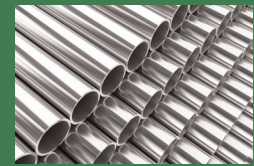


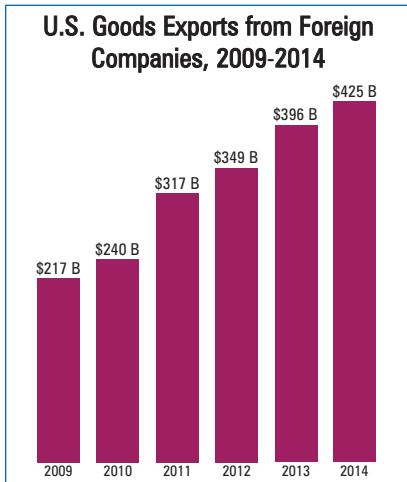
# INSOURCING BENEFITS U.S. EXPORTS



U.S. affiliates of foreign companies boost domestic exports by shipping finished goods from their U.S. factories back to their parent companies. They also use the United States as part of their global supply chains, allowing them to sell to customers around the world. These exports increase demand for raw materials and other U.S.-made inputs, a benefit for the American economy. Foreign companies in the United States accounted for more than a quarter of total U.S. goods exports in 2014.

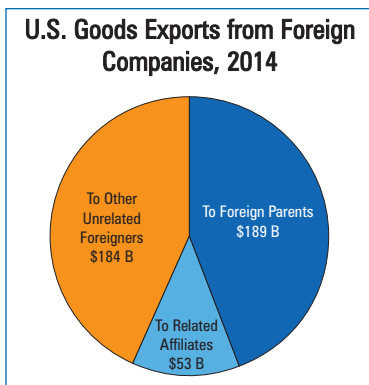
## Foreign Companies Nearly Double U.S. Exports Between 2009 and 2014

U.S. exports from American-based affiliates of foreign companies have been rising since the recession-related low of \$217 billion in 2009, totaling a combined \$1.9 trillion from 2009 to 2014. Goods shipped from the United States by foreign affiliates grew 96 percent between 2009 and 2014, reaching a record annual level. At \$425 billion, foreign affiliates accounted for more than a quarter of total U.S. goods exports in 2014.



## Nearly 60 Percent of U.S. Exports by Affiliates Shipped to Parent Companies or Related Affiliates

A large proportion of export shipments from affiliates in the United States is between related parties, or companies linked through ownership. Transactions between U.S. affiliates and their parent companies and related affiliates accounted for 57 percent of all affiliated export sales in 2014. The remainder was export sales to unrelated foreign companies.

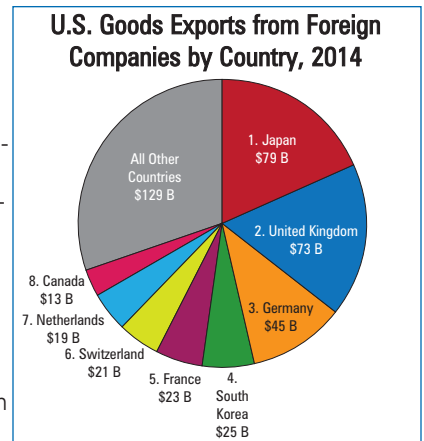


U.S. affiliated exports to their foreign parents and related affiliates are even higher in some industries, such as pharmaceuticals and medicines where nearly 90 percent of U.S. exports are transferred within multinational companies. About three-quarters of U.S. exports by transportation equipment manufacturers are sold back to their parent headquarters overseas or sister affiliates in other countries. And in the semiconductor industry more than 70 percent of exports from foreign-owned semiconductor facilities in the United States are shipped to their foreign parents or related affiliates in other countries.

Note: Content First, LLC prepared this document for the Organization for International Investment using the latest available data from the Bureau of Economic Analysis at the time of publication in November 2016. Data cover the activities of majority-owned U.S. affiliates of foreign multinational enterprises.

## Japanese and British Companies Dominate U.S. Exports from Foreign Firms

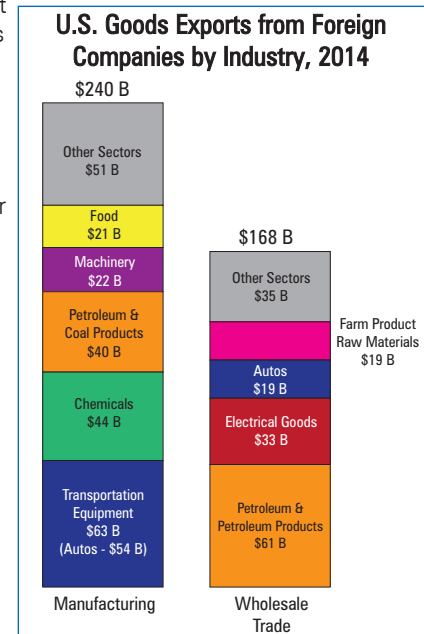
Multinationals from eight countries accounted for 70 percent of goods exports from their U.S. affiliates. Japan ranked first at \$79 billion in 2014, making up nearly a fifth of all merchandise exported from their manufacturing facilities in the United States. British companies shipped \$73 billion in goods from the United States in 2014. Of these eight countries, South Korea grew the fastest, tripling its U.S. affiliated exports between 2009 and 2014, moving from fifth place in 2013 to fourth place in 2014. The United Kingdom also nearly tripled its affiliated exports from the United States, which rose to \$73 billion in 2014 from \$26 billion in 2009.



## Transportation Equipment Is Largest Export Commodity of Foreign Companies in the United States

Transportation equipment made up more than a quarter of total manufactured exports shipped by U.S. affiliates in 2014, and autos composed 85 percent of these exports. Chemicals accounted for nearly a fifth of total manufactured exports from all foreign-owned companies. Foreign companies also bolstered U.S. exports in several other industrial sectors, such as petroleum and coal products, machinery, and food.

Wholesale trade plays an important role for some industries in selling their products overseas. In 2014, these shipments were valued at \$168 billion. Petroleum and petroleum products made up more than a third of wholesale trade exports in 2014.



Taken together, manufacturing and wholesale trade made up 96 percent of all U.S. exports from American affiliates of foreign companies in 2014.

ORGANIZATION FOR INTERNATIONAL INVESTMENT  
1225 NINETEENTH STREET, NW, SUITE 501  
WASHINGTON, DC 20036  
WWW.OFII.ORG • 202.659.1903

# Appendix: U.S. Goods Exports from Foreign Companies

(millions of dollars)

## U.S. Exports from Foreign Companies by Selected Country

	<u>2014</u>
<b>Europe</b>	<b>\$227,799</b>
Belgium	\$2,587
Denmark	\$922
Finland	\$1,550
France	\$22,720
Germany	\$45,014
Ireland	\$7,812
Italy	(D)
Netherlands	\$18,547
Spain	\$1,194
Sweden	\$8,186
Switzerland	\$20,510
United Kingdom	\$73,483
<b>Asia and Pacific</b>	<b>\$116,906</b>
Australia	\$4,369
China	\$3,413
Hong Kong	\$1,019
India	\$1,482
Japan	\$78,711
Singapore	\$1,364
South Korea	\$24,846
Taiwan	\$698
<b>Caribbean</b>	<b>\$47,108</b>
Bermuda	(D)
United Kingdom Islands, Caribbean	\$2,251
<b>Canada</b>	<b>\$12,796</b>
<b>South and Central America</b>	<b>\$9,890</b>
Brazil	\$5,617
Mexico	\$991
Venezuela	(D)
<b>Middle East</b>	<b>\$3,471</b>
Israel	\$599
Saudi Arabia	\$2,336
United Arab Emirates	(D)
<b>Africa</b>	<b>\$1,096</b>
South Africa	\$1,096
<b>Addenda:</b>	
BRICS*	\$11,608
European Union (28)	\$205,786

## U.S. Exports from Foreign Companies by Selected Industry

	<u>2014</u>
<b>Manufacturing</b>	<b>\$240,242</b>
Beverages & tobacco products	\$2,046
Chemicals	\$43,631
Basic chemicals	\$17,475
Pharmaceuticals & medicines	\$16,233
Computers and electronic products	\$14,968
Navigational, measuring, & other instruments	\$8,029
Semiconductors & other electronic components	\$5,235
Electrical equipment, appliances, & components	\$6,726
Food	\$20,727
Machinery	\$21,744
Medical equipment & supplies	\$2,906
Nonmetallic mineral products	\$1,570
Paper	\$1,608
Petroleum & coal products	\$39,918
Plastics & rubber products	\$6,674
Primary & fabricated metals	\$9,934
Transportation equipment	\$63,046
Aerospace products & parts	\$7,901
Motor vehicles, bodies & trailers, & parts	\$53,895
<b>Wholesale trade</b>	<b>\$168,115</b>
Electrical goods	\$32,662
Farm product raw materials	\$19,393
Motor vehicles & motor vehicle parts & supplies	\$19,463
Petroleum & petroleum products	\$61,214
<b>Mining</b>	<b>\$10,078</b>
<b>Information</b>	<b>\$1,241</b>
Publishing industries	\$786
<b>Professional, scientific, &amp; technical services</b>	<b>\$1,001</b>
<b>Retail trade</b>	<b>\$757</b>

(D) Suppressed to avoid disclosure of individual companies.

\*The BRICS countries are Brazil, Russia, India, China, and South Africa. This BRICS total does not include Russia.

Note: Data are the latest at the time of publication in November 2016 and cover U.S. affiliates of majority-owned foreign multinational enterprises.

Source: Bureau of Economic Analysis