

Foreign Direct Investment in the United States

New Investment in 2006

By Lawrence R. McNeil

OUTLAYS by foreign direct investors to acquire or to establish U.S. businesses were \$161.5 billion in 2006, up substantially from \$91.4 billion in 2005 (table 1 and chart 1). Outlays in 2006 were the fourth largest recorded and the highest since 2000, when new investment outlays peaked at \$335.6 billion.

The pickup in investment outlays in 2006 may have been stimulated by faster economic growth in the United States and several major investing countries. It coincided with a decline in the value of the U.S. dollar against several major currencies and a significant increase in merger and acquisition activity. (Thomson Financial Services estimates that the dollar volume of announced deals increased 36 percent in the United States and 38 percent worldwide.) Transactions of more than \$5 billion accounted for almost a fifth of total outlays in 2006; in contrast, there were no transactions of this magnitude in 2005 (table 2).

Among major industry sectors, outlays increased most substantially in manufacturing and in finance (except depository institutions) and insurance (table 3). Together, these two sectors accounted for half of total investment outlays in 2006. Outlays were also sizable in several other sectors, including real estate and rental and leasing, wholesale trade, information, and depository institutions.

Outlays from investors in most major geographic

areas increased. European investors accounted for the largest increase, \$53.5 billion. Overall, outlays from Europe accounted for approximately two-thirds of the worldwide total (chart 2). Investments from the Middle East, Asia and Pacific, and Latin America also rose considerably. Outlays from Canada declined further following a sharp decline in 2005.

Chart 1. Outlays for New Investment in the United States by Foreign Direct Investors, 1980–2006

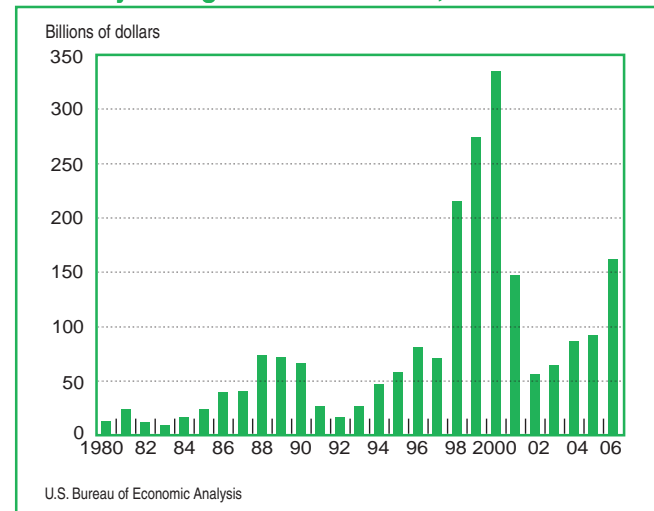


Table 1. Investment Outlays by Type of Investment and Investor, 1992–2006

[Millions of dollars]

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 ^r	2006 ^p
Total outlays	15,333	26,229	45,626	57,195	79,929	69,708	215,256	274,956	335,629	147,109	54,519	63,591	86,219	91,390	161,533
By type of investment:															
U.S. businesses acquired.....	10,616	21,761	38,753	47,179	68,733	60,733	182,357	265,127	322,703	138,091	43,442	50,212	72,738	73,997	147,827
U.S. businesses established.....	4,718	4,468	6,873	10,016	11,196	8,974	32,899	9,829	12,926	9,017	11,077	13,379	13,481	17,393	13,706
By type of investor:															
Foreign direct investors.....	4,058	6,720	13,628	11,927	32,230	13,899	120,828	120,878	105,151	23,134	13,650	27,866	34,184	40,304	50,906
U.S. affiliates.....	11,275	19,509	31,999	45,268	47,699	55,809	94,428	154,078	230,478	123,975	40,869	35,725	52,035	51,086	110,627

p Preliminary
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Table 2. Distribution of Investment Outlays by Size, 1992–2006

[Percent]

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 ^r	2006 ^p
Total outlays	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
\$5 billion or more.....	0	0	0	(D)	0	0	55	55	48	30	(D)	(D)	(D)	0	19
\$2 billion — \$4.999 billion.....	0	(D)	27	18	29	12	11	16	20	22	18	(D)	13	28	23
\$100 million — \$1.999 billion.....	42	51	51	48	55	67	27	24	27	40	45	43	47	59	54
Less than \$100 million.....	58	(D)	22	(D)	16	21	7	5	5	9	(D)	12	(D)	13	4

p Preliminary
r Revised
D Suppressed to avoid disclosure of data of individual companies.

Outlays in 2006

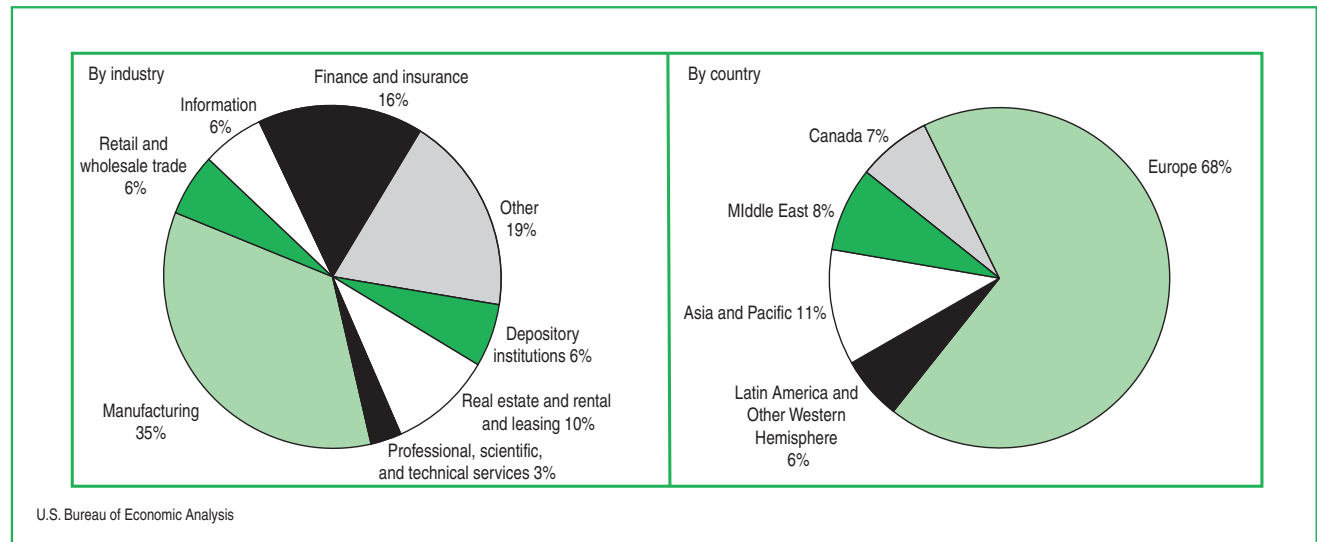
In 2006, as in previous years, most outlays by foreign direct investors were to acquire existing U.S. businesses. These outlays totaled \$147.8 billion, compared with \$13.7 billion in outlays to establish new U.S. businesses. Outlays made by, or through, existing U.S. affiliates were \$110.6 billion, more than twice the \$50.9 billion in outlays made directly by foreign investors. Of the \$110.6 billion that was spent by U.S. affiliates, \$78.2 billion came from their foreign parent groups. Thus, foreign parent groups, through a combination of direct outlays and funds they supplied to existing U.S. affiliates, funded a total of \$129.1 billion, or 80 percent, of the \$161.5 billion in total outlays. These for-

eign parent funds are included in total foreign direct investment in the United States, as recorded in the financial account of the U.S. international transactions accounts.¹

Outlays in manufacturing increased 66 percent to \$56.6 billion in 2006 from \$34.0 billion in 2005 (table 3). Within manufacturing, the largest increases were in computers and electronic products and in chemicals.

1. Foreign direct investment in the United States in the international transactions accounts, unlike the data on investment outlays in this article, includes financing of both existing and new U.S. affiliates. For preliminary estimates of foreign direct investment in 2006, see Christopher L. Bach, "U.S. International Transactions in 2006," SURVEY OF CURRENT BUSINESS 86 (April 2007): 22-73; revised estimates will be published in the July 2007 SURVEY.

Chart 2. Outlays for New Investment in the United States by Foreign Direct Investors by Industry and by Country, 2006



Key Terms

Person. 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).

Foreign person. A person that resides outside the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and all U.S. territories and possessions.

Foreign direct investment in the United States. The ownership or control, directly or indirectly, by one foreign person of 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.

U.S. affiliate. A U.S. business enterprise in which a single foreign investor (a foreign parent) owns at least 10

percent of the voting securities, or the equivalent.

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

Foreign parent group. This 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.

In computers and electronic products, most of the 2006 outlays were for acquisitions of communications equipment manufacturers. In chemicals, most of the outlays were attributable to acquisitions of pharmaceuticals and medicines manufacturers. Outlays in finance (except depository institutions) and insurance increased sharply to \$25.3 billion from \$5.5 billion in

2005. More than half of the outlays in this sector were to acquire businesses in insurance. Outlays in "other industries" more than doubled to \$31.2 billion in 2006; the most sizable investments were in mining, transportation and warehousing, and health care and social assistance.

Outlays by European investors almost doubled, increasing to \$109.9 billion from \$56.4 billion in 2005 (table 4). Outlays in the manufacturing and the non-bank finance and insurance sectors fueled much of the growth. Expenditures by investors from Germany, France, Switzerland, and Spain grew substantially. (Spain is included in "Other Europe" in table 4). Although outlays by British investors declined to \$21.9 billion from \$30.4 billion in 2005, their 2006 spending was the second highest among individual countries. Only Germany ranked higher.

Outlays from investors in the Asia and Pacific region rose substantially in 2006, reflecting stepped-up investment from Japan and Australia. Outlays from the Middle East also rose substantially, reflecting higher spending from Israel.

Table 3. Investment Outlays by Industry of U.S. Business Enterprise, 2003–2006

[Millions of dollars]

	2003	2004	2005 ^r	2006 ^p
All industries	63,591	86,219	91,390	161,533
Manufacturing	10,750	18,251	34,036	56,582
Food.....	2,516	2,146	1,646	683
Beverages and tobacco products.....	(D)	(D)	(D)	1,366
Textiles, apparel, and leather products.....	(D)	(D)	(D)	4,387
Paper.....	(D)	120	(D)	226
Printing and related support activities.....	(D)	(D)	(D)	(D)
Petroleum and coal products.....	(D)	(D)	225	0
Chemicals.....	1,164	4,751	9,598	14,783
Plastics and rubber products.....	498	84	1,636	(D)
Nonmetallic mineral products.....	(D)	153	388	1,012
Primary metals.....	91	(D)	4,877	2,448
Fabricated metal products.....	123	(D)	111	952
Machinery.....	122	642	382	1,629
Computers and electronic products.....	2,125	2,934	3,596	17,950
Electrical equipment, appliances, and components.....	139	(D)	747	2,222
Transportation equipment.....	225	1,199	5,942	1,446
Other.....	462	969	4,663	7,047
Wholesale trade	1,086	(D)	3,489	8,002
Retail trade	941	3,073	1,262	1,158
Information	9,236	4,315	8,487	9,503
Publishing industries.....	1,431	1,274	2,555	3,834
Motion picture and sound recording industries.....	278	(D)	(D)	(D)
Telecommunications.....	(D)	(D)	(D)	4,680
Other.....	(D)	2,783	2,085	(D)
Depository institutions	4,864	(D)	7,973	9,270
Finance (except depository institutions) and insurance	23,511	26,234	5,529	25,347
Real estate and rental and leasing	2,817	6,335	8,756	15,669
Professional, scientific, and technical services	1,955	(D)	6,407	4,821
Other industries	8,429	10,121	15,453	31,181

p Preliminary

r Revised

D Suppressed to avoid disclosure of data of individual companies.

Table 4. Investment Outlays by Country of Ultimate Beneficial Owner, 2003–2006

[Millions of dollars]

	2003	2004	2005 ^r	2006 ^p
All countries	63,591	86,219	91,390	161,533
Canada	9,157	31,502	13,640	12,012
Europe	39,024	43,815	56,416	109,858
France.....	2,955	6,415	5,608	19,682
Germany.....	8,830	4,788	7,239	22,683
Netherlands.....	1,077	461	2,609	5,463
Switzerland.....	649	6,505	2,332	14,625
United Kingdom.....	20,373	23,288	30,420	21,880
Other Europe.....	5,140	2,358	8,206	25,524
Latin America and Other Western Hemisphere	1,607	2,629	5,042	9,130
South and Central America.....	182	1,382	980	1,215
Other Western Hemisphere.....	1,425	1,247	4,062	7,916
Africa	(D)	(D)	(D)	(D)
Middle East	1,738	1,318	5,068	12,436
Asia and Pacific	11,469	6,015	10,924	17,526
Australia.....	9,032	3,850	4,713	6,866
Japan.....	1,544	1,027	4,245	8,719
Other Asia and Pacific.....	893	1,139	1,966	1,942
United States¹	(D)	(D)	(D)	(D)

p Preliminary

r Revised

D Suppressed to avoid disclosure of data of individual companies.

1. The United States is the country of ultimate beneficial owner for businesses newly acquired or established by foreign investors that are ultimately owned by persons located in the United States (see the box "Key Terms").

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

Operating data of acquired or established U.S. businesses

Despite the sharp increase in outlays, the employment of newly acquired or established businesses in 2006, at 215,300 people, was down 9 percent from 235,900 in 2005 (table 5). The movement of employment and outlays in opposite directions occurred as new investments became more concentrated in industries with relatively low employment and relatively high acquisition values, such as nonbank finance and insurance.

Acknowledgments

The data presented in this article are from BEA's survey of new foreign direct investment in the United States. The survey was conducted under the supervision of Dorrett E. Williams, with contributions by Carmene T. Brown, Constance T. Deve, Edward J. Kozierka, and Daniel K. Wakjira. Neeta B. Kapoor programmed the tables.

Availability of New Investment Data

Summary estimates of the outlays by foreign direct investors to acquire or to establish businesses in the United States are presented in this article. More detailed estimates by industry and by country for 1980–2006 are available on BEA's Web site at <www.bea.gov>.

Manufacturing accounted for the most employees in newly acquired or established businesses, with 91,400 employees. Depository institutions accounted for 18,400 employees and finance (except depository institutions), and insurance accounted for 12,900 employees. Combined, these three sectors accounted for 57 percent of total employment by U.S. businesses that were newly acquired or established by foreign direct investors.

In 2006, the total assets of newly acquired or established businesses were \$356.5 billion, up sharply from \$181.8 billion in 2005. Three sectors accounted for over three-fourths of the total: Depository institutions (\$104.6 billion), finance (except depository institutions) and insurance (\$99.9 billion), and manufacturing (\$74.2 billion).

Land ownership for newly acquired or established businesses increased considerably, to 1.4 million hectares from 34.5 thousand hectares in 2005, reflecting large acquisitions of timber land. Net income was \$3.1

billion in 2006, about the same as in 2005. Total sales were \$79.3 billion, up from \$67.1 billion.

Revisions

The estimates of new foreign direct investment for 2006 are preliminary. The estimate of total outlays for 2005 has been revised up 5 percent from the preliminary estimate.² In addition, the estimates of the employment, total assets, sales, and net income of U.S. businesses acquired or established by foreign direct investors have been revised. The estimate of employment has been revised up 5 percent from the preliminary estimate, the estimate of total assets has been revised up 7 percent, the estimate of sales has been revised up 2 percent, and the estimate of net income has been revised up 11 percent.

2. See Lawrence R. McNeil, "Foreign Direct Investment in the United States: New Investment in 2005," *SURVEY* 86 (June 2006): 32–39.

Table 5. Selected Operating Data of U.S. Business Enterprises Acquired or Established by Industry of U.S. Business Enterprise, 2005–2006

	2005 ^r					2006 ^p				
	Millions of dollars			Thousands of employees	Hectares of land ¹	Millions of dollars			Thousands of employees	Hectares of land ¹
	Total assets	Sales	Net income			Total assets	Sales	Net income		
All industries	181,846	67,141	3,060	235.9	34,471	356,541	79,264	3,137	215.3	1,389,995
Manufacturing.....	47,529	36,348	1,911	96.3	13,790	74,153	34,573	1,187	91.4	9,692
Wholesale trade	5,095	7,307	160	19.6	200	5,330	5,166	494	10.9	10,718
Retail trade	1,907	2,154	61	10.3	94	1,487	2,167	16	6.3	(D)
Information	12,086	4,881	-103	8.5	(D)	12,163	3,420	133	11.7	(D)
Depository institutions.....	48,950	2,660	348	14.2	255	104,628	4,386	876	18.4	332
Finance (except depository institutions) and insurance	21,828	1,632	232	5.7	3	99,898	10,590	-570	12.9	65
Real estate and rental and leasing.....	16,577	1,389	161	2.3	7,847	14,859	2,720	79	0.9	7,761
Professional, scientific, and technical services	6,382	2,531	-36	16.1	(D)	4,880	405	-22	2.4	(D)
Other industries.....	21,491	8,239	325	62.9	12,276	39,142	15,836	943	60.3	1,360,464

^p Preliminary
^r Revised

D Suppressed to avoid disclosure of data of individual companies.

1. One hectare equals 2.471 acres. Thus, for all industries, acres of land owned in 2005 were 85,178, and in

2006 were 3,434,678.

NOTE: For newly acquired businesses, the data cover the most recent financial reporting year preceding acquisition. For newly established businesses, the data are projections for the first full year of operations.

Data on Foreign Direct Investment in the United States

In addition to the data on new foreign direct investment presented in this article, BEA collects and publishes two other broad sets of data on foreign direct investment in the United States: Financial and operating data of U.S. affiliates and balance-of-payments and direct-investment-position data.

Financial and operating data of U.S. affiliates are published at both the enterprise level and the establishment level. Detailed enterprise-level financial and operating data were most recently published in "U.S. Affiliates of Foreign Companies: Operations in 2004" in the August 2006 *SURVEY OF CURRENT BUSINESS*; the article includes a description of the three types of data. Summary estimates for 2005 were presented in the April 19, 2007, news release "Summary Estimates for Multinational Companies: Employment, Sales, and Capital Expenditures for 2005," which is available on BEA's Web site at <www.bea.gov>. Financial and operating data at the

establishment level are available for selected years as a result of a project that links BEA's enterprise data for U.S. affiliates with the Census Bureau's establishment data for all U.S. companies. For the most recently available data, see *Foreign Direct Investment in the United States: Establishment Data for 2002*, which is available on BEA's Web site in June 2007.

The balance-of-payments and direct-investment-position data were published in "The International Investment Position of the United States at Yearend 2005" and "Direct Investment Positions for 2005: Country and Industry Detail" in the July 2006 *SURVEY*; in "Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 2005" in the September 2006 *SURVEY*; and in "U.S. International Transactions in 2006" in the April 2007 *SURVEY*. Revised and updated data will be published in the July and September 2007 issues.

Technical Note

Estimates of new foreign direct investment, which cover U.S. business enterprises that were acquired or established by foreign direct investors during the year, are based on data reported in surveys conducted by the Bureau of Economic Analysis (BEA), and for the preliminary estimates for 2006, from BEA estimates for reports not yet received.³

For the survey, a U.S. business enterprise is categorized as “established” if the foreign parent or its existing U.S. affiliate creates a new legal entity that is organized and operated as a new U.S. business enterprise or that directly purchases U.S. real estate.⁴ A U.S. business enterprise is categorized as “acquired” (1) if a foreign parent or its U.S. affiliate obtains a voting interest of 10 percent or more in the equity of an existing U.S. business enterprise and continues to operate the enterprise as a separate legal entity; (2) if a foreign parent or its U.S. affiliate purchases a business segment or an operating unit of an existing U.S. business and organizes it as a new separate legal entity; or (3) if an existing U.S. affiliate purchases a U.S. business, a segment of a U.S. business, or an operating unit of a U.S. business and merges it into its own operations.

The estimates of new foreign direct investment do not cover the acquisition of additional equity in an existing U.S. affiliate, the acquisition of an existing U.S. affiliate by one foreign investor from another, or the expansion in the operations of an existing U.S. affiliate when no separate legal entity is created. Selloffs or other disinvestments are not netted against the new investments. (For more information, see the box “Data on Foreign Direct Investment in the United States.”)

A U.S. business that is acquired or established by a foreign direct investor or by an existing U.S. affiliate of a foreign investor and that has total assets of more than \$3 million or owns 200 acres or more of U.S. land is required to file a full report with BEA. In addition, a U.S. business enterprise that is acquired by an existing U.S. affiliate of a foreign investor and merged into the operations of the affiliate must file a full report if the total cost of the acquisition exceeds \$3 million or if the acquired enterprise owned 200 acres or more of U.S. land. To reduce the reporting burden, smaller U.S.

businesses that have total assets of \$3 million or less and that own fewer than 200 acres of U.S. land are permitted to file shorter, partial reports.⁵

BEA prepares estimates of the data items that are not collected on the partial reports and combines them with the data it collects on the full reports. Because the businesses that file partial reports are so small, they generally have a negligible impact on the published aggregates. For example, in 2005, the total assets of U.S. businesses that filed partial reports were \$180.5 million, about 0.1 percent of the total assets of all newly acquired or established U.S. affiliates.

Although the values for the partial reports are generally negligible, the number of partial reports is significant. For example, in 2005, BEA received 975 partial reports and 655 full reports. Furthermore, the number of businesses that are subject to partial reporting may be higher than the actual number of partial reports that BEA receives, because not all of the smaller U.S. businesses acquired or established by foreigners file reports. BEA makes every effort to contact all U.S. businesses that may have been newly acquired or established by foreigners, but it must concentrate its resources on ensuring compliance with reporting requirements by larger businesses.

Of the 655 full reports filed for 2005, 465 reported investments to acquire an existing U.S. business, and 190 reported investments to establish a new U.S. business. For 2006, BEA estimates that 726 businesses will have filed full reports by the time the revised estimates are published in 2008 (see the table below).⁶

	2004	2005 ^r	2006 ^p
Total	584	655	726
\$5 billion or more	2	0	3
\$2 billion–\$4.999 billion	4	8	13
\$100 million–\$1.999 billion	109	131	150
Less than \$100 million	469	516	560

^p Preliminary
^r Revised

For 2006, the number of investments in the two largest classes represents the number of reports that were received. The number of investments in the two smallest class sizes includes an estimate of the number of late reports that will be received before the revised estimates are published.

5. Survey forms for both the full report (BE-13) and the partial report (BE-13, supplement C) are available on BEA’s Web site at <www.bea.gov/bea/surveys/fdiusurv.htm>.

6. The preliminary estimates include BEA estimates of late reports. Estimates of each data item covered by the survey are prepared, and they cover both full and partial reports. BEA also estimates the number of full reports, but it does not estimate the number of partial reports, because this number fluctuates considerably from year to year.

Tables 6, 7.1, and 7.2 follow.

3. Each year, BEA receives survey reports after the preliminary estimates are published. To make the preliminary estimates as accurate as possible, BEA augments the reported data with estimates for late reports.

4. The number of new U.S. businesses established is not the same as the number of “greenfield” investments, which typically refers to the construction of new plants or other business facilities. First, direct purchases of U.S. real estate—which often involve purchases of existing office buildings, hotels, retail stores, shopping centers, or other property—are included in the “established” measure but are not considered “greenfield” investments. Second, new plants that are built by existing U.S. affiliates are considered “greenfield” investments, but they are included in these data as “established” businesses only if they are set up as separate legal entities.

Table 6. Investment Outlays by Type of Investment and Investor, by Industry of U.S. Business Enterprise, 2005–2006
[Millions of dollars]

	2005 ^r					2006 ^p				
	Total	By type of investment		By type of investor		Total	By type of investment		By type of investor	
		U.S. businesses acquired	U.S. businesses established	Foreign direct investors	U.S. affiliates		U.S. businesses acquired	U.S. businesses established	Foreign direct investors	U.S. affiliates
All industries	91,390	73,997	17,393	40,304	51,086	161,533	147,827	13,706	50,906	110,627
Manufacturing	34,036	(D)	(D)	19,022	15,014	56,582	56,082	500	6,751	49,830
Food	1,646	(D)	(D)	(D)	(D)	683	683	0	(D)	(D)
Beverages and tobacco products	(D)	(D)	0	(D)	(D)	1,366	(D)	(D)	1,096	270
Textiles, apparel, and leather products	(D)	(D)	0	0	(D)	4,387	4,387	0	(D)	(D)
Paper	(D)	(D)	(D)	(D)	(D)	226	(D)	(D)	0	226
Printing and related support activities	(D)	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Petroleum and coal products	225	(D)	(D)	(D)	(D)	0	0	0	0	0
Chemicals	9,598	(D)	(D)	6,980	2,619	14,783	14,783	0	(D)	(D)
Plastics and rubber products	1,636	(D)	(D)	444	1,192	(D)	(D)	0	0	(D)
Nonmetallic mineral products	388	(D)	(D)	(D)	(D)	1,012	1,012	0	(D)	(D)
Primary and fabricated metals	4,987	(D)	(D)	(D)	(D)	3,400	3,124	275	298	3,101
Machinery	382	(D)	(D)	209	173	1,629	1,629	0	556	1,073
Computers and electronic products	3,596	(D)	(D)	2,691	905	17,950	(D)	(D)	1,026	16,925
Electrical equipment, appliances, and components	747	(D)	(D)	(D)	(D)	2,222	2,222	0	1,407	815
Transportation equipment	5,942	(D)	(D)	(D)	(D)	1,446	1,307	138	0	1,446
Other	4,663	(D)	(D)	3,063	1,601	7,047	7,047	0	2,162	4,885
Wholesale trade	3,489	3,459	30	1,109	2,379	8,002	8,002	0	6,293	1,709
Motor vehicles and motor vehicle parts and supplies	1,419	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(D)
Electrical goods	(D)	(D)	(D)	(D)	(D)	0	0	0	0	0
Petroleum and petroleum products	(D)	(D)	(D)	(D)	(D)	0	0	0	0	0
Other	2,005	1,977	28	802	1,203	(D)	(D)	0	6,293	(D)
Retail trade	1,262	(D)	(D)	(D)	(D)	1,158	1,158	0	81	1,076
Information	8,487	8,446	40	470	8,017	9,503	(D)	(D)	4,544	4,959
Publishing industries	2,555	2,549	6	117	2,439	3,834	3,834	0	277	3,557
Motion pictures and sound recording industries	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Telecommunications	(D)	(D)	(D)	(D)	(D)	4,680	4,680	0	(D)	(D)
Other	2,085	2,051	34	240	1,845	(D)	(D)	(D)	(D)	845
Depository institutions	7,973	7,973	0	(D)	(D)	9,270	9,270	0	5,576	3,694
Finance, (except depository institutions) and insurance	5,529	1,552	3,976	3,553	1,976	25,347	23,127	2,219	8,173	17,174
Finance, except depository institutions	4,793	(D)	(D)	(D)	(D)	9,964	(D)	(D)	4,131	5,833
Insurance carriers and related activities	736	(D)	(D)	(D)	(D)	15,382	(D)	(D)	4,042	11,340
Real estate and rental and leasing	8,756	2,929	5,827	1,691	7,065	15,669	8,692	6,978	8,064	7,605
Real estate	7,831	2,033	5,798	(D)	(D)	11,334	(D)	(D)	5,030	6,304
Rental and leasing (except real estate)	925	896	29	(D)	(D)	4,335	(D)	(D)	3,034	1,302
Professional, scientific, and technical services	6,407	6,068	338	2,906	3,501	4,821	(D)	(D)	3,895	927
Other industries	15,453	12,521	2,932	6,347	9,106	31,181	30,980	201	7,528	23,653
Agriculture, forestry, fishing, and hunting	(D)	(D)	(D)	5	(D)	321	311	10	317	5
Mining	6,387	(D)	(D)	(D)	(D)	6,044	6,044	(*)	2,726	3,318
Utilities	448	(D)	(D)	(D)	(D)	2,622	2,449	173	(D)	(D)
Construction	451	(D)	(D)	(D)	(D)	3,207	(D)	(D)	0	3,207
Transportation and warehousing	3,848	3,607	241	(D)	(D)	7,150	(D)	(D)	(D)	(D)
Management of nonbank companies and enterprises	(D)	0	(D)	(D)	0	0	0	0	0	0
Administration, support, and waste management	1,202	(D)	(D)	(D)	(D)	1,182	1,182	0	(D)	(D)
Health care and social assistance	1,928	(D)	(D)	(D)	(D)	5,769	5,769	0	0	5,769
Accommodation and food services	736	(D)	(D)	(D)	(D)	223	(D)	(D)	(D)	(D)
Miscellaneous services	446	(D)	(D)	275	171	4,664	4,655	9	4,251	412

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D Suppressed to avoid disclosure of data of individual companies.

Table 7.1. Investment Outlays, Country of Ultimate Beneficial Owner by Industry of U.S. Business Enterprise, 2005
[Millions of dollars]

	All industries	Manufacturing	Wholesale trade	Retail trade	Information	Depository institutions	Finance, (except depository institutions) and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All countries	91,390	34,036	3,489	1,262	8,487	7,973	5,529	8,756	6,407	15,453
Canada	13,640	3,257	551	(D)	111	(D)	226	480	1,178	3,597
Europe	56,416	26,440	1,333	518	7,503	(D)	4,095	2,332	4,671	(D)
<i>Of which:</i>										
France.....	5,608	3,062	(D)	(D)	82	(D)	(D)	(D)	536	(D)
Germany.....	7,239	2,217	20	(D)	(D)	0	(D)	1,628	(D)	544
Netherlands.....	2,609	(D)	(D)	(D)	(D)	0	(D)	(D)	293	0
Norway.....	(D)	(D)	(D)	0	(D)	0	0	0	(D)	(D)
Spain.....	2,588	(D)	(D)	0	(D)	(D)	(D)	(D)	(D)	(D)
Switzerland.....	2,332	952	0	(D)	(D)	0	(D)	54	(D)	144
United Kingdom.....	30,420	17,181	337	(D)	3,692	(D)	3,578	156	3,361	390
Latin America and Other Western Hemisphere	5,042	995	(D)	(D)	(D)	0	(D)	(D)	(D)	(D)
South and Central America.....	980	(D)	(D)	(D)	0	0	0	(D)	(D)	(D)
Other Western Hemisphere.....	4,062	(D)	(D)	(D)	(D)	0	(D)	(D)	(D)	(D)
<i>Of which:</i>										
Bermuda.....	(D)	(D)	(D)	0	0	0	(D)	0	(D)	(D)
United Kingdom Islands, Caribbean.....	(D)	(D)	0	(D)	(D)	0	(D)	(D)	0	(D)
Africa	(D)	(D)	0	(D)	0	0	0	(D)	0	0
Middle East	5,068	424	(D)	0	(D)	0	0	2,366	103	2,028
<i>Of which:</i>										
Israel.....	591	424	0	0	0	0	0	(D)	103	(D)
United Arab Emirates.....	3,680	0	0	0	0	0	0	(D)	0	(D)
Asia and Pacific	10,924	2,832	(D)	(D)	763	0	720	2,567	(D)	1,742
<i>Of which:</i>										
Australia.....	4,713	(D)	(D)	0	(D)	0	(D)	2,093	(D)	1,458
China.....	(D)	(D)	(D)	0	0	0	(D)	0	0	0
Hong Kong.....	590	(D)	0	(D)	(D)	0	0	(D)	0	(D)
Japan.....	4,245	1,657	(D)	(D)	(D)	0	(D)	27	(D)	205
Singapore.....	1,112	(D)	0	(D)	0	0	0	(D)	(D)	(D)
United States ¹	(D)	(D)	(D)	0	(D)	0	(D)	(D)	0	0
Addenda:										
European Union (25) ²	50,089	24,195	1,333	499	6,566	3,798	3,789	2,278	4,502	3,129
OPEC ³	4,332	0	(D)	0	(D)	0	0	2,339	0	1,990

D Suppressed to avoid disclosure of data of individual companies.

1. The United States is shown as the country of ultimate beneficial owner for businesses newly acquired or established by foreign investors that are, in turn, ultimately owned by persons located in the United States (see the box "Key Terms").

2. The European Union (25) comprises Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

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

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

Notes. Data for 2005 are revised. For investments in which more than one investor participated, each investor and each investor's outlays are classified by the country of each individual ultimate beneficial owner.

This table presents the major regions, the European Union, OPEC, and the following countries: Australia, Canada, China, France, Germany, Hong Kong, Japan, the Netherlands, Switzerland, the United Kingdom, and the United States. In addition, it presents any country whose total outlays for 2005 were greater than \$500 million.

Table 7.2. Investment Outlays, Country of Ultimate Beneficial Owner by Industry of U.S. Business Enterprise, 2006
[Millions of dollars]

	All industries	Manufacturing	Wholesale trade	Retail trade	Information	Depository institutions	Finance, (except depository institutions) and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All countries	161,533	56,582	8,002	1,158	9,503	9,270	25,347	15,669	4,821	31,181
Canada	12,012	3,730	0	(D)	222	2,911	3,502	(D)	(D)	1,366
Europe	109,858	37,228	7,743	449	5,016	6,019	20,056	8,889	856	23,601
<i>Of which:</i>										
Belgium	606	(D)	0	0	0	0	(D)	0	0	0
Denmark	835	835	0	0	0	0	0	0	0	0
Finland	674	(D)	0	0	(D)	0	0	0	0	0
France	19,682	18,217	0	(D)	1,015	0	(D)	0	(D)	149
Germany	22,683	10,147	(D)	(D)	71	0	0	422	272	5,809
Ireland	2,963	(D)	0	0	0	0	(D)	678	0	(D)
Italy	3,473	(D)	0	0	0	0	0	0	0	(D)
Luxembourg	3,058	(D)	0	0	0	0	0	(D)	0	(D)
Netherlands	5,463	1,685	(D)	0	1,232	(D)	0	(D)	(D)	1,845
Norway	1,204	(D)	0	0	(D)	0	0	0	0	(D)
Spain	11,695	(D)	0	0	0	(D)	(D)	100	0	4,791
Sweden	711	518	0	0	193	0	0	0	0	0
Switzerland	14,625	489	(D)	0	(D)	0	12,521	0	198	745
United Kingdom	21,880	3,131	1,719	(D)	1,261	0	5,898	5,068	(D)	4,301
Latin America and Other Western Hemisphere	9,130	3,063	(D)	0	4,077	(D)	(D)	(D)	0	550
South and Central America	1,215	858	(D)	0	(D)	(D)	0	0	0	(D)
<i>Of which:</i>										
Mexico	720	(D)	0	0	(D)	(D)	0	0	0	(D)
Other Western Hemisphere	7,916	2,205	(D)	0	(D)	0	(D)	(D)	0	(D)
<i>Of which:</i>										
Bermuda	4,980	(D)	(D)	0	(D)	0	(D)	0	0	(D)
United Kingdom Islands, Caribbean	2,936	(D)	0	0	0	0	0	(D)	0	0
Africa	(D)	0	0	0	0	0	(D)	0	0	0
Middle East	12,436	(D)	0	0	(D)	0	0	(D)	(D)	1,762
<i>Of which:</i>										
Israel	9,724	(D)	0	0	0	0	0	0	(D)	0
United Arab Emirates	2,267	0	0	0	0	0	0	(D)	0	(D)
Asia and Pacific	17,526	2,827	(D)	(D)	(D)	(D)	1,183	4,852	3,876	3,902
<i>Of which:</i>										
Australia	6,866	393	(D)	0	0	0	(D)	4,356	0	1,901
China	0	0	0	0	0	0	0	0	0	0
Hong Kong	(D)	(D)	0	0	0	(D)	0	0	0	0
India	(D)	(D)	(D)	0	0	0	0	0	0	0
Japan	8,719	535	125	(D)	(D)	0	(D)	496	3,876	2,001
United States ¹	(D)	(D)	0	0	0	0	(D)	0	0	0
Addenda:										
European Union (25) ²	93,723	36,200	7,685	449	4,300	6,019	7,536	8,889	658	21,988
OPEC ³	2,302	0	0	0	0	0	0	775	0	1,526

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2. The European Union (25) comprises Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

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

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

NOTES. Data for 2006 are preliminary. For investments in which more than one investor participated, each investor and each investor's outlays are classified by the country of each individual ultimate beneficial owner.

This table presents the major regions, the European Union, OPEC, and the following countries: Australia, Canada, China, France, Germany, Hong Kong, Japan, the Netherlands, Switzerland, the United Kingdom, and the United States. In addition, it presents any country whose total outlays for 2006 were greater than \$500 million.