

Visual Essay

Activities of U.S. Multinational Enterprises in 2021

December 5, 2023

The U.S. Bureau of Economic Analysis (BEA) recently released statistics on the [activities of U.S. multinational enterprises](#) (MNEs) in 2021. These statistics provide a picture of the overall activities of U.S. parent companies and their foreign affiliates and contain a wide variety of indicators of their financial structure and operations. The statistics cover items that are needed to analyze the characteristics, performance, and economic impact of U.S. MNEs on the U.S. and foreign economies, and are obtained from mandatory surveys of U.S. MNEs conducted by BEA.

Key Terms

A **U.S. MNE** is composed of the U.S. parent and its foreign affiliates.

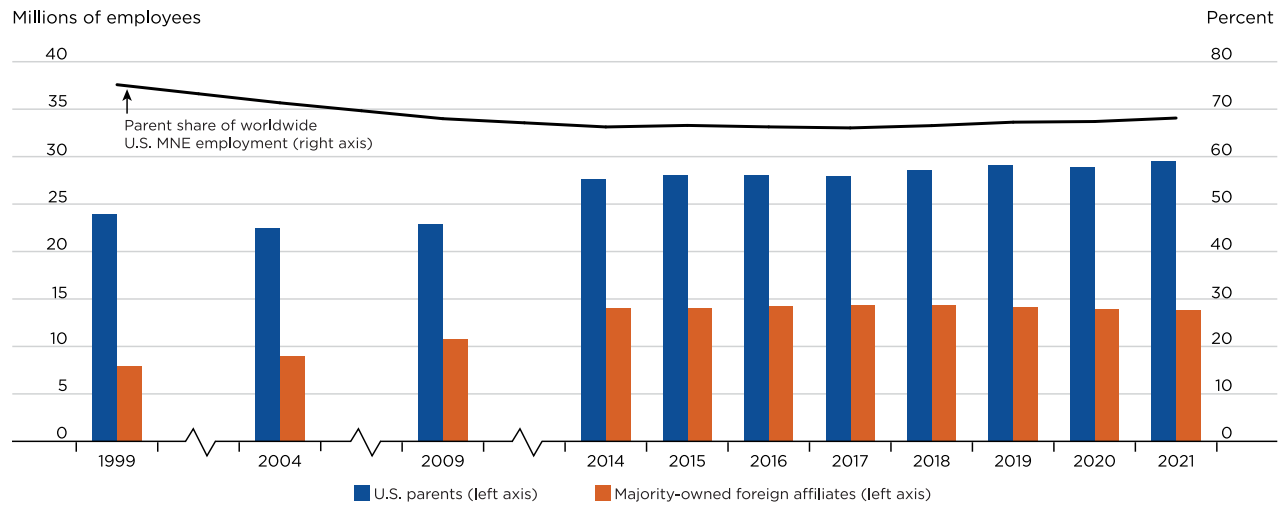
A **U.S. parent** is a person (in the broad legal sense to include any individual, partnership, corporation, or other form of organization), resident in the United States, that owns 10 percent or more of a foreign business enterprise, referred to as its foreign affiliate.

A **majority-owned foreign affiliate (MOFA)** is a foreign business enterprise in which the combined ownership of all U.S. parents, either directly or indirectly, exceeds 50 percent. Data are available in greater detail for majority-owned affiliates than for all affiliates (those owned at least 10 percent by their U.S. parents) in order to feature the firms that are unambiguously controlled by the U.S. MNE.

The following charts present highlights of BEA U.S. MNE statistics for 2021. Much more detail, including additional data items, can be found on the [“Activities of U.S. Multinational Enterprises” product page](#).

Employment¹

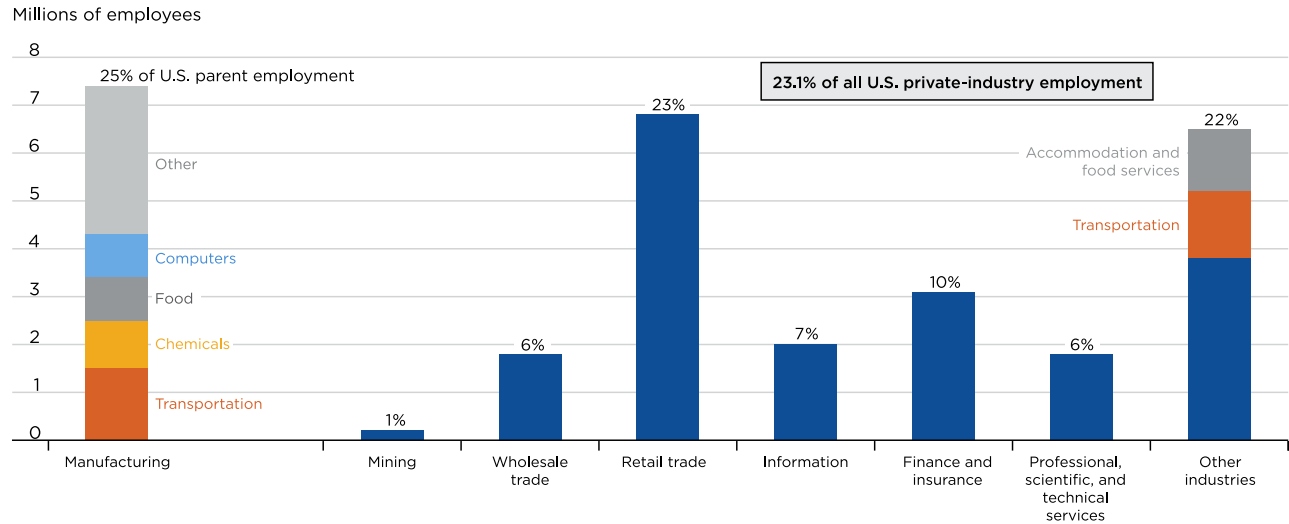
Chart 1. U.S. MNE Employment, 1999–2021



MNE: Multinational enterprise
 U.S. Bureau of Economic Analysis

- Worldwide employment by U.S. MNEs increased 1.1 percent to 43.3 million workers in 2021 from 42.9 million workers in 2020. Employment in the United States by U.S. parents increased 2.2 percent to 29.5 million workers, while employment abroad by majority-owned foreign affiliates decreased 1.2 percent to 13.8 million workers.
- U.S. parent employment accounted for 68.1 percent of worldwide employment by U.S. MNEs, while majority-owned foreign affiliate employment accounted for 31.9 percent.

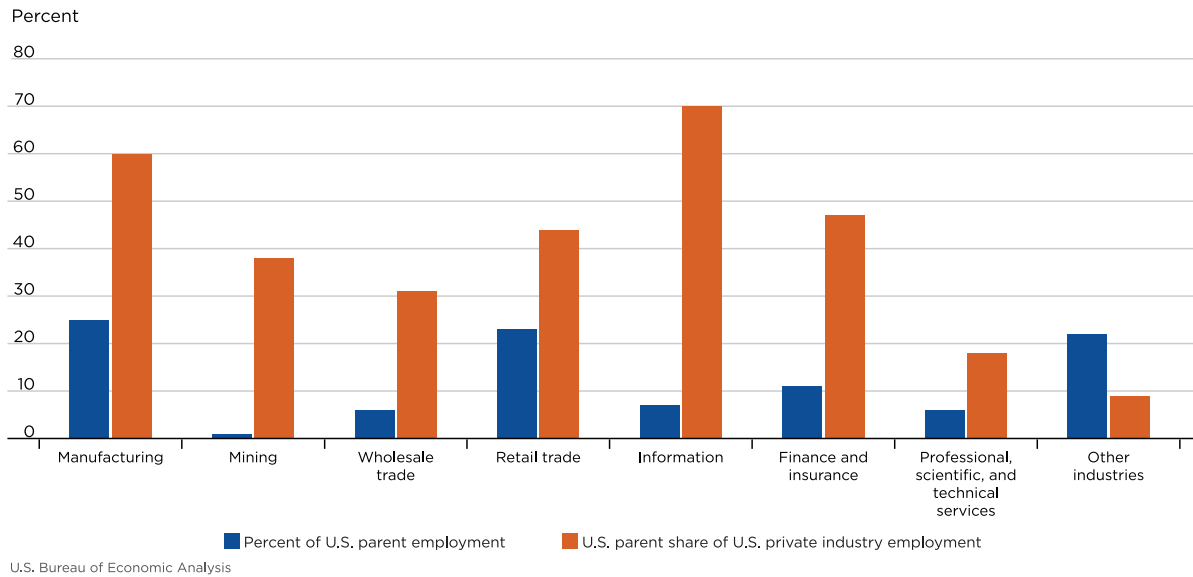
Chart 2. U.S. Parent Employment by Industry, 2021



U.S. Bureau of Economic Analysis

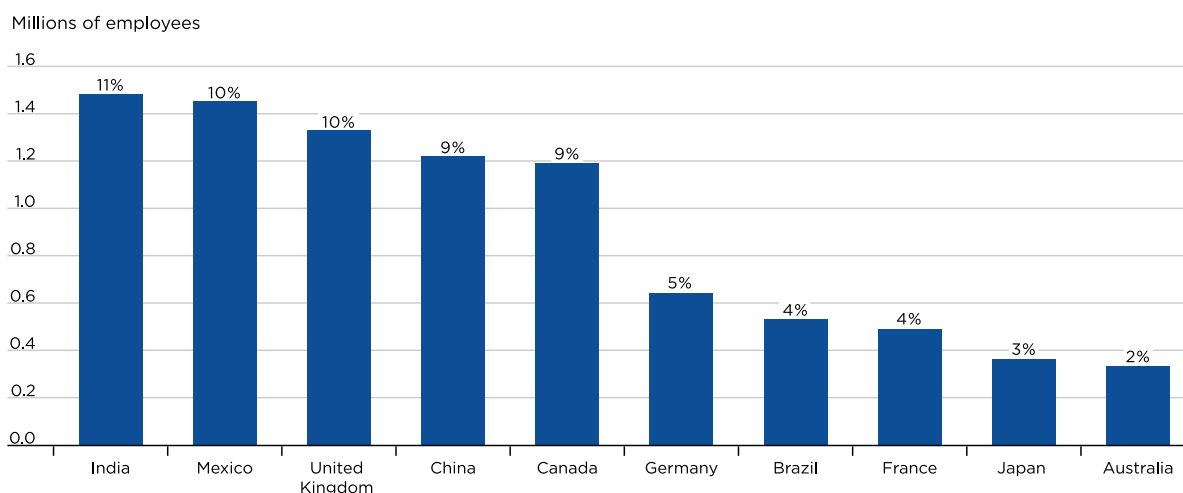
- U.S. parents accounted for 23.1 percent of all U.S. private-industry employment in 2021, down from 23.5 percent in 2020.
- The manufacturing sector accounted for 25 percent of U.S. parent employment. Within manufacturing, transportation equipment employed the most workers, followed by chemicals and food. Retail trade accounted for 23 percent of U.S. parent employment.
- Within other industries, transportation and warehousing, along with accommodation and food services, employed the most workers.
- Employment increased in all major industry categories with the exception of mining and other industries.

Chart 3. Shares of U.S. Parent Employment by Industry, 2021



- Chart 2 illustrates the percentage of U.S. parent employment by industry. Chart 3 compares those shares to the share of U.S. parent employment by U.S. private-industry sector. (Table 6.4D “[Full-Time and Part-Time Employees by Industry](#)” was used to calculate U.S. parent share of U.S. private-industry employment in chart 3.)
- U.S. parents in the manufacturing sector accounted for 60 percent of U.S. private-industry manufacturing employment.
- Information accounted for 7 percent of U.S. parent employment and 70 percent of U.S. private-industry information employment.

Chart 4. MOFA Employment by Country, 2021

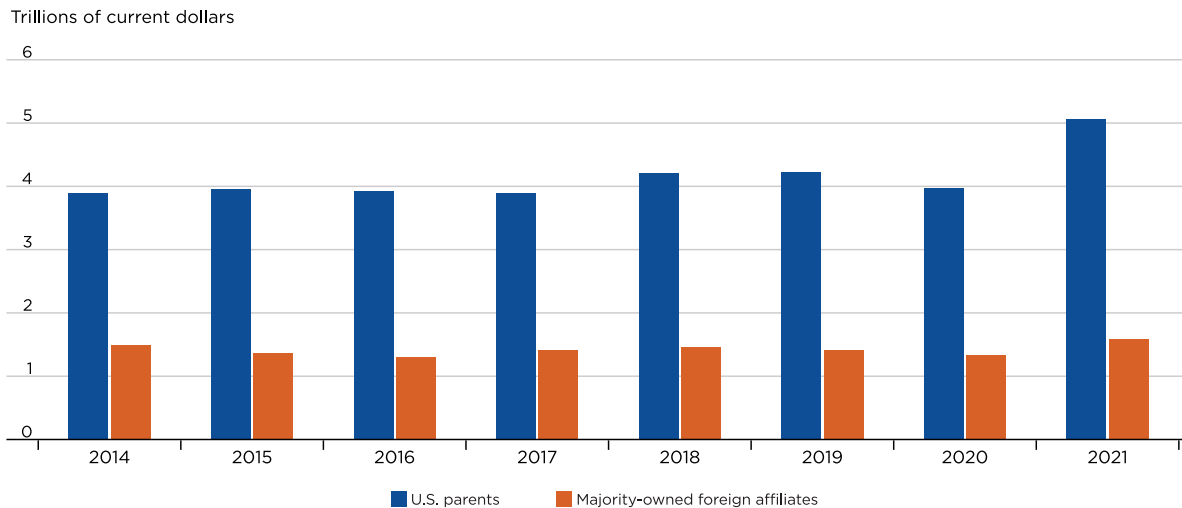


MOFA Majority-owned foreign affiliate
U.S. Bureau of Economic Analysis

- The countries with the largest employment by majority-owned foreign affiliates were India, Mexico, the United Kingdom, China, and Canada. Together, these five countries accounted for nearly half of all majority-owned foreign affiliate employment.
- In India, the largest industry was professional, scientific, and technical services. In Mexico, the largest industry was manufacturing, while other industries accounted for the largest share in the United Kingdom.

Value Added²

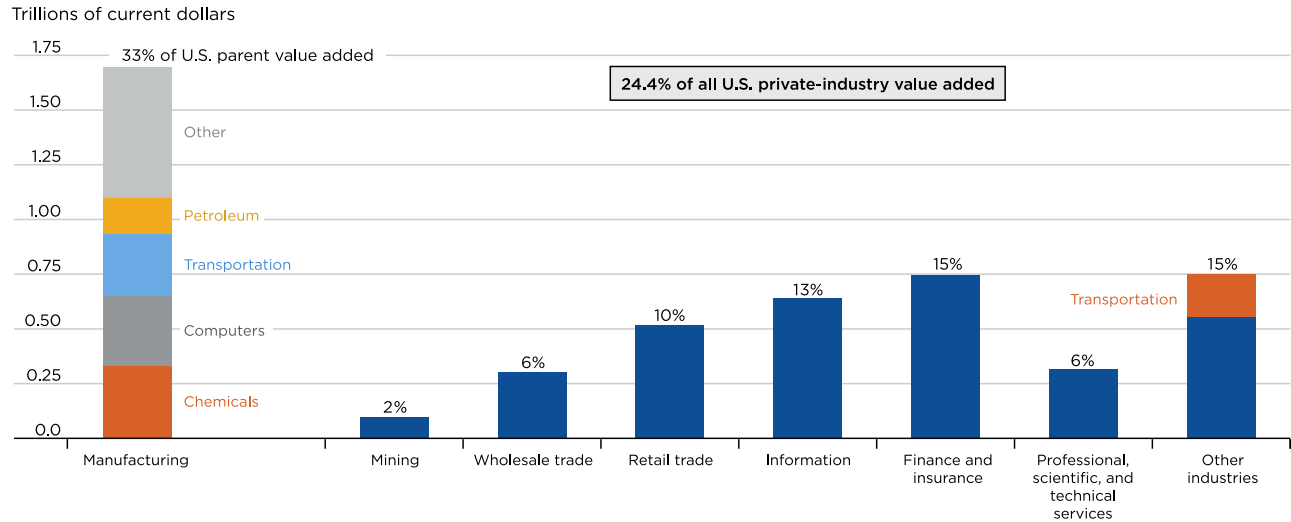
Chart 5. Worldwide U.S. MNE Value Added, 2014–2021



MNE: Multinational enterprise
U.S. Bureau of Economic Analysis

- Current-dollar value added of U.S. parents, a measure of their direct contribution to U.S. gross domestic product, increased 27.7 percent to \$5.1 trillion. The industry with the largest increase was manufacturing.
- Majority-owned foreign affiliate current-dollar value added increased 18.6 percent to \$1.6 trillion. The largest increase was in the manufacturing industry.
- U.S. parents accounted for 76 percent of worldwide value added by U.S. MNEs, while majority-owned foreign affiliates accounted for the remaining 24 percent.

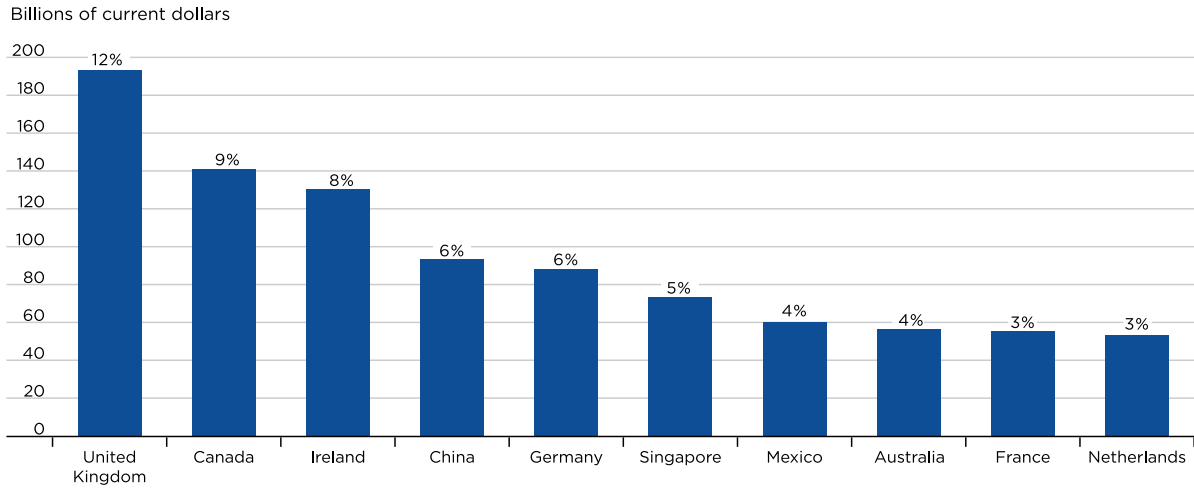
Chart 6. U.S. Parent Value Added by Industry, 2021



U.S. Bureau of Economic Analysis

- U.S. parents accounted for 24.4 percent of all U.S. private-industry value added, up from 21.3 percent in 2020.
- The industry that accounted for the largest share of U.S. parent value added was manufacturing, accounting for 33 percent of the total.
- Other industries and finance and insurance were second and third, respectively, with transportation and warehousing contributing the largest share within other industries.

Chart 7. MOFA Value Added by Country, 2021

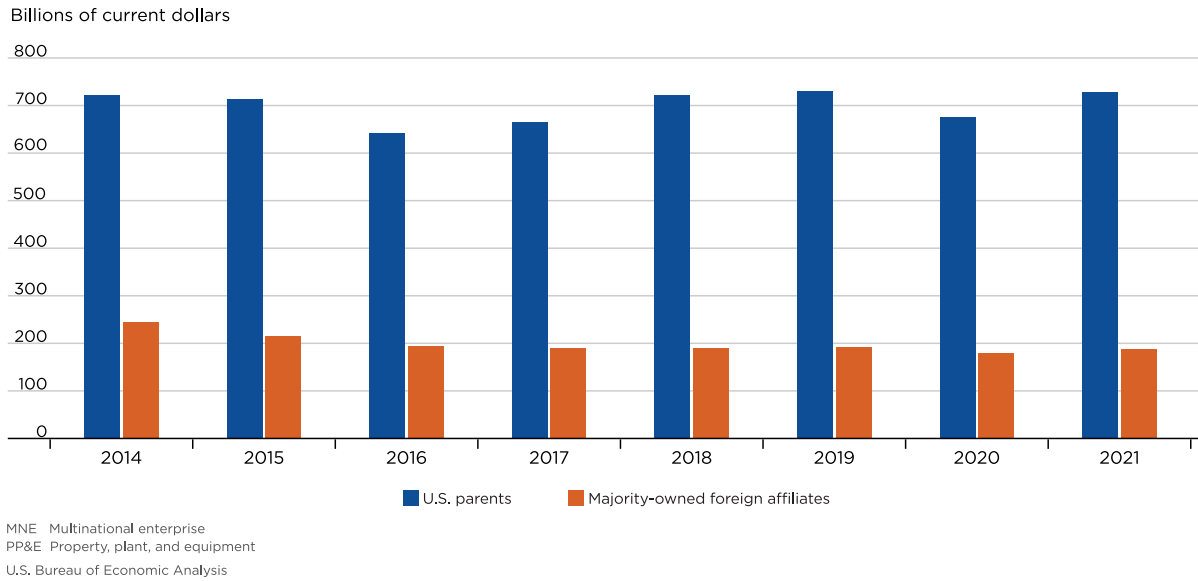


MOFA Majority-owned foreign affiliate
U.S. Bureau of Economic Analysis

- The three countries with the largest value added by majority-owned foreign affiliates were the United Kingdom, Canada, and Ireland. Together, these three countries accounted for 29 percent of global majority-owned foreign affiliate value added.
- Manufacturing was the largest industry contributor to value added within all three of these countries.

Property, Plant, and Equipment³

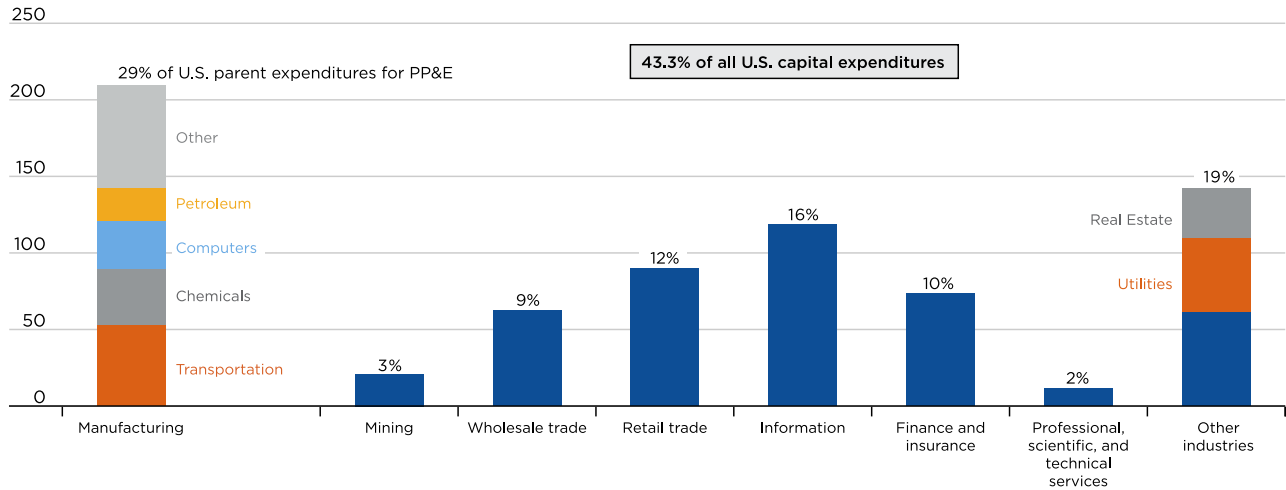
Chart 8. Worldwide U.S. MNE PP&E Expenditures, 2014–2021



- U.S. parent expenditures for property, plant, and equipment (PP&E) increased 7.8 percent to \$729 billion. The largest increase was in the retail trade industry.
- Majority-owned foreign affiliate PP&E expenditures increased to \$189 billion.
- U.S. parents contributed 79 percent of worldwide PP&E expenditures by U.S. MNEs, while majority-owned foreign affiliates contributed the remaining 21 percent.

Chart 9. U.S. Parent PP&E Expenditures by Industry, 2021

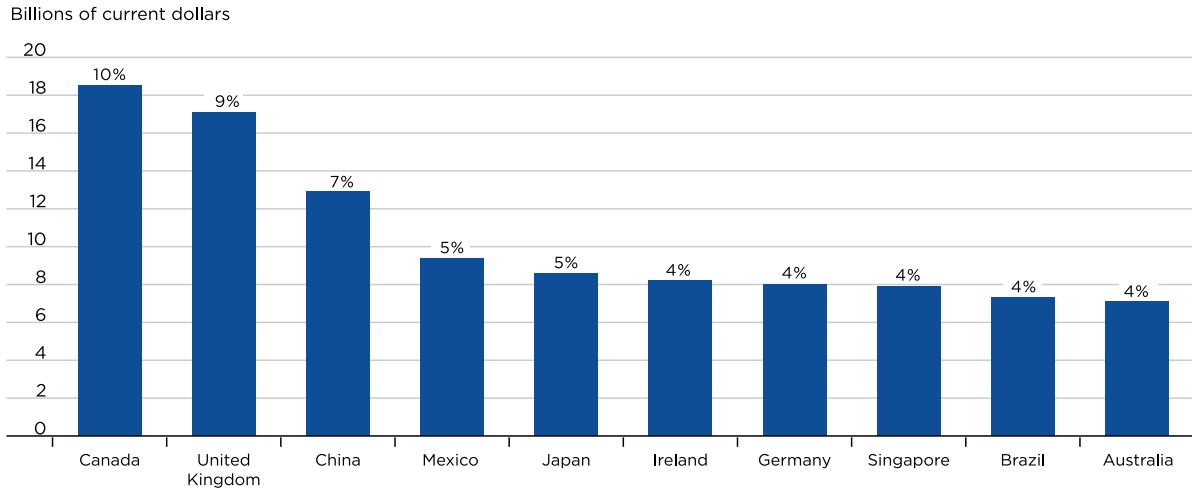
Billions of current dollars



PP&E Property, plant, and equipment
U.S. Bureau of Economic Analysis

- U.S. parents accounted for 43.3 percent of all U.S. PP&E expenditures, a higher share than for employment and value added.
- The industries with the largest U.S. parent PP&E expenditures were manufacturing (29 percent), other industries (19 percent), and information (16 percent).
- Within other industries, utilities and real estate and rental and leasing contributed the largest shares.
- PP&E expenditures increased in all major industry categories with the exception of mining.

Chart 10. MOFA PP&E Expenditures by Country, 2021

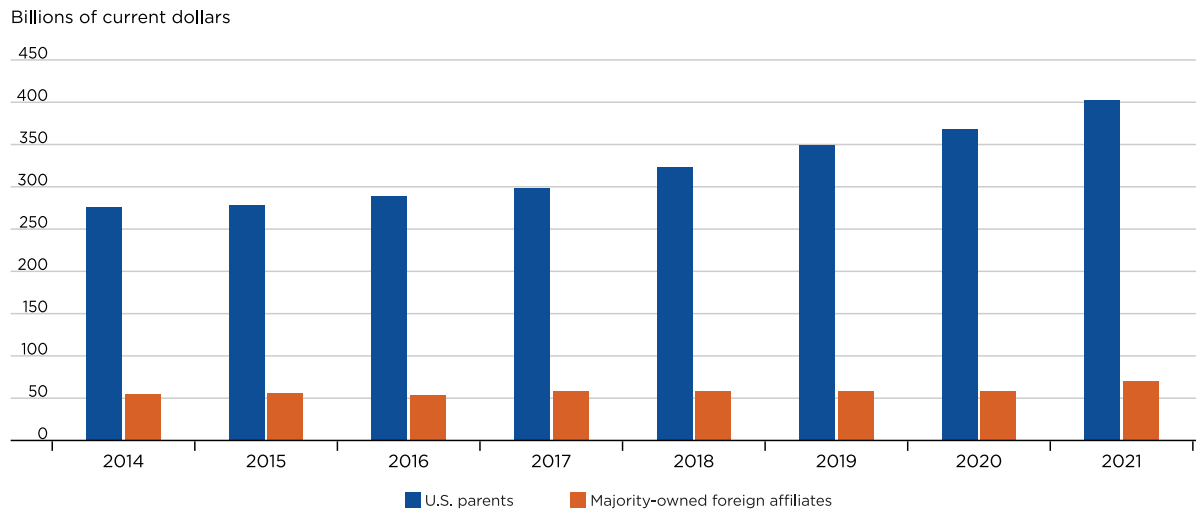


MOFA Majority-owned foreign affiliate
PP&E Property, plant, and equipment
U.S. Bureau of Economic Analysis

- The countries with the largest PP&E expenditures by majority-owned foreign affiliates were Canada, the United Kingdom, and China. These three countries accounted for approximately one-quarter of total majority-owned foreign affiliate PP&E expenditures.
- Manufacturing accounted for the largest share of PP&E expenditures in China, while other industries accounted for the largest share in Canada and the United Kingdom.

Research and Development Expenditures⁴

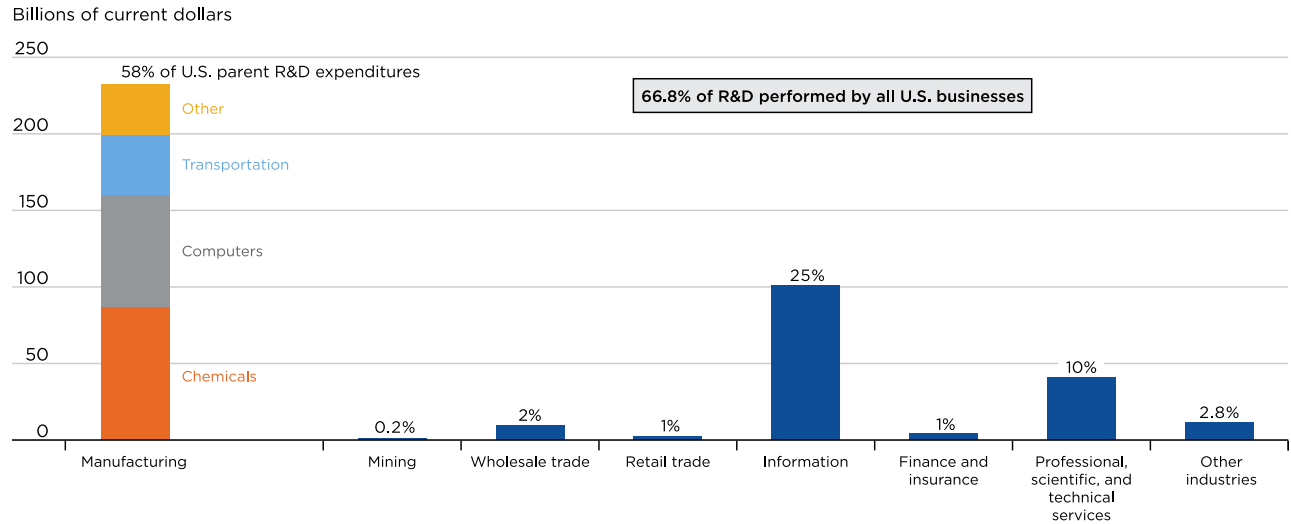
Chart 11. Worldwide U.S. MNE R&D Expenditures, 2014–2021



MNE Multinational enterprise
R&D Research and development
U.S. Bureau of Economic Analysis

- Research and development (R&D) expenditures by U.S. parents increased 9.6 percent to \$402.7 billion. The largest increases were in the computers and electronic products manufacturing and the information industries.
- R&D expenditures by majority-owned foreign affiliates increased to \$70 billion.
- U.S. parents accounted for 85 percent of all worldwide R&D expenditures by U.S. MNEs, while majority-owned foreign affiliates contributed the remaining 15 percent.

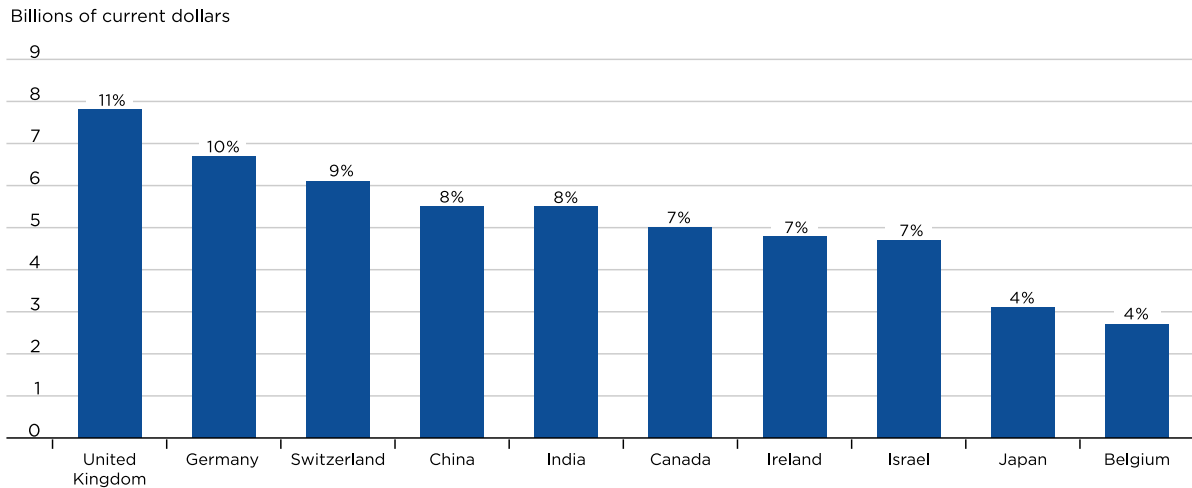
Chart 12. U.S. Parent R&D Expenditures by Industry, 2021



R&D Research and development
U.S. Bureau of Economic Analysis

- U.S. parents accounted for 66.8 percent of all R&D expenditures by U.S. businesses, a substantially higher share than the U.S. parent share of U.S. business value added or employment.
- Manufacturing accounted for the largest share of U.S. parent R&D expenditures, making up nearly two-thirds of the total. Information was the second-largest industry.

Chart 13. MOFA R&D Expenditures by Country, 2021



MOFA Majority-owned foreign affiliate
R&D Research and development
U.S. Bureau of Economic Analysis

- The three countries with the largest R&D expenditure by majority-owned foreign affiliates were the United Kingdom, Germany, and Switzerland. These three countries accounted for 29 percent of all majority-owned foreign affiliate R&D expenditures.
- By industry, the largest contributor to R&D expenditures in the United Kingdom was information and in Germany was manufacturing.

Footnotes

1. Employment covers the total number of full-time and part-time employees on the payroll at the end of the entity's fiscal year.
2. Value added is the value of the final goods and services produced by a firm's labor and property. Value added represents the firm's direct contribution to the gross domestic product of the firm's country of residence.
3. Expenditures for property, plant, and equipment cover expenditures for land and depreciable structures and equipment.
4. Research and development (R&D) expenditures include expenditures for R&D performed by the U.S. parent or the affiliate, whether the R&D was for their own use or for use by others and irrespective of the source of funding.



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