuda-owned affiliates in 2001 followed increases of \$3 billion in each of the years 1998–2000. As a result of these increases, Bermuda's ranking among investing countries in terms of affiliate gross product jumped from 14th in 1997 to 8th in 2000 and 2001.

Among other investing countries, the gross product of affiliates with UBO's in Saudi Arabia increased six-fold, owing to changes in the country of owner of existing affiliates. The gross product of affiliates with UBO's in Mexico more than doubled, largely as a result of Mexican acquisitions of minority-ownership shares in U.S. retail-trade companies; the increase in the gross product of affiliates that were majority-owned by Mexican direct investors was relatively modest.

By industry of affiliate

In 2001, as in previous years, affiliates classified in manufacturing accounted for nearly half of the gross

9. Outlays by British direct investors to acquire or establish businesses in the United States decreased 85 percent, from \$110 billion in 2000 to \$17 billion in 2001. See table 4 in Anderson, "New Investment in 2002," 57.

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

In this article, data on employment are used to estimate affiliate shares of the U.S. economy by North American Industry Classification System (NAICS) industry because these data can be disaggregated by industry of sales, a basis that approximates the disaggregation of the data for all U.S. businesses by industry of establishment.¹ Thus, the data on affiliate employment can be used to calculate the affiliate shares of the U.S. economy at a greater level of industry detail than can be calculated using the gross product estimates or other data, which can only be disaggregated on the basis of industry of affiliate.²

1. The data for all U.S. businesses used to compute the affiliate shares of employment by NAICS industry are from the Census Bureau (see table 5, footnote 1).

2. Establishment-level data from a joint project of BEA and the Bureau of the Census can be used to calculate affiliate shares at an even greater level of detail. Affiliate shares based on establishment data for six-digit manufacturing and five-digit nonmanufacturing NAICS industries for 1997 are shown in *Foreign Direct Investment in the United States: Establishment Data for 1997* (Washington, DC: U.S. Government Printing Office, March 2003) and on BEA's Web site at <www.bea.gov>. Similar data on a Standard Industrial Classification basis are available for both manufacturing and nonmanufacturing industries for 1987 and 1992 and for manufacturing industries only for 1988–91. The data for foreign-owned manufacturing establishments are analyzed in a number of SURVEY articles that can be accessed at BEA's Web site at <www.bea.doc.gov/bea/ai1.htm>.

In the classification by industry of sales, the data on affiliate employment (and sales) are distributed among all of the industries in which the affiliate reports sales. As a result, employment classified by industry of sales should approximate that classified by industry of establishment (or plant), because an affiliate that has an establishment in an industry usually also has sales in that industry.³

In contrast, in the classification by industry of affiliate, all of the operations data (including the employment data) for an affiliate are assigned to that affiliate's "primary" industry—that is, the industry in which it has the most sales.⁴ As a result, any affiliate operations that take place in secondary industries will be classified as operations in the primary industry.

3. However, this is not the case if one establishment of an affiliate provides all of its output to another establishment of that affiliate. For example, if an affiliate operates both a metal mine and a metal-manufacturing plant and if the entire output of the mine is used by the manufacturing plant, all of the affiliate's sales would be in metal manufacturing, and none, in metal mining. Thus, when the mining employment is distributed by industry of sales, all of it would be classified in manufacturing even though the industry of the establishment is mining.

4. An affiliate's primary industry is based on a breakdown of the affiliate's sales by BEA International Surveys Industry classification code.

product of all nonbank affiliates (table 3). Affiliates in wholesale trade, which includes a number of large affiliates with substantial secondary operations in manufacturing, accounted for the next largest share of affiliate gross product.

In 2001, the gross product of affiliates in manufacturing decreased 4 percent, compared with the 6-percent decrease in the gross product for all nonbank affiliates. Manufacturing's share of total affiliate gross product was unchanged at 46 percent. Within manufacturing, affiliate gross product in computers and electronic products fell 24 percent. The decrease reflected both reductions in affiliate production (particularly for affiliates in the communications equipment industry) and shifts in the industry classification of affiliates that had sales in multiple industries.¹⁰ Affiliate gross product in electrical equipment, appliances, and components fell 23 percent. The decrease was partly due to reductions in production and partly due to sell-

offs. In contrast, the gross product of affiliates in the machinery industry increased 15 percent, largely reflecting changes in ownership for existing U.S. companies (including ownership changes related to corporate inversions).

Among other sectors, the gross product of affiliates in the information sector decreased by more than half, mainly as a result of foreign selloffs in the telecommunications industry. Affiliate gross product in finance and insurance fell by a fourth, reflecting major reductions in earnings from ongoing operations (particularly in investment and brokerage services). In contrast, the gross product of affiliates in professional, scientific, and technical services increased by

10. Each U.S. affiliate is classified in the industry that accounts for the largest portion of its sales. Many U.S. affiliates are involved in a variety of business activities; changes in the mix of these activities will cause an affiliate's industry classification to change when the changes are expected to be sustained.

Table 3. Gross Product of Nonbank U.S. Affiliates by Industry of Affiliate, 1997–2001

	Millions of dollars					Percentage of all-industries total					Addendum: Percent change in affiliate gross product, 2000–2001
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001	
All nonbank affiliates:											
All industries.....	389,432	419,828	457,707	516,664	486,553	100.0	100.0	100.0	100.0	100.0	–5.8
Manufacturing.....	190,635	224,850	238,590	235,620	225,483	49.0	53.6	52.1	45.6	46.3	–4.3
Food.....	11,092	11,048	10,465	11,136	11,362	2.8	2.6	2.3	2.2	2.3	2.0
Petroleum and coal products.....	23,476	24,819	26,199	14,387	14,870	6.0	5.9	5.7	2.8	3.1	3.4
Chemicals.....	41,199	42,576	41,853	44,987	44,412	10.6	10.1	9.1	8.7	9.1	–1.3
Plastics and rubber products.....	7,772	9,170	10,159	10,011	10,655	2.0	2.2	2.2	1.9	2.2	6.4
Nonmetallic mineral products.....	12,005	11,852	13,429	15,605	15,643	3.1	2.8	2.9	3.0	3.2	0.2
Primary metals.....	8,526	10,075	7,770	10,023	9,869	2.2	2.4	1.7	1.9	2.0	–1.5
Fabricated metal products.....	8,275	6,989	7,523	7,873	7,145	2.1	1.7	1.6	1.5	1.5	–9.2
Machinery.....	13,856	14,277	14,241	18,480	21,325	3.6	3.4	3.1	3.6	4.4	15.4
Computers and electronic products.....	18,177	19,862	24,298	28,394	21,566	4.7	4.7	5.3	5.5	4.4	–24.0
Electrical equipment, appliances, and components.....	9,534	9,958	10,515	16,501	12,777	2.4	2.4	2.3	3.2	2.6	–22.6
Transportation equipment.....	14,694	37,147	44,030	32,994	32,166	3.8	8.8	9.6	6.4	6.6	–2.5
Other.....	22,029	27,075	28,108	25,230	23,692	5.7	6.4	6.1	4.9	4.9	–6.1
Wholesale trade.....	49,375	51,781	57,842	85,016	85,241	12.7	12.3	12.6	16.5	17.5	0.3
Retail trade.....	24,960	26,990	28,346	24,269	30,131	6.4	6.4	6.2	4.7	6.2	24.2
Information.....	27,838	23,147	28,129	39,094	18,372	7.1	5.5	6.1	7.6	3.8	–53.0
Finance (except depository institutions) and insurance.....	27,820	23,780	26,068	44,005	33,264	7.1	5.7	5.7	8.5	6.8	–24.4
Real estate and rental and leasing.....	8,987	9,765	11,813	10,895	11,255	2.3	2.3	2.6	2.1	2.3	3.3
Professional, scientific, and technical services.....	6,347	7,961	7,364	9,224	15,178	1.6	1.9	1.6	1.8	3.1	64.5
Other industries.....	53,469	51,555	59,556	68,542	67,628	13.7	12.3	13.0	13.3	13.9	–1.3
Majority-owned nonbank affiliates:											
All industries.....	313,655	353,860	397,295	447,287	428,109	100.0	100.0	100.0	100.0	100.0	–4.3
Manufacturing.....	169,279	201,116	219,141	215,684	204,508	54.0	56.8	55.2	48.2	47.8	–5.2
Food.....	9,929	9,947	10,095	10,710	10,762	3.2	2.8	2.5	2.4	2.5	0.5
Petroleum and coal products.....	(D)	21,637	(D)	(D)	(D)	(D)	6.1	(D)	(D)	(D)	(D)
Chemicals.....	38,050	39,022	37,698	41,016	40,640	12.1	11.0	9.5	9.2	9.5	–0.9
Plastics and rubber products.....	7,136	8,506	9,326	8,727	9,639	2.3	2.4	2.3	2.0	2.3	10.4
Nonmetallic mineral products.....	11,472	11,265	12,805	14,952	15,130	3.7	3.2	3.2	3.3	3.5	1.2
Primary metals.....	5,155	6,541	6,214	8,299	8,504	1.6	1.8	1.6	1.9	2.0	2.5
Fabricated metal products.....	6,506	6,333	6,561	7,279	6,663	2.1	1.8	1.7	1.6	1.6	–8.5
Machinery.....	12,778	13,342	13,803	18,382	21,275	4.1	3.8	3.5	4.1	5.0	15.7
Computers and electronic products.....	17,425	17,826	23,095	26,936	18,455	5.6	5.0	5.8	6.0	4.3	–31.5
Electrical equipment, appliances, and components.....	9,020	(D)	10,011	16,359	12,689	2.9	(D)	2.5	3.7	3.0	–22.4
Transportation equipment.....	12,970	34,982	41,227	30,358	29,685	4.1	9.9	10.4	6.8	6.9	–2.2
Other.....	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Wholesale trade.....	44,489	47,877	55,536	81,413	81,839	14.2	13.5	14.0	18.2	19.1	0.5
Retail trade.....	15,901	17,990	19,938	22,308	25,311	5.1	5.1	5.0	5.0	5.9	13.5
Information.....	11,483	13,767	18,841	19,427	8,444	3.7	3.9	4.7	4.3	2.0	–56.5
Finance (except depository institutions) and insurance.....	23,550	19,808	21,029	34,730	24,139	7.5	5.6	5.3	7.8	5.6	–30.5
Real estate and rental and leasing.....	7,027	7,604	9,302	9,323	9,652	2.2	2.1	2.3	2.1	2.3	3.5
Professional, scientific, and technical services.....	5,619	6,743	7,526	8,553	14,500	1.8	1.9	1.9	1.9	3.4	69.5
Other industries.....	36,307	38,955	45,983	55,848	59,716	11.6	11.0	11.6	12.5	13.9	6.9

D Suppressed to avoid disclosure of data of individual companies.

two-thirds, largely as a result of new direct investment associated with corporate inversions.¹¹ In retail trade, the gross product of affiliates increased by a fourth, mainly due to new foreign investments.

Employment

In 2001, employment by U.S. affiliates of foreign companies decreased 2 percent, from 6.5 million employees to 6.4 million employees, following an increase of 8 percent in 2000 (table 4). The decrease, the first since 1992, was the result of both foreign selloffs and cutbacks in affiliate operations. Some of the largest selloffs in terms of affiliate employment were of minority-owned affiliates. Employment by majority-owned affiliates edged up in 2001, to 5.7 million employees, reflecting additions to employment from new foreign investment. The increases in affiliate employment from new investments were very modest in comparison with those in 1998-2000, which had been marked by record levels of foreign direct investment.

Reversing a 3-year uptrend, the affiliate share of U.S. private-industry employment dipped from a record 5.7 percent in 2000 to 5.6 percent in 2001. For majority-owned affiliates, the share held steady at 5.0 percent.

By industry

In 2001, as in earlier years, the affiliate share of U.S. employment at the sector level was highest in mining (16.5 percent), followed by manufacturing (13.7 percent); these two sectors also had the highest shares for majority-owned affiliates (table 5).¹² Among manufacturing industries, the affiliate share was highest in chemicals (32.0 percent), followed by nonmetallic mineral products (24.6 percent), beverages and tobacco products (20.9 percent), and transportation equipment (20.8 percent). For majority-owned affiliates, the share was also highest in chemicals and nonmetallic mineral products; however, the share in beverages and tobacco products was exceeded by the shares in transportation equipment and in electrical equipment, appliances, and components.

In manufacturing, employment by affiliates de-

Table 4. Employment of Nonbank U.S. Affiliates of Foreign Companies, 1977-2001

	Thousands of employees		Percentage of U.S. private-industry employment		Addendum: Employment of majority-owned nonbank affiliates as a percentage of that of all nonbank affiliates
	All nonbank affiliates	Majority-owned nonbank affiliates	All nonbank affiliates	Majority-owned nonbank affiliates	
1977.....	1,218.7	n.a.	1.7	n.a.	n.a.
1978.....	1,429.9	n.a.	1.9	n.a.	n.a.
1979.....	1,753.2	n.a.	2.3	n.a.	n.a.
1980.....	2,033.9	n.a.	2.7	n.a.	n.a.
1981.....	2,416.6	n.a.	3.1	n.a.	n.a.
1982.....	2,448.1	n.a.	3.2	n.a.	n.a.
1983.....	2,546.5	n.a.	3.3	n.a.	n.a.
1984.....	2,714.3	n.a.	3.4	n.a.	n.a.
1985.....	2,862.2	n.a.	3.4	n.a.	n.a.
1986.....	2,937.9	n.a.	3.5	n.a.	n.a.
1987.....	3,224.3	2,602.7	3.7	3.0	80.7
1988.....	3,844.2	3,119.0	4.3	3.5	81.1
1989.....	4,511.5	3,573.4	4.9	3.9	79.2
1990.....	4,734.5	3,841.7	5.1	4.2	81.1
1991.....	4,871.9	3,991.3	5.3	4.4	81.9
1992.....	4,715.4	3,903.9	5.1	4.3	82.8
1993.....	4,765.6	3,851.7	5.0	4.1	80.8
1994.....	4,840.5	3,954.0	4.9	4.1	81.7
1995.....	4,941.8	4,022.6	4.9	4.0	81.4
1996.....	5,105.0	4,155.6	5.0	4.1	81.4
1997.....	5,201.9	4,269.1	4.9	4.0	82.1
1998.....	5,646.1	4,669.5	5.2	4.3	82.7
1999.....	6,027.6	5,064.3	5.4	4.5	84.0
2000 ¹	6,524.6	5,656.5	5.7	5.0	86.7
2001 ²	6,371.9	5,671.5	5.6	5.0	89.0
Percent change from preceding year:					
1988.....	19.2	19.8	.....	.....	.....
1989.....	17.4	14.6	.....	.....	.....
1990.....	4.9	7.5	.....	.....	.....
1991.....	2.9	3.9	.....	.....	.....
1992.....	-3.2	-2.2	.....	.....	.....
1993.....	1.1	-1.3	.....	.....	.....
1994.....	1.6	2.7	.....	.....	.....
1995.....	2.1	1.7	.....	.....	.....
1996.....	3.3	3.3	.....	.....	.....
1997.....	1.9	2.7	.....	.....	.....
1998.....	8.5	9.4	.....	.....	.....
1999.....	6.8	8.5	.....	.....	.....
2000 ¹	8.2	11.7	.....	.....	.....
2001 ²	-2.3	0.3	.....	.....	.....

¹ Preliminary.

² Revised.

n.a. Not available.

NOTES: For improved comparability with U.S.-affiliate employment, U.S. private-industry employment was adjusted to exclude employment in depository institutions and private households.

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

creased 6 percent in 2001, a sharper reduction than the 3-percent decrease in manufacturing employment for all U.S. businesses. As a result, the affiliate share of employment in manufacturing decreased from 14.1 percent in 2000 to 13.7 percent in 2001, reversing an uptrend of several years.¹³ About three-fourths of the reduction in affiliate employment in manufacturing was accounted for by reductions in three industries: Computers and electronic products; electrical equipment, appliances, and components; and transportation

11. It should be noted that while the U.S. affiliate in an inverted corporate structure is owned by a foreign parent company, that company, in turn, generally is largely or wholly owned by U.S. persons—namely, the U.S. affiliate's former stockholders. (In an inversion, a U.S. corporation's stockholders typically exchange their stock in the corporation for stock in a newly created foreign corporation, which then becomes the owner of the U.S. corporation. Often, ownership of any foreign affiliates of the U.S. corporation would also be transferred to the new foreign corporation, largely to shelter the earnings of the affiliates from U.S. taxes.)

12. The estimates of shares are based on employment data by industry of sales; this basis approximates the establishment-based disaggregation of the corresponding data for all U.S. businesses. See the box "Using Employment Data to Estimate Affiliate Shares of the U.S. Economy by Industry."

13. Data are available for industries defined according to the North American Industry Classification System (NAICS) beginning in 1997. On a NAICS basis, the affiliate share of employment in manufacturing had increased every year since 1997, from 12.4 percent in 1997 to 14.1 percent in 2000, before decreasing in 2001. (For years prior to 1997, the definition of manufacturing used to classify data by industry is based on the Standard Industrial Classification rather than NAICS, so the shares for those years are not comparable with the shares for 1997 forward.)

equipment. In computers and electronic products, employment by affiliates fell almost 20 percent, reflecting large-scale layoffs by affiliates with product lines in communications equipment and electronic compo-

nents. As a result, the affiliate share of employment in computers and electronic products dropped from 20.2 percent in 2000 to 16.1 percent in 2001. In electrical equipment, affiliate employment decreased 16 percent,

Table 5. Employment by Nonbank U.S. Affiliates by Industry of Sales, 1999–2001

	Thousands of employees						Percentage of total U.S. employment in nonbank private industries ¹					
	All nonbank affiliates			Majority-owned nonbank affiliates			All nonbank affiliates			Majority-owned nonbank affiliates		
	1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
All industries ²	6,027.6	6,524.6	6,371.9	5,064.3	5,656.5	5,671.5	5.4	5.7	5.6	4.5	5.0	5.0
Agriculture, forestry, fishing, and hunting	27.4	17.5	16.8	13.7	12.7	12.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mining, excluding oil and gas extraction	58.5	60.2	65.8	52.5	54.4	61.6	15.9	16.1	16.5	14.3	14.6	15.5
Utilities	11.4	29.2	23.7	6.9	24.8	19.6	1.7	4.5	3.6	1.0	3.8	3.0
Construction	78.6	80.2	93.4	67.5	69.6	83.5	1.3	1.2	1.4	1.1	1.1	1.3
Manufacturing ³	2,269.4	2,340.2	2,198.3	2,059.6	2,139.1	2,008.5	13.5	14.1	13.7	12.3	12.9	12.5
Food	127.6	149.6	140.6	122.1	137.8	126.7	8.7	10.2	9.6	8.3	9.4	8.6
Beverages and tobacco products	30.1	33.3	35.6	J	J	K	17.5	19.7	20.9	(D)	(D)	(D)
Textile mills	25.0	22.2	18.0	22.3	18.4	16.4	6.9	6.5	5.8	6.2	5.4	5.3
Textile product mills	15.6	10.2	7.9	10.4	6.8	6.1	7.0	4.7	3.9	4.7	3.2	3.0
Apparel	30.0	25.7	18.6	22.6	19.4	13.6	5.2	5.0	4.2	3.9	3.8	3.1
Leather and allied products	1.8	1.6	1.4	1.4	1.2	1.1	2.4	2.3	2.3	1.8	1.8	1.7
Wood products	15.6	21.0	21.1	11.4	19.7	19.7	2.6	3.5	3.8	1.9	3.3	3.5
Paper	80.9	76.0	77.7	K	K	K	14.5	13.7	14.6	(D)	(D)	(D)
Printing and related support activities	51.0	58.7	59.1	48.3	L	55.6	6.1	7.2	7.5	5.8	(D)	7.1
Petroleum and coal products ⁴	35.5	31.0	29.3	29.2	25.2	23.5	17.8	16.1	15.3	14.7	13.1	12.3
Chemicals	294.5	281.1	278.0	269.7	261.2	257.7	33.2	31.7	32.0	30.4	29.5	29.6
Plastics and rubber products	141.6	150.2	151.3	126.1	132.9	136.8	13.5	14.2	15.1	12.0	12.6	13.6
Nonmetallic mineral products	119.7	129.6	129.1	115.6	125.6	125.5	23.5	24.8	24.6	22.6	24.0	23.9
Primary metals	97.9	94.2	91.2	83.1	85.2	82.2	16.4	15.7	15.9	13.9	14.2	14.4
Fabricated metal products	107.6	114.1	121.4	99.8	108.7	116.2	6.0	6.4	6.9	5.6	6.1	6.6
Machinery	211.4	211.7	196.1	199.3	204.4	189.6	15.1	15.4	14.7	14.3	14.8	14.2
Computer and electronic products	280.6	314.0	256.3	262.0	286.9	228.7	17.4	20.2	16.1	16.2	18.4	14.4
Electrical equipment, appliances, and components	131.9	122.2	102.5	126.0	118.2	99.6	22.5	20.7	17.8	21.5	20.1	17.3
Transportation equipment	379.6	395.4	363.9	352.5	369.0	340.4	19.9	21.1	20.8	18.5	19.7	19.4
Motor vehicles, bodies and trailers, and parts	336.7	343.2	311.6	315.1	322.8	293.0	28.8	28.6	28.6	26.9	26.9	26.9
Other	42.9	52.2	52.3	37.4	46.1	47.5	5.8	7.7	7.9	5.1	6.8	7.1
Furniture and related products	15.5	15.3	15.0	15.3	15.1	14.8	2.5	2.4	2.4	2.5	2.4	2.4
Miscellaneous manufacturing	76.2	83.3	84.3	72.8	80.7	81.1	10.4	11.4	11.8	9.9	11.0	11.4
Wholesale trade	403.2	464.7	477.5	363.3	407.0	440.2	6.8	7.6	7.8	6.1	6.7	7.2
Retail trade	767.9	701.3	799.6	589.4	641.8	654.6	5.3	4.7	5.4	4.1	4.3	4.4
Transportation and warehousing	181.1	227.1	237.8	169.1	213.7	227.4	5.0	6.0	6.3	4.7	5.6	6.1
Information	309.6	339.9	264.4	205.8	212.6	195.5	9.6	9.6	7.0	6.4	6.0	5.2
Publishing industries	101.6	101.6	92.9	87.8	85.3	83.0	10.1	9.4	8.4	8.7	7.9	7.5
Motion picture and sound recording industries	34.0	33.8	33.3	33.4	K	K	11.6	11.1	11.2	11.4	(D)	(D)
Broadcasting and telecommunications	131.3	148.5	72.8	46.8	K	K	8.7	9.1	4.1	3.1	(D)	(D)
Information services and data processing services	42.7	56.0	65.5	37.8	48.5	51.6	9.9	10.6	11.3	8.8	9.2	8.9
Finance (except depository institutions) and insurance	260.8	302.1	333.1	225.2	257.2	279.3	6.5	7.5	8.0	5.6	6.4	6.7
Finance, except depository institutions	104.2	145.5	163.8	91.6	M	M	6.3	8.5	8.9	5.5	(D)	(D)
Insurance carriers and related activities	156.5	156.6	169.3	133.6	M	M	6.7	6.8	7.3	5.7	(D)	(D)
Real estate and rental and leasing	72.1	53.6	49.3	49.3	50.8	40.7	3.8	2.8	2.4	2.6	2.6	2.0
Professional, scientific, and technical services ⁵	154.9	215.6	255.6	147.6	199.0	234.6	2.5	3.3	3.7	2.4	3.0	3.4
Management of nonbank companies and enterprises	2.0	2.1	2.5	1.8	2.0	2.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Administration, support, waste management, and remediation services	491.9	666.2	603.8	403.8	590.0	537.5	5.9	7.3	6.7	4.8	6.5	5.9
Educational services	9.3	9.1	6.5	6.4	I	I	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Health care and social assistance ⁵	100.4	118.6	106.5	71.9	L	L	1.6	1.8	1.6	1.1	(D)	(D)
Arts, entertainment, and recreation ⁵	48.9	45.1	38.4	37.4	36.2	35.2	3.9	3.4	2.8	3.0	2.7	2.6
Accommodation and food services	398.2	418.9	370.1	255.1	M	356.0	4.1	4.2	3.7	2.6	(D)	3.6
Other services (except public administration and private households) ⁵	52.1	113.7	89.9	45.2	K	K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Auxiliaries, except management of companies and enterprises	308.2	332.5	347.0	271.0	289.3	313.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unspecified ⁶	21.9	41.0	36.8	21.8	40.9	36.6	.....	.....	.....	.....	.....	.....

D Suppressed to avoid disclosure of data of individual companies.

n.a. Data required to compute shares are not available.

1. The data on U.S. employment in private industries that were used in calculating these percentages are classified by industry of establishment. For "all industries," they are from table 6.4C ("Full-Time and Part-Time Employees by Industry") of the "National Income and Product Accounts (NIPA) Tables" in the August 2002 issue of the *SURVEY OF CURRENT BUSINESS*. For industries at the sectoral level or below, the data are from the Census Bureau's *County Business Patterns*. For "all industries," the total for U.S. employment in nonbank private industries is equal to employment in private industries less the employment of depository institutions and private households. The U.S. private-industry employment totals used to calculate the affiliate shares in "all industries" in this table differ from the U.S. employment totals used to calculate affiliate shares in table 6; the latter are from BEA's Regional Economic Information System. The estimates in table 6, unlike those used for this table, do not exclude employment in depository institutions. In addition, the estimates used for table 6, unlike those used for this table, exclude U.S. residents temporarily employed abroad by U.S. businesses. They may also differ from NIPA estimates used for "all industries" in this table because of different definitions and revision schedules.

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

3. Total affiliate manufacturing employment and the shares of all-U.S.-business manufacturing employment accounted for by affiliates shown in this table differ from those shown in table 7. In this table, employment is classified by industry of sales, and the total for manufacturing includes some nonmanufacturing employees (see the box "Using Employment Data to Estimate Affiliate Shares of the U.S. Economy by Industry"), whereas

in table 7, affiliate manufacturing employment consists only of employees on the payrolls of manufacturing plants. Data on the latter basis are not available for the industries within manufacturing shown in this table. In addition, the total for manufacturing in this table includes oil and gas extraction, which is excluded from the total in table 7.

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

5. The data on U.S. employment used to calculate the percentages shown on this line cover taxable establishments only. For this industry, employment in taxable establishments was estimated by applying the ratio of employment in taxable establishments to total employment in the industry from the Census Bureau's 1997 Economic Census data to the employment data from *County Business Patterns*.

6. This line includes all employment that U.S. affiliates did not specify in terms of industry of sales when they filled out their survey forms. Affiliates that filed the long form (that is, affiliates with assets, sales, or net income or loss greater than \$100 million) had to specify only their 10 largest sales categories, and affiliates that filed the short form had to specify only their 4 largest sales categories.

NOTES: A significant portion of U.S.-affiliate employment in petroleum and coal products is accounted for by integrated petroleum companies that have, in addition to their manufacturing employees, substantial numbers of employees in petroleum extraction; because these employees cannot be identified separately, they are included in petroleum and coal products manufacturing. For consistency, employees of affiliates classified in the "oil and gas extraction without refining" industry and employees of all U.S. businesses in oil and gas extraction are also included in petroleum and coal products manufacturing rather than in mining.

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

reflecting a combination of foreign selloffs and reductions in affiliate operations; the affiliate share of employment decreased from 20.7 percent to 17.8 percent. In transportation equipment, affiliate employment decreased 9 percent, mainly as a result of cutbacks by affiliates in the motor vehicle industry. Employment by U.S.-owned businesses in transportation equipment decreased at a similar pace, so there was little change in the affiliate share of employment.

Among other manufacturing industries, the affiliate share of employment increased in beverages and tobacco products; in paper; and in plastics and rubber products. In the face of employment reductions by U.S.-owned businesses, affiliate employment in these three industries was boosted through new foreign investments.

Outside of manufacturing, the affiliate share of employment in the information sector decreased from 9.6 percent in 2000 to 7.0 percent in 2001. Affiliate employment in this sector fell more than 20 percent as a result of foreign selloffs in the broadcasting and telecommunications industry, where the affiliate share of employment dropped from 9.1 percent to 4.1 percent. Most of this change was due to selloffs of foreign ownership shares in minority-owned affiliates. (For majority-owned affiliates, the share in information decreased by a smaller amount, from 6.0 percent to 5.2 percent, also due to selloffs.) The affiliate share of employment also decreased in the utilities sector, from 4.5 percent to 3.6 percent, partly because of selloffs. In 2000, the affiliate share in utilities had more than doubled as a result of several foreign acquisitions in the electric power industry.

In 2001, the affiliate share of employment increased in a number of sectors, most notably in finance and insurance; in professional, scientific, and technical services; and in mining. In finance and insurance, the increase reflected several acquisitions of U.S. companies by existing affiliates. In professional, scientific, and technical services, the increase was more than accounted for by the entry of new affiliates, including affiliates that were created as a result of inversions in company ownership. In mining, the increase reflected both new investments and expansions in existing affiliate operations, particularly in mining services performed for others under contract.

By state

Among the 50 states and the District of Columbia, the U.S.-affiliate share of private-industry employment in 2001 was highest in Hawaii (9.1 percent), followed by South Carolina (8.8 percent), Connecticut (8.3 percent), New Hampshire (8.1 percent), and Delaware (8.1 percent) (table 6). (These five states also had the

highest shares for majority-owned affiliates.) Hawaii has had the highest affiliate share of employment since 1992, and South Carolina has had the second-highest share since 1995. In 2001, as in earlier years, about two-thirds of the affiliate employment in Hawaii was accounted for by Japanese-owned affiliates, whereas about three-fourths of the affiliate employment in South Carolina was accounted for by European-owned affiliates. In Connecticut, the affiliate share of employment has increased every year since 1995, when it was 5.2 percent; in 2001, the affiliate share increased from 7.8 percent to 8.3 percent, largely because of acquisitions by existing affiliates (particularly in finance and insurance) and the entry of new affiliates through corporate inversions.

Among other states, the affiliate share in Georgia (which has increased every year since 1997) reached 7.1 percent in 2001 as a result of new foreign investments. The affiliate share in North Carolina (which had increased every year since 1997) decreased from 7.8 percent in 2000 to 7.1 percent in 2001, reflecting a combination of foreign selloffs and cutbacks in ongoing affiliate operations.

In manufacturing, the affiliate shares of employment in 2001 were highest in Delaware (24.0 percent), the District of Columbia (24.0 percent), Kentucky (22.9 percent), and New Hampshire (22.5 percent) (table 7, page 49). In 2000, the District of Columbia had the largest affiliate share, followed by Delaware, New Hampshire, and Kentucky. The relatively high affiliate share in the District of Columbia partly reflects the very small amount of manufacturing employment in the District.¹⁴ In Delaware, the District of Columbia, and New Hampshire, affiliate employment in

14. According to data from the Census Bureau's *County Business Patterns*, there were only 2,500 manufacturing employees in the District of Columbia in 2001; more than half of these employees were in the printing and the commercial bakery industries.

Data Availability

This article summarizes the preliminary estimates from the 2001 annual survey of foreign direct investment in the United States. More detailed estimates will be posted this fall in files that can be downloaded at no charge from BEA's Web site <www.bea.gov>. Revised estimates will be released next year.

Detailed estimates of U.S. affiliate operations in 1977–2000 are also available from BEA's Web site.

For more information on these products and how to order them, see the International Investment Division Product Guide on BEA's Web site at <www.bea.gov/bea/ai/iidguide.htm>.

manufacturing plants was dominated by affiliates with UBO's in Europe. In Kentucky, Japanese-owned affiliates accounted for a slightly larger share of affiliate manufacturing employment than European-owned affiliates.

In more than two-thirds of the states, the manufacturing employment of affiliates decreased in 2001. The

largest reductions were in North Carolina (where manufacturing employment by affiliates dropped 21,000, or 17 percent) and Pennsylvania (where affiliate manufacturing employment decreased 15,000, or 13 percent). In North Carolina, the decrease mainly reflected large-scale cutbacks in production, particularly by affiliates in the chemical, computer and electronic

Table 6. Employment by Nonbank U.S. Affiliates by State, 1999–2001

	Thousands of employees						Percentage of total private-industry employment in the state ¹					
	All nonbank affiliates			Majority-owned nonbank affiliates			All nonbank affiliates			Majority-owned nonbank affiliates		
	1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
Total ²	6,027.6	6,524.6	6,371.9	5,064.3	5,656.5	5,671.5	5.4	5.7	5.6	4.5	4.9	5.0
New England	399.8	461.0	459.8	349.2	420.9	433.2	6.5	7.3	7.3	5.7	6.7	6.9
Connecticut	103.4	118.0	123.9	93.3	105.5	114.9	6.9	7.8	8.3	6.2	6.9	7.7
Maine	32.8	33.9	34.2	22.0	31.7	32.8	6.6	6.6	6.6	4.4	6.2	6.4
Massachusetts	194.6	226.8	220.8	175.9	207.7	208.2	6.6	7.5	7.3	6.0	6.9	6.9
New Hampshire	35.9	46.5	45.2	29.9	43.8	43.2	6.6	8.4	8.1	5.5	7.9	7.8
Rhode Island	21.6	24.2	24.1	19.5	22.2	23.5	5.2	5.7	5.7	4.7	5.2	5.5
Vermont	11.6	11.5	11.6	8.6	9.9	10.6	4.5	4.4	4.4	3.4	3.8	4.0
Mideast	1,060.2	1,196.5	1,178.8	917.5	1,051.2	1,059.0	5.8	6.3	6.3	5.0	5.6	5.6
Delaware	28.0	31.8	29.8	24.0	27.7	26.2	7.6	8.5	8.1	6.5	7.4	7.1
District of Columbia	15.6	17.1	18.0	13.9	14.7	17.1	3.6	3.7	3.9	3.2	3.2	3.7
Maryland	98.3	112.9	112.3	88.7	104.6	103.8	4.9	5.5	5.4	4.4	5.1	5.0
New Jersey	246.6	272.2	270.8	211.3	234.6	239.3	7.4	7.8	7.8	6.3	6.8	6.9
New York	410.3	479.1	480.8	348.3	415.8	427.5	5.7	6.5	6.6	4.8	5.6	5.8
Pennsylvania	261.5	283.4	267.1	231.3	253.9	245.0	5.2	5.5	5.2	4.6	5.0	4.8
Great Lakes	1,061.1	1,114.4	1,080.3	925.5	979.0	960.2	5.5	5.7	5.6	4.8	5.0	5.0
Illinois	285.8	325.8	320.9	241.2	277.2	275.8	5.4	6.1	6.0	4.6	5.2	5.2
Indiana	164.9	168.2	163.0	144.3	143.8	140.2	6.2	6.3	6.3	5.5	5.4	5.4
Michigan	247.4	249.9	244.2	221.2	228.4	228.6	6.1	6.1	6.1	5.5	5.6	5.7
Ohio	263.7	260.3	242.2	228.7	228.3	219.1	5.3	5.2	4.9	4.6	4.6	4.5
Wisconsin	99.4	110.3	110.1	90.1	101.3	96.5	4.1	4.4	4.5	3.7	4.1	3.9
Plains	327.2	351.9	348.7	257.9	285.3	306.2	3.9	4.1	4.1	3.1	3.3	3.6
Iowa	40.6	40.9	47.0	35.5	36.5	40.1	3.2	3.2	3.7	2.8	2.9	3.2
Kansas	54.9	61.0	39.6	33.4	37.8	35.8	4.9	5.4	3.5	3.0	3.3	3.1
Minnesota	91.1	106.2	108.4	77.3	90.7	93.1	3.9	4.5	4.6	3.3	3.8	4.0
Missouri	101.0	107.4	114.0	81.7	89.4	103.4	4.3	4.5	4.8	3.4	3.7	4.4
Nebraska	25.2	21.7	23.6	19.3	19.3	20.3	3.3	2.8	3.0	2.5	2.5	2.6
North Dakota	7.7	7.7	9.4	4.9	5.2	7.9	2.9	2.9	3.5	1.8	1.9	3.0
South Dakota	6.5	6.9	6.7	5.8	6.4	5.6	2.1	2.1	2.1	1.9	2.0	1.8
Southeast	1,555.3	1,616.8	1,599.3	1,307.3	1,397.7	1,411.4	5.8	5.9	5.9	4.9	5.1	5.2
Alabama	80.6	77.9	92.2	64.1	65.0	75.4	5.0	4.8	5.8	4.0	4.0	4.7
Arkansas	38.1	40.9	41.0	31.6	34.7	35.9	3.9	4.1	4.1	3.2	3.5	3.6
Florida	286.5	312.1	303.3	210.7	244.2	253.4	4.7	4.9	4.7	3.4	3.8	3.9
Georgia	215.7	227.9	243.8	189.3	199.5	215.5	6.4	6.6	7.1	5.6	5.8	6.3
Kentucky	97.0	106.0	101.5	82.2	94.1	91.2	6.3	6.8	6.6	5.4	6.0	6.0
Louisiana	62.7	61.3	59.5	49.3	51.3	51.3	4.0	3.8	3.7	3.1	3.2	3.2
Mississippi	25.3	24.2	27.6	19.8	20.0	20.6	2.6	2.5	3.0	2.1	2.1	2.2
North Carolina	261.8	264.8	237.7	229.4	239.1	221.3	7.8	7.8	7.1	6.9	7.0	6.7
South Carolina	137.0	138.4	136.7	128.0	129.1	127.6	8.8	8.8	8.8	8.2	8.2	8.2
Tennessee	151.7	153.2	157.0	132.8	137.7	140.1	6.4	6.4	6.7	5.6	5.7	5.9
Virginia	171.1	181.9	171.3	146.5	158.0	154.2	6.0	6.2	5.8	5.1	5.4	5.2
West Virginia	27.6	28.1	27.7	23.7	25.0	25.0	4.8	4.9	4.8	4.1	4.3	4.3
Southwest	547.0	576.9	556.8	432.6	492.5	495.5	4.7	4.8	4.7	3.7	4.1	4.2
Arizona	70.7	73.2	72.3	53.6	60.8	63.2	3.7	3.7	3.7	2.8	3.1	3.2
New Mexico	16.4	16.7	14.8	10.2	12.0	12.1	2.9	2.8	2.5	1.8	2.1	2.1
Oklahoma	44.0	41.9	41.6	33.4	34.7	38.7	3.6	3.4	3.4	2.8	2.8	3.1
Texas	416.0	445.2	428.1	335.3	384.9	381.4	5.3	5.5	5.3	4.3	4.7	4.7
Rocky Mountain	166.6	169.5	160.0	124.8	143.4	138.2	4.5	4.4	4.1	3.3	3.7	3.6
Colorado	92.5	102.6	93.4	73.7	88.2	83.4	4.9	5.3	4.8	3.9	4.5	4.3
Idaho	18.4	14.2	13.9	11.0	10.8	11.1	4.0	3.0	2.9	2.4	2.3	2.3
Montana	13.7	6.8	7.5	9.7	5.0	5.7	4.4	2.1	2.3	3.1	1.6	1.8
Utah	35.2	38.1	37.6	25.1	32.2	30.7	3.9	4.1	4.1	2.8	3.5	3.3
Wyoming	6.7	7.8	7.7	5.2	7.2	7.3	3.7	4.2	4.1	2.9	3.9	3.8
Far West	885.6	1,011.3	960.2	726.4	862.5	842.7	5.0	5.6	5.3	4.1	4.8	4.6
Alaska	10.7	12.0	12.1	8.9	10.3	10.3	5.1	5.6	5.5	4.2	4.8	4.7
California	641.4	749.4	713.5	529.6	638.9	618.1	5.2	5.8	5.6	4.3	5.0	4.8
Hawaii	44.3	44.8	41.8	39.4	40.6	39.2	10.0	9.8	9.1	8.9	8.9	8.5
Nevada	34.0	36.3	32.5	26.2	30.7	29.0	3.8	3.9	3.4	2.9	3.3	3.0
Oregon	58.8	62.1	56.4	46.9	56.0	52.4	4.3	4.5	4.1	3.4	4.0	3.8
Washington	96.4	106.8	103.9	75.4	86.0	93.6	4.2	4.6	4.5	3.3	3.7	4.1
Puerto Rico	16.7	17.9	18.5	15.2	16.0	16.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other U.S. areas ³	7.9	7.9	9.2	7.6	7.5	9.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Foreign ⁴	0.3	0.5	0.3	0.3	0.5	0.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. Not available.

1. The data on employment in private industries used to calculate the shares shown in this table are from BEA's Regional Economic Information System. The totals are equal to employment in private industries less employment of private households. The U.S. employment totals used to calculate affiliate shares in this table differ from those used for table 4 and the all-industries line of table 5, which are from table 6.4C ("Full-Time and Part-Time Employees by Industry") of the "National Income and Product Accounts (NIPA) Tables." They differ from the NIPA estimates of employment because they include depository institutions, and, by definition,

they exclude U.S. residents temporarily employed abroad by U.S. businesses. They also may differ from the NIPA estimates because of different definitions and revision schedules.

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

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

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

product, electrical equipment, and motor vehicle industries. As a result of these cutbacks, the affiliate share of manufacturing employment in North Carolina decreased from 16.5 percent to 14.5 percent. In Pennsylvania, the decrease reflected plant closings and employment cuts that were particularly concentrated among affiliates in the computer and electronic product and the electrical equipment industries. The affiliate share of manufacturing employment in

Pennsylvania decreased from 15.0 percent to 13.4 percent.

In two states—New York and Missouri—manufacturing employment by affiliates increased by more than 5,000 in 2001, mainly as a result of new foreign investments and the entry of new affiliates through corporate inversions. The affiliate share of manufacturing employment in New York increased from 12.0 percent to 13.3 percent, and the share in Missouri

Table 7. Manufacturing Employment by Nonbank U.S. Affiliates by State, 1999–2001

	Thousands of employees						Percentage of total manufacturing employment in the state ¹					
	All nonbank affiliates			Majority-owned nonbank affiliates			All nonbank affiliates			Majority-owned nonbank affiliates		
	1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
Total ²	2,240.9	2,315.7	2,177.6	2,036.5	2,118.8	1,992.6	13.4	14.0	13.6	12.2	12.8	12.4
New England	123.0	134.4	132.9	115.3	127.7	126.6	13.1	14.7	14.6	12.3	13.9	13.9
Connecticut	31.6	34.5	36.2	28.7	32.2	34.4	13.3	14.8	15.5	12.1	13.8	14.7
Maine	11.8	11.9	11.7	11.0	11.4	11.3	14.6	14.9	15.2	13.6	14.3	14.6
Massachusetts	52.7	55.9	54.0	50.0	53.3	51.4	13.0	14.1	13.8	12.4	13.4	13.2
New Hampshire	17.1	21.9	21.6	16.4	20.8	20.6	17.6	23.5	22.5	16.9	22.4	21.4
Rhode Island	6.5	6.3	5.3	6.3	6.1	5.1	9.0	9.1	8.0	8.8	8.9	7.7
Vermont	3.2	4.0	4.1	2.8	3.9	3.9	7.2	8.8	8.5	6.3	8.7	8.1
Mideast	287.3	305.2	295.2	267.8	M	278.5	13.5	14.6	14.4	12.6	(D)	13.6
Delaware	8.1	10.1	10.1	7.2	I	9.2	19.6	24.1	24.0	17.3	(D)	21.9
District of Columbia	0.5	0.6	0.6	0.4	0.4	0.4	15.6	24.3	24.0	13.5	15.8	15.3
Maryland	19.6	22.5	21.1	18.5	21.8	20.4	12.3	14.2	13.4	11.6	13.7	13.0
New Jersey	68.4	67.5	67.4	65.4	64.0	64.7	17.5	17.5	17.7	16.8	16.6	17.0
New York	73.8	84.9	91.5	66.5	77.9	85.7	10.1	12.0	13.3	9.1	11.0	12.4
Pennsylvania	117.0	119.6	104.7	109.9	111.7	98.2	14.4	15.0	13.4	13.6	14.0	12.6
Great Lakes	547.6	557.5	509.6	498.0	516.4	471.6	14.1	14.4	13.9	12.9	13.3	12.9
Illinois	112.4	119.4	108.3	101.5	109.7	98.9	13.0	14.0	13.2	11.8	12.9	12.1
Indiana	111.8	111.7	105.7	102.0	99.9	94.7	17.5	17.5	17.5	16.0	15.6	15.7
Michigan	127.1	141.0	127.7	113.9	133.9	121.9	15.6	17.2	16.9	13.9	16.3	16.1
Ohio	141.9	128.2	116.9	129.0	118.7	108.0	14.4	13.0	12.5	13.1	12.0	11.5
Wisconsin	54.4	57.2	51.1	51.6	54.2	48.1	9.5	10.0	9.4	9.0	9.5	8.8
Plains	144.5	145.2	151.7	132.3	132.8	140.3	10.5	10.8	11.5	9.6	9.9	10.7
Iowa	23.5	23.6	23.9	21.9	22.4	22.7	9.5	9.7	10.1	8.9	9.2	9.6
Kansas	19.3	19.1	15.4	18.1	18.3	14.8	9.8	10.0	8.1	9.2	9.6	7.8
Minnesota	34.7	37.1	39.4	31.0	32.2	34.5	9.1	9.8	10.6	8.2	8.5	9.2
Missouri	49.1	50.3	56.0	45.1	46.2	52.8	13.2	14.5	16.7	12.1	13.3	15.7
Nebraska	10.8	8.7	8.8	10.1	8.2	8.3	9.9	8.0	8.2	9.3	7.5	7.7
North Dakota	3.2	2.8	5.1	2.3	2.0	4.5	14.1	11.6	21.1	10.1	8.2	18.4
South Dakota	3.9	3.7	2.9	3.7	3.5	2.7	8.2	8.0	6.2	7.8	7.6	5.8
Southeast	654.8	655.5	607.2	593.7	596.8	547.5	15.6	15.8	15.3	14.1	14.4	13.8
Alabama	49.9	48.8	44.9	42.7	41.1	36.8	14.6	14.6	14.4	12.5	12.3	11.8
Arkansas	26.4	28.3	26.5	22.1	23.7	22.5	11.5	12.0	11.6	9.6	10.0	9.8
Florida	47.2	53.5	50.6	41.4	49.2	46.5	11.2	12.9	12.2	9.9	11.8	11.3
Georgia	82.8	86.3	80.5	76.4	79.0	70.7	15.6	16.7	16.4	14.4	15.2	14.4
Kentucky	67.0	68.4	64.0	57.3	60.7	56.9	22.9	23.3	22.9	19.6	20.7	20.3
Louisiana	23.9	23.7	21.5	22.0	22.0	19.6	14.5	14.7	13.5	13.3	13.6	12.3
Mississippi	13.5	11.8	11.6	11.8	9.6	9.4	6.0	5.4	5.8	5.3	4.4	4.7
North Carolina	124.7	120.5	99.9	116.4	113.6	94.5	16.5	16.5	14.5	15.4	15.5	13.7
South Carolina	73.5	73.9	70.2	69.4	70.0	66.7	21.8	22.1	21.6	20.6	20.9	20.5
Tennessee	81.0	78.0	80.4	75.6	72.7	74.5	17.0	16.4	17.9	15.9	15.3	16.6
Virginia	51.5	48.2	43.9	46.8	42.4	37.6	14.1	13.4	12.8	12.8	11.8	10.9
West Virginia	13.4	14.0	13.1	11.7	12.9	11.7	18.3	18.9	18.1	16.0	17.4	16.1
Southwest	183.0	198.1	185.7	169.8	184.7	171.8	13.5	14.4	13.8	12.5	13.4	12.8
Arizona	16.4	16.7	19.0	15.0	16.2	18.3	8.5	8.3	9.8	7.8	8.1	9.4
New Mexico	2.8	4.1	3.2	2.7	3.8	2.8	7.2	10.9	8.6	7.1	10.0	7.6
Oklahoma	15.9	16.1	16.1	15.3	15.5	15.6	9.5	9.5	9.8	9.2	9.2	9.5
Texas	147.9	161.3	147.5	136.8	149.2	135.1	15.5	16.7	15.6	14.3	15.4	14.3
Rocky Mountain	38.9	46.9	42.7	33.7	K	36.7	10.2	12.1	11.3	8.8	(D)	9.7
Colorado	19.4	27.4	23.6	16.3	24.4	20.8	11.8	16.4	14.5	9.9	14.7	12.8
Idaho	4.9	5.9	5.5	4.8	H	3.7	7.5	8.8	8.2	7.2	(D)	5.6
Montana	2.7	1.6	2.8	2.1	0.9	2.1	13.2	7.8	13.5	10.1	4.4	10.3
Utah	10.7	10.9	9.9	9.4	10.1	9.1	8.8	8.9	8.2	7.7	8.3	7.5
Wyoming	1.1	1.1	0.9	1.1	1.0	0.9	11.2	11.8	10.1	11.2	10.5	10.1
Far West	253.1	263.8	243.7	218.1	226.2	210.7	10.6	11.3	10.5	9.1	9.7	9.1
Alaska	1.6	1.7	2.1	1.3	1.5	1.7	13.8	15.5	18.8	11.0	13.1	15.2
California	196.7	208.2	193.6	168.4	175.0	164.7	11.0	11.9	11.1	9.4	10.0	9.5
Hawaii	1.2	1.3	1.0	1.2	1.2	1.0	8.3	8.4	6.5	8.2	8.3	6.3
Nevada	5.0	5.0	5.3	4.6	4.7	5.0	12.9	13.2	13.2	11.8	12.4	12.5
Oregon	20.7	21.0	17.2	18.0	19.3	15.8	9.8	10.4	8.7	8.6	9.5	8.0
Washington	27.9	26.6	24.6	24.5	24.5	22.5	8.4	8.4	7.8	7.4	7.8	7.1
Puerto Rico	8.3	8.6	8.2	7.5	8.4	8.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other U.S. areas ³	0.4	0.3	0.7	0.3	0.3	0.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Foreign ⁴	0.0	0.0	(*)	0.0	0.0	(*)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

* Fewer than 50 employees.

D Suppressed to avoid disclosure of data of individual companies.

n.a. Not available.

1. The data on employment in manufacturing used to calculate these shares are from the Census Bureau's *County Business Patterns*.

2. Total affiliate manufacturing employment and the shares of all-U.S.-business manufacturing employment accounted for by affiliates in this table differ from those shown in table 5 (see footnote 3 to table 5). For consistency with the coverage of the employment data for all U.S. manufacturing plants, U.S. affiliate employment in

Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S.-affiliate total when the percentage shares on this line were computed.

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

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

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

increased from 14.5 percent to 16.7 percent. The affiliate share of manufacturing employment also increased very substantially in a number of small states (most notably in North Dakota and Montana) as a result of foreign acquisitions.

Trade in Goods

U.S. affiliates of foreign companies have a major presence in U.S. trade in goods: In most years since 1977, they have accounted for 20–25 percent of U.S. exports of goods and for 30–35 percent of U.S. imports of goods; these shares are much higher than the affiliates' shares of either gross product or employment (table 8). The relatively high shares of trade partly reflect the concentration of foreign direct investment activity in manufacturing, a sector that has a high trade orientation. In addition, the high shares reflect the activity of wholesale trade affiliates, which have served as conduits for flows of goods between the United States and the foreign investing countries.¹⁵ Trade in goods by U.S. affiliates has been dominated by majority-owned affiliates: In recent years, these affiliates have accounted for about 90 percent of affiliate exports and for about 95 percent of affiliate imports.

Much of the trade in goods by affiliates—about 40 percent of exports and about 75 percent of imports—is intrafirm trade (that is, trade between the affiliates and their foreign parents or other member companies of their foreign parent groups). U.S.-affiliate intrafirm trade has generally accounted for 8–12 percent of U.S. exports and for 20–28 percent of U.S. imports; almost all of this trade has been by majority-owned affiliates.¹⁶

In most years since the mid-1980s, imports by U.S. affiliates have exceeded their exports by 80–130 percent, a difference substantially larger than the difference for the United States as a whole. The relatively large trade deficit for affiliates can be explained by the

activity of wholesale trade affiliates, many of which were established expressly to facilitate the importation of goods manufactured abroad by their foreign parents. Since 1985, wholesale trade affiliates—whose imports have been two to four times as large as their exports—have consistently accounted for more than two-thirds of the trade deficit of all U.S. affiliates.¹⁷

17. For a discussion of U.S.-affiliate trade balances in 1977–91, see William J. Zeile, "Merchandise Trade of U.S. Affiliates Foreign Companies," SURVEY 73 (October 1993): 52–65.

Table 8. U.S. Trade in Goods by Nonbank U.S. Affiliates, 1977–2001

	Millions of dollars				U.S. exports of goods shipped by affiliates as a percentage of total U.S. exports of goods		U.S. imports of goods shipped to affiliates as a percentage of total U.S. imports of goods	
	U.S. exports of goods shipped by affiliates		U.S. imports of goods shipped to affiliates					
	Total	Of which: To the foreign parent group	Total	Of which: From the foreign parent group	Total	Of which: To the foreign parent group	Total	Of which: From the foreign parent group
All nonbank affiliates:								
1977.....	24,858	11,691	43,896	30,878	20.2	9.5	29.0	20.4
1978.....	32,169	16,570	56,567	39,466	22.1	11.4	32.1	22.4
1979.....	44,341	22,073	63,039	45,295	23.8	11.8	30.0	21.5
1980.....	52,199	20,983	75,803	47,010	23.1	9.3	30.9	19.2
1981.....	64,066	26,911	82,259	52,196	26.8	11.3	31.5	20.0
1982.....	60,236	25,024	84,290	51,915	27.8	11.6	34.6	21.3
1983.....	53,854	22,577	81,464	54,802	26.2	11.0	31.6	21.2
1984.....	58,186	27,072	100,489	70,451	26.0	12.1	30.4	21.3
1985.....	56,401	25,900	113,331	81,740	25.8	11.8	33.7	24.3
1986.....	49,560	21,873	125,732	93,418	21.9	9.7	34.4	25.5
1987.....	48,091	19,109	143,537	108,201	18.9	7.5	35.3	26.6
1988.....	69,541	26,425	155,533	118,362	21.5	8.2	35.2	26.8
1989.....	86,316	34,276	171,847	129,926	23.7	9.4	36.3	27.4
1990.....	92,308	37,764	182,936	137,458	23.5	9.6	36.9	27.7
1991.....	96,933	42,222	178,702	132,166	23.0	10.0	36.6	27.1
1992.....	103,925	48,767	184,464	137,799	23.2	10.9	34.6	25.9
1993.....	106,615	47,350	200,599	150,789	22.9	10.2	34.5	26.0
1994.....	120,683	51,147	232,362	174,641	23.5	10.0	35.0	26.3
1995.....	135,153	57,246	250,824	191,222	23.1	9.8	33.7	25.7
1996.....	140,886	60,831	268,673	197,656	22.5	9.7	33.8	24.9
1997.....	141,305	63,025	264,924	202,355	20.5	9.1	30.5	23.3
1998.....	151,005	57,565	292,046	205,181	22.1	8.4	32.0	22.5
1999.....	153,572	59,881	324,994	229,857	22.1	8.6	31.7	22.4
2000 ¹	164,673	66,226	372,164	273,598	21.1	8.5	30.6	22.5
2001 ²	163,641	66,323	369,488	282,921	22.4	9.1	32.4	24.8
Majority-owned nonbank affiliates:								
1988.....	57,209	26,001	144,896	112,012	17.7	8.0	32.8	25.3
1989.....	72,413	33,778	158,792	122,899	19.9	9.3	33.5	25.9
1990.....	79,368	37,177	170,677	131,665	20.2	9.5	34.4	26.5
1991.....	85,254	41,373	169,362	128,143	20.2	9.8	34.7	26.2
1992.....	91,686	47,567	172,260	132,217	20.5	10.6	32.3	24.8
1993.....	94,329	46,241	186,369	144,698	20.3	9.9	32.1	24.9
1994.....	107,057	49,864	214,485	166,085	20.9	9.7	32.3	25.0
1995.....	121,277	55,842	232,250	182,148	20.7	9.5	31.2	24.5
1996.....	125,897	59,544	248,562	187,889	20.1	9.5	31.3	23.6
1997.....	128,394	61,288	249,310	193,969	18.6	8.9	28.7	22.3
1998.....	136,949	56,115	277,909	199,524	20.1	8.2	30.5	21.9
1999.....	140,808	58,385	312,895	225,132	20.2	8.4	30.5	22.0
2000 ¹	150,911	64,785	354,613	267,187	19.3	8.3	29.1	21.9
2001 ²	149,323	64,760	352,861	277,147	20.5	8.9	30.9	24.3

¹ Preliminary.
² Revised.

NOTE: The data on total U.S. exports and imports of goods that were used to calculate the shares shown in this table are Census-Bureau-based data, which are before the adjustments to the balance-of-payments basis presented in BEA's International Transactions Accounts (see table 2, lines A1 and A9 in Douglas B. Weinberg and Patricia E. Abaroa, "U.S. International Transactions, First Quarter 2003," SURVEY OF CURRENT BUSINESS 83 (July 2003): 68–69).

15. In 2001, affiliates in wholesale trade accounted for 36 percent of affiliate exports and for 58 percent of affiliate imports. Earlier, these affiliates played an even larger role in U.S.-affiliate trade: In each year in 1977–95, these affiliates accounted for more than 50 percent of affiliate exports and for more than 60 percent of affiliate imports.

16. Total U.S. intrafirm trade in goods—which also includes trade between U.S. parent companies and their foreign affiliates—has accounted for 30–40 percent of U.S. exports and for 35–45 percent of U.S. imports; see William J. Zeile, "U.S. Intrafirm Trade in Goods," SURVEY 77 (February 1997): 23–38.

BEA's data on intrafirm trade are distinct from a similar data series on related-party trade from the Census Bureau. Unlike BEA's data on intrafirm trade, which are from its surveys of multinational company operations, the Census Bureau data are based on a checkoff question in customs declarations of exports and imports. For exports, the definition of "related party" in the customs documents is based on an ownership share of at least 10 percent, which is consistent with the definition of direct investment used in BEA's surveys; however, for imports, the customs definition is based on a 6-percent ownership share. In addition, the data on related-party trade, unlike BEA's data, do not distinguish the trade between U.S. and foreign units of U.S. multinational firms from the trade between U.S. and foreign units of foreign multinational firms.

Exports

In 2001, exports of goods by U.S. affiliates dipped half a percent, to \$163.6 billion, following a 7-percent increase in 2000 (table 8). This decrease mirrored a much larger reversal for goods exports by all U.S. businesses, which fell 7 percent after increasing 13 percent. Because of the relatively modest decrease for affiliates, the affiliate share of total U.S. exports of goods increased from 21.1 percent in 2000 to 22.4 percent in 2001.

For both affiliates and all U.S. businesses, exports in 2001 were restrained by a falloff in foreign demand associated with slower economic growth in several major trading-partner countries.¹⁸ Exports by all U.S. business were particularly affected by a sharp drop in foreign demand for high-technology capital goods, a product class that has accounted for a smaller share of exports by U.S. affiliates.¹⁹ Foreign demand decreased only slightly for chemicals and food products, product

classes that have accounted for larger shares of affiliate exports.²⁰

Differences by investing country in affiliate export growth in 2001 partly reflected differences in world market conditions for the products of different industries. Exports by affiliates with UBO's in the Netherlands decreased 8 percent in 2001, largely due to reduced exports by affiliates in the computer and electronic product industry (table 9). Exports by German-owned affiliates decreased 6 percent, largely reflecting a reduction in exports by affiliates with product lines in motor vehicles, machinery, electronic products, and medical equipment. Exports by Korean-owned affiliates decreased 10 percent, reflecting reduced exports by wholesale-trade affiliates specializing in electrical goods and in professional and commercial equipment. In contrast, exports by Swiss-owned affiliates jumped 20 percent, mainly as a result of increased exports by affiliates in pharmaceutical manufacturing.

18. For a discussion of the decreases in total U.S. exports and imports of goods in 2001, see Christopher L. Bach, "U.S. International Transactions, Fourth Quarter and Year 2001," SURVEY 82 (April 2002): 38-44.

19. Product-level data on U.S. trade from the Census Bureau reveal that more than half of the total decrease in exports of goods by all U.S. businesses in 2001 was accounted for by a 16-percent reduction in exports of the class of goods comprising office machines and automatic data processing equipment, telecommunications and sound recording equipment, and other electrical machinery and parts. Data on the product composition of U.S.-affiliate exports, which were most recently collected in BEA's 1997 Benchmark Survey of Foreign Direct Investment in the United States, indicate that these products accounted for 17 percent of affiliate exports of goods in 1997; in comparison, these products accounted for 23 percent of total U.S. exports of goods in 1997.

Imports

Reflecting a general slowdown in the U.S. economy, imports of goods by U.S. affiliates decreased almost 1 percent in 2001, to \$369.5 billion, following an

20. In 2001, U.S. exports of chemicals decreased less than half a percent, and U.S. exports of food, beverages, and tobacco decreased less than 1 percent. Data from the 1997 benchmark survey indicate that chemicals accounted for 14 percent of affiliate exports, compared with 10 percent of total U.S. exports of goods, and that food, beverages, and tobacco accounted for 15 percent of affiliate exports, compared with 7 percent of total U.S. exports of goods.

Table 9. U.S. Trade in Goods of Nonbank U.S. Affiliates by Selected Country of Ultimate Beneficial Owner, 1999-2001

	Millions of dollars			Percentage of all-countries total			Percentage of total exports or imports of goods			Addendum: Percent change in affiliate exports or imports, 2000-2001
	1999	2000	2001	1999	2000	2001	1999	2000	2001	
U.S. exports shipped by affiliates:										
All countries	153,572	164,673	163,641	100.0	100.0	100.0	22.1	21.1	22.4	-0.6
Canada	7,495	9,239	9,497	4.9	5.6	5.8	1.1	1.2	1.3	2.8
France	16,655	15,670	16,011	10.8	9.5	9.8	2.4	2.0	2.2	2.2
Germany	31,713	31,976	30,173	20.7	19.4	18.4	4.6	4.1	4.1	-5.6
Netherlands	5,214	7,334	6,717	3.4	4.5	4.1	0.7	0.9	0.9	-8.4
Switzerland	5,707	6,020	7,216	3.7	3.7	4.4	0.8	0.8	1.0	19.9
United Kingdom	15,768	16,929	15,985	10.3	10.3	9.8	2.3	2.2	2.2	-5.6
Japan	41,373	43,871	43,725	26.9	26.6	26.7	5.9	5.6	6.0	-0.3
Korea, Republic of	5,717	6,396	5,779	3.7	3.9	3.5	0.8	0.8	0.8	-9.6
Other	23,929	27,237	28,538	15.6	16.5	17.4	3.4	3.5	3.9	4.8
U.S. imports shipped to affiliates:										
All countries	324,994	372,164	369,488	100.0	100.0	100.0	31.7	30.6	32.4	-0.7
Canada	16,647	21,151	16,596	5.1	5.7	4.5	1.6	1.7	1.5	-21.5
France	16,178	16,949	19,154	5.0	4.6	5.2	1.6	1.4	1.7	13.0
Germany	53,911	58,156	55,981	16.6	15.6	15.2	5.3	4.8	4.9	-3.7
Netherlands	15,938	(D)	16,496	4.9	5.9	4.5	1.6	(D)	1.4	(D)
Switzerland	7,289	8,519	8,461	2.2	2.3	2.3	0.7	0.7	0.7	-0.7
United Kingdom	19,291	24,049	26,366	5.9	6.5	7.1	1.9	2.0	2.3	9.6
Japan	138,564	151,152	153,342	42.6	40.6	41.5	13.5	12.4	13.4	1.4
Korea, Republic of	15,334	19,212	19,253	4.7	5.2	5.2	1.5	1.6	1.7	0.2
Other	41,841	(D)	53,839	12.9	13.7	14.6	4.1	(D)	4.7	(D)

D Suppressed to avoid disclosure of data of individual companies.

NOTE: Affiliates of the eight countries listed in this table accounted for the largest shares of affiliate trade in each of the years 1999-2001.

increase of 15 percent in 2000. This turndown was mild compared with that for total U.S. imports of goods, which decreased 6 percent after increasing 19 percent. As a result, the affiliate share of U.S. imports of goods increased from 30.6 percent in 2000 to 32.4 percent in 2001.

The overall decrease in affiliate imports in 2001 was tempered by increases in imports by wholesale trade affiliates, particularly those in motor vehicle wholesale trade. Imports by manufacturing affiliates decreased 7 percent; this decrease was more than accounted for by a one-third reduction in imports by affiliates in com-

puters and electronic products.²¹

Partly as a result of reduced imports by affiliates in computers and electronic products, imports by Canadian-owned affiliates decreased 22 percent in 2001. In contrast, imports by French-owned affiliates increased 13 percent, largely due to new acquisitions.

Tables 10.1 through 11.2 follow.

21. The Census Bureau's product-level data for total U.S. imports reveal that an 18-percent reduction in U.S. imports of office machines and automatic data processing equipment, telecommunications and sound recording equipment, and other electrical machinery and parts accounted for about two-thirds of the total decrease in U.S. imports of goods.

Table 10.1 Selected Data of Nonbank U.S. Affiliates by Industry of Affiliate, 2000

	Millions of dollars							Thousands of employees	Millions of dollars	
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Gross product	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped by affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(9)	(10)
All industries	4,893,942	1,175,628	149,131	2,334,692	34,593	516,664	332,164	6,524.6	164,673	372,164
Manufacturing	1,117,104	511,324	55,355	987,450	11,511	235,620	153,842	2,705.4	101,259	156,085
Food	45,791	22,716	2,223	47,508	424	11,136	6,649	148.8	2,489	4,354
Beverages and tobacco products	17,933	5,659	600	14,919	488	5,275	2,038	37.7	1,496	723
Textiles, apparel, and leather products	10,258	6,039	483	11,047	-223	3,026	2,349	65.7	1,303	2,458
Wood products	1,917	803	75	2,214	3	556	421	17.7	199	413
Paper	33,004	22,491	1,988	23,142	583	7,753	4,815	79.3	2,099	641
Printing and related support activities	9,804	6,120	442	11,937	193	4,681	3,735	70.7	475	830
Petroleum and coal products	59,288	43,407	3,100	107,939	3,906	14,387	2,365	28.9	1,367	12,096
Chemicals	261,913	117,862	10,283	164,398	4,023	44,987	28,484	392.5	16,083	16,963
Basic chemicals	61,677	50,486	3,393	42,239	-419	10,917	6,665	85.7	5,812	4,211
Resins and synthetic rubber, fibers, and filaments	23,330	14,265	2,004	19,417	-10	3,126	1,771	33.2	1,548	1,687
Pharmaceuticals and medicines	102,178	31,298	2,945	61,104	4,459	19,425	12,517	145.1	5,548	9,070
Soap, cleaning compounds, and toilet preparations	49,317	8,260	1,011	24,217	-43	6,790	4,450	80.6	1,080	421
Other	25,411	13,552	929	17,420	37	4,730	3,080	47.8	2,095	1,574
Plastics and rubber products	33,279	22,781	1,927	33,409	-300	10,011	7,851	155.3	2,924	4,802
Nonmetallic mineral products	57,193	42,765	3,643	41,674	2,431	15,605	8,480	167.0	1,456	2,224
Primary and fabricated metals	66,001	41,503	3,189	67,583	1,227	17,896	12,172	226.9	5,427	8,893
Primary metals	39,287	29,275	2,294	42,669	739	10,023	6,346	100.3	3,017	6,854
Fabricated metal products	26,714	12,228	895	24,914	488	7,873	5,827	126.6	2,410	2,040
Machinery	81,751	24,086	2,560	68,375	-1,108	18,480	15,167	298.3	8,638	9,291
Agriculture, construction, and mining machinery	21,388	4,601	420	14,346	-477	3,078	2,620	50.9	2,147	2,525
Industrial machinery	6,275	2,725	218	6,680	-942	1,499	1,621	27.7	1,079	991
Other	54,088	16,761	1,922	47,348	312	13,903	10,926	219.7	5,413	5,775
Computers and electronic products	172,295	45,240	6,662	128,324	-4,725	28,394	23,295	335.1	19,273	37,510
Computers and peripheral equipment	6,583	1,991	195	13,650	-126	1,800	1,572	26.6	2,289	6,118
Communications equipment	87,885	10,993	1,605	44,936	-4,398	9,406	10,361	125.0	5,391	10,274
Audio and video equipment	(D)	(D)	(D)	(D)	(D)	4,217	3,321	34.8	(D)	(D)
Semiconductors and other electronic components	42,454	18,205	2,385	34,316	-216	7,974	4,781	85.7	6,658	8,483
Navigational, measuring, and other instruments	15,131	6,631	(D)	(D)	(D)	4,355	2,831	51.2	(D)	878
Magnetic and optical media	(D)	(D)	127	2,150	-352	641	429	11.7	39	(D)
Electrical equipment, appliances, and components	50,388	17,944	2,077	45,567	451	16,501	10,565	214.3	6,649	2,911
Transportation equipment	203,366	87,290	15,595	207,404	3,691	32,994	22,626	405.3	30,096	50,879
Motor vehicles, bodies and trailers, and parts	186,748	84,333	15,211	194,160	3,597	29,695	19,887	352.9	27,673	48,215
Other	16,618	2,958	384	13,244	93	3,298	2,739	52.4	2,422	2,664
Furniture and related products	1,288	646	100	2,077	48	675	487	14.8	122	86
Miscellaneous manufacturing	11,635	3,972	407	9,934	400	3,264	2,343	47.1	1,163	1,012
Wholesale trade	404,594	179,313	24,091	634,092	14,948	85,016	34,827	563.8	57,002	206,668
Motor vehicles and motor vehicle parts and supplies	92,518	42,211	10,936	125,155	2,876	13,127	4,459	57.6	2,930	(D)
Professional and commercial equipment and supplies	28,122	8,667	832	46,639	-229	6,478	4,702	72.8	5,011	19,861
Electrical goods	34,699	9,180	892	67,517	252	7,801	5,430	86.2	7,978	31,225
Other durable goods	50,050	10,863	1,283	92,676	978	10,125	6,806	129.8	9,935	28,618
Petroleum and petroleum products	109,103	(D)	(D)	170,364	7,283	31,173	4,411	67.7	11,844	24,175
Other nondurable goods	90,102	(D)	(D)	131,741	3,790	16,313	9,019	149.8	19,304	(D)
Retail trade	72,639	35,533	3,705	116,266	-221	24,269	15,734	666.5	1,523	(D)
Food and beverage stores	34,493	24,635	2,211	68,610	848	15,432	9,201	419.8	2	(D)
Other	38,146	10,898	1,494	47,656	-1,069	8,836	6,534	246.7	1,521	3,917
Information	321,514	105,808	25,647	121,638	-4,959	39,094	26,472	409.6	713	240
Publishing industries	73,591	8,689	1,494	35,473	21	13,692	9,689	139.4	(D)	127
Motion picture and sound recording industries	33,242	4,981	605	9,885	190	1,981	1,438	38.1	(D)	(D)
Broadcasting and telecommunications	190,395	88,300	22,680	68,896	-4,374	21,150	12,929	194.7	5	(D)
Broadcasting, cable networks, and program distribution	(D)	2,971	353	(D)	(D)	2,240	1,403	19.9	0	0
Telecommunications	(D)	85,329	22,328	(D)	(D)	18,909	11,526	174.7	5	(D)
Information services and data processing services	24,285	3,837	868	7,384	-795	2,271	2,417	37.4	6	0
Finance (except depository institutions) and insurance	2,490,728	57,294	10,301	237,602	11,514	44,005	37,965	300.1	(*)	4
Finance, except depository institutions	1,427,537	16,987	4,261	104,746	2,759	20,802	22,372	117.3	(*)	4
Insurance carriers and related activities	1,063,191	40,307	6,040	132,856	8,755	23,203	15,593	182.8	0	0
Real estate and rental and leasing	119,939	94,384	9,521	24,185	1,849	10,895	2,710	46.7	(D)	639
Real estate	100,527	85,270	7,621	17,431	1,591	7,810	1,434	20.2	4	34
Rental and leasing (except real estate)	19,412	9,113	1,900	6,754	258	3,084	1,276	26.6	(D)	605
Professional, scientific, and technical services	43,405	8,208	1,157	31,799	-1,498	9,224	9,907	153.5	374	367
Architectural, engineering, and related services	6,264	1,922	163	5,772	-127	1,973	2,031	35.8	244	(D)
Computer systems design and related services	9,673	2,330	511	7,125	-898	2,370	3,037	37.5	(D)	(D)
Management, scientific, and technical consulting	2,105	321	51	1,313	28	585	485	7.5	0	0
Other	25,363	3,635	432	17,590	-500	4,296	4,354	72.8	(D)	45
Other industries	324,019	183,765	19,355	181,660	1,448	68,542	50,705	1,679.0	(D)	(D)
Agriculture, forestry, fishing and hunting	6,811	4,428	425	3,165	18	1,076	616	15.7	339	156
Mining	52,736	48,552	5,012	23,372	1,368	10,598	4,450	60.7	2,684	501
Utilities	53,590	36,634	3,988	26,910	708	4,825	2,242	28.8	76	2,876
Construction	25,671	14,187	3,060	32,457	519	6,378	4,840	85.6	97	16
Transportation and warehousing	45,732	35,526	2,306	29,372	748	11,830	7,557	239.4	58	17
Management of nonbank companies and enterprises	44,623	693	349	(D)	(D)	-3,199	330	2.6	(*)	2
Administration, support, and waste management	16,943	4,957	377	22,276	-404	16,146	15,885	650.7	26	1
Health care and social assistance	14,278	4,044	274	(D)	(D)	4,641	3,545	100.5	(D)	(D)
Accommodation and food services	48,324	26,629	3,007	24,922	625	12,828	8,873	108.3	(*)	4
Accommodation	39,078	21,940	2,325	10,650	283	5,709	3,064	120.8	(*)	4
Food services and drinking places	9,246	4,689	682	14,271	342	7,119	5,808	287.5	0	0
Miscellaneous services	15,312	8,114	558	8,334	-121	3,418	2,368	86.6	29	19

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies

NOTE: Estimates for 2000 are revised.

Table 10.2 Selected Data of Nonbank U.S. Affiliates by Industry of Affiliate, 2001

	Millions of dollars							Thousands of employees	Millions of dollars	
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Gross product	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(9)	(10)
All industries	5,466,000	1,200,064	144,139	2,354,136	-42,902	486,553	350,575	6,371.9	163,641	369,488
Manufacturing	1,151,660	547,751	57,726	952,003	-22,025	225,483	160,926	2,569.8	99,394	144,995
Food	59,196	23,019	2,023	49,269	-74	11,362	6,874	153.0	2,364	3,953
Beverages and tobacco products	18,542	6,067	575	15,056	386	5,305	2,162	37.3	1,472	718
Textiles, apparel, and leather products	8,368	5,410	452	8,933	-245	2,664	1,962	49.6	910	2,044
Wood products	2,287	1,058	71	2,284	-27	647	531	17.7	299	699
Paper	32,625	22,256	1,587	22,588	-411	7,149	4,770	78.6	2,039	614
Printing and related support activities	9,842	6,473	433	11,701	-102	4,522	3,750	69.6	395	669
Petroleum and coal products	53,607	45,763	3,714	95,232	3,951	14,870	2,973	26.5	1,732	12,317
Chemicals	263,557	123,960	10,680	174,681	-630	44,412	30,337	385.2	16,935	20,704
Basic chemicals	56,544	46,819	2,821	38,872	-1,646	9,886	6,487	79.2	5,714	3,531
Resins and synthetic rubber, fibers, and filaments	33,066	22,670	2,647	29,307	-488	4,376	2,647	41.6	1,954	2,906
Pharmaceuticals and medicines	102,455	31,874	3,805	65,083	2,144	19,290	13,678	151.8	6,344	11,936
Soap, cleaning compounds, and toilet preparations	47,035	9,365	637	25,025	-195	6,644	4,387	66.2	1,009	615
Other	24,452	13,232	768	16,394	-445	4,217	3,138	46.5	1,913	1,717
Plastics and rubber products	35,659	25,292	1,978	35,178	-945	10,655	8,594	161.2	3,103	4,714
Nonmetallic mineral products	62,018	46,893	4,050	43,140	1,359	15,643	8,993	165.7	1,460	2,233
Primary and fabricated metals	61,158	41,783	2,599	63,091	83	17,014	12,429	211.7	5,588	8,525
Primary metals	38,709	30,269	1,695	39,857	-556	9,869	7,087	103.1	3,383	6,799
Fabricated metal products	22,448	11,514	904	23,234	638	7,145	5,342	108.6	2,206	1,725
Machinery	95,222	25,158	2,838	72,510	-1,592	21,325	18,699	309.9	8,572	8,773
Agriculture, construction, and mining machinery	21,518	4,791	422	14,170	-276	3,063	2,753	49.4	2,104	2,556
Industrial machinery	8,739	3,684	493	8,504	-970	2,084	1,131	32.7	1,310	1,680
Other	64,966	16,684	1,923	49,836	-347	16,178	13,815	227.8	5,159	4,537
Computers and electronic products	111,804	38,958	5,860	98,870	-19,162	21,566	19,407	256.6	17,421	24,184
Computers and peripheral equipment	6,237	2,294	330	13,545	-574	1,492	1,707	26.6	2,386	6,033
Communications equipment	42,961	9,859	1,638	31,583	-12,198	5,309	8,083	72.5	4,682	5,909
Audio and video equipment	(D)	(D)	197	6,057	-237	1,141	915	13.3	(D)	(D)
Semiconductors and other electronic components	38,059	16,350	1,896	36,490	-6,638	8,160	5,102	83.4	6,224	6,569
Navigational, measuring, and other instruments	16,424	7,007	1,664	9,056	48	4,769	3,177	49.8	(D)	910
Magnetic and optical media	(D)	(D)	135	2,140	436	695	425	11.0	27	(D)
Electrical equipment, appliances, and components	118,087	25,062	4,034	49,658	-1,509	12,777	11,731	198.8	6,080	3,056
Transportation equipment	206,515	105,915	16,330	198,389	-2,472	32,166	25,157	389.2	29,788	50,651
Motor vehicles, bodies and trailers, and parts	189,907	102,870	15,997	185,518	-2,450	28,747	22,180	339.6	27,386	48,008
Other	16,608	3,045	333	12,872	-22	3,420	2,977	49.7	2,401	2,643
Furniture and related products	1,270	684	95	2,020	80	525	327	14.6	105	108
Miscellaneous manufacturing	11,905	3,999	409	9,403	-715	2,881	2,228	44.7	1,128	1,031
Wholesale trade	411,476	183,044	23,896	653,230	8,227	85,241	41,671	596.6	58,099	213,468
Motor vehicles and motor vehicle parts and supplies	74,125	33,532	7,476	129,589	2,381	9,978	4,692	56.5	2,720	79,576
Professional and commercial equipment and supplies	29,307	8,915	1,141	44,316	-721	6,608	5,146	80.8	4,697	18,884
Electrical goods	50,995	16,023	1,643	90,411	-1,637	11,073	9,145	108.2	9,493	39,824
Other durable goods	48,438	11,116	1,316	84,354	-262	9,525	6,974	123.6	10,258	27,397
Petroleum and petroleum products	114,506	(D)	(D)	182,075	5,619	30,667	5,648	72.9	13,514	24,530
Other nondurable goods	94,105	(D)	(D)	122,485	2,846	17,390	10,067	154.7	17,416	23,258
Retail trade	83,705	40,971	4,983	137,142	-989	30,131	20,024	776.5	1,443	5,114
Food and beverage stores	37,354	25,096	3,133	75,608	754	17,655	10,759	444.9	3	340
Other	46,351	15,875	1,851	61,535	-1,743	12,476	9,265	331.6	1,439	4,774
Information	334,134	68,564	15,234	98,779	-19,709	18,372	21,270	307.4	(D)	242
Publishing industries	59,148	6,752	902	28,976	-4,059	7,698	8,007	101.9	467	(D)
Motion picture and sound recording industries	54,164	4,720	637	11,633	-363	2,073	1,712	37.6	165	(D)
Broadcasting and telecommunications	178,253	48,888	12,120	45,443	-12,434	4,263	6,440	94.2	(D)	2
Broadcasting, cable networks, and program distribution	31,592	3,379	519	10,904	-1,362	2,196	1,420	17.8	0	0
Telecommunications	146,661	45,508	11,600	34,539	-11,073	2,068	5,020	76.4	(D)	2
Information services and data processing services	42,569	8,204	1,576	12,727	-2,853	4,338	5,112	73.7	(D)	4
Finance (except depository institutions) and insurance	2,922,634	71,290	13,840	253,305	-4,705	33,264	36,503	336.5	(*)	4
Finance, except depository institutions	1,678,033	25,255	6,751	98,940	-4,888	16,499	21,147	133.8	(*)	4
Insurance carriers and related activities	1,244,600	46,035	7,089	154,364	183	16,765	15,356	202.7	0	0
Real estate and rental and leasing	118,683	94,670	8,483	24,197	2,395	11,255	2,730	44.6	(D)	455
Real estate	100,606	86,813	7,034	17,501	2,216	8,264	1,358	19.8	4	34
Rental and leasing (except real estate)	18,077	7,857	1,449	6,696	179	2,991	1,372	24.7	(D)	421
Professional, scientific, and technical services	60,319	12,341	1,512	45,396	-3,395	15,178	14,208	202.4	405	313
Architectural, engineering, and related services	10,417	2,695	204	7,799	-640	2,396	2,687	45.7	311	(D)
Computer systems design and related services	14,802	4,813	766	8,331	-1,987	2,450	3,487	43.1	56	(D)
Management, scientific, and technical consulting	3,606	471	77	7,636	368	5,234	2,654	41.3	1	0
Other	31,493	4,362	465	21,631	-1,136	5,099	5,381	72.2	38	44
Other industries	383,390	181,433	18,465	190,084	-2,701	67,628	53,244	1,538.1	3,370	4,897
Agriculture, forestry, fishing and hunting	6,563	4,484	440	2,940	-34	939	610	14.0	338	162
Mining	52,772	46,135	4,242	22,195	673	10,792	5,113	63.2	2,373	513
Utilities	54,333	38,434	4,822	35,049	506	5,623	2,114	27.0	(D)	3,827
Construction	26,365	14,293	2,864	33,739	-141	6,751	5,810	91.2	140	62
Transportation and warehousing	47,169	35,898	2,302	31,918	358	12,356	8,731	248.0	(D)	14
Management of nonbank companies and enterprises	106,208	795	371	953	-2,188	-3,400	402	3.4	(*)	2
Administration, support, and waste management	15,947	5,046	327	22,423	-1,052	15,511	15,821	573.1	26	1
Health care and social assistance	13,424	3,591	263	9,837	-268	4,413	3,594	89.2	231	304
Accommodation and food services	46,420	24,991	2,293	23,242	-87	11,382	8,498	359.6	(*)	3
Accommodation	37,170	22,040	1,980	10,533	-143	5,189	3,153	108.7	(*)	3
Food services and drinking places	9,251	2,951	313	12,709	56	6,193	5,344	250.9	0	0
Miscellaneous services	14,189	7,766	541	7,788	-469	3,261	2,551	69.5	25	9

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies

NOTE: Estimates for 2001 are preliminary.

Table 11.1 Selected Data of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 2000

	Millions of dollars							Thousands of employees	Millions of dollars	
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Gross product	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(9)	(10)
All countries	4,893,942	1,175,628	149,131	2,334,692	34,593	516,664	332,164	6,524.6	164,673	372,164
Canada	439,527	103,684	9,834	171,745	-1,671	41,196	33,769	672.5	9,239	21,151
Europe	3,320,104	731,385	97,144	1,417,127	28,070	344,720	222,328	4,427.7	88,527	149,530
Austria	9,346	1,677	172	3,983	-371	317	697	13.5	325	804
Belgium	35,399	11,435	994	22,897	265	5,641	3,703	154.8	(D)	1,276
Denmark	10,547	3,373	291	6,881	42	1,366	1,053	19.2	555	1,006
Finland	16,481	7,641	1,234	17,210	44	3,243	2,387	40.4	1,446	3,048
France	483,679	120,767	17,736	195,304	1,901	55,413	38,682	654.8	15,670	16,949
Germany	578,863	153,630	24,910	319,583	3,117	55,257	42,578	728.4	31,976	58,156
Ireland	24,063	10,294	698	16,953	274	5,688	3,602	68.0	(D)	209
Italy	36,123	11,772	1,110	22,304	-832	4,866	3,753	89.8	1,612	3,567
Liechtenstein	728	438	40	976	6	270	199	3.7	76	302
Luxembourg	3,831	2,251	214	4,158	164	732	316	10.2	482	(D)
Netherlands	586,538	100,941	8,358	256,375	5,053	47,728	25,402	614.5	7,334	(D)
Norway	7,740	3,073	492	12,210	88	1,673	1,366	33.4	(D)	1,434
Spain	6,757	2,471	522	4,159	4	843	592	14.0	206	688
Sweden	66,739	13,367	1,996	42,504	-235	11,052	8,837	234.3	4,087	4,816
Switzerland	697,514	37,318	4,526	126,434	3,434	41,951	32,765	563.7	6,020	8,519
United Kingdom	750,566	248,688	33,704	359,302	15,146	108,337	56,130	1,177.4	16,929	24,049
Other	5,189	2,248	146	5,892	-31	343	267	7.5	47	955
Latin America and Other Western Hemisphere	143,642	48,671	5,724	104,999	-879	26,213	13,932	277.4	9,266	21,037
South and Central America	37,864	18,772	1,207	54,329	639	10,291	3,581	80.0	3,267	17,368
Brazil	3,217	1,667	120	5,956	70	579	308	5.3	(D)	2,511
Mexico	19,470	6,460	629	16,327	27	2,937	2,110	57.0	(D)	3,308
Panama	1,729	1,222	84	1,247	20	529	432	6.9	126	109
Venezuela	12,033	8,974	309	29,217	553	6,111	604	7.6	403	10,590
Other	1,415	449	65	1,582	-31	135	127	3.2	129	851
Other Western Hemisphere	105,778	29,900	4,517	50,670	-1,518	15,921	10,351	197.3	6,000	3,669
Bahamas	1,011	651	(D)	981	-321	(D)	(D)	1	(D)	43
Bermuda	58,971	19,763	2,596	35,714	-805	11,799	7,187	135.8	(D)	1,582
Netherlands Antilles	6,324	3,802	(D)	4,203	92	(D)	(D)	J	(D)	92
United Kingdom Islands, Caribbean	39,289	5,578	1,229	9,588	-482	1,750	1,411	34.2	(D)	1,947
Other	182	106	12	184	-2	83	38	0.9	7	4
Africa	11,512	2,514	233	5,175	150	1,090	669	10.6	532	269
South Africa	10,449	1,986	189	4,852	189	1,045	627	9.4	484	239
Other	1,064	528	44	323	-39	45	42	1.1	48	30
Middle East	29,754	11,492	1,072	15,877	502	3,116	2,162	52.5	754	1,717
Israel	4,277	977	68	2,736	-256	439	558	10.2	277	857
Kuwait	2,050	1,868	32	693	10	207	60	1.8	(D)	(D)
Lebanon	1,263	1,212	69	765	132	313	162	3.9	8	5
Saudi Arabia	17,061	3,986	541	8,833	374	911	573	16.9	(D)	(D)
United Arab Emirates	2,782	2,333	186	568	232	334	79	1.9	79	(D)
Other	2,321	1,115	176	2,281	10	912	730	17.8	(D)	230
Asia and Pacific	703,036	246,270	30,194	578,095	3,285	88,863	55,275	1,020.1	54,361	177,174
Australia	68,482	17,802	2,740	30,756	-11	7,513	4,557	79.9	1,413	1,246
China	1,111	616	41	1,154	-1	239	166	2.5	670	98
Hong Kong	28,733	9,759	2,090	8,547	-2,020	502	942	34.5	(D)	1,436
Indonesia	481	350	14	474	-17	140	112	2.9	4	34
Japan	557,173	190,143	22,749	479,937	5,803	73,289	45,519	827.7	43,871	151,152
Korea, Republic of	15,625	6,788	702	34,259	137	2,767	1,222	17.8	6,396	19,212
Malaysia	1,747	901	80	1,135	-27	332	287	5.8	(D)	23
New Zealand	742	80	12	1,464	18	134	72	1.7	64	699
Philippines	283	192	18	143	10	35	15	0.5	3	45
Singapore	12,219	7,011	685	5,535	19	1,486	940	16.5	367	750
Taiwan	14,867	11,351	1,014	13,678	-595	2,209	1,269	24.7	1,404	2,448
Other	1,574	1,277	48	1,013	-32	217	171	5.6	17	29
United States	246,367	31,612	4,930	41,674	5,136	11,465	4,029	63.9	1,994	1,287
Addenda:										
European Union (15) ¹	2,611,826	690,013	92,031	1,273,417	24,587	300,649	187,849	3,823.7	81,924	138,331
OPEC ²	35,291	17,649	1,103	40,002	1,153	7,747	1,462	31.6	796	11,249

D Suppressed to avoid disclosure of data of individual companies.

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

1. The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

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

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

Estimates for 2000 are revised.

Table 11.2. Selected Data of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 2001

	Millions of dollars							Thousands of employees	Millions of dollars	
	Total assets	Gross property, plant, and equipment	Expenditures for property, plant, and equipment	Sales	Net income	Gross product	Compensation of employees		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(9)	(10)
All countries	5,466,000	1,200,064	144,139	2,354,136	-42,902	486,553	350,575	6,371.9	163,641	369,488
Canada	385,328	104,356	10,270	156,413	-18,848	34,648	30,818	562.2	9,497	16,596
Europe	3,732,776	725,027	86,615	1,389,403	-18,654	308,241	230,967	4,251.0	86,263	145,454
Austria	4,622	1,717	191	3,363	-407	500	701	12.8	328	709
Belgium	40,370	11,146	911	25,410	230	6,226	4,080	145.6	580	1,096
Denmark	13,888	3,227	380	7,171	-122	1,300	1,124	17.9	474	966
Finland	16,729	8,197	746	18,139	-541	3,540	2,899	48.7	1,527	2,650
France	534,536	84,818	10,505	188,096	-5,085	39,975	33,733	578.6	16,011	19,154
Germany	687,828	180,205	25,874	313,897	-12,786	50,180	50,147	734.8	30,173	55,981
Ireland	23,899	10,577	616	17,656	-48	5,762	3,774	66.9	662	205
Italy	36,919	12,060	1,176	22,967	-779	5,138	4,220	101.3	1,503	4,107
Liechtenstein	745	452	41	956	-3	276	212	3.6	75	291
Luxembourg	7,446	3,108	235	4,240	308	1,029	342	8.7	458	1,692
Netherlands	620,025	96,317	9,274	244,594	1,964	44,685	26,520	571.9	6,717	16,496
Norway	7,748	3,010	308	9,689	-159	1,477	1,330	20.8	451	1,371
Spain	7,872	2,594	199	4,679	-328	769	730	14.8	175	773
Sweden	65,477	14,590	1,674	41,001	-852	10,494	9,070	248.8	3,866	4,171
Switzerland	818,244	41,239	4,458	127,686	-4,425	36,080	33,427	546.8	7,216	8,461
United Kingdom	841,184	249,271	29,838	353,895	4,474	100,338	58,283	1,120.7	15,985	26,366
Other	5,245	2,499	188	5,966	-96	472	374	8.2	62	965
Latin America and Other Western Hemisphere	250,890	68,353	9,978	138,681	-7,725	33,724	23,812	456.3	10,587	18,547
South and Central America	47,577	25,634	2,186	64,180	-89	13,893	6,086	166.1	3,255	14,902
Brazil	2,939	1,722	163	6,093	-16	497	314	5.1	(D)	2,532
Mexico	29,957	12,738	1,287	29,809	-825	6,303	4,530	143.8	(D)	3,409
Panama	1,750	1,253	87	1,194	-9	510	443	6.6	127	64
Venezuela	11,815	9,453	582	25,635	794	6,445	676	7.7	343	(D)
Other	1,116	469	67	1,449	-34	138	122	2.9	127	(D)
Other Western Hemisphere	203,314	42,719	7,792	74,501	-7,635	19,831	17,727	290.1	7,332	3,646
Bahamas	1,160	692	(D)	973	-348	277	241	6.4	22	34
Bermuda	149,960	31,794	5,832	57,834	-7,353	14,079	13,856	225.4	6,293	1,937
Netherlands Antilles	7,557	4,317	(D)	(D)	(D)	3,383	1,971	22.6	(D)	111
United Kingdom Islands, Caribbean	44,411	5,774	920	(D)	(D)	2,002	1,614	34.8	(D)	1,555
Other	226	143	(D)	(D)	(D)	91	45	0.9	8	8
Africa	8,145	3,455	257	5,559	22	1,126	750	11.0	639	254
South Africa	7,034	2,931	227	5,297	39	1,090	711	10.0	589	247
Other	1,111	523	29	262	-16	37	39	1.1	50	7
Middle East	25,621	19,376	1,512	32,251	928	8,819	2,599	48.2	846	7,801
Israel	3,961	1,096	143	2,876	-383	412	583	9.3	293	(D)
Kuwait	1,872	1,756	122	624	48	220	50	1.3	(D)	7
Lebanon	1,259	1,225	85	754	106	307	161	3.6	8	4
Saudi Arabia	13,604	11,830	778	25,585	1,106	6,782	1,045	17.9	(D)	(D)
United Arab Emirates	2,880	2,424	235	569	97	320	77	1.8	81	55
Other	2,046	1,044	150	1,842	-46	778	684	14.2	80	150
Asia and Pacific	656,210	241,133	29,684	576,886	-5,424	87,368	56,428	965.1	54,017	179,590
Australia	68,610	19,261	3,013	31,243	-3,601	8,251	4,767	80.4	1,715	1,328
China	1,500	776	60	2,126	-16	417	331	5.9	797	308
Hong Kong	9,040	5,698	610	7,713	-51	1,462	854	20.8	217	1,555
Indonesia	208	133	22	202	18	54	21	0.7	5	33
Japan	536,435	189,660	23,678	481,598	99	71,663	46,390	786.8	43,725	153,342
Korea, Republic of	14,742	6,977	825	31,420	-642	1,723	1,165	15.7	5,779	19,253
Malaysia	1,706	918	79	1,261	-79	348	322	5.8	62	21
New Zealand	678	97	10	1,506	-47	80	80	1.7	60	714
Philippines	285	192	18	136	8	35	17	0.5	3	44
Singapore	6,207	4,593	380	5,164	-346	891	901	16.1	271	607
Taiwan	15,077	11,504	940	13,341	-711	2,156	1,328	23.8	1,369	2,356
Other	1,723	1,324	50	1,177	-55	288	251	6.9	14	29
United States	407,029	38,364	5,823	54,944	6,798	12,627	5,200	78.1	1,792	1,245
Addenda:										
European Union (15) ¹	2,903,404	679,725	81,739	1,246,772	-14,036	270,131	195,786	3,676.1	78,467	134,383
OPEC ²	31,268	25,735	1,760	52,829	2,052	13,856	1,903	29.8	813	14,754

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

NOTE: Estimates for 2001 are preliminary.