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BUREAU OF
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Leo Maley: 523-0547

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SURVEY OF FOREIGN DIRECT INVESTMENT IN THE
UNITED STATES BEGINS

A comprehensive survey of foreign direct investment in the United States was launched today by the Bureau of Economic Analysis of the Social and Economic Statistics Administration of the United States Department of Commerce.

The purpose of the survey is to obtain complete and accurate data on the amount of foreign business investment in the United States at yearend 1974, the net increase in investment during the year, the return on investment to foreigners, the impact of such investment on the balance of payments, and the sales, employment, exports and imports, and other aspects of the operations of multinational companies which affect the United States and foreign economies.

The filing of reports for this survey is mandatory under the Foreign Investment Study Act of 1974, Public Law 93-479. Final rules and regulations for the survey will be published in the FEDERAL REGISTER of February 3, 1975. Copies of the reporting form and instructions are being mailed directly to more than 10,000 businesses in the United States that BEA believes may be required to report.

Reports are required from or on behalf of each business enterprise subject to the jurisdiction of the United States which was controlled directly or indirectly by a foreign owner or affiliated group of foreign owners at any time during the year ending December 31, 1974. Control is defined as ownership directly, or indirectly through intermediaries or affiliates, of 10 percent or more of the voting securities of an incorporated business enterprise, or an equivalent interest in an unincorporated business.

Deadline for filing completed reports is April 30, 1975. Business enterprises that are required to report but do not receive forms by February 11, should request forms and instructions from the Bureau of Economic Analysis, in order to comply with the law.

The address for requesting forms and filing completed reports is

International Investment Division
Bureau of Economic Analysis BE-50(LM)
U.S. Department of Commerce
Washington, D.C. 20230

All types of businesses are covered by the mandatory reporting requirement: corporations, U.S. branches of foreign firms, proprietorships, partnerships, and ownership of real estate acquired for other than personal use. If the foreign ownership interest in a U.S. business enterprise was held, exercised, administered, or managed by a U.S. intermediary, such intermediary is responsible for reporting the required information or instructing the U.S. business enterprise involved to respond. The United States is defined to include, in addition to the 50 States, all territories and possessions such as Puerto Rico, the Virgin Islands, Panama Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

All replies will be held in strictest confidence by the Department of Commerce under the provisions of Section 7(c) and (d) of Public Law 93-479. The information will be used for statistical and analytical purposes and will be published only in aggregate form so as to preclude disclosure of data supplied by individual reporters.

The last comprehensive study of foreign direct investment in the United States was conducted for the year 1959. Since then, the value, composition, and relative importance of these investments have changed significantly. Little detailed information is currently available on the extent and nature of the changes in foreign direct investment in the United States, and the new survey will provide this information.

The data will be classified by country of ownership of the investment and the State or territory within the United States in which it is located. In addition to the State of legal organization and State of location of the main office of the enterprise, the survey is designed to yield estimates, by State, of the business enterprises' employment, wages and

salaries paid, acreage owned and leased, and property, plant, and equipment owned. The latter item is to be further subdivided into various types, such as agricultural, natural resource, commercial and business, and industrial.

Investment in real estate, including land for agricultural production, timber production, and future development, is to be covered, as well as investment in oil, gas, and mineral properties.

In addition to investment in agricultural production, the survey will provide data on investment throughout the food chain system, from production to final sales.

The Department of the Treasury is concurrently conducting a survey of foreign portfolio investment in the United States for the year 1974. All U.S. business enterprises owned to the extent of less than 10 percent by a foreign person and not required to report in this survey of foreign direct investment, should contact the Department of the Treasury concerning reporting requirements for the portfolio survey. The address is

Foreign Portfolio Investment Project
Office of the Assistant Secretary
for International Affairs
Department of the Treasury
Washington, D.C. 20220

In certain situations, a business enterprise may be required to report in both surveys.

