

Footnotes to Tables

Group I. All Affiliates of All U.S. Parents

Table I.K2

1. A U.S. parent that had affiliates in more than one country or industry is counted once in each country or industry in which it had affiliates. Thus, the numbers appearing in individual country/industry cells do not add to the subtotals and totals.

Tables I.U1, I.U2, and I.U5

1. Includes common and preferred stock of affiliates owned by U.S. parents and U.S. parents' equity in affiliates' additional paid-in capital. Also includes U.S. parents' equity in those unincorporated affiliates for which detail on equity by type could not be provided.
2. U.S. parents' equity in retained earnings and other reserves.
3. Consists of the U.S. parents' share in the cumulative amount of capital gains and losses associated with currency translation adjustments—that is, gains and losses that arise because of changes from the end of one accounting period to the next in exchange rates applied in translating affiliates' assets and liabilities from their functional currencies into U.S. dollars.

Tables I.V1 and I.V2

1. A net increase in U.S. parents' equity in affiliates is a balance of payments outflow; a net decrease is a balance of payments inflow.
2. Equals earnings (that is, the U.S. parents' share in the earnings of their foreign affiliates) less distributed earnings (that is, earnings distributed to U.S. parents before deduction of foreign withholding taxes).
3. An increase in U.S. parents' payables is a decrease in net intercompany accounts and, therefore, a U.S. balance of payments inflow.
4. Consists of the U.S. parents' share in the amount of capital gains and losses associated with currency translation adjustments—that is, gains and losses that arise because of changes from the end of one accounting period to the next in exchange rates applied in translating affiliates' assets and liabilities from their functional currencies into U.S. dollars.

Tables I.W1, I.W2, and I.W5

1. Excludes capital gains and losses. Also, as presented here, is not adjusted to reflect current-period prices. Prior to being entered into the international accounts, adjustments to reflect current-period prices are made to direct investment income on a global basis only. These adjustments do not appear in the direct investment income tables that are disaggregated by country or by industry.
2. U.S. parents' shares in the net income of their affiliates, before deduction of foreign withholding taxes on distributed earnings.
3. Earnings distributed to U.S. parents before deduction of foreign withholding taxes.
4. Interest received by, or credited to, U.S. parents on debt owed to them by their affiliates, less interest paid, or credited, by U.S. parents on debt owed by them to their affiliates, both before deduction of (foreign or U.S.) withholding taxes.

Tables I.X1 and I.X2

1. Receipts are before deduction of foreign withholding taxes.
2. Payments are before deduction of U.S. withholding taxes.

Tables I.X4 and I.X5

1. Receipts are before deduction of foreign withholding taxes.
2. Consists of fees for services—such as management, professional, or technical services—rendered between U.S. parents and their foreign affiliates, whether in the form of sales of services or reimbursements. Sales of services are fees for services rendered that are normally included in sales in the income statement of the seller; reimbursements are fees for services rendered that are normally included in “other income” in the income statement of the provider of the service. See the methodology for further explanation.
3. Payments are before deduction of U.S. withholding taxes.

Group II. Nonbank Affiliates of Nonbank U.S. Parents

Tables II.B2, II.B4, and II.B14

1. Includes common and preferred stock and additional paid-in-capital, less treasury stock. Also includes U.S. parents' equity in those unincorporated affiliates for which detail on equity by type could not be provided.
2. Includes retained earnings and other reserves.
3. Consists of the cumulative amount of capital gains and losses associated with currency translation adjustments—that is, gains and losses that arise because of changes from the end of one accounting period to the next in exchange rates applied in translating affiliates' assets and liabilities from their functional currencies into U.S. dollars.

Tables II.D6 and II.D7

1. Includes the net book value of “transfers in” of property, plant, and equipment to majority-owned affiliates only. Data on “transfers in” of minority-owned affiliates were not collected; however, they are probably insignificant. For a given affiliate, “transfers in” are from its U.S. parent or from other foreign affiliates of its U.S. parent.

Tables II.E1, II.E2, and II.E8

1. Consists of gains (losses), net of income tax effects, resulting from (1) the sale, disposition, or revaluation of assets; (2) the remeasurement of the foreign affiliates' assets and liabilities denominated in foreign currencies other than the affiliate's functional currency, to reflect changes in foreign exchange rates during the period; (3) transaction gains (losses) taken to income in accordance with Financial Accounting Standards Board Statement No.52 (FASB 52); (4) and all other realized and unrealized gains (losses), net of income tax effects, that under U.S. generally accepted accounting principles are to be included in income.
2. Consists of unrealized gains (losses), net of income tax effects, that under GAAP are not included in the determination of net income.

Table II.F24

1. For industry classification, each foreign affiliate was required to disaggregate its sales by three-digit International Surveys Industry code; the affiliate was then classified in the industry in which its sales were largest (see methodology for discussion of industry classification). When sales are disaggregated by industry of affiliate, total sales of a given affiliate are shown in the single industry in which the affiliate was classified; when disaggregated by industry of sales, they are distributed among all the industries in which the affiliate reported sales (that is, sales associated

with each industry of sales are shown in that industry regardless of the affiliate's industry of classification).

2. In the breakdown of foreign affiliates' sales by industry of sales, only the five largest sales categories had to be specified. If an affiliate had sales in more than five industries, the distribution of its sales in the specified industries would have covered less than 100 percent of its total sales. Sales in all unspecified industries combined are shown in this column.

Table II.H1

1. Equals column 2, table II.Q2.
2. Equals column 3, table II.Q2.
3. Equals column 4, table II.Q2.
4. Equals column 2, table II.Q5.
5. Equals column 3, table II.Q5.
6. Equals column 4, table II.Q5.

Table II.K1

1. Includes capitalized expenditures for land, timber, mineral and like rights owned, structures, machinery, equipment, special tools, and other depreciable property; construction in progress; and capitalized and expensed tangible and intangible exploration and development costs (but not the costs of other types of intangible assets) and land held for resale.

Table II.M1

1. Includes "transfers in" of property, plant, and equipment.
2. Includes restatement due to a change in the entity.

Table II.M2

1. Expenditures include the net book value of "transfers in" of property, plant, and equipment.
2. Equals column 3 of table II.M1.

Table II.N1

1. Consists of gains (losses), net of income tax effects, resulting from (1) the sale, disposition, or revaluation of assets; (2) the remeasurement of the U.S. parents' foreign-currency-denominated assets and liabilities due to changes in foreign exchange rates during the period; (3) transaction gains (losses) taken to income in accordance with FASB 52; and (4) all other realized and unrealized gains (losses), net of income tax effects, that under U.S. generally accepted accounting principles are to be included in income.

Table II.O1

1. Sales of goods are defined as sales generated by activities characteristic of the following group of industries: Agriculture, except agricultural services; mining, except mining services; petroleum, except petroleum services; construction; manufacturing; and wholesale and retail trade.
2. Sales of services are defined as sales generated by activities characteristic of the following group of industries: The "services" division of the Standard Industrial Classification (and the International Surveys Industry Classification) system, petroleum services, finance, insurance, real estate, agricultural services, mining services, transportation, communication, and public utilities.
3. Consists of investment income that is included in sales (or gross operating revenues) in the income statement. In finance and insurance, parents generally include investment income in sales because it is generated by a primary activity of the company. In most other industries, parents generally consider investment income an incidental revenue source and include it in the income statement in a separate "other income" category; in such cases, investment income is not included in parents' sales or in this column.

Table II.O2

1. For industry classification, each U.S. parent was required to disaggregate its sales by three-digit International Surveys Industry code; the U.S. parent was then classified in the industry in which its sales were largest (see methodology for discussion of industry classification). When sales are disaggregated by industry of U.S. parent, total sales of a given U.S. parent are shown in the single industry in which the parent was classified; when disaggregated by industry of sales, they are distributed among all the industries in which the U.S. parent reported sales (that is, sales associated with each industry of sales are shown in that industry regardless of the U.S. parent's industry of classification).
2. In the breakdown of U.S. parents' sales by industry of sales, only the eight largest sales categories had to be specified. If a given U.S. parent had sales in more than eight industries, the distribution of its sales in the specified industries would have covered less than 100 percent of its total sales. Sales in all unspecified industries combined are shown in this column.

Table II.P2

1. For industry classification, each U.S. parent was required to disaggregate its sales by three-digit International Surveys Industry code; the parent was then classified in the industry in which its sales were largest (see methodology for discussion of industry classification). When employment is disaggregated by industry of parent, total employment of a given parent is shown in the single industry in which the parent was classified; when disaggregated by industry of sales, employment is distributed among all the industries in which the parent reported sales (that is, the number of employees associated with each industry of sales is shown in that industry regardless of the parent's industry of classification).
2. In the breakdown of U.S. parents' employment by industry of sales, only employment in the eight largest sales categories had to be specified. If a given U.S. parent had employment in more than eight industries, the distribution of its employment in the specified industries would have covered less than 100 percent of its total employment. Employment in all unspecified industries combined is shown in this column. In addition, this column includes employees working in central administrative offices or headquarters.

Table II.Q1

1. Applies only to U.S. parent companies that are themselves U.S. affiliates of foreign companies. The foreign parent group consists of (1) the foreign parent of a U.S. parent, (2) any foreign person, proceeding up the foreign parent's ownership chain, that owns more than 50 percent of the person below it, 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.
2. Does not equal the total in column 3, which is derived from data reported on affiliates' forms, because of differences in timing and valuation and the inclusion of data for affiliates covered on U.S. parents' forms but exempt from being reported on affiliates' forms.

Table II.Q2

1. See footnote 1 to table II.Q1.
2. See footnote 2 to table II.Q1.
3. A U.S. parent was required to disaggregate its U.S. exports to "other" foreigners (that is, foreigners other than foreign affiliates) by country of destination only if its exports to a given country were \$250,000 or more. A U.S. parent's exports to "other" foreigners in all countries to which its exports were less than \$250,000 were reported as a single item and are classified in "unallocated."

Table II.Q4

1. See footnote 1 to table II.Q1.
2. See footnote 2 to table II.Q1.

Table II.Q5

1. U.S. imports shipped by "other" foreigners (that is, foreigners other than foreign affiliates) to U.S. parents were not disaggregated by country. Thus, data in column 11, and hence in columns 1, 12, 13, and 14, are available only for all countries combined.
2. See footnote 1 to table II.Q1.
3. U.S. imports shipped by all foreign affiliates to U.S. parents as reported on U.S. parents' forms were not disaggregated by country. Thus, data in column 15 are available only for all countries combined.
4. See footnote 2 to table II.Q1.

Table II.R2

1. All-industries total equals all-countries total in column 2 of table II.X1 and all-industries total in column 2 of table II.X2.
2. All-industries total equals all-countries total in column 5 of table II.X1 and all-industries total in column 5 of table II.X2.

Table II.S1

1. Includes interest received from affiliates.
2. Includes interest paid to affiliates, plus withholding taxes on such interest.
3. Includes sales, consumption, and excise taxes; property and other taxes on the value of assets and capital; and any remaining taxes (other than income and payroll taxes). Also includes all payments of nontax liabilities (other than production royalty payments), such as import and export duties, license fees, fines, penalties, and similar items.

Tables II.U1 and II.U2

See footnotes to table I.U1.

Tables II.V1 and II.V2

See footnotes to table I.V1.

Tables II.W1 and II.W2

See footnotes to table I.W1.

Tables II.X1 and II.X2

See footnotes to table I.X1.

Tables II.X4 and II.X5

See footnotes to table I.X4.

Group III. Majority-Owned Nonbank Affiliates of Nonbank U.S. Parents

Tables III.B2, III.B4, and III.B14

1. For table III.B2, comparable with the sum of columns 11 and 13 of table 20 in the 1983-88 annual survey publications; for table III.B4, comparable with the sum of columns 11 and 13 of table 21 in the 1983-88 annual survey publications; for table III.B14, comparable with the sum of columns 11 and 13 of table 25 in the 1983-88 annual survey publications. Current liabilities and long-term debt were collected separately in the 1983-88 annual surveys, but they were combined in the 1989 benchmark survey.
2. See footnote 1 to table II.B2.
3. See footnote 2 to table II.B2.
4. See footnote 3 to table II.B2.

Table III.C1

1. Comparable with the sum of columns 3 and 4 of table 26 in the 1983-88 annual survey publications. These items were collected separately in the 1983-88 annual surveys but were combined in the 1989 benchmark survey.
2. This item includes total owners' equity of those unincorporated affiliates for which detail on equity by type could not be provided. For these affiliates, cumulative retained earnings—which are an internal, not an external, source of funds—and translation adjustments were not reported separately and could not be excluded.
3. This item was not collected in the 1988 annual survey; thus, the change for 1988-89 is not available.
4. For all industries combined and for each of the selected industries shown, data in this line, which represents the position with all transactors combined, are related to data in tables III.B3 and III.B4 as follows: Column 2 (of this table) equals column 3 of table III.B4; column 3 equals column 8 of table III.B4; column 4 equals column 4 and that part of column 14, table III.B3, that is stocks, bonds, noncurrent receivables, and other equity investments.
5. For all industries combined and for each of the selected industries shown, data in this line, which represents the position with U.S. parents, are related to data in table III.U2 as follows: Column 2 (of this table) equals column 7 of table III.U2; column 3 equals column 3; and column 4 equals column 8 less that portion of column 8 that is the net book value of property, plant, and equipment leased by foreign affiliates to their U.S. parents under operating leases of more than 1 year. For balance of payments purposes, the value of such leased equipment is included in affiliates' receivables from U.S. parents, as shown in column 8 of table III.U2. However, in the affiliates' balance sheets, it is normally included in the property, plant, and equipment account rather than in affiliates' receivables. Thus, it would not appear in column 4 of this table, which includes receivables as reported in the balance sheet.
6. For the selected country or country group covered by this panel of table III.C1, table-to-table references in footnote 4 above apply, except that references to tables III.B3 and III.B4 should be replaced by references to the relevant country or country group line of tables III.B1 and III.B2, respectively. For example, column 2 of the Canada panel of table III.C1 equals column 3 of the Canada line of table III.B2.
7. For the selected country or country group covered by this panel of table III.C1, table-to-table references in footnote 5 above apply, except that references to table III.U2 should be replaced by references to the relevant country or country group line of table III.U1. For example, column 2 of the Canada panel of table III.C1 equals column 7 of the Canada line of table III.U1.

Table III.C2

1. See footnote 2 to table III.C1.
2. See footnote 3 to table III.C1.
3. For all industries combined and for each of the selected industries shown, data in this line, which represents the position with all transactors combined, are related to data in table III.B13 and III.B14 as follows: Column 2 (of this table) equals column 3 of table III.B14; column 3 equals column 8 of table III.B14; column 4 equals column 4 and that part of column 14, table III.B13, that is stocks, bonds, noncurrent receivables, and other equity investments.

Tables III.D1, III.D2, and III.D3

1. Includes the net book value of "transfers in" of property, plant, and equipment. For a given affiliate, "transfers in" are from its U.S. parent or from other foreign affiliates of its U.S. parent.
2. Includes restatements resulting from a change in the entity and revaluations of property, plant, and equipment to a fair market or appraised value.

Tables III.D4 and III.D5

1. See footnote 1 to table III.D1.
2. For table III.D4, column 2 equals column 3 of table III.D1; for table III.D5, column 2 equals column 3 of table III.D2.